



City of Santa Barbara

PLANNING COMMISSION

MINUTES

OCTOBER 7, 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

Vice Chair Escobedo called the meeting to order at 1:00 p.m.

I. ROLL CALL

Chair Deborah L. Schwartz (at 1:42 p.m.), 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
Elias Isaacson, Community Development Director
Renee Brooke, City Planner
Daniel Gullett, Principal Planner
Allison DeBusk, Senior Planner
Jessica Metzger, Project Planner
Timmy Bolton, Project 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:

Elias Isaacson, Community Development Director, introduced himself to the Planning Commission.

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

1. September 9, 2021 Planning Commission Minutes

MOTION: Wiscomb / Bonderson

Approve the minutes as presented.

The motion carried by the following vote:

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

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

Public comment opened at 1:05 p.m., and the following individuals spoke:

1. Lonnie Roy

Public comment closed at 1:08 p.m.

Written correspondence from Christel Barros, Dan Villano, Glenita Uriarte, Guy Dolev, Gary & Kay Hoffman, Lawrence E. Hunt, and Anne & Alex Cole was acknowledged.

III. DISCUSSION ITEM

ACTUAL TIME: 1:08 P.M.

MULTI-UNIT HOUSING ECONOMIC FEASIBILITY ANALYSIS AND RELATED DRAFT FLOOR-TO-LOT AREA RATIO MAP

Staff recommends that the Planning Commission:

- A. Receive the Economic Feasibility Analysis from BAE Urban Economics and consider the report findings and recommendations, including recommendations on Inclusionary Housing and development standards; and
- B. Review and comment on the draft Floor-to-Lot Area Ratio map to be included with future amendments to multi-unit housing standards in Santa Barbara Municipal Code (SBMC) Title 30 (Inland Zoning Ordinance).

Jessica Metzger, Project Planner, gave the Staff presentation; joined by Aaron Barker, Vice President, BAE Urban Economics. Daniel Gullett, Principal Planner; John Kaliski, AIA, John Kaliski Architects (JKA); and Stephanie Hager, Associate Principal, BAE Urban Economics were available to answer questions.

The following specific questions were posed to the Planning Commission to facilitate discussion:

1. Any new comments on FAR map?
2. Is 20% added FAR acceptable for Tier 3?
3. Is 15% or 20% Affordable supportable for Tier 3?
4. Increase in-lieu fee for small projects & condos?
5. Support larger FARs for smaller lots?
6. Other input on changes to development standards?

Public comment opened at 1:35 p.m. and the following individuals spoke:

1. Craig Minus
2. Fred Sweeney
3. Steve Johnson
4. John Campanella

Public comment closed at 1:47 p.m.

Written correspondence from Richard G. Closson, Allied Neighborhoods Association, Michael Millhollan (Riviera Association), Fred L. Sweeney, Steven Johnson, Mary Turley, Lisa Carlos, John Campanella, Tai Yeh, Steven Johnson, Patricia Saley, Marell Brooks, and Craig Minus was acknowledged.

*** THE COMMISSION RECESSED FROM 3:10 P.M. TO 3:20 P.M. ***

Commissioner comments:

Commissioner Reed:

- In short, the answer to questions two through five is no.
- Impressed by this incredible, complicated work which he has also been involved in; however, he is largely uncomfortable pushing forward on the current plan because of the Tier 3 incentives.
- Uncomfortable with the Tier 3 incentives because there are so many pending opportunities for housing that haven't come to fruition; for instance, in the downtown core there is discussion of new development incentives, but why isn't adaptive reuse being prioritized for vacant and underutilized spaces?
- In saying no, he is first saying yes to the implementation of an adaptive reuse ordinance to account for the potential affordable housing supply that it would represent. Additionally, would like to see a specific plan for La Cumbre Plaza and Sears because there is tremendous opportunity for housing in those areas and possibly funding available for that plan.
- Believes that we should be tracking income levels and rents for new and existing ADUs because those can count against the excessive RHNA numbers that the City is always up against.
- Happy to hear that in November they will be discussing SB9 and SB10 and their impact on the City's RHNA numbers, which impacts decision making on new housing policies and incentives.
- The Economic Development Plan that the Commission reviewed a couple months ago highlighted the importance of public-private partnerships to build income restricted affordable housing on City owned lots and believes that the private sector alone will never

be able to do it. The AIA Charrette illustrated the potential for these public/private partnerships and this is a great strategy to get real production in the moderate category without making excessive concessions.

- Cannot support the proposed plan because it is dramatically increasing FARs while compromising on important design standards and pushing building heights to 60 feet in order to gain an additional 5 or maybe 10 percent affordability by giving up a lot.
- Doesn't believe that it is possible to incentivize affordability at or above 15 to 20 percent with new construction without significantly compromising design standards and dramatically exceeding building height limits, but one could avoid taking things to this extreme by addressing the issues he listed and talked about.
- FARs for existing and pending projects Downtown that are at or below 2.5 FAR.
- Unlike Tier 3, the proposed Tier 2 provides for a maximum 3.0 FAR without bonuses, compromising design or development standards, and without pushing building heights to 60 feet. According to the language in the study, this enhances the feasibility for deed restricted moderate income projects compared to projects that are built or pending under the existing AUD ordinance, all of which are at or below a 2.5 FAR so he proposes that we start here because it is a significant incentive and we can hold off on the proposed Tier 3.

Commissioner Higgins:

- No longer interested in or optimistic about the term "streamlining" because streamlining development projects has been talked about for as long as he has been in the business and probably much longer than that.
- Believes that streamlining is not going to happen at the local level because we don't have the political will to get that done. Believes that it might happen, but it will most likely happen at the State level.
- Doesn't feel that streamlining is a reachable goal and believes that it is not a land use or planning function to streamline projects, and planners in the City often get tagged with being the obstacle because they are smart enough to interpret other parts of the development codes, including fire, flood, creeks, and etc.
- Believes that until we want to holistically challenge or change other codes, a streamlined process is not achievable.
- Appreciates the adaptive reuse concept. Would like to pursue it separately and would like to learn more about it.
- Can't decide if he likes the interim approach to the housing discussions, believes that it is an easy forum for them to break these issues down, especially with the economic analysis, because it is hard for public to engage, pay attention, and understand. Finds that it is even hard for him so he is looking forward to the November 4th PC meeting to dive in further.
- Would like to provide comments on what is being presented, but feels that he should withhold them because there is missing information. Would be more comfortable providing comments and making decisions when there is a holistic project or an actual ordinance to review, but right now the Commission is missing staff recommendations and general plan consistency which puts the whole ordinance in context and how it effects the city.
- The report is missing information on how the AUD Ordinance is absorbed by the rest of the community. When AUD projects are developed they free up existing housing stock to become less crowded, less expensive, and more affordable. This is the foundation for

AUD ordinance in the context of the City's general plan which is why the City has the AUD Program because it allows the rest of the housing stock to be well equitable.

- Perfection is the enemy of good enough and thinks that this is on the right track.
- Believes that on page two of the Staff report, the second paragraph seems to be misleading. The AUD is a successful project and ordinance; however, it has overlooked some opportunities in the lower income categories, but it excludes the existing housing stock that gets freed up by the newer structures.
- Would like to see additional analysis on FAR map (e.g. Carrillo/De la Vina corner).
- Would like to see some additional discussion about edge conditions, particularly between red and purple on the FAR map.
- Feels that he does not have enough information to deal with Tier 3 because he does not want to encumber new projects with higher levels of inclusionary housing because those are generally impediments to investors. So if we have to get to Tier 3 by way of 60 feet in height, he feels that we are giving too much away.
- May be more comfortable with less inclusionary and not changing the height limits too dramatically.
- Believes that condominiums should be treated the same as apartments.
- Doesn't know about FARs for smaller lots just yet, it seems to him that it is going to exacerbate and antagonize the edge conditions.

Commissioner Wiscomb:

- Generally agrees with Commissioners Reed and Higgins.
- Uncomfortable particularly with Tier 3 as the Rivera Association called it alarming because it is missing the environmental analysis for that kind of density.
- Believes that most of Commissioners agree that the rental analysis presented in the Economic Feasibility Study is low particularly for the Central Business District (CBD) and Tier 3 can't be supported by that.
- Agrees that the Tiers for the Haley, Cota and La Cumbre Plaza areas need to be revisited because they were not well vetted; for example, Mr. Minus, a public commenter, talked about the inconsistencies with the property at the corner of De La Vina and Carrillo.
- Mr. Campanella, a public commenter, noted that there are lots of properties in 1.5 FAR areas dispersed throughout the City, but that has not been financially analyzed and she believes that it is important to do so.
- When Ms. Metzger sent over her data, she looked at sixteen properties in the El Pueblo Viejo (EPV) district and not all of them were in the CBD, not all of them were built, some of them were under construction and some are still in permitting, but 31 percent had less than 1.0 FAR and 31 percent of them had a greater than 1.0 but less than 1.5 FAR. There were only three projects that had 2.0-2.5 FAR, most of them had no inclusionary. This provides information that a move to Tier 3 within another 20 percent bonus is alarming and can change the streetscape in the downtown area and exceeds what we have today.
- Believes that the public does not have a great understanding of FARs and like Commissioner Higgins, she struggles with it herself.
- Believes that this needs more public vetting.
- Would like to look at FAR in the CBD by lot size and considerations for adjacent to historic resources to avoid a canyon effect.
- Believes that FAR is a better system than AUD where we are restricting the number of units per acre in AUD, but does not support the Map as presented today because there is not enough information and there are too many unknowns.

- Finds Commissioner Escobedo's questions on the higher height by right concept and a gross FAR versus a livable FAR interesting.
- Believes that there is a lot more that needs to be done.
- Like Commissioner Reed, she is saying no to questions two through five.
- Finds that Commissioner Reed made good points during his comments.
- Appreciates the adaptive reuse discussion and thinks that it needs more focus particularly with the aged buildings in the City.
- Agrees with Commissioner Higgin's comments on ownership of condominiums.

Commissioner Lodge:

- Pleased that this won't be a mad dash toward the end date of the AUD Ordinance.
- Believes that it is hard to understand FARs.
- Believes that it is unwise to do anything without knowing the effects of SB 9.
- Uncomfortable with FARs because the City has so much architectural heritage which is such a big part of the character of the City and going to FARs would maximize building mass and lose all of the charm and variation in the City.
- Believes that Tier 3 is unacceptable because it will create massive boxes in EPV that will decorate with Spanish Style on the outside but will change the character of Downtown.
- States that her analysis, which was sent to the Commission, was deemed correct by Ms. Metzger. Believes that when you have new housing in the community that means new people move to the community and those new people have needs and they create the need for jobs which creates the need for housing and new housing for people who fit those jobs and there is no way that the we are going to make any progress unless it is 20 percent low-income housing in order to balance it out, according to the Keyser Marston Study. It will make the housing imbalance worse and the City could be faced with higher RHNA numbers.
- Highlighted a quote made by an initiator of the new urbanism that had visited and is passionate about Santa Barbara in which he describes FARs as a very disturbing and destructive way of making cities in part because a building's massing is not determined in the context of their surroundings. He also spoke about how magnificent the fabric of the City is and how mixed and varied it is which might be why people love and visit so much because it looks and is so unusual because it has old buildings and new buildings, big buildings and small buildings, and the buildings talk to each other. Under FARs the buildings do not talk to each other losing what is so precious to the City.
- The AUD Program has been successful in creating hundreds of rental units and Brian Johnson, the President of the Board of Realtors, credited the AUD Program for the vacancy rate going up 4.4 percent and rents going down.
- Prefers to stick with the AUD Program because it's working and creating some of the housing that the City needs.
- Believes that we should get behind the State and noted President Biden's infrastructure social program has a significant amount of money put toward HUD for subsidies for affordable housing.
- Has always been supportive of Housing Authority and its 100 percent affordable housing projects. Before the AUD Program, the City figured out a way to allow for El Carrillo to be built and it is 122 micro-units to the acre and believes that it's amazing how the residents make the 256 square foot units their own.
- The Keyser Marston report says for every 100 market rate units, there is a demand created for another 20 very low-, low-, and moderate-income housing units, which is why it needs to be a 20 percent inclusionary requirement.

- Believes that we can't just build housing to build housing, it needs to be the kind of housing we need and going with these higher FARs will not bring us that.

Commissioner Bonderson:

- Respects Commissioner Lodge's opinion and comments.
- Wouldn't be able to provide answers to the questions that have been asked of the Commissioners because there is not enough information to comment appropriately.
- Understands that other Commissioners have given the answer no to these questions, but doesn't want to just say no.
- Believes that more accurate data from the community is needed in order for the consultant to be able to put together the most accurate and appropriate information into this report. Starting with the fact that the Tier 3 rental numbers are not accurate and don't reflect the community.
- Believes that the City of Santa Barbara is significantly different than other communities in Southern California; it's its own type of city in that it looks different and it costs differently.
- Believes that this hearing was very encouraging because the Commissioners were able to see how much progress has been made, but doesn't think that it was ready to be demonstrated to the Commission because it left them with more questions.
- Hopes that today's hearing shows the team of consultants and Staff that there is so much more data that needs to be pulled together before we can start understanding and working forward.
- Would like the consultant to continue to look at the cost of living and pay close attention to historical structures and the importance of the City's historical center in relationship to historical areas in Downtown, but also to neighborhood context and edge relationships.
- Believes that this is a work in progress.
- Agrees with fellow Commissioners about the height of the structures in the City. In comparison to other cities, this is not something that can be easily pulled from other projects the consultants have worked on. The City of Santa Barbara is unique and the expectations are unique.
- The City has vacancies and opportunities for adaptive reuse and was pleased to hear about that work effort.
- Believes that ownership is very important to the community and appreciates that fellow commissioners are advocating strongly for this as she feels very strongly about it.
- Understands FARs in theory and believes that they will be better than the AUD Program, but would like it to be clearer before the Commission makes comments and answers questions like those on Staff's PowerPoint.
- Feels that the report has not done what it is supposed to do yet and that it has not reached a place where the Commission is confident saying that they are on the right track.
- Enthusiastic and hopeful to see where this process takes them and to see the consultant report and the hard work that Staff has done come to fruition.
- Recognizes that there are so many moving parts and looks forward to what it can be when the presentation comes back to the Commission with more data and clear information that they can understand and talk about.
- Agrees with previous commissioners who spoke about public vetting. Believes that public educational opportunities and workshops would be very supportive in this case because without public support this effort is not going to go where they want it to go. As seen in the past, when there isn't support on something it can often be because of misunderstanding and when we don't understand challenging topics like FARs then we are likely just to say no. Hopes that the Commission, team, and Staff want to avoid big

no's as possible and by getting the public understand, then they too have a better opportunity to make informed decisions and potentially support this project.

- Looking forward to the next round and very excited to see more about the neighborhood context and edge conditions.
- Looking forward to hearing more about SB 9 and SB 10 and the program EIR.

Commissioner Escobedo:

- Thanks staff and is always impressed by the Long-range Planning Staff. Believes that they have done a really great job.
- Thanks the consultant and is impressed by their analysis.
- Believes that FARs in general are better than the AUD Program. Believes that what FARs do not benefit from is that it is really complex and not intuitive.
- Doesn't know how to explain FARs because intuitively looking them and examples of 1.0 FARs and 2.0 FARs they are actual buildings in a built environment and then looking at 2.0 FARs somewhere else and having people saying they can't imagine having twice the size of this 1.0 FAR building or having a 3.0 FAR building, when that is not really how FARs work.
- FARs are site specific and dependent on the lot and the constraints of that lot.
- Believes that sometimes in these conversations we try to get by with the minimum possible threshold so that we get some units in ideal conditions, but overall we don't get much beyond that and the problem with that is the ideal situations are fewer and fewer with every project built. Most of the projects that the Commission has seen have been built on sites that were underutilized or ripe for development. Sites that the City is going to have to produce housing on in the future are going to have operations that are currently going on and then they are going to have to convince people to cease operations to provide housing.
- Interested in when there is an opportunity for nonprofit developers who are building majority affordable projects, how do we maximize these projects and make it as cheap as possible so that they are the most efficient with those few subsidized dollars they have available to them.
- Reluctant to support anything that doesn't have incentives. Understands and agrees with Commissioner Higgins' comment about streamlining, but wants to know how to shorten the application process for truly affordable projects, how to maximize the incentives for the truly affordable projects, and how to make as many decisions in that process ministerial versus them having to come to a Commission or Board.
- Believes that the FARs need to be higher and that the City needs to provide opportunities for these spaces to produce housing and not only try to do the minimum.
- Believes that the City is in this position because the City hasn't built housing for decades and California in general decided to stop investing in public housing. The solution is not to stop building housing.
- Would like to create the environment and situation that if the funding is available, especially for affordable housing, that we maximize it so there isn't this long year after year of changing development standards and processes. Would like to advocate for funding at the county, state, and federal level.
- Frustrated because it sounds like sometimes the Commission wants to find alternate reasons to not see housing and that were happy with who is already living here.
- Understands that there is a relationship between housing production and creating the need for jobs, but has yet to see what the ratios of those numbers look like.

- To him, it sounds like we are okay with lower-income people driving into town from miles away which is an environmental impact that is not considered in this discussion.
- When looking at the FAR map, believes that the FARs needs to be higher, especially in the Haley corridor.
- Understands that the edge conditions are going to impact someone's house, but there is always something that is going to be impacted, so it is just one of many considerations that needs to be weighed when considering policies.
- Could be convinced that 20 percent is enough.
- Interested in increased affordability and increased height by right.
- Interested in, if necessary, places that can support more housing and if we have to change the zoning in that area in order to allow for more height, then we should investigate that.
- Supports the 20 percent affordable at Tier 3, but would like a Tier 4 for affordable housing that would be more than 50 percent of the project.
- Supports increased in-lieu fees on small projects and condos.
- FAR is specifically dependent on lot and lot constraints, so he would be supportive of larger FARs or changes to the development standards dependent on their lot constraints.
- Interested in requiring the calculation of gross and livable FAR to know how much of that space is being dedicated to livable area and units, and where possible to disincentivize amenities.
- Does not want to halt this process and wait for SB 9 because there has been an analysis that the effects of SB 9 are going to be negligible.
- Understands that there might not be enough political will to push this forward, but will be one of the people that will be in support of moving to a FAR system to maximize the number of units for the rare opportunities of development.

Chair Schwartz:

- Believes that what is critically important for city decision makers is to look very realistically and candidly at intentions and commitment regarding housing. Defining housing and for whom because those who have significant financial means have no struggle in either owning or renting in the Santa Barbara area.
- Prior to 2008 recession, the Housing Authority was not charged entitlement, permit, or planning fees by the City. The point is that prior to 2008, the cost of the Housing Authority's development fees was significantly lower because the City didn't charge the nonprofit housing developer fees at all let alone the same fee schedule as the full market rate housing applicant. That was a big assist in creating affordable housing. It showed real conviction on our part as to what are we really committed to doing and the practices that follow.
- Believes that part of the challenge of understanding what to do with these analyses in these hearings is that some of the terms such as Floor-Area-Ratios (FARs) and the numbers themselves, unless you are technically adept, are very difficult to comprehend in terms of tying it to the intentions, interests, and needs of the type of housing we want to develop and where we want to develop in the City.
- Struggles with the relationship between these methodologies, the percentages, and numbers that have been incorporated in the discussion because she is not sure that is the correct starting point, even though we aren't starting today.
- Would prefer not to undertake this economic development study, but the starting point is off and it should be an incentive structure or program outline to consider incentivizing adaptive reuse and workforce. Start there and ask questions about what kinds of policies and incentive programs are needed to encourage that, and then work our way down to

the mapping of it. By working through this logical and strategic progression we could come to a place with all of that given information, what are the financial constraints or needs and how do we talk to the investor building community to make this happen and that discussion needs to include public forums.

- Hopes that starting next year we could have the kind of open house that occurred with the AUD Program back in 2019.
- Believes that there is a need to provide the public with those in-person open house opportunities with information that is understandable to the average resident and the average community member who doesn't have the technical savvy that a specialist would have because the language is different.
- When the AUD Program was enacted, the community was urging the Planning Commission to take a risk and so the AUD Program was not perfect, but no policy is. Believes that we are not striving for perfection; instead, we have to incrementally move forward to move the community forward and try out policies and programs to move the City in a direction to achieve some absent community needs in the area of housing.
- Understands that there are some new moving pieces that Staff is considering and believes that those need to be incorporated into the follow-on hearing on November 4th.
- Believes that there will always be new legislation coming from the State so she is not one to think that we need to delay or pull back because of analysis of policies like SB 9.
- To extend the AUD Program without a robust discussion, doesn't see it as kicking the can down the road, but at some point we have to take some measured risks in making some changes to our Multi-unit Housing Program and closely evaluate if there are housing applications coming in. The concept of continued evaluation and ordinance revision has not been taken up by the City leadership since the AUD was adopted.
- Hard pressed with any specifics to answer the questions on the slide and would rather Staff take the comments from her colleagues and fold it into the work they are continuing to do to prepare for the November 4th hearing and hopes that there will be a more concrete discussion and so that the Commission can provide helpful direction back to Council.

IV. ADMINISTRATIVE AGENDA

ACTUAL TIME: 4:24 P.M.

A. Committee and Liaison Reports:

1. Staff Hearing Officer Liaison Report

Commissioner Higgins reported on the September 22, 2021 and October 6, 2021 meetings of the Staff Hearing Officer.

2. Other Committee and Liaison Reports

- a. Commissioner Bonderson reported on the September 20, 2021 and October 4, 2021 meeting of Architectural Board of Review, on the September 22, 2021 meeting of the State Street Advisory Committee, and announced the next Transportation and Circulation Committee meeting on October 28, 2021.
- b. Commissioner Lodge reported on the September 27, 2021 meeting of Single Family Design Board.

V. **ADJOURNMENT**

Chair Schwartz adjourned the meeting at 4:36 p.m.

Submitted by,



Gillian Fennessy, Commission Secretary