



City of Santa Barbara

PLANNING COMMISSION

MINUTES

MAY 6, 2021

1:00 P.M.

This Meeting was Conducted Electronically
SantaBarbaraCA.gov

COMMISSION MEMBERS:

Deborah L. Schwartz, Chair
Gabriel Escobedo, Vice Chair
Roxana Bonderson
Jay D. Higgins
Sheila Lodge
Barrett Reed
Lesley Wiscomb

STAFF:

Tava Ostrenger, Assistant City Attorney
Allison DeBusk, Senior Planner
Gillian Fennessy, Commission Secretary

CALL TO ORDER

Chair Schwartz called the meeting to order at 1:12 p.m.

I. ROLL CALL

Chair Deborah L. Schwartz, Vice Chair Gabriel Escobedo, Commissioners Roxana Bonderson, Jay D. Higgins, Sheila Lodge, Barrett Reed, and Lesley Wiscomb

Absent: None.

STAFF PRESENT

Tava Ostrenger, Assistant City Attorney
Allison DeBusk, Senior Planner
Renee Brooke, City Planner
Daniel Gullett, Principal Planner
Jessica Metzger, Project Planner
Timmy Bolton, Associate Planner
Janet Ahern, City TV Production Specialist
Gillian Fennessy, Commission Secretary

II. PRELIMINARY MATTERS

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

No requests.

B. Announcements and appeals:

Ms. DeBusk announced that the appeal of the Paseo Nuevo Development Agreement will be heard by City Council on June 22, 2021.

C. Appoint one Commissioner to the State Street Master Plan Advisory Committee.

Public comment opened at 1:17 p.m. and the following individuals spoke:

1. John Campanella
2. Paul Rupp
3. Fred Sweeney

Public comment closed at 1:12 p.m.

MOTION: Reed / Wiscomb

Appoint Commissioner Bonderson to the State Street Master Plan Advisory Committee.

The motion carried by the following vote:

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

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

1. Planning Commission April 8, 2021 Minutes

MOTION: Wiscomb / Escobedo

Approve the minutes as presented.

The motion carried by the following vote:

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

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

Public comment opened at 1:26 p.m., and as no one wished to speak, it closed.

III. NEW ITEM – DISCUSSION

ACTUAL TIME: 1:28 P.M.

MULTI-UNIT HOUSING STANDARDS AMENDMENT UPDATE

The Planning Commission will receive an update on the Multi-Unit Housing Standards, including the building size map, the pending economic feasibility analysis, local preference for new housing units, and no-net-loss of existing affordable housing units. Planning Commission will be asked to provide feedback on the update, and make a recommendation to City Council on an Amendment to Section 30.150.010 of the Zoning Ordinance to extend the Average Unit-size Density Incentive (AUD) Program to February 28, 2022.

Jessica Metzger, Project Planner, gave the Staff presentation. Tava Ostrenger, Assistant City Attorney; Renee Brooke, City Planner; and Daniel Gullett, Principal Planner were available to answer questions.

Public comment opened at 2:13 p.m. and the following individuals spoke:

1. Alex Pujo
2. Brian Cearnal
3. Brian Johnson
4. Craig Minus
5. Dale Aazam
6. Detlev Peikert
7. Fred Sweeney
8. John Campanella
9. Linda Honikman
10. Lisa Carlos
11. Nadia Abushanab

Written correspondence from Bruna Byrne; Jeff Byrne; Michael Bryne; Rob L. Fredericks, Housing Authority of the City of Santa Barbara; Steven Johnson; Allied Neighborhoods Association; Dennis Doordan; Tai Yeh, AIA Santa Barbara; Lisa Carlos; Detty Peikert; Patricia Saley; Richard Closson; Howard Wittausch; John Campanella; Fred Sweeney; Vijaya Jammalamadaka, League of Women Voters; Brian Johnson, Santa Barbara Association of REALTORS; and Craig Minus was acknowledged.

Public comment closed at 2:42 p.m.

MOTION: Wiscomb / Reed

Recommend that City Council approve Amendment to Section 30.150.010 of the Zoning Ordinance to extend the Average Unit-size Density Incentive (AUD) Program to February 28, 2022.

The motion carried by the following vote:

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

Commissioner comments:

Commissioner Wiscomb:

- Map Action:
 - o Tier 3 should focus on moderate income. In the past, the Commission looked at a mix of moderate and lower; but now, would like emphasis on moderate.
 - o Would like to see affordable ownership added to Tier 3.
 - o Supports Staff's initial map and looks forward to the Economic Feasibility Study.
 - o Finds that the examples of the existing FARs, as presented by Ms. Metzger, are compelling.

- PC Review Authority Action:
 - o States that in 2019 Council decided that the Planning Commission should review 10,000 square foot and above and agrees with that action
 - o Would like to suggest that PC also review projects with a significant FAR as recommended by the Economic Feasibility, for example 2.0 FAR.
 - o Believes the Planning Commission should have decision-making authority.
 - o Height findings should be incorporated into decision-making because height a controversial issue in the City.
 - o Suggests that perhaps a project could get more height, up to 60 feet if proposing a percentage above the minimum inclusionary requirement for affordable units at moderate income.
 - o The focus should be on community benefit, which would be more affordable units than required at the moderate rate.
 - o The Planning Commission should consider projects in all areas of the City because there may be controversial projects outside of the designated area of the map.
 - o Would like to suggest edge condition consideration adjacent to residential where applicable be part of additional findings as, related to light and solar access.
 - o Recommends Ms. Ostrenger look into edge condition finding for solar and light access in relation to health and safety concerns.
 - o Suggests the working group explore sustainability considerations as part of additional findings to encourage sustainable development and reuse of existing buildings within the City while not financially overburdening projects.
 - o Not in favor of using the word “exemplary” as part of the any finding because it is subjective.
 - o The Planning Commission should not be making findings on design. ABR and HCL should have that purview.
- No-net-loss Action:
 - o Prefers replacement on-site.
 - o Supports further research on replacing units off-site as long as the units off-site are built before the units on-site or the construction is concurrent to on-site construction.
 - o Understands that in-lieu is not allowed, but suggested that perhaps in-lieu on small lots where the lot is losing one unit and gaining four units is appropriate because it would be a burden to replace that unit on the same lot, if legally possible.
- Local Preference Action:
 - o Appreciates Vice Chair Escobedo’s comment on the Housing Authority managing the affordable units and outreach for local preference like the Mason Street project is proposing.
 - o Suggests possibly lowering permitting costs if there are projects with local tenants incentives. Perhaps there are other incentives?
 - o Believes that the Housing Authority has lists with people who may have been rejected by them because they make too much income, and that the housing Authority could use this list for local preference on new projects.
 - o Worries about rental units going to out-of-towners as second homes and remaining empty for the majority of the time. Doesn’t have a solution to this, but concerned.
 - o Would like to find ways to ensure units are actually rented by locals who live/work in the City of Santa Barbara.

Commissioner Bonderson:

- Map Action:
 - o Interested in learning more about the Economic Feasibility Study and their recommendations.
 - o Would like to leave that door open with regard to a maximum recommendation cut-off.
 - o Would like the Economic Feasibility Study consultant to come back to the Commission and let the commission know if 3.0 FAR is the ceiling or if the consultant suggests higher and if they do want a higher number, what that entails.
 - o Agrees with Commissioner Wiscomb about affordable ownership being included in Tier 3 and would like to explore that and make that possible.
 - o Supports encouraging ownership for moderate- and middle-income.
- PC Review Authority Action:
 - o The recommendation that was discussed during the presentation and discussion is appropriate and very encouraging to have the Planning Commission take on more decision-making responsibility when it comes to land use. Let the Design Boards to focus on design. The recommendation allows this Commission to specialize and provide guidance and decisions with a focus on land use and findings.
 - o Height findings should be incorporated, and that both the size of the lot and how the site is used should be part of that consideration because FAR is very site dependent.
 - o Believes that the lot size recommended on 10,000 square feet and above for Planning Commission review is appropriate.
- No-net-loss Action:
 - o Prefers to have replacement on-site only.
 - o Affordable housing should be replaced on-site with same number of units at the same income levels, and no less than that. Additionally, if there is a site that is removing a wide range of multiple types of housing the Commission should consider replacing those before adding new ones.
 - o In agreement with concurrent construction.
- Local Preference Action:
 - o Recommends exploring ways to confirm local employment.
 - o Believes there is a system in place for local preference that can work to make sure that someone fits in the income levels and that they have a stable place of employment with a regular income and that it shows their longevity in Santa Barbara.
 - o Would like to further explore how the Housing Authority could be a partner to support this and if they are able and/or willing to take on that responsibility.
 - o Appreciates Commissioner Wiscomb's comments in regards to a local preference incentive to developers and finds it an attractive idea, but believes it needs more research.

Vice Chair Escobedo:

- Map Action
 - o Believes there is a fear of buildings being too big, but doesn't think that all buildings will be built at maximum FAR; however, because of the different restrictions on parcels there is a need to provide as much flexibility as possible.
 - o Supports keeping condominiums at Tier 1, keeping rental housing with inclusionary at Tier 2, and having units affordable at a moderate income level at Tier 3, for affordable rental housing and affordable units for-sale.
 - o The thresholds for condos should be higher than affordable rental housing, but should be determined after receiving the Economic Feasibility Study.
 - o Likes the idea of added incentives in Tier 3. On top of additional FAR, there could also be additional height by right for these affordable projects.
 - o If the project meets the affordability requirement, they should be automatically granted the additional height.
 - o Outside the Central Business District, parking will be included for projects, which means there is going to be less square footage within that FAR dedicated to units. Due to this, there is a need to raise the FAR outside of the Central Business District, examples include the Haley Corridor which is 2.0 FAR and the Milpas Corridor which is 1.5 FAR. Many of the projects developed by the Housing Authority or non-profit developers will occur outside of the CBD and they should be set up for success so that they maximize the number of units.
 - o The Commission should consider that with the AUD program there were a lot of "low-hanging-fruit" parcels developed and as time goes on there are going to be less parcels that have little to no activity on them, like parking lots and unused vacant lots, and there will be more development on lots that currently have operations, businesses, or current uses; therefore, the incentives need to outweigh the redevelopment difficulties.
 - o The process needs to be streamlined, it needs to have the right incentives in place, and it needs to be structured in an easy to understand way.
- PC Review Authority Action:
 - o Supports the 10,000 square footage requirement and supports the suggestion made by Commissioner Wiscomb which was 10,000 square foot lots and an FAR informed by the Economic Feasibility Study.
 - o The height findings need to be amended to make them more objective.
 - o Agrees that there should be an edge consideration finding or criteria for areas adjacent to residential zones.
 - o Likes the idea of a sustainability component and would also want it to be objective.
 - o Suggests providing examples of what the Commission means by sustainability and the sort of components that can be incorporated into a project to meet that requirement.
 - o Suggests a higher threshold for inclusionary as an additional finding for height.
- No-net-loss Action:
 - o Prefers on-site replacement.
 - o Could support off-site concurrent development.
 - o Would like to see the off-site units completed at the same time or before the on-site units are occupied.

- Local Preference Action:
 - o In favor of incentivizing local preference for projects developed by private entities.
 - o Would like to look into the Housing Authority and what sort of partnerships could be made. Do they have the capacity and what would it look like?
 - o We should be as creative as possible; don't leave anything on the table.
 - o Suggests looking into a portal or webpage that could live on the Housing Authority's website where units have to be advertised for a certain period of time before they can go on Zillow or on a property management company's website.
 - o Finds that local advertising does not hit the mark.
 - o Would like to figure out a way, whether it is condos or rentals, to not have them being rented and purchased by out of town people who leave them vacant for most of the year and are not meeting the needs of the people who work and live here.
 - o Affordable housing is not achieved without a subsidy and there is an issue of too many units being vacant for too long and for too much of the year.
 - o The City needs to explore a vacancy tax for rental, condo, and for-sale properties because it is an issue within the City.

Commissioner Reed:

- Map Action:
 - o Affordable ownership units should be included in Tier 3.
 - o Considers making tier 1 and 2 equal FAR for ownership and rental housing assuming the maximum sizes are small enough for ownership units. A path to more affordable ownership is a good thing for the City.
 - o Incentives for residential conversions of office space should be prioritized
 - o Recommends that Council reconsider the open-space requirements in the CBD and how it relates to repurposing of commercial property to residential.
 - o Offers questions to the economic consultants: Is the 2.0 FAR feasible for rental projects in commercial areas specific to the Haley corridor and La Cumbre Plaza? Similarly, is the 1.5 FAR feasible for the Milpas corridor, including the proposed coastal areas and especially the Funk Zone neighborhoods?
 - o Tier 3 should be only for moderate income affordable housing.
- PC Review Authority Action:
 - o Finds that the requirement that 10,000 square foot lots and above is acceptable but would like staff to look into considering building size rather than lot size.
 - o Look at the areas of the map at 2.0 and above for review.
 - o Does not know if the 2.0 FAR building size requirement is acceptable.
 - o Height should be incorporated into the decision-making process; however, is sensitive to the community's concerns about 60 foot buildings being developed.
 - o The findings should be as objective as possible.
 - o There should be a sensitivity to edge conditions bordering R-2 and single family neighborhoods.
- No-net-loss Action:
 - o Replacement on-site or off-site of naturally affordable units should be the owner's choice.
 - o If in-lieu is ever an option in the future, it should be included as well.
 - o Believes in flexibility in timeline to replace, but not indefinite.

- Local Preference Action:
 - o The Local Preference action should not be a mandate but rather a voluntary measure by incentive; for example, lower fees, streamlining efforts, and prioritized review and permit issuance, or something similar to the Accelerate Program.

Commissioner Higgins:

- Map Action:
 - o Agrees with Vice Chair Escobedo's comments in terms of increasing the FARs in certain areas and Tier 3 being for both affordable rental and ownership units.
 - o Has concerns that the FAR is not being set high enough at least for the economic analysis and would like to revisit that after the Economic Feasibility Study.
- PC Review Authority Action:
 - o Would like staff to explore discretionary actions. Review waiving other development standards like setbacks, similar to density bonus for projects with better design.
 - o Findings need to be limited and should be simple.
 - o Likes the Tier aspect of what type of projects should require Planning Commission approval.
 - o Does not know how to determine Planning Commission approval based on lot size or the map area.
 - o Suggests that if there are applicants that want to do something more aggressive, or the project is more controversial they can come to the Commission regardless of where it is in the City.
- No-net-loss Action:
 - o Agrees with Vice Chair Escobedo in terms of the "low hanging fruit" parcels that has already been picked to be developed in the City.
 - o Recommends maximum flexibility to the developer to replace the units.
- Local Preference Action:
 - o Defers to Commissioner Reed's comments.
 - o Believes that it has to be voluntary to address the reality of the internet.
 - o Believes that limiting applicants' ability to market a project is another hurdle for them to get a return on investment.
- Disappointed in the fascination with parking and would like to move in a direction where parking is not required or incentivizing to not require parking if the project is next to a parking structure.
- Believes that not requiring parking frees developers or applicants to provide units instead of vehicle storage.
- Believes that the term "naturally occurring affordable housing" is interesting and provocative because it goes to the fact that the existing housing stock that has been developed for a long time is more affordable.
- Fascinated by the idea that brand new constructed housing needs to be affordable to anyone who wants it and believes that this is an obstacle and a disguise for not wanting any housing to be developed.
- Would like the Economist to analyze the difference between rental and for-sale condos.
- Would like to stop making the distinction between rental and ownership units and would like the Economist to evaluate the affordability difference.
- Finds that there is a need for an Equity Sharing Program for residents and moderate-income folks.

Commissioner Lodge:

- Map Action:
 - o Uneasy about using FARs to determine building size in the City.
 - o Believes that the City is unique and that each project merits the review that they are getting.
 - o States that currently there are only 12 buildings on State Street between Cabrillo and Victoria that are over two-stories high. Many of the buildings are one-story.
 - o States that the people surveyed in FAR outreach show strong support for lower FARs than are in the draft FAR map. For example, they show preference closer to 60% for a FAR of 2 rather than 3 in downtown. Only in the Funk Zone and West Beach neighborhoods do the results follow the draft FAR map.
 - o Believes that these big buildings being developed are being crammed into Santa Barbara's downtown and that it could possibly change the character and further damage the tourist economy.
 - o Finds that, according to the AUD high-density overlay experiment, except for the small percentage of inclusionary units, the new units that will be built will be expensive and unsubsidized.
 - o By creating more market rate housing, we are creating more demand and need for moderate income housing by increasing. Refers to the Kaiser Marston Study which indicated that 27 units would have to be moderate income affordable to keep things even in the jobs housings balance.
 - o Believes that the FARs should be lower.
 - o Would like to focus on moderate which will be more in the rental housing.
 - o Believes that with the new Tiers and higher FARs it is making the problem worse by expanding the number of units.
 - o Height requirements are important in preserving a small town feel which was something that in the General Plan process people in the City said that they value.
 - o Finds that the AUD program is working and no further incentives are needed.
 - o States that 289 AUD units have been completed, another 169 are under construction, 279 ADUs have been built and 173 are under construction, and therefore 900 dwelling units as of April have been built or are under construction.
 - o The goal to generate moderate income housing will only come about from subsidies and instead of talking about FARs the City should be working with the state legislatures to get the state to come up with money to subsidize moderate income housing.
 - o There should be a statewide bond measure to provide funding for subsidize middle income housing.
- PC Review Authority Action:
 - o Height findings should be incorporated and the City should be getting something more out of the additional community benefit height.
 - o The simplest way of deciding which projects should come to the Commission would be the 10,000 square foot and over lot size requirement.
- No-net-loss Action:
 - o State law is good in this regard.
 - o Prefers on-site, but supposes that off-site might be a possibility where it is adjacent to the lot.
 - o Agrees with the comments of concurrent development made by other Commissioners.

- Local Preference Action:
 - o Supports the involvement of the Housing Authority if they are willing to be involved and have a way of managing to restrict or limit to local residents.

Chair Schwartz:

- Map Action:
 - o Prefers to ask Economic Feasibility Consultant to determine the right FARs throughout the city that will strategically encourage sensitively placed development or redevelopment of for-sale condos and rental units that move us sufficiently toward meeting the regional needs housing allocation, because we have an ongoing housing crisis.
 - o Would like to find a way to encourage all sizes of condo development within the Tiers.
 - o There should be an exclusive focus on moderate to address the lack of moderate income housing.
- PC Review Authority Action:
 - o Finds that the lot size of 10,000 square feet or greater requirement is acceptable, across the map.
 - o Would like the trigger to be city-wide and doesn't think they should limit the Commission's review authority to FAR micro-areas of the city.
 - o Strongly recommends that the height findings be as clear and concrete as possible; therefore, it is consistent and can be anticipated by staff and applicants.
 - o Would like to add concrete sustainability design elements or aspects and discuss with experts on how to incorporate sustainable design in housing development. We should be cutting-edge.
 - o Concerned with the vagueness of the finding within the staff report that reads "No specific adverse impact on public health and safety."
 - o Believes that all of the findings, including the height findings, need to have clear criteria to strip out subjective determinations that will always be based on who is in the decision-making seat at that time.
- No-net-loss Action:
 - o Finds that the in-lieu fee programs are a mash up of what works and what has not.
 - o Finds that in her time on the Commission, in-lieu fees for the City has not worked to produce affordable units. However, suggests that the policy and program needs to be reconfigured to produce more affordable units.
 - o Skeptical about whether an applicant paying an in-lieu fee would ever yield the additional units needed; however, that it is not on the applicant. Is not sure whether the City is willing to put an in-lieu fee program together.
 - o It is not always feasible for a closely adjacent parcel to be acquired and re-developed as the primary or the original parcel, in a highly built-out city like ours.
 - o Not comfortable with requiring that there be an adjacent parcel required for off-site replacement.
 - o Believes that there needs to be more flexibility provided so any off-site parcel that can be acquired and developed for replacement is acceptable.
 - o Not in favor of requiring the construction to occur prior to the current original site, would like it to be concurrent. But would like to hear from developers.

- Local Preference Action:
 - o There has been a change in the nature of where one can work and where one can live.
 - o Finds that “local” means who lives here full-time regardless of work because the work now can be done on a laptop full-time from ones studio apartments in one of these new multi-unit housing projects.
 - o Would like to see more research in terms of legalities of how local preference can be defined.
 - o If there is a role for Housing Authority, it should be pursued because if there is an effective role they would be an ideal candidate to help with the vetting and of management of that component of properties and development.
 - o This is much bigger than advertising.
- Is not set on FAR as the only tool but excited the City is exploring a new ways of sensible development, distributed around the city. We can refine multi-unit housing standards and demonstrate to the state legislature and governor we are producing housing at income levels needed to support a diverse and vibrant community.

*** THE COMMISSION RECESSED FROM 2:49 TO 3:00 P.M. ***

IV. ADMINISTRATIVE AGENDA

ACTUAL TIME: 6:01 P.M.

A. Committee and Liaison Reports:

1. Staff Hearing Officer Liaison Report

No report.

2. Other Committee and Liaison Reports

- a. Commissioner Lodge reported on the April 26, 2021 meeting of the Single Family Design Board.
- b. Commissioner Wiscomb announced that the joint meeting of Historic Landmarks Commission and Plaza De La Guerra Working Group will be held on Friday, May 7, 2021 from 1 p.m. - 4:30 p.m.
- c. Commissioner Bonderson reported on the April 22, 2021 meeting of the Transportation and Circulation Committee and on the April 19, 2021 meeting of the Architectural Board of Review.

V. ADJOURNMENT

Chair Schwartz adjourned the meeting at 6:12 p.m.

Submitted by,



Gillian Fennessy, Commission Secretary