



City of Santa Barbara

PLANNING COMMISSION

MINUTES

NOVEMBER 16, 2023

1:00 P.M.

City Hall, Council Chambers
735 Anacapa Street
SantaBarbaraCA.gov

COMMISSION MEMBERS:

Roxana Bonderson, *Chair*
John M. Baucke, *Vice Chair*
Lucille Boss
Donald DeLuccio
Sheila Lodge
Devon Wardlow
Lesley Wiscomb

CITY COUNCIL LIAISON:

Mike Jordan

STAFF:

Tava Ostrenger, Assistant City Attorney
Megan Arciniega, Senior Planner
Mariah Johnson, Commission Secretary

CALL TO ORDER

Chair Bonderson called the meeting to order at 1:04 p.m.

I. ROLL CALL

Chair Roxana Bonderson, Vice Chair John M. Baucke, Commissioners Lucille Boss, Donald DeLuccio, Sheila Lodge, Devon Wardlow, and Lesley Wiscomb

Absent: None

STAFF PRESENT

John Doimas, Assistant City Attorney
Elias Isaacson, Community Development Director
Allison DeBusk, City Planner
Dan Gullett, Principal Planner
Megan Arciniega, Senior Planner
Rosie Dyste, Project Planner
Dana Falk, Project Planner
Chris Bell, City TV Production Supervisor
Janet Ahern, City TV Production Specialist
Mariah Johnson, Commission Secretary

II. PRELIMINARY MATTERS

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

No requests.

B. Announcements and appeals:

No announcements.

C. Review, consideration, and action on the following draft Planning Commission minutes and resolutions:

1. November 2, 2023 Planning Commission Minutes
2. Planning Commission Resolution No. 012-23
35 Anacapa Street
3. Planning Commission Resolution No. 013-23
Highway 101

MOTION: DeLuccio / Baucke

Approve the minutes and resolutions as presented.

The motion carried by the following vote:

Ayes: 7 Noes: 0 Abstain: 0 Absent: 0

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

Public comment opened at 1:06 p.m., and as no one wished to speak, it closed.

III. NEW ITEM

ACTUAL TIME: 1:07 P.M.

2023-2031 ADOPTION DRAFT HOUSING ELEMENT

Reference Number: PLN2023-00416

The Planning Commission will review and consider the Adoption Draft of the 2023-2031 Housing Element and forward a recommendation to the City Council for adoption of:

A Resolution of the Council of the City of Santa Barbara adopting the 2023-2031 Housing Element as an amendment to the General Plan and determining that the Housing Element amendment is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3).

Rosie Dyste, Project Planner, gave the Staff presentation. Dan Gullett, Principal Planner, was available to answer questions.

Public comment opened at 1:40 p.m., and the following individuals spoke:

1. Ben Romo
2. Steve Johnson

Written correspondence from Steve Johnson, Mary Turley on behalf of Allied Neighborhood Association, Steve Johnson, Patricia Saley, Vicki Allen & Dianne Black on behalf of the League

of Women Voters, Steve Johnson, Linda Honikman, Fred Sweeney, Rob Fredericks, Ann Hefferman, Natalia Govoni, and Ed King was acknowledged.

Public comment closed at 1:50 p.m.

*** THE COMMISSION RECESSED FROM 2:50 TO 3:00 P.M. ***

Commissioner comments:

Commissioner Boss:

- For adaptive reuse, with the understanding the timeframe may not be able to change because the Environmental Impact Report is not complete, she wants to make sure that they are as close as possible. The outreach materials timelines should be moved up. Consider expanding beyond the Central Business District (CBD).
- Specify nonresidential priority projects with broad community benefit such as museums or health clinics.
- Under affordable housing there should be a large study with multiple components, including ADUs, inclusionary housing, and funds. Include in HE-12 to pursue an increased inclusionary housing rate above the 10-15%.
- Under HE-13, in-lieu fees should be increased dramatically.
- In terms of inclusionary housing, specifically HE-12 and HE-13, she would like to see the start move up to Q1 2024 and end 2025. Have amendments starting in 2025 and ending in 2026. That is a priority that Planning Commission (PC) has heard in the AUD progress report and other conversations over the past year.
- The term “deed restricted” should be added to HE-12.
- Under HE-12, specify City bonus density focused or starting in the CBD. Allow developers to go higher than the base density, increase the height, and make it for moderate income. Not just focused on low or very low income, but potentially going up to 160 AMI or if it makes more sense with the RHNA categories up to 120 AMI.
- Under HE-16: Create Affordable Housing Funds, she recommends that reference to specific program names be removed. City Council gave the direction to create a trust via dedicated funding stream for the production or development of needed deed restricted affordable housing. She understands that staff is simultaneously pursuing program funds outside of the trust, but she is concerned that if there are specific program names they could change and contradict City Council’s direction which could be an issue in monitoring. She does understand that the word “trust” will still need to be included to make the City eligible for state funds. There should be a specific time frame included because of the state funding opportunity window.
- She wants to make sure that the City is moving forward with HE-10 multi-unit housing.
- Recommendation to pursue removing hotels from zones where mid- to high-density residential is allowed, specifically in the RM-H zone, in evaluation of hotel zones. There is a significant number of hotels in those zones.

Commissioner Wiscomb:

- Appreciates Commissioner Boss’ comments but she thinks some are a little bit too specific.
- Agrees with Rob Frederick’s from the Housing Authority public comment when he stated, “This is unquestionably the most detailed and data driven update of this type and the substantial effort to pull this together is to be acknowledged and celebrated.” Thanks to staff. She thinks this is a great document with an incredible amount of information.

- She supports sending a recommendation to the City Council for adoption of the draft for the 2023 -2031 Housing Element.
- Suggests that the following specific comments be considered:
 - o Include themes from slide 36 in the executive summary.
 - o Adaptive reuse (HE-1) should be city wide and not just CBD.
 - o Move the community benefit rental housing amendment under HE10: Multi-Unit Housing Program, to an earlier ordinance package.
 - o Evaluate in-lieu fees simultaneously with the inclusionary percentage under HE-13. She doesn't think the Commission should be recommending increased percentages. The economics need to be looked at and studied as soon as possible. Suggestion for a new methodology where applicants pay an in-lieu fee as opposed to providing a percentage of housing.
 - o Under HE12, explore a City-led density bonus program that is exclusive to moderate-income.
 - o that the term "lower income" needs to be defined.
 - o Table 50 should be updated to include only programs that are applicable to the City.
 - o Either remove or update the \$675,000 identified in the in-lieu fund, or add a reference date.
- Commissioner Boss recommended removing specific programming under HE16: Create Affordable Housing Funds. Commissioner Wiscomb thinks it is flexible enough the way it is worded as "support production, acquisition, or rehabilitation of affordable housing." She thinks it is important for it to remain as a flexible definition because it doesn't relate to any specific programs.

Commissioner Wardlow:

- Thanks to staff for addressing all of the Commission's questions and for their work on the document.
- She is concerned about affordability in the Santa Barbara community. This is a good road map, but she is still concerned given where the City was in the last RHNA cycle.
- Agrees with all of Commissioner Boss' comments. She greatly appreciates her walking through the timing.
- Under HE13: Evaluate Inclusionary Housing Ordinances, the nexus study is important and should be prioritized in Q1 of 2024.
- Suggests increasing the inclusionary requirements. She would like the rate to be at 20%, but she agrees with Commissioner Wiscomb's comments about deferring to a study of the economics.
- Increasing the in-lieu fees could maximize the City's efforts in the affordable housing trust fund.
- Under HE13 development fees should be incorporated into nexus study prioritization. It is important that when development projects such as hotels come forward that there is a fee component that will be added into the City's efforts around affordability through the housing trust fund.
- Under HE 20 she is pleased to see that the reevaluation of the hotel zones is slated for 2024. She would prefer that to happen in Q1 rather than Q2 of 2024 but will defer to staff.
- Agrees with Commissioner Boss' comments regarding areas that are currently zoned for high and medium density housing. Priority should be given to housing over nonresidential development.

- Under HE-12: Prioritization Affordable Housing, she is concerned that there are not enough teeth in that program to prioritize affordable housing. Creating a city density bonus program specific to moderate income would be a good way to incentivize developers because they are not utilizing the state density bonus program due to its low AMI.
- Under HE-10: Multi-Unit Housing Program, she agrees with Vice Chair Baucke's point that the definition around workforce housing is important to move forward and create a policy that addresses this need. City Council gave clear direction to make the community benefit decision no longer just housing in general but specific to housing projects that have a varied level of affordability to incentivize affordable housing. Community benefit should be redefined. She thinks it is a big mistake to state that any housing is a community benefit based on the numbers from the City's last RHNA cycle. The City is in a great place on above market housing, but in a very dire place for moderate, low, and very low-income.
- Appreciates Commissioner Wiscomb's comments regarding HE-1 and an Adaptive reuse ordinance. She agrees that it should be expanded City wide understanding that the City does not have a specific number of how many buildings would be eligible for this program.
- She is happy to hear that the affordable housing trust fund is being prioritized. She agrees with staff on the importance of moving this forward so that the City can maximize and leverage those dollars.
- Under HE-5: Process Improvements, she suggests working towards implementing the Novak recommendation sooner. Specifically, some of the things that the Housing Authority called out in their public comment for providing more incentives and streamlining for 100% affordable housing projects. It does not make sense that a 100% affordable housing project would receive the same benefits as non-affordable housing projects.
- The Commission and developers rely on the general plan, definitions, and policies that the City puts forward. She believes it is important that the language specifically prioritizes affordable housing and cannot be misinterpreted. She thinks the document needs to be clear so that the Commission can point at that policy and say affordable housing is the priority above all other developments. There could be a caveat, noting that does include developments such as health clinics that are providing a community benefit.

Commissioner DeLuccio:

- Congratulations to staff on this document. He is hopeful that the City can adopt the housing element and move forward.
- Supports the priorities listed in the draft housing element.
- The goals set up right now are broad and not fleshed out yet, but that will come later. Starting in 2024 the Commission can dig into each of these programs, flesh them out, and make recommendations to City Council.
- The document should be more general and call out some of the housing funds for example. Doesn't want to get into more detail now.
- This is a document in time that is going to be adopted, but 2 years from now it will be outdated, so it is fine the way that it is overall.
- There needs to be a reference to an as of date when referencing how much money is in the affordable housing trust fund.
- Under HE-2 he suggests moving the date to early 2024 for the La Cumbre Plaza planning area to correspond with the robust number of units that are identified to come out of La Cumbre Plaza.
- Some of the numbers are inflated and ambitious in terms of meeting low and moderate-income levels.

Commissioner Baucke:

- Thanks to staff. He recognizes the effort and extreme amount of due diligence that is involved here.
- This is the most important document that the City is going to have in front of it because affordable housing is at a crisis in this community. With that knowledge he will support moving this on to City Council, but wants the PC's comments brought forward to Council.
- Supports the comments Commissioner Boss and Commissioner Wardlow made to be brought to City Council as the PC's recommendation.
- Thanks to the public that read through this document. There are some comments and revisions that they had that he thinks should be incorporated.
- Regarding the conversion of nonresidential buildings under HE-1, it should be City wide with an emphasis with the CBD.
- Under HE-4 he believes the units should be "deed restricted" in the first sentence.
- Prioritize "deed restricted" affordable housing under HE-12.
- Suggestion to remove upper middle income housing for ownership and rentals in the last sentence of the last paragraph on page 134. He does not believe that the City should be prioritizing any incentives that the market will provide. The incentives should be towards moderate and lower income housing opportunities.
- An affordable housing linkage fee should be added under HE-31.
- A local bonus density program is very important. The state density bonus program doesn't meet the City's needs, so the City should have one that is tailored. Suggestion to modify the priority housing overlay accordingly.
- In the League of Women Voters of Santa Barbara's public comment their recommendation for changes to goal 2 or policy 2.6 at the bottom of their page should be incorporated. Their comments on HE-12, policies 2.3, 2.5, and the change that they are recommending on the second bullet be included.
- Agrees with Linda Honikman's public comment on page 132 HE-8: Innovative Housing Types. Co-living and cooperative housing are innovative housing concepts that the City should embrace. A number of these projects provide great affordability and should be kept as an innovative housing type.
- Agrees with Rob Frederick's of the Housing Authority public comment regarding the amount of affordable housing. Affordable deed restricted units need to be at least 50% of the units to qualify as a community benefit.

Commissioner Lodge:

- Congratulates and thanks staff on the work that has gone into this document.
- Supports recommending an adoption of the housing element.
- In general, supports the suggestions made by the Commission, particularly Vice Chair Baucke.
- Opposed to anything that is an increased incentive or density.
- The point of the AUD program was to see if increased density resulted in workforce affordable housing. Eliminating parking does not increase affordability. Rents will be what the market will bear. The 63 dwelling units per acre that the City allows is 3 times what Carpinteria allows and 2 times what most other jurisdictions in the County allow.
- Community benefit was a designation that was developed with Measure E that created a way of regulating nonresidential development. It was to allow for developments such as childcare facilities, clinics, hospitals, museums, and theatres to be developed, but it did not include rental housing. The term rental housing needs to be deleted from the community benefit definition.

Chair Bonderson:

- Agrees with fellow Commissioners' comments with the details provided for each policy.
- Agrees with adding acknowledgement to the public commenters.
- Thanks and acknowledgement for the hard work put forward by staff. She recognizes this is not a short process and it is not an endeavor that can be done by a single individual.
- Encourages diverse working groups with both community professionals and city appointees to look at neighborhood development standards to provide more nuanced development standards. She wants to make sure that the improvements the City makes address the diverse neighborhoods and maximize what can be done without burdening the neighborhoods.
- The applicants for the project at 701 N. Milpas went through the process of negotiating a development agreement with the City to find a compromise. This resulted in a higher percentage of inclusionary units. Suggestion to offer that to every applicant if they are willing to negotiate. It could be beneficial if the City can get increased inclusionary units as a result of these compromises that won't burden the neighborhood.
- Improving the consistency of the development process is an important piece of this puzzle that can be done immediately without policy change. Upon initial submittal every department should review projects, even if that portion takes longer, getting everything upfront immediately will make it so that the goal posts don't change and there are no changes to the review later on in the process.
- Suggestion to have a brief check-in on housing on every City Council Agenda. This could help support things that can be done without immediate policy change. That includes encouraging more public and private partnerships and allocation of staff resources to help alleviate the burden that is on staff. As a result, the process will be sped up and streamlined and housing will be prioritized and incentivized to ultimately improve the situation that the City is in. This should be on every single City Council agenda until the City sees measurable progress. Planning Commission can make recommendations, but City Council can help put them into action.

MOTION: Wiscomb / DeLuccio

Recommendation to City Council to adopt the Draft of the 2023-2031 Housing Element, with the following recommendations:

1. Consideration to add slide 36 themes to the executive summary.
2. Include a definition of lower income in the glossary.
3. Update table 50 gets to eliminate any programs that are not applicable to the City of Santa Barbara.
4. Remove the specific \$675,000 in lieu fund amount or have an as of date for that particular amount of money.

The motion failed by the following vote:

Ayes: 3 Noes: 4 Abstain: 0 Absent: 0

Individual comments:

- Commissioner Wardlow stated that she opposed the motion because she wants to ensure that the comments and collective feedback from the overall Commission discussion that was captured most adequately by Commissioner Boss are included as part of the motion.
- Commissioner Boss stated that she opposed the motion because she is not comfortable recommending adoption without the changes that were previously stated.

- Vice Chair Baucke stated that he opposed the motion because it is the Commission's job to provide City Council a collective recommendation of the document and just passing it on does not do that.
- Chair Bonderson stated that she opposed the motion because the housing element is probably the single most important document of our City and if the Commission is making a recommendation to City Council she wants to ensure that that recommendations are included in detail.

MOTION: Baucke / Wardlow

Recommendation to City Council to adopt the Draft of the 2023-2031 Housing Element, with the following recommendations:

1. A Resolution of the Council of the City of Santa Barbara adopting the 2023-2031 Housing Element as an amendment to the General Plan and determining that the Housing Element amendment is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3).
2. Add staff's Powerpoint slide 36 themes to the executive summary.
3. Broadly increase density only when tied to specific income categories.
4. Implement a study starting as soon as possible in 2024 to include HE-12 regarding increased inclusionary, HE-13I regarding increased in-lieu fees, HE-31 regarding development impact fees, tier 4 storm water, and bring inclusionary and in-lieu changes simultaneously.
5. Change the time frame for HE-1 (adaptive reuse) to Q1 2024 to prepare and adopt the ordinance and Q1 2025 for outreach materials.
6. Expand adaptive reuse to City wide, but with emphasis on the central business district.
7. Specify and define nonresidential priority projects with broad community benefit, including museums and health clinics.
8. Change the date by a year earlier for HE-2: La Cumbre Plaza Planning Area to begin no later than 2026.
9. HE-4 should include "deed restricted."
10. Implement the Novak recommendations for HE-5: Process Improvements as soon as possible.
11. Include shared housing, co-living, or cooperative housing for HE-8: Innovative Housing Types.
12. Change the end date to Q3 2025 for HE-10: Multi-Unit Housing Program time frame. Prioritize changes that have been in the que such as updating the community benefit definition to include only deed restricted affordable housing rather than all rental housing, and creating a clear definition of workforce housing that would include AMI.
13. In HE-12 add "deed restricted" to the title.
14. In HE-12 specify the City Bonus Density Program focused on the central business district to allow developers to go higher than the base density, increase height, and make it for moderate income.
15. Change the language in HE-12 to include exploring a local preference for new housing at all income levels.
16. In HE-16 emphasize the trust language as City Council gave that direction and note that staff is simultaneously pursuing program funds which may fall under housing opportunities, preservation, and equity.
17. For HE-16, specify a time frame in 2024 because of the State Funding opportunity window.
18. Change the timeframe for HE-20: Evaluate Hotel Zones to update the trend analysis and amend zoning ordinance by 2025. That could include removing hotel zones where mid to high density residential is allowed.
19. In HE-31 add affordable housing linkage fee to the list.
20. In policy 2.6 eliminate upper middle income from goal 2 and policy 2.6.

21. Update table 50 to reflect only those opportunities that apply to Santa Barbara.
22. Broadly fix typos and data errors noted by Commissioners in today's discussion.

The motion carried by the following vote:

Ayes: 7 Noes: 0 Abstain: 0 Absent: 0

IV. ADMINISTRATIVE AGENDA

ACTUAL TIME: 6:02 P.M.

Item postponed to the December 7, 2023 agenda.

V. ADJOURNMENT

Chair Bonderson adjourned the meeting at 6:02 p.m.

Submitted by,



Mariah Johnson, Commission Secretary