



City of Santa Barbara

PLANNING COMMISSION

MINUTES

JANUARY 14, 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
Heidi Reidel, Planning Technician I

CALL TO ORDER

Chair Schwartz called the meeting to order at 1:00 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

STAFF PRESENT

Tava Ostrenger, Assistant City Attorney
Renee Brooke, City Planner
Allison DeBusk, Senior Planner
Laura Dubbels, Housing And Human Services Manager
Lucy Graham, Housing Project Planner
Timmy Bolton, Associate Planner
Tony Ruggieri, City TV Production Supervisor
Heidi Reidel, Planning Technician I

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. December 17, 2020 Planning Commission Minutes
2. Planning Commission Resolution No. 012-20
1100 E. Cabrillo Blvd. & 1414 Park Pl.

MOTION: Bonderson / Lodge

Approve the minutes and resolution as presented.

The motion carried by the following vote:

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

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

Public comment opened at 1:06 p.m.

Written correspondence from Fred Sweeney was acknowledged.

Public comment closed at 1:07 p.m.

III. NEW ITEM

ACTUAL TIME: 1:07 P.M.

AFFORDABLE HOUSING POLICIES AND PROCEDURES

In concert with the City's Zoning Ordinance, the City's Affordable Housing Policies and Procedures manual sets forth the affordable housing policies derived from state law or adopted by the Santa Barbara City Council, as well as procedures for use by staff in administering those policies.

Updates to the Affordable Housing Policies and Procedures are proposed in order to make the document more concise and digestible; update statistics; address adopted changes to city, state and federal housing programs; and update the appendices.

Following review and comment by the Planning Commission, the City Council will review and consider the updated Affordable Housing Policies and Procedures for adoption.

Lucy Graham, Housing Project Planner, gave the Staff presentation. Laura Dubbels, Housing And Human Services Manager; and Renee Brooke, City Planner, were available to answer questions.

Public comment opened at 1:19 p.m., and the following individuals spoke:

1. Suzanne Elledge
2. Robert Forouzandeh

Written correspondence from Rob Fredericks and Suzanna Elledge was acknowledged.

Public comment closed at 1:25 p.m.

*** THE COMMISSION RECESSED FROM 3:18 TO 3:30 P.M. ***

Commissioner comments:

Commissioner Wiscomb:

- The description of the State Density Bonus Program in Appendix B is inadequate and should be further developed.
- Provide references for affordable rental rate calculations.
- Make the table of Area Median Income (AMI) percentages available online.
- Table 5, Minimum Sizes for Affordable Units, should also reference micro units for future use.
- The Affordable Housing Program Inventory in Appendix A should include a category for identify sources of funding developments under the programs.
- Appendix A – include a key that identifies the acronyms used, and correct typos.
- Supportive of 110% AMI as target income for Moderate-Income units and above.
- Table 2, Affordable Housing Programs in the City, should include footnoted definitions for Maximum Income Levels and Target Income Percentages.
- Add clarification to the Housing Rehabilitation Loan Program section about funding and plans to end the program.
- Note additional considerations for borrowers under Section B, Subordination of City Financing, to clarify that subordination may be considered when it is requested in order to finance new affordable housing.
- Supportive of eliminating the utility allowance for Moderate- or Middle-income restricted units.
- Future Policy Considerations:
 - o Believes there should be a mix of Low- and Moderate-income units with emphasis on Moderate.
 - o Believes that Moderate-Income restricted units are appropriate for projects that do not qualify for the State Density Bonus Program, for example projects of less than five units.
 - o Agrees that required income levels should be different for ownership versus rental housing units, as ownership is more expensive and should be more flexible at the upper end.
 - o Believes it is appropriate to use the Middle-income category for ownership of 120-160% of AMI and 80-120% for Moderate-Income rental.

Commissioner Reed:

- Agrees with Commissioner Wiscomb's comments for the most part.
- Would prefer a consolidated description of the State Density Bonus Law (SDBL) on Appendix B rather than the exact government code text.
- Add a table that shows the SDBL sliding scale and a summary of the incentives.
- Doesn't see the benefit of adding micro units to Table 5 but does not object to it.
- Would like to see the AMI target income percentage go as high as possible but does not have a specific number in mind.
- Not in favor of the recommendation for case-by-case discretion of target income percentage, but in favor of the suggested Loan Committee as an ultimate decision maker.

- Supportive of the Housing Authority's recommendation for the changes to the utility allowances for Moderate-Income and above units.
- Future Policy Considerations
 - o City Density Bonus program should be better than the State program.
 - o Suggests applying the State Density Bonus ratio to projects with less than five units and allowing additional density to be sold at market rates.
 - o Supports Commissioner Wiscomb's comment about allowing income level flexibility for ownership units.
 - o Would like to see a more generous inclusionary policy and flexible approach that incentivizes projects to actually be built. Projects should be allowed to be more than "barely feasible" because that barely incentivizes housing.

Commissioner Higgins:

- Generally agrees with Commissioner Reed.
- The Planning Commission should be looking at how these policies factor into the public interests in the long term; need to have a vision beyond the next fiscal year.
- Housing created now will be affordable 50 years from now.
- Prefers objective standards rather than case-by-case.
- Supportive of a different set of affordable-housing requirements in the Coastal Zone.
- Ownership should be incentivized too, as owners contribute to the community differently than renters in terms of longevity and investment in the neighborhood.
- Believes that building more market rate units will help the housing shortage, even if it doesn't solve the problem.
- Would like to see statistics about AUD rents compared to Middle-Income rent levels.

Commissioner Bonderson:

- Agrees with many of the comments made.
- We should consider that not everyone in the Moderate-Income level wants to be limited to renting and not everyone in the Middle-Income level wants to purchase. Include some Moderate-Income for-sale units and some Middle-Income rental units.
- The categories should be proportionate with all options available to help give opportunities to the "missing middle."

Commissioner Lodge:

- Does not believe that building more market-rate units is a good solution, as the residents of new units create a need for more low-wage jobs.
- Generally agrees with Commissioner Wiscomb's comments but does not think micro units should be included in the minimum sizes for affordable units if they are a smaller size than efficiency units.
- Income levels need to be different for ownership units than for rental units, as median income has not increased at the same level as housing prices.
- City density bonus for projects of less than five units might be OK, but need to have more information.
- Not supportive of pursuing a City density bonus program that is more generous than the State Density Bonus Law.
- Would like to further explore a vacancy tax.

Vice Chair Escobedo:

- Commends staff for their improvements to the document.
- Supports Commissioner Wiscomb's edits.
- Agrees with Commissioner Reed that a summary of the State Density Bonus program should be included.
- Supports a sliding scale for the Density Bonus program that shows exactly what each income level receives.
- Believes it would be helpful to have an example of a Tenant Selection Plan for developers who have never gone through the process.
- Although paying no more than 30% of the Area Median Income (AMI) on housing is not currently a realistic goal in Santa Barbara, it should be a long-term goal. Likes the current assumption of 30% for rental units and 40% for ownership units.
- Future Policy Considerations
 - o Believes 80% is too low for a target AMI for our City's Density Bonus Program. Would like to target 80-120% for the City's Density Bonus program.
 - o Agrees that income levels should be different for ownership versus rental but would like to see the same density bonus approach applied to both to compensate for inclusionary housing requirements.
 - o Agrees with Commissioner Bonderson about having more options; in favor of offering affordable home ownership to income levels below 120-150% AMI.
 - o Supports Commissioner Reed's suggestion for projects with fewer than 5 units.
 - o Suggests hiring a consultant to look into the feasibility of a residential vacancy tax. We need to avoid having empty residential units; other communities have done it. This is an opportunity to create a revenue sources for missing middle housing.

Chair Schwartz:

- Thanks staff for their hard work.
- Agrees with many of the comments and recommendations made by Commissioners Wiscomb and Reed.
- Believes it is important to synchronize the Affordable Housing Policies and Procedures document with all the housing-related policies that follow.
- Would like to see current market data and an economic feasibility study sooner than the second quarter.
- Concerned that 30% of income for rental housing is too low and not currently realistic.
- Would like to engage the private sector and non-profit housing developers in rental housing; we need their input and buy-in.
- Suggests that staff confer with the Housing Authority and look into a target-income higher than 110% AMI.
- We need clear tools that explain State Density Bonus Law.
- Future Policy Considerations
 - o Supports expanding the current requirement of just Low-Income households for units above the State Density Bonus law to Moderate Income.

IV. ADMINISTRATIVE AGENDA

ACTUAL TIME: 5:42 P.M.

A. Committee and Liaison Reports:

1. Staff Hearing Officer Liaison Report

Commissioner Higgins reported on the Staff Hearing Officer meeting of January 13, 2021.

2. Other Committee and Liaison Reports

a. Commissioner Bonderson reported on the January 11, 2021 meeting of the Architectural Board of Review.

b. Chair Schwartz reported on the Sea Level Rise Working Group.

V. ADJOURNMENT

Chair Schwartz adjourned the meeting at 5:51 p.m.

Submitted by,

A handwritten signature in cursive script, reading "Heidi Reidel", is written over a horizontal line.

Heidi Reidel, Planning Technician I