



City of Santa Barbara

Planning Division

PLANNING COMMISSION MINUTES

August 21, 2008

CALL TO ORDER:

Chair George C. Myers called the meeting to order at 1:11 P.M.

ROLL CALL:

Present:

Chair George C. Myers

Vice-Chair Stella Larson

Commissioners Bruce Bartlett, Charmaine Jacobs, Addison S. Thompson and Harwood A. White, Jr.

Absent:

Commissioner John Jostes

STAFF PRESENT:

Paul Casey, Community Development Director

Robert Peirson, Finance Director

Steven Faulstich, Housing Programs Supervisor

Jan Hubbell, Senior Planner

Danny Kato, Senior Planner

N. Scott Vincent, Assistant City Attorney

Steve Foley, Supervising Transportation Planner

Debra Andalaro, Senior Planner

Melissa Hetrick, Project Planner

Kathleen Kennedy, Associate Planner

Julie Rodriguez, Planning Commission Secretary

I. PRELIMINARY MATTERS:

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

None.

- B. Announcements and appeals.

None.

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

Chair Myers opened the public hearing at 1:12 P.M. and, with no one wishing to speak, closed the hearing.

II. DISCUSSION ITEM:

ACTUAL TIME: 1:12 P.M.

**MEASURE G – TELECOMMUNICATION AND VIDEO USERS TAX
REDUCTION AND MODERNIZATION ORDINANCE**

Finance Director Robert Peirson will present information on the City's Measure G utility users tax ballot measure which will appear on the November 4, 2008 ballot.

Staff: Robert Peirson, Finance Director

Email: rperison@santabarbaraca.gov

Robert Peirson, Finance Director, gave the Staff presentation, joined by Paul Casey, Community Development Director.

III. NEW ITEMS:

ACTUAL TIME: 1:26 P.M.

- A. **APPLICATION BY PEIKERT GROUP ARCHITECTS, AGENT FOR
BERMANT HOMES AND THE HOUSING AUTHORITY OF THE CITY OF
SANTA BARBARA, 535 E. MONTECITO STREET, APN 031-351-010; M-1
LIGHT MANUFACTURING, ZONE; GENERAL PLAN DESIGNATION:
INDUSTRIAL; MST 2006-00530**

The proposed project consists of 48 residential condominium units in six three-story buildings. In total, 24 two-bedroom and 24 three-bedroom units would be provided, and 90,966 net square feet of building area (including garages) would be constructed. The size of the residential units would vary, ranging between 1,621 and 2,242 square feet (net area including the garage). Each of the six buildings would contain eight residential units, would be approximately 15,161 square feet (net) in area, and would provide eight two-car garages arranged in a tandem configuration. Two additional parking spaces would be provided on-site for guest parking, resulting in a total of 98 on-site parking spaces. Vehicle access to and from the site would be provided by two driveways on Calle Cesar Chavez and one driveway on East Montecito Street. Forty (40) of the 48 units would be sold as Below-Market Price units.

The discretionary applications required for this project are:

1. Certification of Final Environmental Impact Report pursuant to the California Environmental Quality Act Guidelines Section 15091;
2. Modification to allow less than the required number of guest parking spaces (SBMC§28.90.100.G and 28.92.110.A);
3. Tentative Subdivision Map (TSM) to create a one-lot subdivision for 48 residential condominium units (SBMC§27.20); and
4. Recommendation to the City Council to Adopt Specific Plan (SP-10 Zone) to establish a zoning overlay to allow a below-market rate residential development in the M-1 zone district (SBMC§28.08.010 and 28.92).

Case Planner: Kathleen Kennedy, Associate Planner
Email: kkennedy@SantaBarbaraCA.gov

Kathleen Kennedy, Associate Planner, gave the Staff presentation joined by Steven Faulstich, Housing Programs Supervisor.

Staff answered the Planning Commission's questions stating that there is a partnership between the applicant and the Housing Authority of Santa Barbara, not the City; that the standard affordability clause regarding limiting the sale or resale to first time home buyers is no longer a City requirement; that there will be no change in the number of curb cuts; and that the Housing Authority is not interested in overseeing the project and that it will be overseen by the City, although the project does not fit into the City's Affordable Housing program.

Mr. Faulstich answered additional questions about the requirement of limiting ownership to the Santa Barbara work force and the purview of such policy belonging to City Council and Planning Commission; clarification of how the \$2 million development fee was calculated; the 3% cost increase per year to be tied to construction costs as requested by the applicant is not supported by Staff; and the relationship between the developer and the Housing Authority.

John Campanella, Bermant Development Company, gave the applicant presentation, joined by Lisa Plowman and Detlev Peikert, Peikert Group, with additional remarks by Jeff Bermant, Bermant Development Company. Rob Fredericks, Housing Authority of Santa Barbara, gave closing comments. Ms. Plowman stated that the adjacent property owner would be willing to allow the guest parking on his property but would not be willing to tie it to the property in perpetuity.

Mr. Bermant answered the Planning Commission's questions about how a 3% allowable cost increase per year factor would address potential increases in construction costs and that any forecasting error in this factor would jeopardize the project.

Chair Myers opened the public hearing at 2:47 P.M.

The following people spoke in support of the project:

1. Debbie Cox Bultan, Executive Director, Coastal Housing Coalition (CHC), spoke to the need for workforce housing and the project meeting CHC's criteria for endorsement.
2. Louis Weider, adjacent neighbor, supports the project and would be willing to work with the homeowners association to mitigate parking needs and has tenant employees who would be interested in purchasing units. Expressed concern about existing use of street parking by recreational vehicles.
3. Bob Ludwick, adjacent neighbor, supports the planning goals of the project and appreciates the changes made to the mitigate size, bulk, and scale.

Chair Myers acknowledged receipt of 5 letters of support, and 2 letters in opposition to the project.

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

The Commissioners made the following comments:

1. One Commissioner initially opposed the project, but is now supportive of the new scale of the project and the need the project fills for the workforce.
2. One Commissioner acknowledged that this project was groundbreaking and that it presented new ground for all parties involved.
3. Three Commissioners would like to see more open space on the corner of Calle Cesar Chavez and Montecito Street;.
4. Three Commissioners would like to see market rate units have photovoltaics installed with the other units being stubbed in. ,
5. Two Commissioners would like to see an allocation of funds set aside to establish a tot lot area.
6. The majority of Commissioners support the expansion of the construction hours, as requested by the applicant.
7. Two Commissioners were concerned with the inclusion of financing in the conditions of approval and believed that it is not the purview of the Planning Commission to address financing; that it is not a land use issue.
8. Three Commissioners would like to change the conditions to state that at least one owner work in the City of Santa Barbara.
9. Two Commissioners expressed support for tandem parking.
10. One Commissioner stated that the only community benefit of the project for the Statement of Overriding Considerations is the cost of the units.
11. Two Commissioners were concerned with the precedent that the zoning change in the M-1 Zone would set with the introduction of residential units. Two Commissioners were supportive of the residential use in the M-1 Zone; one preferred to see more community benefit.

12. One Commissioner supports 85% of the units being below market, with the remaining 15% at market price.
13. One Commissioner stated that, if the City is requiring fixed fees for this development, City should agree to fixed fees for entitlement and permitting of the project.
14. One Commissioner would like to see green design elements included in the project.
15. One Commissioner remained concerned with preserving the M-1 Zone and would like Plan SB to consider limiting any office use in the M-1 Zone.
16. One Commissioner would like to see the unit restrictions enforced. One Commissioner would like to see monitoring on the success of homeowners and the cost-plus approach to financing.
17. One Commissioner feels that the 3% cost increase is reasonable.
18. One Commissioner requested a correction to page 10.6 of the EIR, to state that the water vapor is most common but to strike out "contributing to global warming."
19. One Commissioner stated that the policies of the Housing Element, Circulation Element and Land Use Element support the project.
20. One Commissioner would have preferred a project that had a density that was between the prior and the current density, but would still support the current project.
21. One Commissioner prefers to approve the parking modification rather than saddle the project with paying a lease payment to the adjacent property owner; stating that the project is already over parked given its location.
22. One Commissioner was concerned that no credit is given for operational improvements to the intersections.

Staff answered the Planning Commission's additional questions, stating that the project meets the R-3 setbacks and meets the open space requirements.

Mr. Bermant responded to the Commission's concern about the City's reluctance to take on management of the process by stating that Inclusionary Housing in-lieu fees being earmarked for workforce housing will be available; shared concern about whether the City can step in if a homeowner goes into foreclosure.

Mr. Campanella responded to the Commission's concern about homeowner association fees, stating that they will be based on the square footage of the unit so there will be a difference.

Ms. Hubbell responded to the Commission's concern regarding purview over the inclusion of financing in the conditions of approval, stating that the Housing Element brings financial issues into play for this type of project.

Steve Foley, Supervising Transportation Planner, and Melissa Hetrick, Project Planner, addressed the Planning Commission's concerns, clarifying that the

previously proposed operational improvements have not been studied or funded and it has been determined that they would interfere with pedestrian experience. It was further clarified that operational improvements would not mitigate the traffic impacts of a project, although they could improve the traffic flow.

Mr. Faulstich stated that the City shares the Commission's concerns regarding the enforcement of the unit restrictions and is concerned that, if a unit is in default or foreclosed, the cost to the City to take over the unit is much higher and closer to the market rate and would be more difficult to get the City's money back.

Ms. Hubbell stated that the City will take responsibility for enforcement, though reluctantly.

Scott Vincent, Assistant City Attorney, reminded the Commission that there are annual joint meetings conducted with the City Council for discussion of affordable housing and effectiveness of housing programs. Parking is enforced by the ordinance; if used for storage, or other uses, then it is a violation of the ordinance.

STRAW POLL:

Support requirement of lease for guest parking on adjacent property while adjacent property owner owns the property.

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

STRAW POLL:

ABR instructed to work with the applicant to restudy the size, bulk, and scale and provide a more human scale to the corner of Calle Cesar Chavez and Montecito Street with no intent to lose any units.

Ayes: 6 Noes: 0 Abstain: 0 Absent: 1 (Jostes)

MOTION: White/Thompson

Assigned Resolution No. 032-08

Certify the Final Environmental Impact Report per Staff recommendations making the findings in the Staff Report.

Ayes: 6 Noes: 0 Abstain: 0 Absent: 1 (Jostes)

MOTION: White/Larson

Assigned Resolution No. 032-08

Approve the project and approve the Modification, Tentative Subdivision Map, and recommendation to City Council to adopt the Specific Plan SP-10 Zone per Staff recommendations, making the findings in the Staff Report, and with the Conditions of Approval in Exhibit A amended to include: 1) photovoltaics shall be stubbed out for all of the units; 2) Construction hours will be expanded from 7 a.m. to 6 p.m. and on weekends; 3) The design of the corner of Montecito Street and Calle Cesar Chavez will be referred to ABR for consideration of expanding open space and

human scale without loss of any units; 4) Requirement that owner occupation be available to at least one person resident working in the City of Santa Barbara; 5) budget for a tot lot in the designated open space shall be provided, if desired by the Home Owners Association; 6) The price of the price-restricted units shall be allowed to increase by up to 2.5% annually between the Planning Commission approval date and initial unit sale; and 7) Price after initial sale of the units shall increase no more than 2.5% annually.

Mr. Peikert expressed concern about the cost factor involved with a mandatory requirement for photovoltaics that would impact the ability to build the affordable units. Also expressed concern with requirement for more open space on the corner of Montecito Street and Calle Cesar Chavez.

STRAW POLL:

In favor of sending to ABR to restudy expanding the human space at the corner of Calle Cesar Chavez and Montecito Street.

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

STRAW POLL:

In favor of stubbing in photovoltaics for all units and not requiring market rate units to install photovoltaics prior to initial sale.

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

This motion carried by the following vote:

Ayes: 5 Noes: 1 (Jacobs) Abstain: 0 Absent: 1 (Jostes)

Commissioner Jacobs opposed the project because the unit pricing is not appropriate as proposed. It originally met City affordability policies and would prefer that to be the case. She was also concerned that the proposed sale prices are too close to market pricing and will be more work for City staff on a project that does not meet our policies.

Chair Myers announced the ten calendar day appeal period.

Commissioner Myers called for a recess at 4:29 P.M. and 4:50 P.M.

- B. **APPLICATION OF TRISH ALLEN, SUZANNE ELLEDGE PLANNING & PERMITTING SERVICES, AGENT FOR ORIENT EXPRESS HOTELS, TRAINS & CRUISES, EL ENCANTO HOTEL AND GARDEN VILLAS, 1900 LASUEN ROAD, APN 019-170-022, R-2/4.0/R-H: TWO FAMILY RESIDENTIAL/ 4 UNITS PER ACRE/ RESORT-RESIDENTIAL HOTEL**

**ZONES, GENERAL PLAN DESIGNATION: RESIDENTIAL,
3 UNITS/ACRE (MST2008-00328)**

The proposal is Phase One of a Revised Master Plan for the El Encanto Hotel. Phase One would consist of a Central Plant of approximately 2,718 square feet that would be located predominantly underground in the northwest corner of the project site.

The discretionary applications required for this project are:

1. Modification to allow the central plant to encroach into the front yard setback along Mission Ridge Road (SBMC§28.27.050);
2. Modification to allow the central plant to encroach into the front yard setback along Alvarado Place (SBMC§28.27.050);
3. Development Plan Approval, as defined within R-H Zone standards (SBMC§28.27.100); and
4. Development Plan Approval to allocate non-residential square footage from the Minor Addition and Small Addition categories (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 15301 (Existing Facilities).

Case Planner: Kathleen Kennedy, Associate Planner
Email: kkennedy@SantaBarbaraCA.gov

Kathleen Kennedy, Associate Planner, gave the Staff presentation.

Staff answered the Planning Commission's question about acceptable noise levels as not exceeding 60 dBA at the adjacent residential property line and cited examples.

James Jones, Orient Express Hotels, gave introductory remarks and Trish Allen, Suzanne Elledge Planning and Permitting Services, gave the applicant presentation.

Ms. Allen responded to the Planning Commission's questions, stating that 33 dBA at the neighbors property line is well below the City's noise threshold and that the Historic Landmarks Commission may consider the eucalyptus trees as a character defining feature of the property and asked that they be retained to the extent feasible. The trees could not be replaced today for inability to meet current fire standards.

Ms. Allen responded to additional questions from the Commission on the change in elevation between the project site and the neighboring properties; and explained that within 10' of the air intake, the sound level is 57 dBA in the daytime and 50 dBA in the night time. At the closest residential property line, the sound level in the daytime is 37 dBA and in the nighttime is 30 dBA.

Mr. Jones responded to the Commission's concerns by discussing the operation of the 15' water cooling tower, explaining the circulation of hot water and why it is most efficient; explained the directional boots for exhaust and intake air; and how guests will be instructed and encouraged to open their doors for fresh air.

Ms. Hubbell added that, even though the tower is 15 feet in height, it is located below grade.

Chair Myers opened the public hearing at 5:30 P.M.

The following people spoke in support of the project:

1. Greg Parker, neighbor, supports the project and is concerned about the landscaping; should allow vertical screening of hedges in the right of way. Supports the removal of the eucalyptus trees because they are a fire danger.

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

1. Sally Nazerian, neighbor, was concerned about the noise from the water cooling tower, especially during the evenings and weekends. Does not want to hear a low hum rising from below. Requested another report to be done on the noise level because the referenced report is outdated.
2. Farrokh Nazerian, neighbor, was concerned with the project's phasing; the noise nuisance, fumes, length of construction time and impact on their quality of life during the development; location of the valet parking; asked the Commission not to approve the project until it can be considered with the rest of the project.
3. Michael Nazerian, neighbor, was concerned with the location of the water cooling tower and asked for further study; would like to see the whole plan at one time rather than in phases.
4. Jan Marco Von Yurt, neighbor, concerned about the phasing of the project; the noise study did not take into consideration nights and weekends, nor the valet parking lot, both of which will result in excessive noise to the neighbors. The report is outdated and requests that a new study by a non-partisan party be conducted.
5. Joanna Von Yurt, neighbor, asks that the parking be placed underground and that the water tower be placed under the main building.
6. McKenna Spaulding could not stay, but Chair Myers read her comments into the record, stating that the entire corner of Mission Ridge and Alvarado Place needs to be addressed as a whole and the noise level studied. Does not support the setback modifications.

With no one else wishing to speak, the public hearing was closed at 5:53 P.M.

Staff responded to the Commission's question, stating that landscaping 8" high or less as well as street trees are allowed in the public right of way without an encroachment permit. Landscaping over 8" requires an encroachment permit.

The Commissioners made the following comments:

1. One Commissioner would like to see an updated sound study conducted, either by the applicant or the neighbors, or both. The sound from the parking lot that is twice what existed is a concern and should be studied.
2. Concerned with the 15' high water cooling tower.
3. Anything to mediate sound and light should be considered.
4. One Commissioner interpreted that the sound being reduced to address the location of the guest rooms would also result in a reduction in sound to the neighbors.
5. Two Commissioners were concerned with the central plant not being centrally located on the project site.
6. One Commissioner supports the concept of moving forward with the plant and suggested that, given the controversy, the noisier pieces should be out of the setbacks and below ground. Suggested approval of modification for quiet components and movement of noisier components to the center of the project site.
7. The Commission appreciated the neighbors input and feel the concerns are valid. The parking issue will be even bigger.

Ms Allen responded to the location of the central plant as being close to the utility connections in the street and that this type of mechanical system had not been presented in the previously approved project.. She elaborated on the evolution of the central plant and acknowledged that it is not central. The water tower height is compliant with zoning standards. The noise study was acknowledged as being two years old.

Mr. Jones added that the placement of the central plant was to take advantage of gravity.

MOTION: Larson

Continue to September 18, 2008 to provide an updated sound study.

Lacking a second, the motion failed.

MOTION: Jacobs/Myers

Assigned Resolution No. 033-08

Approve the proposal for Phase I, making the findings in the Staff Report and subject to the conditions of approval in Exhibit A with added conditions: 1) applicant shall install directional boot vents for exhaust and intake air, in addition to the current systems; and 2) remove all the eucalyptus trees north of driveway entrance and at the corner.

This motion carried by the following vote:

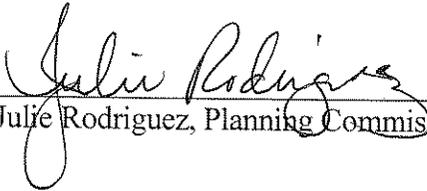
Ayes: 4 Noes: 2 (Larson, White) Abstain: 0 Absent: 1 (Jostes)

Chair Myers announced the ten calendar day appeal period.

VII. ADJOURNMENT

Chair Myers adjourned the meeting at 6:39 P.M.

Submitted by,



Julie Rodriguez, Planning Commission Secretary

