City of Santa Barbara
Planning Division

PLANNING COMMISSION MINUTES

July 21, 2016

CALL TO ORDER:

Chair Campanella called the meeting to order at 1:03 P.M.

I. **ROLL CALL**

Chair John P. Campanella, Vice-Chair June Pujo, Commissioners Jay D. Higgins, Mike Jordan, Sheila Lodge, Deborah L. Schwartz, and Addison Thompson.

STAFF PRESENT:

Debra Andaloro, Principal Planner
Beatriz Gularte, Senior Planner
Rosemary Dyste, Project Planner
Rob Dayton, Principal Transportation Planner
Irma Unzueta, Project Planner
N. Scott Vincent, Assistant City Attorney
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.

Ms. Gularte made the following announcements:

1. The Planning Commission meetings of August 4, 2016, and August 18, 2016, are cancelled.
2. The Planning Commission's decision on 1417 San Miguel Avenue will be heard on appeal by City Council on Tuesday, July 26, 2016.

C. Review, consideration and action on the following draft Planning Commission Minutes and Resolutions:

1. July 7, 2016

2. PC Reso No. 017-16
1925 El Camino de la Luz – FMND

Commissioner Higgins requested clarification of the format used for the minutes. Planning Commission Secretary Julie Rodriguez responded that the format is to record the action of the Commission, which is often a motion, with inclusion of a summary sentence for any Commissioner found in the minority position of the motion.

MOTION: Lodge/Thompson
Approve the minutes and resolution.

This motion carried by the following vote:

Ayes: 6 Noes: 0 Abstain: 1 (Jordan). Absent: 0

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

Chair Campanella opened the public hearing at 1:06 P.M. and the following comments were made:

1. Denise Spangler Adams, Montecito Vista, spoke to the land development agreement made by the City after the Sycamore Fire that required land owners within the Montecito Vista development to maintain twenty six conditions that were to run with the land. All original property owners have these conditions. As properties have been sold, these conditions are not being made known to new property owners, which is a concern due to the development being in a high fire area. She request that the Planning Commission improve communication so that all future owners understand the responsibilities of the conditions that run with the property.

2. Lee Moldaver, Citizens Planning Association (CPA), intended to speak about CPA's Annual Meeting at the Pico Adobe on Saturday, July 23, 2016. Instead, he was inspired to share a tribute to Sue Higman and provided recollections of her contributions to CPA.

With no one wishing to speak, the hearing was closed at 1:13 P.M.

III. DISCUSSION ITEM

ACTUAL TIME: 1:13 P.M.

AVERAGE UNIT DENSITY (AUD) INCENTIVE PROGRAM

Staff will discuss the Average Unit-Size Density (AUD) Incentive Program (Santa Barbara Municipal Code Chapter 28.20). The purpose of the meeting will be to review the AUD Incentive Program policy objectives in the General Plan and Zoning Ordinance and consider whether the stated objectives are being met and/or if minor ordinance amendments should be considered.

The AUD Incentive Program carries out a key program directed by the 2011 General Plan. The Program facilitates the construction of smaller housing units by allowing increased

density and development standard incentives in selected areas of the City. Housing types that provide housing opportunities to the City's workforce are encouraged and facilitated by the program.

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Debra Andaloro, Principal Planner, gave the Staff presentation. Rosemary Dyste, Project Planner; Irma Unzuerta, Project Planner; and Rob Dayton, Principal Transportation Planner, were available to answer any of the Commission's questions.

Members of the Architectural Board of Review (ABR) and Historic Landmarks Commission (HLC) were invited to attend and provided the following comments:

1. Bill Mahan, Historic Landmarks Commission (HLC) Member, approved of Staff's report. He referenced HLC's challenges with 2 recent AUD projects: 800 Santa Barbara Street and 1032 Santa Barbara Street where they considered the projects to be too dense. A general rule of architecture is that "form follows function". If the function is to put as many units as possible in a building and the HLC has no say on the function, then the building starts to bulge and the HLC senses it when looking at the architecture's size, bulk and scale pushing out. He wishes that the ordinance provided more breadth with tools to give the HLC some discretion, such as with parking requirements. It is good if the developer and the reviewing body can be on the same wave length. Presently the AUD seems to give the Applicant the ability to make larger building, while the HLC is challenged with maintaining the size, bulk, and scale and resulting in a struggle between the Applicant an the reviewing body.
2. Judy Orias, HLC, was delighted to see that AUD is taking into account grocery store and bus service. One thing that is missing is consideration for children that will live in the AUD units. Parks and facilities for children need to be considered. Recently HLC saw a project that proposed a 4-bedroom unit and suggested to either limit the number of bedrooms in a unit or increase the parking. She is concerned with compatibility of proposed buildings with adjoining buildings, particularly in the El Pueblo Viejo. She suggested that consideration be given to the location and the possibility of children in the units; the number of bedrooms and the parking requirement; and design compatibility in the area. There needs to be flexibility in the AUD to allow projects to succeed in the quality of life for the people who will live in them. We also need to make sure that the units are for workforce housing.
3. Howard Wittausch, Architectural Board of Review (ABR), stated that the AUD projects fall into two parts. One part is in the commercial district on large lots adjacent to other buildings on large lots. The other part is projects proposed in neighborhoods zoned R-2 and R-3. Projects in commercial zones seem appropriate to those districts. In the neighborhood areas, the AUD projects are 4-stories, packed to the property lines, at grade-level parking, and usually adjacent to 1 or 2-story single family residences. Many neighbors appear at meetings objecting to the projects. ABR is

challenged to hear the neighborhood comments and not be influenced. He asked for consideration in reducing building height in neighborhood projects, not allowing the projects to be exempt from the setbacks, and from other architectural nuances that would allow ABR to review a project for size, bulk, and scale in that neighborhood. The way AUD projects are being developed is an intrusion to the neighborhoods and is shocking. In the neighborhoods, one project came to ABR that was more like a dormitory with 10 bedrooms, each of which constitutes a unit. Work force housing is not for families and not for children. Because the projects are so packed on the lot, the amount of open space, individually and collectively, is minimal.

Chair Campanella opened the public hearing at 2:01 P.M.

The following public comments were made:

1. Michael Noland, purchased a unit on West De la Guerra, adjacent to a proposed AUD development. He is concerned with the loss of sunshine, views, privacy, noise, and parking. This is near De la Guerra and Chapala Street where there is already no parking. He is concerned with the impact the project will have on his home and with the increased density. He does not want Santa Barbara to become like West Los Angeles.
2. Mark Sheridan, asked that all neighborhoods, not just El PuebloViejo, be protected. Asked that the AUD program take a pause and evaluate real data. He stated that Staff seems biased in support for the program and that their concerns are being patronized. He asked that staff question the assumptions made on parking exemptions. He asked that Staff look at the unintended consequences of the policies that are destroying neighborhoods. He questioned the special districts and streamlining of projects.
3. Kathy Houlihan has followed an AUD project proposed for her neighborhood. There is one parking space, with possible tandem parking, for 1-bedroom units. The parking does not take into account the business in the building or service providers to the building. HLC cannot deal with parking, but the City needs to address it. Affordability is a major reason for the AUD program, yet these units are not affordable in Downtown as architects bulge the buildings. Trees will be lost. Light will be sacrificed. Individual outdoor private space for recreation and enjoyment is sacrificed for communal out door roof congregation.
4. Lindsey Baker, League of Women Voters, initially supported the AUD program to relieve the City's chronic shortage of affordable housing and recognized adaptive management as a key element of the program. This experiment is not even close to completion. There are 900 reported units in the planning pipeline. It is estimated that it will be 3 years before we see the results and not know how many projects will be in the pipeline by then. The number of applications submitted was never anticipated and not triggering adaptive management. The league recommends that the City take a pause in taking any more projects in the high density and priority housing categories until the initial projects have been properly analyzed and adjustments made to the program. Changes may need to be made more immediately in such areas as size, bulk,

scale and compatibility, parking, whether the occupants are part of the work force, and water. This experiment has come off the tracks and needs to be put back on the rails.

5. Joe Rution acknowledged Santa Barbara's long tradition of growth management. In recent years, we have eased up on this to create local workforce housing. This community consent is conditioned on whether or not these projects will work. If they do not work, then it does not matter how many development applications are in the pipeline. He is concerned that the program is based on huge assumptions. One assumption being that if we build small units that they will go to Santa Barbarians. It is possible that the units will go to people out of the area and why adaptive management is so important. He suggests a pause to be able to do the adaptive management analysis to see how the program is working. We can then either modify, or terminate the program.

6. Mark Kirkhart, Design Architects, stated that to judge this program on the 'breadth taking number of units that will be built', is not accurate. Getting a product application submitted is a far cry from actually getting the unit built. Beyond design board approval, the Applicant has to contend with financing, economic variables, etc. He suggested that we need to keep the pace and get to 250 units of certificates of occupancy. This may take longer than what has been anticipated. Regarding parking and cars, he said that we are in an unprecedented part in history to know how cars will be effecting our lives. There will be autonomous vehicles in the near future. There are fewer 16 year olds even applying for licenses due to diminished interest in driving. He suggested a permit parking program for off hour parking for Downtown AUD projects as a stop gap. He noted that The Marc took 6 months through the entitlement process and the streamlined process was helpful. It took a year total to get to building permit.

7. Mary Louise Days, request that AUD map be looked at carefully with regard to areas near historic buildings and El Pueblo Viejo. If the backlog of proposed projects are constructed in outer State Street area , the traffic and parking will be unbearable. The architectural renderings of some proposed projects show that the ABR is forgetting its mandate about respecting Santa Barbara's heritage and recognizing its architectural character.

8. David Myers, 1032 Santa Barbara St., submitted a memo with recommendations. He stated that in Downtown there are city lots going unused at nighttime as well as a city permit program. If City staff would recommend that AUD tenants be able to use a Downtown parking permit to the closest parking lot structure when it is not in use, then it could help with parking utilization. He also asked Staff to review the seventy-five minute restriction on Saturdays that could allow families to use parking when it is not being used for business purposes. He cited a University of Michigan study that found only thirty-one percent of households only have 1 vehicle. Not everyone uses more than one vehicle. It is expected to go from 2.1 vehicles per household to 1.2 per household with use of shared vehicles, Uber, and autonomous driving. With regard to size, bulk, and scale, AUD is less restrictive than developing under mixed use or commercial.

9. Kellem de Forest said the look of Santa Barbara is what make unique and attractive, as well as a magnet for tourists that support the economy. The AUD program works counter to this because it encourages bulky, oversized, structures located in inappropriate spots. This will detract from the look of Santa Barbara, making Santa Barbara look like any other city, and detour tourists from wanting to come to Santa Barbara.

10. Naomi Green stated that the AUD program conceptually is admirable. Somewhere along the way, it has gotten out of control. A proposed project on 711 Milpas Street is bulging at 4-stories in a neighborhood of low mom and pop stores and 1-story houses. This will look like a monstrosity in the neighborhood. The neighborhood already has congested parking. The idea of eliminating parking is not realistic when transit does not exist today to support this concept. We think about parking, but should be thinking of transit options with these developments

11. Steve Harrel could not stay but is in support of the AUD program

12. Natalia Govoni, said that the Sahara Desert, Easter Island and Santa Barbara all share something in common. They were all once lush green space. She cautioned against damaging our eco-system and held up pictures of recent AUD projects stating that someone has to say "stop", "enough", "not on my watch". We have to consider the consequences of what we enact.

13. Brian Barnwell submitted written document and supports Mr. Mahans comments on the limitations of the ABR and HLC . They do not do site visits which would be needed to allow for compatibility judgment of neighborhoods. Agrees with Mr. Wittausch that there needs to be a difference between commercial zones and R-2 and R-3 zones. There are few appeals seen because there are few neighbors in C-2 areas or neighbors not invested in the neighborhood. It doesn't mean the neighborhood is behind the project. Design dictates the rent rate. There is no restriction on how the developer designs the units. The rent rates are going to go up because the units are being well-designed and will not attract the intended renter that the units were built for. It is OK for the City to create wealth for multi-unit owners, but the City should step into the process and nuance it so that it is not left to the design review boards that are handcuffed. On size, bulk, and scale, there should not be 3-bedroom designs. Direction should be given to design boards on how to interpret the laws. With regard to parking, suggest doing a red curb study to see what may need repainting and restriping.

14. Anne Peterson, Executive Director of Trust for Historic Preservation, remains concerned with the potential effects of AUD projects in the sensitive historic area of El Pueblo Viejo. Requests that the AUD process include review of the map of properties which are allowed to request AUD projects. There are properties that are in the El Pueblo Viejo District, and in some cases adjacent to historic properties.

15. Mickey Flacks spoke to the fear of density being misplaced, citing reference to New York which has the most energy efficiency per capita than any city and also has residents with longer life spans than any city in the country. Most residents in Santa Barbara are renters, so should not be feared. The AUD program could use some improvements: 1. Lease agreements should restrict use for only primary residents. 2.

No subletting would be allowed. 3. Inclusionary units should be included, even with a workforce notion. 4. Rent rates should be presented to the City in the pro forma so that we know what the intended rates will be charged by the developer. Agreed with Mr. Barnwell that the City has the right to make certain demands of the developer.

16. Maggie Campbell, Downtown Santa Barbara Executive Director, has lived in dense downtown areas and wanted to comment on how she thinks this kind of development will play out in a historic neighborhood. Saw developers obtain entitlements and concessions under mixed use, but did not bring mixed use. Instead maximized their projects for optimum housing. She does not see apartment developments adjacent to commercial areas as bringing walkability. State Street will not provide residential serving retail. You will see this on side streets or ground floors of projects. If developers are only developing 500-1000 square feet commercial spaces, it will not be enough for retail tenants to be able to pay the rent. You will end up with liquor stores on the corners and multiple car trips. Think about holding developers to mixed use, besides having units.

17. Jan Banister, shared three points: 1. Of the 270 units shown as more than likely to be done, 90 units (Hope Avenue) were left out bringing the number to 360 units. 30 parking spaces were allowed for 90 units. 2. The AUD program was to be spread over the city, however, over 50% of the development is pegged for the Upper State Street commercial zoning corridor. She questioned how all this development could go on when there no parking up there now. 3. All assumptions about this development being appropriate to support affordable rentals for workforce housing does not seem to be happening. If there were families that were to go into the approved 300 units, there are no parks to support the families. Urged to close the program now that there are 300 approved units to review the downsides.

18. Lisa Plowman Coastal Housing Coalition Board Member, reflected on all the work done during the General Plan to come up with the AUD program. Data is needed before we can tweak the program or we will encounter unintended consequences. Size, bulk and scale is working as a project goes through the process. With regard to parking, we are in a transitional point in our lifetime with car ownership. Instead of increasing parking requirements, let's talk about using car shares, transit, bike facilities, Uber, we are trying to encourage a change. Also, we are speculating about rents and need to look at whether the projects will support the desired rents. She suggested that there is no need to amend the standards to honor El Pueblo Viejo because the HLC review works to ensure projects are compatible and projects that are struggling should be referred to the Planning Commission.

19. Bob Ludwick represents 8 1-bedroom units that were built in the 1970's on East Gutierrez, near a transit center. They have had 12 parking spaces and at no time in the last fourteen years, have we had more than 5 cars using the parking spaces. He does not think that we should use qualifiers such as affordable housing or workforce housing. We should just build housing. May not agree with Ms. Flacks suggestions, but does think that some review of the AUD program should be done.

20. Lee Moldaver, Citizens Planning Association (CPA), thanked staff for the overview. He supports many of the comments made by Mr. Mahan and Mr. Wittausch, and the four suggestions made by Ms. Flacks. He is also supportive of Ms. Plowman's suggestion for car sharing. He did note that many suggestions of one car per unit are dependent on public transit and public transit is under a lot of funding stress. He supports the AUD test areas and looking for more affordable test areas. He asked that as the Commission reviews the AUD, that it reflect on when the SD-2 Overlay was created for Upper State Street, the Council committed to the residents that savings of congestions through traffic and mobility improvements would not be used to create new development to create new congestion.

21. Christine Neuhauser lives on the 900 block of East Canon Perdido and when she sees all the four story Milpas developments being built, they take away from the free sky views. Asked that the Commission not mar the sky line. The bulk is way too large and creates ghettos.

22. Greg Reitz, Rethink Developers (The Marc on Upper State Street), says that their projected median rent falls in the target range of 120-200% AMI. That projection is based on the market, though they have not rented anything yet. This will be the first AUD project to come on the market. Also missed in the big picture is comparing what these AUD projects do in the context of the overall market which is taking people out of older units and increasing the supply. Forty nine percent of the entire City population own 1 car or less, based on the census.

23. Ken Oplinger, Santa Barbara Chamber of Commerce Executive Director, noted that the discussion fell into people that are concerned with size, scope and compatibility of projects, while others are concerned with whether the housing will meet the need that we have. He supports Staff in the need to continue the AUD program to be able to get the data to see if it is working. There are 15-20,000 people commuting from the south into Santa Barbara each day because there is not enough housing available. We need housing built for meeting the needs of the business community. We need to either build out or build up and we can only build up.

24. Ellen Bildsten, AIA Member and Coastal Housing Coalition (CHC) Board Member, said that a CHC Study found that fifteen years ago, people were easily able to afford buying or renting housing in Santa Barbara. This is no longer the case. As an architect, she has worked on AUD projects that are fewer units and smaller square footage than AUD prescribes and finds that to be the maximum that can fit on a typical Santa Barbara lot. The AUD regulations are fine and the process is appropriate.

25. Denise Adams agrees with prior speakers that we are creating an alternative community. Suggested the City do market research. People want smaller units that they can afford and still have quality of life. She asked why we would want to go beyond the HUD or standard guidelines of 540 square feet. She would like the City to look at a street width ordinance. If a street is not a certain width, then no off-street parking should be allowed.

26. Chair Campanella read into the record Leslie Colasse's comments that Milpas and Haley need design guidelines in order to provide the ABR with tools and direction regarding context and neighborhood compatibility. ABR is not demanding

appropriate levels of compatibility regarding bulk, scale, and architectural character. Without stricter guidelines in the neighborhoods, they will lose their underlying architectural character. Current pending projects should not be allowed to proceed until such guidelines are put in place as they are putting the neighborhoods at risk.

With no one else wishing to speak, the public hearing was closed at 3:25 P.M.

Chair Campanella called for a recess at 3:25 P.M. and reconvened the meeting at 3:42 P.M.

The Planning Commission was asked to comment on whether the AUD Incentive Program was meeting its objectives; advocating for a multi-use/mixed use design guidelines; studying a parking requirement ordinance amendment; and monitoring unit affordability, as well as general comments.

Commissioner's Comments:

Commissioner Higgins:

1. We are in a crazy real estate market where every coastal city in CA is undergoing a real estate boom, so how do we separate what effect pent up housing demand is having on AUD versus a normalized real estate market
2. Would like to see the Housing Subcommittee meet in the future to review some of these AUD issues in further detail, preferably before the report is written.
3. The AUD program is meeting its goals.
4. The Commission or public speakers are not apartment dwellers, so it would be nice to hear from apartment occupants that this effort appears to be curtailing. We need to speak to the occupants of these projects.
5. In terms of parking, he sees the mixed-use design guidelines as having a parking requirement component to it or coming from a parking ordinance amendment. He is not sure that this will solve the problem.
6. The bedroom counts is a tough issue. If you limit 3-bedroom units, or say that you need to add another parking space to a 3-bedroom unit, then you are stifling the concept that families can live in these projects and because there will not be incentive to build 3-bedroom units. He would be interested in studying it.
7. Sounds like ABR and HLC would like more teeth in their discretion with regard to parking or other development standards. He does not think this is necessary. It would be nice to have projects kicked up to the Planning Commission in the form of a Use Permit so that where additional parking requirements could be added by the Commission, it could be an option. He would be inclined to hear more from Staff on how this request could be accommodated.
8. Would never have supported connecting the affordability of these new AUD projects as a comparison to rents for existing apartments.

9. In this market, people will increase the income that goes toward housing up from 30%. Then we should discount the rents on new product for a better comparison on whether AUD is creating affordable units.
10. He does not support having to do additional environmental review. It has already been done. These are CEQA exemptions that have been mandated by the State for infill housing and the reason why our hands are tied.
11. Regarding parking, he thinks we can ask Applicants to do a better job with showing parking demand. It's nice to have that disclosure as part of the file. If possible, would like to ask Applicants' to include right of way availability in their projects, like was done with the bike lane project on Micheltorena for the Bicycle Master Plan, quantifies availability of ROW parking in neighborhoods.
12. If we are not doing the AUD program or modifying it, then asked what are we doing in terms of a Housing Element or policies in the General Plan for residential second units, or inclusionary housing, or opportunity sites, or do we have an affordable housing facilitator, as outlined in the General Plan.
13. Regarding pacing, he would want to look at the reasonable number of units that we are expecting to be built under the program if there are no changes, peeling away the market demand, peeling away the pent up demand, and peeling away the fact that all the easier project sites are in the AUD queue.

Commissioner Jordan:

1. The AUD program has been wildly successful, but only based the on number of units increasing.
2. The problem with the concept is that this is the only measurement we have and we are not able to measure the impact. It is not premature to do a measurement, only too late in hindsight, because no one anticipated the large number of units proposed.
3. We have not done a good job on addressing the non-policy concerns. We have not given the people with non-policy concerns a fair shake. This has been reflected in some of the anecdotal stories heard.
4. Design review boards find themselves going through the motions on compatibility. They are seeing the policy driver and are focusing on that as a dead end to looking at compatibility. This is Ok if we acknowledge that we are willing to live with the impacts (parking impacts, neighborhood compatibility impacts, adjacent business district impacts, etc.) for the gain of more housing. If this is the case, we should stand up and say that.
5. The measurements for success have been based on the number of units and we have not set ourselves up to worry about measuring the impacts. We have not put resources into actually determining what the conditions on the ground are or have been before the project was put in place. Then when we begin to measure, in a year or two after the project has been occupied, we will not have a clear picture of what was there three years before.
6. He also finds missing, is the case where residential uses have been impacted with what was on the site to begin with versus what is being replaced on the site. We are missing

the human element. Where did the people that lived there before go? He wondered if it is an acceptable consequence for the goal and the gain of the rental units.

7. He wondered what happens when this program gets closer to sunsetting and how we can tweak it. He would like to see his list in a future meeting for the Housing Subcommittee and maybe a work session for the Planning Commission:

   a. Likes the suggestion on a requirement for car share.

   b. Likes the suggestion on parking on off hours in public lots. This could give people with a second car an option and serve as an incentive for moving into a unit if they knew they could keep their second car.

   c. We need to resolve the data collection survey issues. The data will be essential to where this goes in the future.

   d. Would like future water use to be a requirement in these projects to be sure that assumptions made years before were correct versus what's being used.

   e. We need to accelerate the protections for our historical and cultural sites. This is important enough that a criteria should be set for any project in the two highest categories within some criteria of adjacency to a historic or cultural site come to the Planning Commission for comments in addition to going before the HLC.

   f. Look at putting better requirements on indoor and secure bicycle storage, not just a room where people throw bikes in. Invest in a controlled secure area, such as the Granada garage, with adequate bike storage.

   g. A contribution to Metropolitan Transit District (MTD) for bus stop improvements, maintenance on bus stop facilities on the street, and for existing or new shuttle routes.

   h. Funding improvements on livability for street scape trees. We are increasing the number of people, but not increasing the livability standards around them. Add street trees, parks, community rooms, playgrounds, human space.

   i. Review the whole relationship between 3-bedroom, 2-bedroom, and 1-bedroom and how it relates to parking.

   j. In general, wants a conversation on 3-bedrooms as a component of AUD entitlements.

   k. Lot of good suggestions for the recommended Housing Subcommittee meeting or the Planning Commission Work Session that were made on the sheet submitted by Brian Barnwell and should be used as a part of the meeting.

   l. On pacing, he is less interested in a numbers standpoint, but more interested in the components of a future AUD program. Each one added becomes a financial burden on a potential project. This could organically begin to limit the infusion of those projects. He could live with it if it was agreed that those would be components of future projects.

Commissioner Lodge:

1. Was puzzled with why this project has been so popular and enormously successful that developers want to come up with rental housing. Her theory is that previously under 45', you could only have three stories. With the AUD program, we allow up to four stories. That is the equivalent of giving developers in these zones one third more property in their development. Developers would not be proposing these projects if they did not see them as profitable. The four stories within 45' projects are resulting in projects that are occupying every cubic foot of space over land. Then common open space ends up on the roof and the result is buildings that are out of place.
2. As the Planning Commission's Liaison to HLC, she has watched them struggle. There is no staff report provided or back up, only a set of plans. The compatibility issue is difficult for HLC. The Multi-Unit Design Guidelines would be helpful, but if they are limited to one parking space per unit, they have nowhere to go.
3. Suggested amending the ordinance to use the standards used by the Marck One(1.3 parking spaces per unit, regardless of size) and the Marc Two (1.5 parking spaces per unit). Also recommended that there be a maximum of 2 bathrooms per unit.
4. On the sunsetting of the AUD program, she could never understand why the AUD program was set to go back to variable density when it was preferable to variable density and encouraged smaller units.
5. Agrees with Commissioner Jordan on looking at the impacts to historic resources.
6. With regard to pacing, no one expected that the program would have this interest. We need to look at stopping the receipt of applications as a part of pacing.

Commissioner Thompson:

1. We have had good discussion and ideas presented. Thanked members of the public. Looking back to the reason the program was started was to incentivize smaller rental units, so in regard to the numbers, we have been successful.
2. Agrees with Commissioner Jordan that we have to start evaluating the impact of the success of getting the additional units. There have been unintended consequences that have surfaced. We need to look at tweaking:
    a. The differences in commercial zones as compared to the R-3 zones.
    b. Evaluating the liability of parking. Agrees with a parking study. We need to look at parking based on either a factor such as what has been suggested or based on bedroom count, not unit count.
    c. Look at the viability for AUD projects at decoupling parking from the units and rent the parking separately from the units.

d. Look at possible amendment to the way the program is implemented in R-3 zones for better neighborhood compatibility.

e. ABR and HLC should get full staff reports and site visits to help them better understand neighborhood compatibility issues before decisions are made.

f. We should start looking at a unit limit for annual projects going through the process. We have done this with condo conversions. We need to control the pacing of this by how many projects we put through each year, starting now, so that we do not get overwhelmed and we know how to proceed.

g. Agrees with other Commissioners that we should relook at the impacts on historical'/cultural areas

h. We should take water into consideration. Basically, we are giving away water that we are saving to new projects.

Commissioner Schwartz:

1. Does not believe that pacing is needed. We have a stringent review and approval process and it is working.
2. We need to fast track completion of success criteria. The trial period is going to sunset in the next 24 months and we cannot revert to variable density.
3. The AUD program is meeting its objectives. Many properties are ripe for redevelopment and the ordinance was crafted in a way that is attractive.
4. Would like to see multi-unit design guidelines. Watches ABR and HLC struggle with making decisions using outdated design guidelines.
5. Regarding the parking requirements, she mentioned looking at the City parking structures for use during non-peak periods. She asked that the Saturday parking restrictions be revisited. She wondered if there was any way to loosen the ADA parking requirements so that we are not further reducing the number of non-handicapped spaces per unit.
6. Was intrigued at Ms. Flack's suggestion of 'no subletting' and would like it considered.
7. In terms of the Planning Commission's relationships and the process between Planning Commission and the review boards, she would like to suggest that we need more work. We have improved, but as she watches ABR and HLC meetings more refinement is needed for the Applicants and for the process to make the design review boards as comfortable as possible within their scope of authority. She is not in support of expanding their roles to mini-Planning Commission bodies.

Commissioner Lodge left the dais at 5:06 P.M. and did not return.

Commissioner Pujo:

1. We are meeting our objectives. Yes, the AUD program has been very successful in terms of numbers. Even in terms of numbers formed and the type of development, there has been success.
2. Of the numbers that have been given, we have the responsibility to report back and understand how this program has been working. We have 2 years to get this done.
3. We need to start working on preparing for that review now and put a lot more focus and energy now.
4. In terms of parking, she stated that it is premature to look at an ordinance now. What we have now is a lot of comment about what may or may not happen when those units are built. But we don't yet have facts. There is no analysis of relevant baseline data that first started from the General Plan and what that anticipated; how that may or may not have changed in these neighborhoods where we are getting the units, and is that still the same as when the General Plan was adopted and the EIR for the General Plan was adopted. Then take a look at the potential build out for the units we are actually getting and how it works together as to what we really were hoping to get.
5. Without baseline data to build from, instead of trying to pick out a new ordinance number, we need to actually look at what we have and get a study group. We have a Housing Subcommittee and an AUD Committee. We need to formalize and broaden these things. The budget request that would go to working on initiating an ordinance needs to go to addressing these other issues. It goes beyond parking, as we have heard today. We need to look at issues of compatibility with multi-unit mixed design guidelines, water, and amenities.
6. We need to recognize that within the AUD overlay areas, there may be different distinguishing features neighborhood to neighborhood that we should take a fresh look at.
7. In terms of parking, it's not just the parking ratio, it is also the support services and alternatives to parking. We need to look at those and compare it to baseline. We need to compare to a very well-studied overview of where we are in our adaptive management approach. It should be that type of study and not just pick whatever got the most comments, do an ordinance, and change something.
8. Regarding pacing, if we had a study group looking at this and had a closer look at projects on the ground, we might be able to get better info on what the number of units is and how fast we are getting there. She questions the feasibility of pacing mechanisms. Without the review of where are resources are that would support the need to pace it, she questions the success of a pacing mechanism and what it would be based on.

Commissioner Campanella:

1. We have forty-nine projects in the process. There have been four appeals with two of the four on affordable projects.
2. Need to keep in mind in medium high density areas where the square footage represents about 50% of the land area, intentionally so we wouldn't have big buildings, if you start adding 2-car parking to 2-bedrooms, you are creating garages and going up two-stories front-to-back or you lose units. You need to balance parking against size, bulk, and scale in areas of medium, high density areas. He suggested talking to some of the architects to ask what it would look to add two cars per every 2-bedroom.
3. We have a Housing Element implementation item that encourages 3-bedroom units and that we report on each year to HCD. We don't want to eliminate them, but if a developer wants to put them in, then there should be consideration for some additional room for parking on site.
4. The AUD program is meeting its objectives. We have not created more stories, they were already allowed under the framework that existed before. We are trying to carve out these buildings so that they are not luxury condos.
5. The purpose for multi-unit, mixed-use design, is good. We should have someone facilitate this because it is a different type of product.
6. Regarding parking, not every site facilitates tandem parking. He would not go to the extent of requiring 2-bedrooms to have more parking, but would consider more parking for 3-bedrooms and allow the developer to decide :
7. A design guideline would be a good facilitation and answer questions, such as where can you best use Spanish Colonial revival, or modern design.
8. On affordability by requirement, under the ordinance, there are employee housing programs that can be done, co-ops that can be done, and state bonus density that is either voluntary or required in certain situations. Perhaps we can see if people want to run a parallel track and see if there is program that can be used to incentivize rent restricted product without burdening a market rate project on the rents. Before we burden the projects with inclusionary housing, we need to look at other programs, like the employer workforce housing program.
9. We need to accelerate the review of what is being created. Let's review the projects that have come in. Let's look at the rents. Let's look at underwriting in the landlord community in this market and what they are approving for someone to move in. Review product and see what rents are reasonable. Then let's set this all up to monitor when we do see these projects come in.

10. As far as pacing, he is not sure what that means or how you would do it short of a complete moratorium that would in turn create a situation that might not be in keeping with our Housing Element in what we are trying to produce. He suggested shortening the review period and accelerating the process.

II. ADMINISTRATIVE AGENDA

ACTUAL TIME: 5:29 P.M.

A. Committee and Liaison Reports

1. Staff Hearing Officer Liaison Report

   None was given.

2. Other Committee and Liaison Reports

   No reports were given.

III. ADJOURNMENT

Chair Campanella adjourned the meeting at 5:30 P.M.

Submitted by,

Julie Rodriguez, Planning Commission Secretary