III.B

PLANNING COMMISSION
STAFF REPORT

REPORT DATE: September 6, 2018
AGENDA DATE: September 13, 2018
PROJECT: Average Unit-Size Density Incentive Program Amendments – Phase I
TO: Planning Commission
FROM: Planning Division, (805) 564-5470
       Renee Brooke, AICP, City Planner RLB
       Jessica Metzger, AICP, Project Planner JM

I. RECOMMENDATION

Staff recommends that the Planning Commission review the proposed amendments to the Santa Barbara Municipal Code (SBMC) to amend development regulations for the Average Unit-Size Density (AUD) Incentive Program ordinance and forward a recommendation to the City Council for adoption.

II. BACKGROUND

AUD Incentive Program Background

The AUD Incentive Program ordinance was adopted by City Council in July 2013 as a General Plan initiative intended to provide needed residential development, particularly rental units, in the community. The AUD Incentive Program encourages housing by allowing increased densities based on unit size: the smaller the average unit size for the project, the greater the density allowed. Additionally, development standard incentives related to parking, setbacks, building height, distance between buildings, and open space are provided to help make the construction of additional residential units possible. The approach taken to develop the AUD Incentive Program involved policy tradeoffs that make these projects potentially more controversial.

City Council Direction

On December 13, 2016, City Council established the Housing Task Force (HTF) for a limited duration to evaluate certain aspects of the AUD Incentive Program. On August 15, 2017, the City Council considered the recommendations of the HTF and directed staff to initiate related ordinance amendments to Title 30 of the Santa Barbara Municipal Code (SBMC) (Exhibit A - City Council minutes). Based on direction received at the Joint City Council and Planning Commission Work Session on the Planning Division’s workload (Exhibit B - Joint Work Session minutes) held on April 13, 2018, this staff report comprises Phase I of the AUD Incentive Program amendments, which consist of:

- Requiring two parking spaces for AUD units with three or more bedrooms, in projects located outside of the Central Business District (CBD).
- Prohibiting all units approved under the AUD Program from future conversion to a hotel use.
Other amendments initiated by the City Council will be completed in Phase II of the AUD Incentive Program amendments and will include:

- Removing mobile home parks from the AUD Program map in the SBMC and General Plan.
- Addressing the initial AUD Program trial period of eight years or until 250 units are constructed in the High Density Residential or Priority Housing Overlay Areas.
- Considering allowing increased residential density and other development incentives in the downtown core, and specifically along State Street.
- Considering revisions to the geographic boundaries of the AUD Program map and location of the Priority Housing Overlay.

The work effort has been split into these two phases to expedite the amendments which do not require additional public outreach (Phase I). Phase II amendments will be worked on concurrently, but will have a more in-depth public process, due to their complexity, and therefore a longer time period for completion.

At the same time, Housing Division staff will work with the Planning Commission to implement City Council direction regarding amendments to Inclusionary Housing requirements, including:

- Requiring AUD Program projects with 10 units or more to provide at least 10% of the units onsite at rental rates affordable to households at the Moderate Income level (80% to 120% of Area Median Income).
- Requiring AUD Program projects with less than 10 units to pay an affordable housing in-lieu fee of $20.00 per square foot.

**Public Outreach**

A page on the City’s website has been created for this work effort and will be regularly updated with notification of upcoming meetings and links to relevant materials. The website also provides a link for interested parties to provide comments and request to receive updates and notices of new information or public meetings. Display ads were published in the Santa Barbara Independent and Montecito Journal to notify the public of this current Planning Commission meeting.

**III. DISCUSSION**

**Overview of Phase I of the (AUD) Incentive Program Amendments**

Proposed Phase I amendments to the AUD Incentive Program are included in this report as Exhibit C, and described below.

**Parking Requirements**

One of the policy objectives of parking requirements is limiting spillover parking problems and reducing on-street parking demand.

The first recommended amendment is to require two parking spaces for units permitted under the AUD Incentive Program with three or more bedrooms. The current minimum parking requirement for AUD Incentive Program projects is one space per unit and no guest parking, regardless of unit size or number of bedrooms. Increasing the minimum parking requirement to two onsite spaces for three- or more
bedroom units would better provide for the anticipated parking demand of these larger AUD units, reducing the demand on the on-street parking supply. This increased parking requirement would also encourage smaller units and units with fewer bedrooms.

This amendment would be limited to AUD projects outside the CBD. Inside the CBD, residential parking demand is less due to the proximity of uses, the ease of walking and bicycling, and availability of transit. The CBD is a major employment center and contains many services, including restaurants, museums, retail stores, outdoors spaces, and markets. All of these destinations can be easily accessed by pedestrians due to the fact that the streets of the CBD are pedestrian friendly in nature with wide sidewalks, street trees, and street furniture. Residents in the CBD are also in close proximity to transit provided by Santa Barbara Metropolitan Transit District. Due to higher land costs in the CBD, the reduced parking standards are considered necessary as a valuable incentive to encourage housing development in this district.

Hotel Use Restrictions

The Santa Barbara Municipal Code defines a hotel as “[a] building, group of buildings or a portion of a building which is designed for or occupied as the temporary abiding place of individuals for less than thirty (30) consecutive days including, but not limited to, establishments held out to the public as auto courts, bed and breakfast inns, hostels, inns, motels, motor lodges, time share projects, tourist courts, and other similar uses.” This definition encompasses the land use commonly known as a Short-Term Rentals (STRs).

Due to concerns that residential projects utilizing the development incentives of the AUD Program could potentially later be converted to a hotel use, the City Council directed staff to amend the ordinance to prohibit the conversion of any unit permitted under the AUD Incentive Program to a hotel use. Currently, AUD projects developed as Rental Housing at the higher densities allowed by the Priority Housing Overlay are protected by covenant from conversion to hotels or a similar use. This proposed amendment would prohibit all residential units, for all areas (i.e., Medium-High Density, High Density and other Priority Housing types) of the AUD Incentive Program from conversion to a hotel or similar use.

IV. GENERAL PLAN CONSISTENCY

The proposed AUD Incentive Program ordinance amendments were drafted consistent with these General Plan Policies:

H2. Housing Opportunities. Promote equal housing opportunities for all segments of the community, with special emphasis given to extremely low, very low, low, moderate, middle income and special needs households.

H10. New Housing. Given limited remaining land resources, the City shall encourage the development of housing on vacant infill sites and the redevelopment of opportunity sites both in residential zones, and as part of mixed-use development in commercial zones.

H11. Promote Affordable Units. The production of affordable housing units shall be the highest priority and the City will encourage all opportunities to construct new housing units that are affordable to extremely low, very low, low, moderate, middle income and special needs households.
H12. Above Moderate Affordable Housing. Provide incentives for the private sector development of new housing opportunities affordable to households earning more than 120% of the Area Median Income, but no more than 200% of the Area Median Income.

H14. Sustainable Housing. Ensure that new market-rate residential development is consistent with the City’s sustainability goal, including reduced energy and resource use, and increased affordable housing units.

LG6. Location of Residential Growth. Encourage new residential units in multi-family and commercial areas of the City with the highest densities to be located in the Downtown, La Cumbre Plaza/Five Points area and along Milpas Street.

V. COMPLIANCE WITH CEQA

Under provisions of the California Environmental Quality Act (CEQA) and Guidelines, staff conducted preliminary environmental review of the AUD ordinance amendments and concluded that the amendments would not result in environmental impacts. Staff determined that the ordinance amendments qualify for a Categorical Exemption from further CEQA environmental review and documentation under State CEQA Guidelines §15305 – Minor Alterations in Land Use Limitations. The adopted List of City Determined Examples of Activities/Projects Qualifying as Ministerial or Categorically Exempt identifies the following activity as Categorically Exempt under this category: “Minor Zoning Ordinance amendments that do not significantly change planned uses in an area.” None of the Exceptions to use of a Categorical Exemption apply.

VI. EFFECTIVE DATE

In accordance with the City Charter, the proposed ordinance amendments shall become effective thirty (30) days after the date of City Council adoption. However, applications for development pursuant to the AUD Incentive Program that were submitted and deemed complete before the effective date of this ordinance may proceed in accordance to the provisions of the AUD Incentive Program that existed as of the date the application was deemed complete.

VII. NEXT STEPS

Following Planning Commission review of Phase I of the AUD Incentive Program Ordinance amendments, the amendments to SBMC Title 30 will be presented to the Council Ordinance Committee and the City Council for review and adoption.

Exhibits:
A City Council Meeting Minutes, August 15, 2017
B City Council and Planning Commission Joint Work Session Meeting Minutes, April 13, 2018
C Proposed Amendments to SBMC Title 30 Related to the AUD Incentive Program
CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:00 p.m. (The Finance Committee met at 12:30 p.m. The Ordinance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Jason Dominguez, Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White (2:12), Mayor Schneider. Councilmembers absent: None. Staff present: City Administrator Paul Casey, City Attorney Ariel Calonne, City Clerk Services Manager Sarah Gorman.

CHANGES TO THE AGENDA

City Administrator Paul Casey requested that Items 18 and 19 be moved to the Consent Calendar. The Mayor concurred, noting that Councilmembers may pull one of those items for a separate vote.

PUBLIC COMMENT

Speakers: Scott Ruskamp, Equity for SB; Ellie Stuck, Philip Marteney; Phil Walker; Anna Marie Gott; Denice Adams; Ewen Bildsten.

EXHIBIT A
CONSENT CALENDAR (Item Nos. 1 – 16, 18 - 19)

The titles of ordinances and resolutions related to Consent Calendar items were read.

Motion:
Councilmembers White/Dominguez to approve the Consent Calendar Item Nos. 1 – 16 and 18 as recommended.

Vote:
Unanimous roll call vote.

1. Subject: Minutes (000.00)

   Recommendation: That Council waive reading and approve the minutes of the regular meetings of March 14, March 28, and April 25, 2017.

   Action: Approved the recommendation.

2. Subject: 2017-2018 Hourly Employees Memorandum of Understanding (440.02)

   Recommendation: That Council ratify the Memorandum of Understanding between the City and the Service Employees' International Union, Local 620, Hourly Employees' Bargaining Unit, for the period of January 1, 2017 through June 30, 2018, by introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the 2017-2018 Memorandum of Understanding Between the City of Santa Barbara and the Service Employees' International Union, Local 620, Hourly Employees' Bargaining Unit.

   Action: Approved the recommendation (August 15, 2017, report from the City Administrator's Office; proposed ordinance).

3. Subject: Adoption Of Ordinance For A Right-Of-Way Use Agreement With Crown Castle NG West LLC For A Distributed Antenna System On Streetlight Poles (530.01)

   Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Right-of-Way Use Agreement with Crown Castle NG West LLC, for the Operation of Distributed Antenna System Facilities on Three City Street Light Poles and Six Crown Castle Poles at Nine Separate Locations Throughout the City.

   Action: Approved the recommendation; Ordinance No. 5802; Agreement No. 25,956.
4. **Subject: Acceptance Of Water Meter Agreements And Easements For 3880 State Street And 1330 Chapala Street (540.06)**

Recommendation: That Council:

A. Adopt, by reading of title only, A Resolution of the Council of The City of Santa Barbara Approving An Agreement for Access to Water Meters and Sub-meters, and Accepting a Grant of Easement for 3880 State Street; and

B. Adopt, by reading of title only, A Resolution of the Council of The City of Santa Barbara Approving An Agreement for Access to Water Meters and Sub-meters, and Accepting a Grant of Easement for 1330 Chapala Street.

Action: Approved the recommendations; Resolution Nos. 17-087 and 17-088; Agreement Nos. 25,957 and 25,958 (August 15, 2017, report from the Public Works Director; proposed resolutions).

5. **Subject: Contract For Lower Mission Creek Floodplain Management Services (530.03)**

Recommendation: That Council:

A. Authorize the Public Works Director to execute a City Professional Services contract with Dudek in the amount of $178,923 for floodplain management services of the Lower Mission Creek Flood Control Project, and authorize the Public Works Director to approve expenditures of up to $17,500 for extra services that may result from necessary changes in the scope of work;

B. Accept Federal Highway Administration Highway Bridge Program grant funding in the total amount of $53,118 to fund a portion of the costs associated with this scope of work;

C. Authorize the increase in appropriations and estimated revenues in the Fiscal Year 2018 Streets Grant Fund in the amount of $53,118;

D. Approve a transfer of $6,882 from existing appropriations in the Streets Fund (Post Bridge Construction Monitoring Program) to the Streets Capital Fund for a portion of the City match; and

E. Increase appropriations and estimated revenues in the Streets Capital Fund by $6,882 funded from a transfer from the Streets Fund.

Action: Approved the recommendations; Contract No. 25,959 (August 15, 2017, report from the Public Works Director).

6. **Subject: Short-Term Agreement For Airport Parking Management Services (560.01)**

Recommendation: That Council approve and authorize the Airport Director to execute a professional services agreement with ABM Parking Management, Inc. (ABM) in the amount of $3,250 per month to cover the reimbursement costs to manage airport parking operations through December 31, 2017.
Action: Approved the recommendation; Contract No. 25,960 (August 15, 2017, report from the Airport Director).

7. **Subject: Increase In Construction Change Order Authority For Central Library South Entrance Americans With Disabilities Act Accessibility Improvements (570.04)**

Recommendation: That Council authorize an increase in the Public Works Director’s Change Order Authority to approve expenditures for extra work for the Central Library South Entrance Americans With Disabilities Act Accessibility Improvements, with Diani Building Corporation, Contract No. 25,752, in the amount of $40,629, for a total Project expenditure authority of $487,550.

Action: Approved the recommendation (August 15, 2017, report from the Public Works Director).

8. **Subject: Purchase Order With Metropolitan Transit District For Cruise Ship Shuttles (150.05)**

Recommendation: That Council find it in the City’s best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.070 (L), and authorize the General Services Manager to issue a purchase order in the amount of $62,000 to Metropolitan Transit District for Cruise Ship Shuttle Service for Fiscal Year 2018.

Action: Approved the recommendation (August 15, 2017, report from the Waterfront Director; proposed ordinance).

9. **Subject: Funding Recommendations For Community Events And Festivals And Annual Contract With The Santa Barbara County Office Of Arts And Culture (230.02)**

Recommendation: That Council:
A. Review and approve the City of Santa Barbara Arts Advisory Committee and Community Events and Festivals Committee funding recommendations for Fiscal Year 2018; and
B. Authorize the City Administrator to execute an agreement with the Santa Barbara County Office of Arts and Culture in the amount of $475,100 as approved in the Fiscal Year 2018 budget.

Speakers:
- Mark Whitehurst; Kerry Methner, SB Beautiful, Sarah Rubin, Executive Director of the Office of Arts & Culture.

Action: Approved the recommendations; Contract No. 25,961 (August 15, 2017, report from the City Administrator’s Office).
10. **Subject: Contract For Final Design Of The Arroyo Burro Open Space Restoration Project (570.05)**

Recommendation: That Council authorize the Parks and Recreation Director to execute a Professional Services Agreement with Waterways Consulting, Inc. in the amount of $91,277 to prepare final design plans for the Arroyo Burro Open Space Restoration Project, and approve expenditures in the amount of $9,127 to cover extra services resulting from changes in the scope of work, for a total contract amount of $100,404.

Action: Approved the recommendation; Contract No. 25,962 (August 15, 2017, report from the Parks and Recreation Director).

11. **Subject: Response To Grand Jury Report Regarding Managing Regional Water Supplies**

Recommendation: That Council:

A. Consider and adopt the letter response to the Honorable James Herman, Presiding Judge, Santa Barbara Superior Court regarding the 2016-2017 Grand Jury report entitled “Managing Regional Water Supplies”;

B. Authorize the Mayor to sign and forward the letter and response to the Presiding Judge of Santa Barbara County Superior Court; and

C. Determine, pursuant to the California Environmental Quality Act Guidelines section 15378(b)(5), that the above actions are not a project that is subject to the California Environmental Quality Act review, because they are organizational or administrative activities that will not result in direct or indirect physical changes to the environment.

Speaker: Lindsay Baker, League of Women Voters.

Action: Approved the recommendation (August 15, 2017, report from the Public Works Director).

12. **Subject: Adoption Of The 2017 City Of Santa Barbara Annex Of The Santa Barbara County Multi-Jurisdictional Hazard Mitigation Plan (650.01)**

Recommendation: That Council:

A. Approve and adopt the revisions of the City’s Local Hazard Mitigation Plan in accordance with the Disaster Mitigation Act of 2000 (DMA2000);

B. Adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Adopting the 2017 City of Santa Barbara Annex of the Santa Barbara County Multi-Jurisdictional Hazard Mitigation Plan; and

C. Set the effective date of the Resolution as August 15, 2017.

Speaker: Phil Walker.
13. **Subject: City Administrator Salary Increase (170.01)**

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Ordinance No. 5706, the Salary Plan for the City Administrator for Fiscal Year 2016 and Fiscal Year 2017, to Provide a 1.4% Increase Effective February 4, 2017.

Action: Approved the recommendation (August 15, 2017, report from the City Administrator’s Office; proposed ordinance).

18. **Subject: Authorization To Execute New And Amended Legal Services Agreements (160.03)**

Recommendation: That Council:

A. Authorize the City Attorney to execute an amended Legal Services Agreement (Number 25,601) with Silver & Wright, LLP to increase the not-to-exceed amount by up to $188,000 for special counsel services on residential receivership and code enforcement actions;

B. Authorize the City Attorney to execute an amended Legal Services Agreement (Number 25,126) with Colantuono, Highsmith & Whatley, LLP to increase the not-to-exceed amount by up to $192,000 to provide special legal services on matters related to Rolland Jacks, et al., v. City of Santa Barbara, SBSC case number 1383959;

C. Authorize the City Attorney to execute a legal services agreement with Manning & Kass, Ellrod, Ramirez, Trester, LLP in an amount not to exceed up to $200,000 for special counsel services relating to David Anduri, Sr. v. City of Santa Barbara, et. al., USDC case number 2:16-cv-05461-MWF(SKx);

D. Authorize the City Attorney to execute a legal services agreement with Best, Best and Krieger, LLP in an amount not to exceed up to $300,000, for special counsel services relating to inverse condemnation; and

E. Increase appropriations in the Fiscal Year 2018 City Attorney’s Office budget in the amount of $880,000 to cover the costs of the contracted legal services, funded from the use of General Fund reserves.

Action: Approved the recommendations; Contract Nos. 25,601.1; 25,126.2; 25,963; and 25,964 (August 15, 2017, report from the City Attorney Office).
19. Subject: Resolution Denying the Applicant’s Appeal Of the Planning Commission’s Denial Of A Coastal Development Permit For A Residential Project At 1925 El Camino De La Luz (640.07)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Denying the Appeal and Upholding the Action of the Planning Commission to Deny the Approval of a Single-Family Residence at 1925 El Camino De La Luz, Including Approval of a Final Mitigated Declaration and Addendum.

Documents:
- August 15, 2017, report from the City Attorney
- August 15, 2017, letter from Joseph Liebman

Speakers:
- Joseph Liebman, representative for Emprise Trust.

Motion: Councilmembers Murillo/Hart to approve the recommendation;
Resolution No. 17-091.

Vote: Majority roll call vote (Noes: Hotchkiss; Abstain: Dominguez)

NOTICES

14. Subject: The City Clerk has on Thursday, August 10, 2017, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet. (000.00)

15. Subject: A City Council site visit originally scheduled for August 14, 2017 at 1:30 p.m. to the property located at 288 Canon Drive, has been cancelled due to the withdrawal of the appeal. (000.00)

16. Subject: The public hearing originally scheduled for August 15, 2017 at 2:00 to hear an appeal of the Single Family Design Review Board’s approval for 288 Canon Drive has been cancelled due to the withdrawal of the appeal. (000.00)

This concluded the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee Chair Hart reported that the Committee met to hear a staff report regarding options for including socially responsible criteria in the annual investment policy and in the banking services request for proposal. The Committee heard from a number of speakers and voted to move forward with the policy and that the specific issue will come back to the Finance Committee.
PUBLIC HEARINGS

17. Subject: Public Hearing On Water Rates For Fiscal Years 2018, 2019, And 2020 (540.01)

Recommendation: That Council:
A. Hold a public hearing, as required by State law, regarding proposed water rates for Fiscal Years 2018, 2019, and 2020; and

The title of the proposed resolution was read.

Documents:
- July 12, 2017, letter from Brian Lindner.
- July 17, 2017, letter from Doreen A. Galasca.
- July 25, 2017, letter from J. Gallenson.
- August 14, 2017, email from Eric Elliot.
- August 14, 2017, email from Heike Venturino.
- August 15, 2017, report from the Public Works Director.
- Proposed resolution.
- PowerPoint presentation prepared and made by staff.

Public Comment Opened:
2:46 p.m.

Speakers:
- Staff: Administrative Analyst Malcolm Hamilton; Water Resources Manager Joshua Haggmark.
- Members of the public: Denice Williams, Vista del Montecito sub-division; Heike Kilian.

Public Comment Closed:
2:51 p.m.

Motion:
Councilmembers White/Hart to approve the recommendation; Resolution No. 17-090.

Vote:
Unanimous roll call vote.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

20. **Subject:** Housing Task Force Update And Initiation Of Amendments To Average Unit-Size Density Incentive Program (AUD) Ordinance (640.01)

Recommendation: That Council:
A. Initiate a Zoning Ordinance Amendment to require two parking spaces for units with three or more bedrooms proposed for Average Unit-Size Density Incentive Program projects located outside the Central Business District;
B. Initiate a Zoning Ordinance Amendment to prohibit all units approved under the Average Unit-Size Density Incentive Program from being converted to a short-term rental/hotel;
C. Initiate a Zoning Ordinance Amendment to exclude mobile home parks from the Average Unit-Size Density Incentive Program Map; and
D. Authorize the continuation of the Housing Task Force to address the following new objectives: 1. Central Business District issues (fees, incentives, increase of residential use within the district); 2. Geographic boundaries of the AUD Program area (review City-wide); and 3. Consideration of a “point system” to be used to meter future AUD projects.

Documents:
- August 15, 2017, report from the Community Development Director.
- PowerPoint presentation prepared and made by staff.

Speakers:
- Staff: Community Development Director George Buell; City Planner Renee Brooke; Transportation and Parking Manager Robert Dayton.
- Planning Commission: John Campanella
- Members of the public: Lindsey Baker, League of Women Voters; Eve Sanford, SBBike; Lucas Zucker, CAUSE; Jon Peterson, Habitat for Humanity; Rob Fredericks, Housing Authority of the City of Santa Barbara; Mary Louise Days; Mark Sheridan, Sheila Lodge; Denice Adams; Natasha Todorovic, Citizens for Livable Neighborhoods; Anna Marie Gott; Michael Chiacos, Community Environmental Council; Frank Rodriguez, CAUSE; Bonnie Raisin; Brian Cemal, AIA; Wayne Norris.

Motion:
Councilmembers White/Hart to approve the recommendations, with recommendation D(3) pending consideration of Item 21.

Amendment Motion:
Councilmember Murillo to authorize the Housing Task Force to address the question of what to do when 250 units are reached. The motion was accepted by the mover and the seconder.

Amendment Motion:
Councilmember Dominguez to authorize the Housing Task Force to review restricting commercial use of AUD projects in the Central Business District or other parts of the AUD map. The motion was accepted by the mover, but was not accepted by the seconder.

Vote:
Unanimous roll call vote.

RECESS

4:40 p.m. – 4:47 p.m.

21. Subject: Consideration Of A Limitation On Average Unit-Size Density Incentive Program Projects (640.01)

Recommendation: That Council consider options to implement a limitation on the number of units developed under the Average Unit-Size Density Incentive Program, and provide direction to staff.

Documents:
- August 15, 2017, report from the Community Development Director.
- PowerPoint presentation prepared and made by staff.

Speakers:
- Staff: Community Development Director George Buell; City Planner Renee Brooke.
- Planning Commission: Mike Jordan; Sheila Lodge; John Campanella, Housing Task Force.
- Housing Authority of the City of Santa Barbara: Rob Fredericks.
- Members of the public: Kellam de Fareil; Lucas Zucker, CAUSE; Frank Rodriguez, CAUSE; Michael Chiacas, Community Environmental Council; Christine Neuhauser; Anna Marie Gott; Natasha Torodovic; Wayne Norris.

Motion:
Councilmembers White/Hotchkiss to initiate an annual limitation on AUD incentive program projects with a number of 125 units per year, excluding Affordable units.

Vote:
Majority roll call vote (Noes: Councilmembers Hart, Murillo).
Councilmembers White/Hotchkiss to provide staff direction to draft an ordinance and to refer the concept of a scoring system to the Housing Task Force as its next task.

Vote:

Majority roll call vote. (Noes: Councilmember Hart.)

RECESS

6:27 p.m. – 6:30 p.m.

FINANCE DEPARTMENT

22. Subject: Status Of Tajiguas Resource Recovery Project (630.01)

Recommendation: That Council hear a report from County of Santa Barbara staff on the status of the Tajiguas Resource Recovery Project.

Documents:
- August 15, 2017, report from the Finance Director.
- PowerPoint presentation prepared and made by staff.
- August 14, 2017, letter from Marc Chytilo.

Speakers:
- City staff: City Planner Renee Brooke.
- County of Santa Barbara staff: Public Works Director Scott McGolpin; Resource Recovery and Waste Management Manager Leslie Wells.
- Members of the public: Marc Chytilo, Gaviota Coast Conservancy; Paul Zelis.

Councilmembers heard the report and their questions were answered.

Council provided direction to the City Administrator to continue withholding payment of the increased County tipping fees and schedule a closed session item on the topic after City staff has an understanding of the financial impacts of the delay in the Tajiguas Resource Recovery Project (TRRP) on the cost of construction and operation of the TRRP.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:
- Councilmember Murillo reported on her attendance at the following meetings/events: 1. SEIU 620 family barbeque; 2. Habitat for Humanity cleanup event, which her intern attended; 3. Meeting of the Library Board.
- Mayor Schneider reported on her attendance at the following meetings/events: 1. National Conference of Mayors; 2. Meeting with League of California Cities Coastal Cities Issues Group.
- Councilmember Dominguez reported on his attendance at the following meetings/events: 1. Community Environmental Council regarding Community Choice Energy 2. Water law workshop in Oxnard; 3. Attended community gathering of Diana Lane and Diana Road neighborhood.

PUBLIC COMMENT (IF NECESSARY)

CLOSED SESSIONS

23. Subject: Conference with City Attorney – Anticipated Litigation (160.03)

Recommendation: That Council hold a closed session to consider significant exposure to litigation (one potential case) pursuant to Government Code section 54956.9(d)(2) & (e)(2) and take appropriate action as needed.

The anticipated litigation is based upon significant exposure to litigation arising out of the construction of the desalination plant.

Scheduling: Duration: 15 minutes; anytime
Report: None anticipated

Documents:
August 15, 2017, report from the City Attorney.

Time:
7:30 – 7:40 p.m.

No report made.

24. Subject: Conference With Real Property Negotiators (330.03)

Recommendation: That Council hold a closed session pursuant to Government Code Section 54956.8 (Conference with Real Property Negotiators):

Real Property: A portion of the property located at 631 Garden Street in the City of Santa Barbara.

City Negotiators: Paul Casey, City Administrator; Nina Johnson, Senior Assistant to the City Administrator; Ariel Calonne, City Attorney; Scott Vincent, Assistant City Attorney.
Negotiating Parties: Santa Barbara Arts Collaborative.

Under Negotiation: Instructions to negotiators regarding the price and terms of payment of extending a ground lease.

Scheduling: Duration, 30 minutes; anytime

Documents: August 15, 2017, report from the City Administrator’s Office.

Time: 7:40 – 7:45 p.m.

No report made.

25. **Subject: Conference With City Attorney – Existing Litigation**

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (d)(1) of section 54956.9 of the Government Code and take appropriate action as needed.

The pending litigation is Thomas Felkay as Trustee of the Emprise Trust v. COSB, et al. SBSC Case No. 17CV03351.

Scheduling: Duration, 15 minutes; anytime
Report: None anticipated

Documents: August 15, 2017, report from the City Attorney.

Time: 7:45 p.m. – 7:48 p.m.

No report made.

26. **Subject: Conference With City Attorney – Existing Litigation**

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (d)(1) of section 54956.9 of the Government Code and take appropriate action as needed.

The pending litigation is City of Goleta v. City of Santa Barbara, et al., SBSC Case No. 17CV03270.

Scheduling: Duration, 15 minutes; anytime
27. **Subject: Conference with City Attorney – Anticipated Litigation**

Recommendation: That Council hold a closed session to consider significant exposure to litigation (one potential case) pursuant to Government Code section 54956.9(d)(2) & (e)(2) and take appropriate action as needed.

The anticipated litigation is based upon significant exposure to litigation arising out of the Ampersand airport lease.

**Scheduling:** Duration: 15 minutes; anytime  
**Report:** None anticipated

**Documents:**  
August 15, 2017, report from the City Attorney.

**Time:**  
7:48 p.m. – 7:58 p.m.

No report made.

28. **Subject: Conference With Labor Negotiator (440.05)**

Recommendation: That Council hold a closed session pursuant to the authority of Government Code Section 54957.6 to consider instructions to City negotiator Kristine Schmidt, Administrative Services Director, regarding negotiations with the Treatment Plants' Bargaining Unit and Airport and Harbor Patrol Officers' Bargaining Unit, Local 620 Service Employees' International Union (Treatment and Patrol or "TAP").

**Scheduling:** Duration, 30 Minutes; anytime  
**Report:** None anticipated

**Documents:**  
August 15, 2017, report from the City Attorney.

**Time:**
8:15 p.m. – 8:20 p.m.

No report made.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 8:20 p.m.

Approved and adopted by the City Council of the City of Santa Barbara on 9-26, 2017.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK’S OFFICE

ATTEST:

SARAH GORMAN
CITY CLERK SERVICES MANAGER

HELENE SCHNEIDER
MAYOR
CALL TO ORDER

Mayor Cathy Murillo called the meeting to order at 9:00 a.m.

PLEDGE OF ALLEGIANCE

Mayor Murillo.

ROLL CALL

Councilmembers present: Jason Dominguez (9:02 a.m.), Eric Friedman, Gregg Hart, Randy Rowse, Kristen W. Sneddon, Mayor Murillo.

Councilmembers absent: None.

Staff present: City Administrator Paul Casey, City Attorney Ariel Calonne, City Planner Renee Brooke, Principal Planner Debra Andaloro, Deputy City Clerk Norma Estrada.

The Planning Commission meeting was called to order, and the meeting continued in joint session.

Planning Commissioners present: Chair Lesley Wiscomb, Vice-Chair Sheila Lodge (9:08 a.m.), Commissioner John P. Campanella, Commissioner Jay Higgins, Commissioner Michael Jordan, Commissioner Addison Thompson.

Planning Commissioners absent: Commissioner Deborah L. Schwartz.

PUBLIC COMMENT

Speakers: Steve Hausz.

EXHIBIT B
NOTICES

Subject: The City Clerk has on Thursday, April 5, 2018, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

WORK SESSION

Subject: Joint City Council And Planning Commission Work Session: Planning Division Workload (610.01)

Recommendation: That Council:
A. Hold a joint work session with the Planning Commission to receive status reports on the Planning Division’s current and future work program activities; and
B. Provide direction to staff on the Planning Division’s future priority major work efforts.

Documents:
- April 13, 2018, report from the Community Development Director.
- PowerPoint presentation prepared and made by Staff.
- April 11, 2018, email from Mark Moses.
- April 11, 2018, email from Susan Shields.
- April 13, 2018, letter from Anna Marie Gott.
- April 13, 2018, map from Anthony Grumbine.

Speakers:
- City Planner Renee Brooke, Principal Planner Debra Andaloro, City Attorney Ariel Calonne, Senior Planner Danny Kato, Senior Planner Irma Unzueta, City Administrator Paul Casey.
- Members of the public: Anna Marie Gott; Cameron Gray, Community Environmental Council; Anthony Grumbine, Historic Landmarks Commission Member; Fred Sweeney, Single Family Design Board Member.

Discussion:
- Staff began their presentation with an overview of the Planning Division’s work efforts, both in progress and future work projects. Staff also provided an overview of what the Planning Division’s high priority future major work efforts will be, which includes 10 tasks that are considered high priority, and 6 tasks that are considered discretionary. Staff then proceeded to offer 4 different options on how they can accomplish completion for all tasks, pointing out that appropriation of funds for additional Staff being the biggest necessity. Councilmembers and Planning Commissioners made comments, and their questions were answered. Councilmembers stated that out of the 4 options presented by Staff, option number 1 was the most preferable with the allocation of funds to for additional Staff to complete high priority tasks.
The Planning Commission meeting was adjourned at 11:27 a.m.

ADJOURNMENT

Mayor Murillo adjourned the meeting at 11:27 a.m.

Approved and adopted by the City Council of the City of Santa Barbara on May 8, 2018.

SANTA BARBARA CITY COUNCIL  SANTA BARBARA CITY CLERK’S OFFICE

CATHY MURILLO  ATTEST:  SARAH GORMAN
MAYOR  CITY CLERK SERVICES MANAGER
AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING CHAPTERS 30.150 AND 30.155 OF TITLE 30 (INLAND ZONING ORDINANCE) OF THE SANTA BARBARA MUNICIPAL CODE TO AMEND THE RESIDENTIAL PARKING REQUIREMENTS FOR PROJECTS PROPOSED UNDER THE AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM (AUD PROGRAM) AND TO ADD A PROHIBITION AGAINST THE CONVERSION OF RESIDENTIAL UNITS DEVELOPED UNDER THE AUD PROGRAM TO HOTELS OR SIMILAR USES

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

Section 1. Section 30.150.090 of Chapter 30.150 of Title 30 (Inland Zoning Ordinance) of the Santa Barbara Municipal Code is amended to read as follows:

30.150.090 Additional Development Incentives

A. Development Standards Generally. In order to further encourage the development of projects in accordance with the provisions of this Average Unit-Size Density Incentive Program, the development standards listed in this Section are allowed for those projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program. Except as otherwise specified in this Section, projects developed in accordance with the provisions of the Average Unit-Size Density Incentive Program shall otherwise comply with the development standards applicable to the applicable zone in which the lot is located.

B. Market Rate Ownership Projects Within the Upper State Street Area (USS) Overlay Zone. Projects developed with market rate ownership units, on lots with a City General Plan land use designation of Medium-High Density, and within the Upper State Street Area (USS) Overlay Zone, shall comply with Upper State Street Area (USS) Overlay Zone development standards as required by Chapter 30.85.

C. Maximum Height. Projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program shall conform to the maximum height standards specified within the zone in which the lot is located.

D. Maximum Floor Area. Average Unit-Size Density Incentive Program projects in the USS Overlay Zone are not subject to the USS Overlay Zone Maximum Floor Area limitations of Chapter 30.85, except, that projects developed with market-rate
ownership units on lots with a City General Plan land use designation of Medium-
High Density and located within the USS Overlay Zone shall comply with USS
Overlay Zone Maximum Floor Area limitations of Chapter 30.85.

E. **Setbacks.** Projects developed and maintained in accordance with the Average Unit-
Size Density Incentive Program shall observe the following setback standards:

1. **O-R, C-R, C-G, and M-C Zones and the USS Overlay Zone.** Projects de-
veloped in accordance with the Average Unit-Size Density Incentive Pro-
gram in the O-R, C-R, C-G, and M-C Zones and the USS Overlay Zone
shall observe the following setback standards:

   a. **Front Setback.**

      i. **State Street and First Blocks of Cross Streets.** Projects on
lots fronting State Street between Montecito Street and Sola
Street, and lots fronting the first block east or west of State
Street on streets that cross State Street between and includ-
ing Montecito Street and Sola Street, shall not be required to
provide a front setback.

      ii. **Nonresidentially-Zoned Lots Subject to the USS Overlay
Zone.** Projects developed on nonresidnetially-zoned lots
within the USS Overlay Zone shall observe a front setback
of ten feet; provided, however, that projects on nonresiden-
tially zoned lots in the Medium-High Density designation
and developed with market rate ownership units shall ob-
serve the front setback standards of the USS Overlay Zone
required by Chapter 30.85.

      iii. **All Other Lots.** Projects on lots that do not front on the streets
specified in Subparagraph 30.150.090E.1.a.i, State Street
and First Blocks of Cross Streets, shall observe the following
front setback standard:

         (1) A uniform front setback of five feet shall be provided
except where that portion of the structure which in-
trudes into the required five-foot front setback is ap-
propriately balanced with a front setback area that
exceeds the minimum five-foot front setback. The
additional compensating setback area shall be in the
front yard, and not located farther from the adjacent
front lot line than one half of the depth of the lot.

   b. **Interior Setback Adjacent to Nonresidential Zone.** No interior set-
back is required for those projects adjacent to a nonresidential zone;
provided, however, that projects on nonresidentially-zoned lots in the Medium-High Density designation within the USS Overlay Zone and developed with market rate ownership units shall observe the interior setback standards required by the applicable zone.

c.  *Interior Setback Adjacent to Residential Zone.* A uniform interior setback of six feet shall be provided except for those projects where that portion of the structure which intrudes into the required six foot interior setback is appropriately balanced with an interior setback area that exceeds the minimum six foot interior setback; provided, however, that projects developed on nonresidentially-zoned lots in the Medium-High Density designation within the USS Overlay Zone and developed with market rate ownership units shall observe the interior setback standards required by the applicable zone.

2.  **R-M and R-MH Zones.** Projects on lots developed in accordance with the Average Unit-Size Density Incentive Program in the R-M and R-MH Zones, except for market rate ownership projects within the USS Overlay Zone, shall observe the same setbacks as the R-M and R-MH Zones.

3.  **CO-HV and CO-CAR Zones.** Lots developed in accordance with the Average Unit-Size Density Incentive Program in the CO-HV and CO-CAR Zones shall observe the setback standards required by the applicable zone.

**F. Parking.** As an alternative to the residential parking requirements specified in Chapter 30.175, Parking Regulations, projects developed under the Average Unit-Size Density Incentive Program may observe the following residential parking requirements; provided, however, that projects on lots in the Medium-High Density designation subject to the USS Overlay Zone and developed with market rate ownership units shall observe the parking requirements required by the applicable zone:

1.  **Studio, One-bedroom, and Two-bedroom Residential Units.** A minimum of one covered or uncovered parking space shall be provided for each residential unit. Residential units developed under this Chapter shall not qualify for any additional Parking Exceptions or Reductions pursuant to Chapter 30.175, Parking Regulations.

2.  **Three or More Bedroom Residential Units.** A minimum of two parking spaces shall be provided for each residential unit with three or more bedrooms that is proposed on a lot that is located outside of the Central Business District as such district is delineated in Figure 30.175.050.B. The parking spaces may be covered, uncovered, or a combination of both. Residential
units developed under this Chapter shall not qualify for any additional Parking Exceptions or Reductions pursuant to Chapter 30.175, Parking Regulations.

2.3. **Bicycle Parking.** A minimum of one covered and secured bicycle parking space shall be provided for each residential unit.

3-4. **Guest Parking.** Guest parking is not required.

4.5. **Other Parking Regulations.** Other than the number of required off-street parking spaces pursuant to Table 30.175.040, Required Off-Street Parking Spaces, projects developed under this Chapter shall observe all of the parking standards specified in Chapter 30.175, Parking Regulations.

G. **Open Yard.** Projects developed in accordance with the Average Unit-Size Density Incentive Program shall provide open yard as follows:

1. **Residential Zones.** Projects in residential zones shall provide the open yard requirements specified by Section 30.140.140, Open Yards.

2. **Nonresidential Zones.**
   a. Projects in nonresidential zones, in the Medium-High Density designation, within USS Overlay Zone, and developed with market rate ownership units shall provide the Open Yard requirements specified by Section 30.140.140, Open Yards.
   
   b. All other projects in nonresidential zones shall provide open yard as follows:
      i. Private open yard, pursuant to Section 30.140.140, Open Yards; and
      
      ii. On lots developed with four or more residential units, one additional area, located on grade or on a roof deck, is required with minimum dimensions of 15 feet long and 15 feet wide for use as a common open yard accessible to all residential units on the lot.
      
      iii. An Alternative Open Yard Design that meets the following standards is allowed to replace a and b above.
         (1) **Minimum Area:** 15 percent of the net lot area located on the ground or on decks of any height, or on any floor of the building or structure;
ORDINANCE AMENDING AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM (PHASE I)
PLANNING COMMISSION DISCUSSION DRAFT 9/13/18

(2) **Standards and Location:** Except those for private open yards, all open yard standards and location requirements, pursuant to Section 30.140.140, Open Yards, are met; and

(3) **Common Open Yard Area.** At least one area with a minimum dimension of 20 feet long and 20 feet wide, located on the ground or on decks of any height, or on any floor of the building or structure, that is accessible to all units for use as a common open yard area is provided.

**Section 2.** Chapter 30.150 of Title 30 (Inland Zoning Ordinance) of the Santa Barbara Municipal Code is amended to add Section 30.150.100 to read as follows:

**30.150.100 Prohibition Against Conversion of Residential Units to a Hotel or Similar Use.**

Residential Units approved, permitted, or constructed under the Average Unit-Size Density Incentive Program shall not be converted to a hotel or other similar use as delineated in Section 30.295.040.P.

**Section 3.** Section 30.155.080 of Chapter 30.155 of Title 30 (Inland Zoning Ordinance) of the Santa Barbara Municipal Code is amended to read as follows:

**30.155.080 Conversions of Residential Units to Hotels or Similar Uses**

Conversion of existing residential units to hotels or similar uses is allowed in any zone in which Hotels and Similar Uses are allowed by right or by use permit, subject to all applicable Sections of this Chapter and of Chapter 30.20, Residential Zones. In addition, the following standards shall apply:

A. **Lighting.** All outdoor lighting shall be hooded or shielded so that no direct beams fall on adjacent property. When outdoor lighting is provided, indirect soft lighting and low garden lighting shall be used whenever possible, and shall be required as necessary to assure compatibility with adjacent and surrounding properties.

B. **Parking.** Off-street parking shall be provided as required in Chapter 30.175, ParkinRegulations, or Subsection 30.155.080.C.5, below, if applicable, subject to the findings for approval of conversions to hotels or similar uses in Subsection 30.155.170.I.4.
C. **Time-Share Projects.** If a proposed time-share project retains kitchens in the individual units, they shall be subject to all physical standards under Section 30.155.070, Physical Standards for Condominium Conversions. The conversion of a residential unit to a time-share project, wherein the converted unit consists of a suite of no more than two rooms and provides no individual kitchens or cooking facilities is exempt from the following Subsections of Section 30.155.070, Physical Standards for Condominium Conversions:

1. 30.155.070.A Unit Size;
2. 30.155.070.D.1 Utility Metering, if a water shut-off valve is provided for each unit or for each plumbing fixture in that unit;
3. 30.155.070.E Private Storage Space;
4. 30.155.070.F Laundry Facilities; and
5. 30.155.070.J Parking Standards, provided that parking for Hotels and Similar Uses pursuant to Table 30.175.040, Required Off-Street Parking Spaces, is provided. This requirement may be modified if the applicant can demonstrate that additional parking is not needed, pursuant to Chapter 30.250, Modifications

D. **Use of Amenities – Time-Share Projects.** A provision shall be included in the "Declaration of Time-Share Plan" or similar instrument restricting the use of the project or its amenities by individual owners/users of a unit to the period of the time-share interval(s) or right-to-use.

E. **Prohibition Against Conversion of Average Unit-Size Density Incentive Program Residential Units to a Hotel or Similar Use.** Residential units approved, permitted, or constructed under the Average Unit-Size Density Incentive Program shall not be converted to a hotel or other similar use as delineated in Section 30.295.040.P.

**Section 4.** This ordinance shall become effective thirty (30) days after the date of its adoption. However, applications for development pursuant to the Average Unit-Size Density Incentive Program that were submitted and deemed complete before the effective date of this ordinance may proceed in accordance to the provisions of the Average Unit-Size Density Incentive Program that existed as of the date the application was deemed complete. An application for the conversion of a residential unit approved, permitted, or constructed under the Average Unit-Size Density Incentive Program to a hotel or other similar use may proceed in accordance to the provisions of Chapters 30.150 and 30.155 that existed as of the date the application was deemed complete if the application for conversion was submitted and deemed complete before September 1, 2018.