



City of Santa Barbara

HOUSING TASK FORCE (HTF)

MINUTES

JUNE 7, 2017

1:00 P.M.

David Gebhard Public Meeting Room
630 Garden Street

SantaBarbaraCA.gov/HousingTaskForce

CALL TO ORDER: Chair White called the meeting to order at 1:06 p.m.

ROLL CALL:

Bendy White, *Chair*
John Campanella, *Vice Chair*
Cathy Murillo
Jason Dominguez (absent)
Sheila Lodge
Michael Jordan
Don Olson

STAFF PRESENT:

George Buell, Com. Dev. Director
Sue Gray, Com. Dev. Business Manager
Deirdre Randolph, Com. Dev. Programs
Supervisor
David Rowell, Housing Project Planner

CHANGES TO THE AGENDA: None

GENERAL BUSINESS:

A. Approval of the minutes of the Housing Task Force meeting of March 23, 2017.

Campanella questioned this statement from the minutes

“(Note: The HTF previously approved a motion recommending that Council adopt the following parking standard for AUD development outside the CBD: 2 parking spaces for units with 3 or more bedrooms.)”
He recalled the recommendation as not excluding the Central Business District.

Motion: Murillo/Jordan

Approve the Minutes subject to clarification of the Campanella concern

Motion carried by unanimous voice vote

B. Announcements: Buell: Allocation of funding and approval to enter into a contract with consultant to perform Nexus & Economic Feasibility studies is scheduled to go before City Council on July 11, 2017.

Buell introduced scheduled speakers.

Chair opened public comment at 1:07

C. Comments from members of the public pertaining to items not on this agenda:
Mickie Flacks: Reminded the Task Force of her “Top 10 Tweaks” to the AUD program she had provided previously and added to the list 1) raise tenant’s rent if they receive wind-fall, 2) no conversions allowed to change use to short-term rental

Jordan commented that when parties are discussing “AUD” they should be specific about which density level they are referring to. Flacks clarified that her comments were regarding “High Density/Priority Overlay”

SUBJECT ITEMS

I. HTF Objective #4:

“Explore ways to encourage employer-sponsored and limited-equity cooperative housing development”.

Presentations:

A. Ron Biscaro – Cottage Hospital Employee Housing Project “Bella Riviera” Overview

Powerpoint Presentation available to view at SantaBarbaraCA.gov/HousingTaskForce

- Project development began in 2003; opened 2012
- 115 townhomes (34 market rate) 81 income restricted units (predominately moderate and middle income)
- Net sales revenue \$47 million / Net cost to build \$59 million / \$12 million investment for housing for 90 years
- Important to establish very clear ‘buy-back’ program / shared equity provisions
- Need for strong partnership with key players who understand the process

HTF Comments:

Jordan: To mirror this process an employer/developer needs a lot of money

Campanella: Good template.

Murillo: a consortium could be formed of medium sized businesses

B. John Fowler – Peoples’ Self-Help Housing Workforce Housing in San Luis Obispo

Powerpoint Presentation available to view at SantaBarbaraCA.gov/HousingTaskForce

- Lack of workforce housing (income level 80% - 160% AMI) affects the ability to grow and thrive in Santa Barbara
- Requires employer investment (one-time \$30,000 - \$50,000 per unit) to directly benefit their employees
- Units are deed restricted. Remain affordable upon resale for life of property. Sellers return equal to the wage or CPI appreciation over term of ownership
- San Luis Obispo project 42 new townhomes (26 moderate income/16 middle income)

HTF Comments:

Campanella: Look into loans for employers? Possibly Housing Trust Fund.

Murillo: The City wants affordable ownership condos

Jordan: Topic is speculative at this point

Campanella: Has spoken to Chamber of Commerce

C. Detty Peikert – Peikert Group Architects, LLP

- Currently working with Campanella, Dominguez and others to identify project sites and develop program to present to Santa Barbara employers
- Possibility of creating a consortium or LLP with non-profit housing developer (e.g. HACSB) because the cost of development would lower and there would be opportunity for low interest rate financing
- Employer would buy interest in one or more units (this provides equity to pay for construction). Employer contribution could be paid back upon initial sale (+ modest interest); they could enter into a shared equity agreement with buyer/employee or keep unit and rent to employee

- Proposed income range 160% - 180%

HTF Comments

Jordan: Concerned about cost of buying market-rate land affecting economics, need for incentives (e.g. land use, processing time)

Campanella: Rehabilitation of existing structure on site? (Peikert: yes, if zoned for condo)

Chair opened the meeting for Public Comment at 2:20 p.m.

Public Comments:

Mickie Flacks: Housing Cooperatives work in the East and could work here

Ellen Bildsten: also spoke about the work of the Peikert group

Jon Peterson: Habitat for Humanity provides ownership for low-income residents. Employers are willing to give employees time off to earn sweat equity, but a large cash outlay may not work. All affordable housing projects should receive development discounts from City. Habitat has used Housing Land Trust model

Laura Bode: Exciting ideas. Expressed some concern about how to get businesses to invest.

HTF Comments:

Olsen: Pilgrim Terrace and a development on Voluntario are limited equity cooperatives; need to look at map for vacant land or lots.

Camp: Will share information from APA conference, re: people to contact regarding financing

Olsen: A land survey should be performed on the Central Business District

Murillo: Suggested that future HTF meetings be 3 hours

Lodge: Does not see much difference in the two programs presented

Jordan: City expresses desire –but-reluctant to really participate.

HTF meetings should be 3 hours and not so highly structured by staff.

City should be more involved as partner not facilitator.

There are parcels available but location creates multi-jurisdictional issues

Is there a list of employers?

What are current wages; do we need higher wages

Are people willing to live in downtown high density

Incentives needed / reduction in development fees

Zoning challenges on State Street – zoning modification needed for housing?

Getting owners on board: Tangible outlay for long term intangible asset

Chair: HTF meetings to date have covered each of Council's objectives

Buell: Report to Council on HTF recommendations and seek direction from Council

Murillo: Living Wage Forum: Wednesday, July 26, 2017 at 6:00 pm at Faulkner Gallery "Housing on State"

Campanella: HTF meeting is scheduled for July 19. Outstanding issue on parking from May 25 meeting. Council update would need to be after that.

Buell will check with Rob Dayton and work with Chair White to determine next meetings/steps.

ADJOURNMENT: Chair White adjourned the meeting at 3:20 P.M.