



City of Santa Barbara Planning Division

PLANNING COMMISSION MINUTES

September 21, 2006

CALL TO ORDER:

Chair John Jostes called the meeting to order at 1:08 P.M.

ROLL CALL:

Present:

Chair John Jostes

Vice-Chair Charmaine Jacobs

Commissioners Bill Mahan, George C. Myers, Addison S. Thompson

Absent:

Commissioners Stella Larson and Harwood A. White, Jr.

STAFF PRESENT:

Bettie Weiss, City Planner

Jan Hubbell, Senior Planner

Barbara Shelton, Environmental Analyst

Irma Unzueta, Project Planner

Rob Dayton, Principal Transportation Planner

Stacey Wilson, Assistant Transportation Planner

Stephen Wiley, City Attorney

Gabriela Feliciano, 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:

The 1425 Mission Ridge project has been continued indefinitely at applicant's request.

B. Announcements and appeals.

Ms. Hubbell made the following announcements:

The 40 Pine Drive appeal is scheduled for the end of October and a Planning Commission representative may be requested to attend at a later date.

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

Chair Jostes opened the public hearing at 1:10 P.M.

Steve Cushman reported that principals of local technology companies were interviewed in the Santa Barbara Chamber of Commerce radio show and all three expressed that housing and traffic congestion on the freeway are the main employer concerns.

With no one else wishing to speak, the public hearing was closed at 1:11 P.M.

II. CONTINUED ITEMS:

A. APPLICATION OF ESCALARA LIVING TRUST, PROPERTY OWNERS, BRIAN ESCALARA, TRUSTEE, 1425 MISSION RIDGE ROAD, APN: 019-103-023, A-2, SINGLE FAMILY RESIDENTIAL ZONE, GENERAL PLAN DESIGNATION: RESIDENTIAL THREE UNITS PER ACRE (MST2006-00297).

The proposal is to amend the Conditions of Approval for a prior approval under the Neighborhood Preservation Ordinance, as outlined in Planning Commission Resolution No. 010-06 under a prior case (MST2005-00098) for "as-built" retaining walls and related site work at the property. The applicant requests that a condition limiting the house to one-story to protect views from Franceschi Park be amended to allow a taller house outside a defined view corridor.

The discretionary application required for this project is:

An amendment of the Conditions of Approval for a Neighborhood Preservation Ordinance approval outlined in Planning Commission Resolution Number 010-06.

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Guidelines Section 15301.

Case Planner: JoAnne LaConte, Assistant Planner

Email: jlaconte@SantaBarbaraCA.gov

This item has been continued indefinitely at applicant's request.

ACTUAL TIME: 1:11 P.M.

B. APPLICATION OF KEN MARSHALL FOR SANTA BARBARA COTTAGE HOSPITAL FOUNDATION, 601 E. MICHELTORENA STREET, 027-270-016, -17, -18, -19 AND -30, C-0, MEDICAL OFFICE AND R-2, TWO FAMILY RESIDENCE ZONES, GENERAL PLAN DESIGNATION: MAJOR PUBLIC AND INSTITUTIONAL/MEDICAL CENTER AND RESIDENTIAL 12 UNITS/ACRE (MST2003-00827).

The proposed Santa Barbara Cottage Hospital Foundation Workforce Housing Project would remove the existing St. Francis Hospital complex, including the main hospital, convent, central plant, and other ancillary structures, totaling approximately 189,000 square feet, and replace them with 115 residential condominiums that would cover 5.94 acres of the 7.39 acre site. The proposed mix of residential unit types is as follows: 10 one-bedroom units (approximately 655-810 square feet), 67 two-bedroom units (approximately 990 square feet), and 38 three bedroom units (approximately 1,150 – 1,340 square feet each). 81 of the units (70%) would be sold to Cottage Hospital employees at prices within the City's structure for affordable units and 34 units (30%) would be sold at market rates. Within the remaining 1.45 acres, the existing elderly care facility, Villa Riviera, would remain, but the parcel containing it would be adjusted to a size of approximately 31,500 square feet. The remaining lands zoned R-2, Two Family Residential, would be re-configured into three (3) lots of approximately 10,500 square feet each and the two existing residences on these R-2 parcels would remain. Although these R-2 lots have the potential for two residences on each lot, for a total of six residences, no development is proposed as part of this application.

Parking for the proposed Workforce Housing Project would be provided in accordance with Zoning Ordinance parking requirements. A total of 11 spaces would continue to be provided for the Villa Riviera facility and 254 parking spaces would be provided for the 115 proposed condominium units. As part of an existing shared-parking agreement six spaces would be provide for the adjacent office building located at 532 and 536 Arrellaga. Vehicular access to the three reconfigured R-2 parcels would be provided directly from Grand Avenue. Primary vehicular access to the Villa Riviera and to guest parking for this facility would continue to be provided from an existing private driveway connecting to the terminus of Arrellaga Street; existing secondary access to the facility from Grand Avenue would also be maintained. Internal vehicular circulation for the new residential development would be provided by a system of private drives and improvements to Salsipuedes Street connecting to Micheltorena and Arrellaga.

The discretionary applications required for this project are:

1. A Tentative Subdivision Map to allow the creation of five lots (SBMC Chapters 27.07 and 27.13);
2. A Tentative Subdivision Map for a one-lot subdivision to create 115 residential condominium units (SBMC Chapters 27.07 and 27.13);
3. A Modification of lot area requirements to allow forty-two (42) bonus density residential condominium units (SBMC§28.21.080.E.);

4. A Modification to allow less than the required separation between buildings for twenty-one (21) of the forty-eight (48) buildings proposed (SBMC §28.18.070);
5. A Modification to allow less than the required front yard setback for buildings 01, 07, 11, 13, 31, 39, and 42 (SBMC §28.51.060.1 and §28.92.026.A);
6. A Modification to allow less than the required interior yard setback for buildings 43, 44, and 45 (SBMC §28.51.060.2 and §28.92.026.A);
7. Certification of the Final Environmental Impact Report for the Santa Barbara Cottage Hospital Workforce Housing project (CEQA § 15091); and
8. Recommendation to City Council to approve a rezone to adjust the C-O/R-2 zone line to follow the proposed property lines for the R-2 parcels.

A Final Environmental Impact Report (EIR) has been prepared and prior to an action on the project, the Planning Commission will consider certification of the EIR, and must make findings pursuant to the California Environmental Quality Act Guidelines Section 15091.

Case Planner: Irma Unzueta, Project Planner

Email: iunzueta@SantaBarbaraCA.gov

Irma Unzueta, Project Planner, gave the Staff presentation.

Ron Werft, Cottage Health System President/CEO, gave the applicant presentation. The applicant agreed with the proposed conditions of approval, but had reservations about the condition of biodiesel use. CHS has independently confirmed that biodiesel is available in the south coast, but has been unable to confirm that there are contractors experienced enough and willing to use it. Mr. Werft requested flexibility in the language used with regard to the biodiesel condition in case contractors cannot perform.

Commissioners' questions and comments:

1. Asked what Paul Casey's involvement is in helping to define the lottery system as to whom and how employees will be chosen to buy the units. Asked if net worth is involved in the selection process. Suggested possibility that employees living out of town and those agreeing to own only one car receive an extra lottery entry.
2. Asked if there has been a consideration as to the mix of personnel that will be living at the project and the need for certain personnel in case of an emergency.
3. Requested confirmation that one of the conditions of approval requires the existing stone on-site to be reused.
4. Asked how the use of biodiesel fuel will be monitored and enforced, and what the consequences are if that condition is not met.
5. Commented that, although not yet familiar with the use of biodiesel, contractors will become more familiar due to the City's serious commitment in introducing this type of fuel.
6. Stated that using biodiesel in the construction process should be a matter of pride, especially for a healthcare provider, and that this effort should be recognized and promoted by the applicant.

7. Expressed concern over the possibility that the proposed shuttle program will not produce the desired results and asked about incorporating an MTD schedule/augmentation as part of a traffic plan. Requested details as to other plans that will provide mitigation.
8. Asked why the condition of approval regarding “open space” was deleted.
9. Asked if Staff has considered requiring the shuttle program to use alternative fuel (biodiesel) so as to make a statement about the City’s intention to minimize the impact in air quality.
10. Asked why the conditions of approval state that the applicant “may restrict” the sale to employees instead of using the wording “shall restrict.”
11. Requested that a condition of approval be added to assure that the two semi-public open space areas shall remain available for the general public in perpetuity.
12. Asked for more discussion regarding the four modifications being requested and the necessary findings.
13. Requested that wording be added to clarify that the proposed findings are meant to provide both the requested density and the affordable housing.
14. Asked what impact not having the front and interior yard setbacks encroachments would have on the overall project.
15. Asked for Staff’s perspective in augmenting a condition to make sure the Planning Commission gets reports throughout the construction process. Commented that the mitigation effectiveness is critical and reports would give an insight on the effectiveness of the conditions.
16. Asked if the two residential density figures, in the Staff memorandum, one “net” and the other “gross”, include the R-2 parcels either with structures or undeveloped.
17. Asked if contractors are using equipment capable of using biodiesel.
18. Clarified with the applicant that contractors have not confirmed that they *cannot* use biodiesel, rather that they do not have experience using it.
19. Asked if the Green Built checklist has been reviewed by the architect.
20. Asked if there is on-site diesel fueling of equipment.
21. Commented that, as in the case of regular diesel that is brought on-site, bringing in biodiesel should be easily monitored and accessible.

Ms. Hubbell stated that the lottery system was discussed with Cottage Health System (CHS) and Staff agreed with its conclusion that the proposed priority system should remain the same. Ms. Weiss added that the Housing and Redevelopment Staff, who monitor all the City’s approved affordable housing projects, qualify all perspective purchasers/lottery entrants.

Stephen Wiley, City Attorney, stated that affordable housing applicants cannot own any real property to qualify. Although it is based on annual income, net income is also a qualifying factor.

Mr. Werft stated that giving priority to out of town employees has been considered, but there is concern about giving a new employee that lives out of town a priority over a long-term employee who lives in town. Survey data and staff meetings indicate that employees agree it is fair and supportable to base the workforce system on seniority. In regard to giving priority to families that own only one car, he explained that such a restriction would defeat the fundamental purpose of this project, which is to provide housing and a lifestyle that will allow the hospital to compete with other communities.

Ms. Hubbell stated that the Air Pollution Control District (APCD) that is involved in the use of biodiesel has been contacted and it has been confirmed that biodiesel is available in the south coast and that B20 fuel, which is 20% biodiesel and 80% petrodiesel, has been readily usable for diesel vehicles built since 1992.

Mr. Werft stated that the project is designed for household incomes of \$60,000 to \$120,000; therefore, the project is meant for clinical professionals for whom there is the greatest need and most concern about retention.

Rob Dayton, Principal Transportation Planner, stated Staff believes the shuttle program will be successful mainly because, in addition to the time and monetary savings related to not driving to work, CHS has a cash-out incentive for employees that ride the shuttle. Barbara Shelton, Environmental Analyst, added that the EIR analysis made a fairly conservative assumption, that it is why it was left as a "residual significant impact", because it cannot be assured that employees will definitely ride the shuttle over the long-term, but agreed that the shuttle program, as proposed, should work.

Ms. Hubbell explained that the open space condition is usually used to further modify the plan to provide more open space, but the open space proposed by the applicant is adequate and there is no need for the Architectural Board of Review to add additional open space.

Mr. Dayton stated that Staff does not want to burden CHS with the cost of a fuel-efficient vehicle since it would be completely subsidized by its foundation. However, there are proven technologies that CHS could consider. Mr. Werft added that CHS has not discussed, and is not in a position to determine the financial impact of, an alternative form of transportation. He stated the operation of the proposed shuttle is estimated to cost the Foundation between \$130,000 and \$150,000 per year, but is willing to explore other options if economically feasible.

Mr. Wiley stated that he agreed that it may be necessary at this point to change the wording for the sale of the units to "shall be restricted to Owner's employees" since that is the purpose of the project.

Mr. Cearnal stated the requested modifications provide better living units. The primary front yard setback modification is along Salsipuedes Street and the building currently on that site is actually 20 feet closer to the street than what is being proposed. The project proposes adding a public sidewalk that would take away from the open space. The only setback issue is that some corners of the buildings are skewed within feet of the setbacks. In terms of distance between buildings, one of the advantages of this project is that, out of the 115 units proposed, only 16 do not have windows on three sides.

Ms. Hubbell stated that reporting the effectiveness of the mitigations is doable, without actually reopening the project conditions, and there are project examples for which a similar reporting was done at the project's conclusion.

Ms. Hubbell stated that the density number shown on page 11 indicates that the 19.36 units per acre are on the portion for the condo project. The 16.37 units per acre, including the six units that would be allowed on the R-2 parcels, include the larger area that is part of those parcels.

Mr. Cearnal assured that achieving the Green Built two stars will not be an issue, but imposing the condition that photo voltaics be added would be a significant cost to the applicant; yet, the Green Built check list only gives one point for adding photo voltaics. He stated that if a private developer is required to achieve three stars, then it would have to be required for every developer. The applicant is purposeful about achieving level three, but the cost is the issue and requested flexibility to include the language that requires level two, but *strive* to achieve a level three status.

Chair Jostes opened the public hearing at 2:14 P.M.

1. Chris Henson reiterated the Coastal Housing Coalition's full support for this project.
2. Cheri Rae expressed concern that the Conditions of Approval state construction should be from 8:00 a.m. to 5:00 p.m., but starting at 7:00 a.m. would make more sense due to the schools found in the area and the impact on traffic. There should also be some restriction on the noise between 7:00 a.m. and 8:00 a.m. She readdressed the issue of the significant risks to those with existing health issues that live around the proposed project's area.
3. Jim Westby expressed concern over the project density shown in the Staff Report because Villa Riviera's was not considered in the recalculation, and was concerned about future zoning changes to the R-2 parcels, which could allow higher density. He requested that a development restriction be placed on the R-2 parcels to prevent future rezoning that would allow higher densities.
4. Kellam De Forest requested a memorialization of St. Francis Hospital at the new project to reflect the importance of that site to Santa Barbara.
5. Sheryl Swanson expressed concern about air quality monitoring for those with health concerns.

With no one else wishing to speak, the public hearing was closed at 2:23 P.M.

Ms. Hubbell stated that CHS intends to operate the Villa Riviera and sell the three R-2 parcels. There is a condition of approval that provides for a commemorative area of St. Francis Hospital within the park space of Micheltorena and Salsipuedes Streets. She also responded that air quality during construction is difficult to monitor. The hours of operation for construction will be considered to begin at 7 a.m. instead of 8 a.m.

Commissioners' questions and comments:

1. Expressed appreciation for the public's valuable input and the applicant's presentation that have helped in making this a better project.
2. At least three Commissioners agreed that they initially preferred the re-use of the St. Francis building, but from a practical standpoint realized that the re-use of the campus is not in the best interest of the long-term aspect of the project. Reuse of the existing hospital building is not appropriate for this site and neighborhood.
3. There was a consensus of support for the project, including the findings and modifications.
4. Commented that the potential for adaptive reuse must be considered for a building with so much history, but stated that the former St. Francis Hospital building would not be the best candidate. Commented that adaptive re-use works better at a neighborhood where it has consistency, but this building has nothing in common with its surroundings and does not have a high history value. Stated that the neighborhood should be returned to its residential land-use.
5. There was a consensus to certify the EIR as it stands, with its comprehensive mitigation measures and go forward through modern techniques and demolition, and proper monitoring for a superior project. Commented that it is one of the most thorough and complete EIRs reviewed. The short-term mitigation issues and the long-term issues of adaptive re-use and density were well-addressed.
6. Stated that the project's current density is supportable, but does serve a warning to future projects that the area is being maxed-out as far as people and traffic.
7. Considered air monitoring and an understanding of what the project will be producing, the impact on the neighborhood, and compensation that could be offered to those in jeopardy.
8. Agreed with idea of a St. Francis Hospital memorialization.
9. Commented that the shuttle stops are too small since a large number of riders will gather while waiting, and suggested decreasing the number of shuttle stops by one and increasing its size.
10. Stated biodiesel is a strong mitigation for air quality impacts and encouraged CHS to make it happen, if feasible. Commented it would be easier if biodiesel trucks are on-site to fuel the equipment.
11. Stated making overriding considerations for the noise and vibration impacts will allow the merits of this project to benefit the community.
12. There was a consensus that the shuttle program will be successful since it will be much easier for employees than having to deal with the traffic at the different intersections.
13. Stated that the lottery system is the fairest way to distribute the units.
14. Commented that making available as many units as possible for employees will help mitigate traffic on Highway 101.
15. Agreed that construction beginning at 7a.m. would be a better schedule.
16. Commented that there is a shortage of critical workforce available to take care of the community's health; therefore, agreed with the argument of providing housing to employees that is competitive to what they would find outside the City.

17. The affordable housing condition should be clarified to make sure that they are affordable in perpetuity.
18. Stated that the reduction in the number of units originally proposed allowed the neighborhood to embrace the benefits of having affordable housing for CHS employees.
19. Expressed disappointment with the result of the park at the corner of Micheltorena and Salsipuedes Streets which is raised and has a feeling of being private; not inviting to the public, and therefore does not add the break originally envisioned for the neighborhood.
20. Commented that the open space at that corner of Micheltorena and Salsipuedes would be an ideal area for a historic plaque. Requested that the conditions of approval require an attractive sign at the entrance to let people know they are welcomed to enjoy the view. Stated that, although a historic plaque is specified in the conditions of approval, a display area that includes building ornaments or pieces from the building to retain the actual feeling of the original building is preferable.
21. Commended CHS for “putting their money where their mouth is” and, although others view this effort as a “drop in the bucket”, the project should be seen as a first step in remedying the housing problem.
22. Expressed appreciation for partnerships that achieve the goal of finding ways to maximize community benefits without sacrificing neighborhood health, safety, and land-use compatibility.
23. Commented that, since the building cannot be re-used, at least the building’s materials should be re-used and recycled, and the core principle should be the use of green building materials.
24. Two Commissioners requested requiring a condition for applicant to achieve the Green Built three stars level, and commented this would send a strong message to private sector businesses that are able to achieve the three stars level since it would pay off down the road and the applicant is close to achieving that level anyway. Three Commissioners stated were not ready to mandate the Green Built three stars level since it is an issue of economics and commented that the Foundation would have to provide the money, resulting in taking from other community needs.
25. Suggested that, in order to continue the memory of St. Francis Hospital, CHS consider incorporating the words “St. Francis” in the project’s name.
26. Agreed that it is difficult to monitor air quality in a short-term project; therefore, excluded compensation to neighborhood residents.
27. Asked when project will begin.

Mr. Werft explained CHS may not have permission to use “St. Francis” as part of the new housing project name, but expressed support for honoring the former hospital if permission can be granted.

Mr. Cearnal commented that air quality has been a concern regarding the dust generated from the building’s demolition. In a normal demolition project it is in the interest of the contractor to pulverize all debris to facilitate taking it off the site, but the recycling condition placed on this project creates a much better air quality scenario.

Mr. Werft reported that the building's demolition is expected to begin late next year and the new construction will last about fifteen months.

MOTION: Jacobs/Mahan

Assigned Resolution No. 039-06

Certified the EIR making the findings as outlined in the Staff Report.

This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2 (Larson/White)

MOTION: Mahan/Myers

Assigned Resolution No. 039-06

Approved the project, making the findings outlined in the Staff Report, including the overriding considerations, with the following revisions to the Conditions of Approval: 1) Page 2, Condition B.2, shall be changed to "owner *shall* restrict ownership of those units to Owner's employees", with similar changes to B.2.B. and B.2.C. 2) Page 5, under Shuttle Operation, language shall be added to strongly encourage the use of alternative fuel for the shuttle, if feasible. 3) Page 6, C.1.A., language shall be changed to read that there shall be a historic display or area and that the display shall include decorative elements from the building, and incorporate "St. Francis" in the project name, if feasible. 4) Page 8, Condition 12, language shall be added to read that stonewall shall be reused to the extent possible, and the existing stonewalls that will not stay in place shall be reused on site. 5) The Architectural Board of Review (ABR) shall review the open space on Micheltorena and Salsipuedes Streets to make it inviting to the public through signs and design. 6) Page 25, Condition 10, construction hours shall change to be 7 a.m. to 5 p.m., instead of 8 a.m., with a noise restriction between 7 a.m. and 8 a.m. 7) Page 30, at the end of the H. conditions, under Construction Implementation, language shall be added that Staff reports on the status and effectiveness of construction related mitigations and monitoring shall be provided to the Planning Commission at the mid-point of the construction process and prior to occupancy, and that the applicant and Project Environmental Coordinator shall provide information and participate in the status reports. 8) Two or three shuttle shelters shall be constructed in the future, and the function and design shall be approved by the ABR. 9) Park space shall remain available to the public for the life of the project. 10) Page 21, Condition 11, language shall be added that applicant shall provide a briefing to the Planning Commission if the Green Built three stars level is not achieved and should include an explanation as to what kept the applicant from achieving it.

This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2 (Larson/White)

Chair Jostes announced the ten calendar day appeal period.

III. ADMINISTRATIVE AGENDA

A. Committee and Liaison Reports.

Mr. Mahan Reported that the Airline Terminal Design Committee met this week and looked at the architects new design proposals that are heading in the right direction. Committee members made comments about the designs, but there was not a consensus. The project will be going to the Architectural Board of Review and Historic Landmarks Commission for their consideration. Ms. Jacobs added that the Airline Terminal Design Subcommittee will be before the Planning Commission on October 5th.

Ms. Hubbell reminded the Committee that there will be a joint meeting with the Transportation Committee next week.

B. Review of the decisions of the Staff Hearing Officer in accordance with SBMC §28.05.020.

None were requested.

C. Review and consideration of the following Planning Commission Resolutions and Minutes:

1. Draft Minutes of July 20, 2006 Continued from September 7, 2006
2. Resolution 031-06 Continued from September 7, 2006
1100-1200 Coast Village Road
3. Resolution 032-06 Continued from September 7, 2006
40 Pine Drive
4. Resolution 033-06 Continued from September 7, 2006
2553 Mesa School Lane
5. Resolution 034-06 Continued from September 7, 2006
520 & 525 E. Yanonali Street
6. Draft Minutes of August 24, 2006
7. Resolution 035-06
1221 Anacapa Street (Granada Garage)
8. Resolution 036-06
900-1100 Las Positas Road (Veronica Meadows)

MOTION: Thompson/Myers

Approve the minutes and resolutions as corrected.

This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: as noted Absent: 2 (Larson/White)

Commissioner Jacobs partially abstained from the minutes of July 20.

Commissioner Jacobs abstained from Resolution 031-06.

Commissioner Jacobs abstained from the August 24, 2006, minutes and resolutions.

Commissioner Jostes abstained from the August 24, 2006, minutes and resolutions.

IV. ADJOURNMENT

MOTION: Thompson/Jacobs

Adjourn the meeting.

This motion carried by the following vote:

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2 (Larson/White)

Chair Jostes adjourned the meeting at 3:29 P.M.

Submitted by,

Gabriela Feliciano, Commission Secretary