



City of Santa Barbara Planning Division

PLANNING COMMISSION MINUTES

March 19, 2009

CALL TO ORDER:

Vice-Chair Thompson called the meeting to order at 1:06P.M.

ROLL CALL:

Present:

Vice-Chair Addison S. Thompson filled in for Chair Stella Larson
Commissioners Charmaine Jacobs, Sheila Lodge, and Harwood A. White, Jr.

Absent:

Commissioners Stella Larson, Bruce Bartlett, and John Jostes

STAFF PRESENT:

Danny Kato, Senior Planner
N. Scott Vincent, Assistant City Attorney
Steven Faulstich, Housing Programs Supervisor
Michael Berman, Project Planner/Environmental Analyst
Julie Rodriguez, Planning Commission Secretary

I. PRELIMINARY MATTERS:

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

None.

- B. Announcements and appeals.

Mr. Kato made the following announcements:

1. The UCSB Long Range Development Plan Environmental Impact Report has been re-circulated and is being reviewed by Staff who will be responding with a letter of concerns.
2. The Staff Hearing Officer's decision on 2140 Mission Ridge Road has been appealed to the Planning Commission and will be heard on May 7, 2009.

- C. Comments from members of the public pertaining to items not on this agenda.

Chair Thompson opened the public hearing at 1:09 P.M.

James Kahan, Friends of Outer State Street, expressed appreciation for the Commission's prior repeal of the Staff Hearing Officer's decision on 3408 and 3412 State Street and expressed dissatisfaction with the current Staff Hearing Officer's modification procedure citing an increasing number of approved modifications.

With no one else wishing to speak, the hearing was closed at 1:13 P.M.

II. ENVIRONMENTAL HEARING:

ACTUAL TIME: 1:13 P.M.

APPLICATION OF THE CITY OF SANTA BARBARA HOUSING AND REDEVELOPMENT AGENCY FOR AN AMENDMENT TO THE INCLUSIONARY HOUSING ORDINANCE, CITYWIDE, (MST2008-00574)

The proposed project is an amendment to the Inclusionary Housing Ordinance (IHO) that already applies to projects with 10 or more units, to apply to projects with from two to nine units. An in-lieu fee of \$17,800 per market rate unit included in the project (payable prior to occupancy for two through four units), would be charged when an affordable unit would not be provided as part of the project. The ordinance would also state that where one to four new units are proposed the first unit would not be required to pay the in-lieu fee. Projects that provide 30% of the units as upper-middle income affordable units would be exempt from the ordinance. The in-lieu fee could be used for purchasing and reselling of existing middle and upper middle income housing, subsidizing the creation of middle and upper middle income housing, and ensuring compliance with middle and upper middle income housing policies and procedures.

No formal action on the development proposal or environmental document will take place during this hearing.

Case Planner: Michael Berman, Project Planner/Environmental Analyst
Email: MBerman@SantaBarbaraCA.gov

Steven Faulstich, Housing Programs Supervisor, gave the Applicant presentation.

Michael Berman, Project Planner/Environmental Analyst, gave the Staff presentation.

Mr. Faulstich explained in response to the Planning Commission's questions how the in-lieu fee is determined. The low amount of foreclosures among the city's 340-350 affordable units was described and; the rationale for applicant's paying in-lieu fees prior-to-occupancy versus prior-to-building permit to minimize the effect on smaller projects of the in-lieu fees; and the rationale for projects providing 30% middle income units being exempt from paying the in-lieu fee.

Chair Thompson opened the public hearing at 1:47 P.M.

The following people provided public comment:

1. Jim Caldwell, Santa Barbara Association of Realtors Board, opposes the IHO threshold size being reduced from 10 to 2 units. He stated that projects under 5 units will affect small developers of second units and duplexes, and would have a negative affect on the development of affordable housing. Recommended that the project size requiring in-lieu fees be increased to 5 units.
2. Gil Barry, Allied Neighborhood Association, feels that a full Environmental Impact Report (EIR) is needed to address the social, economic, and traffic congestion impacts caused by the market units, not solely the subsidized units at each project.
3. Cathie McCammon, Allied Neighborhood Association, asked for clarification of the noticing language and submitted a letter with the Association's concerns.
4. Jim Kahan asked for a full EIR.
5. Tony Fisher felt that comments that he made at City Council were not included in the staff report and asked that his comments made at the City Council hearing be addressed. The Initial Study discusses the impacts of the development that could be funded by the in-lieu fee but does not mention the impacts of the units that could be built with the density bonus for middle income projects. Questioned the effect of changes in the amount of housing constructed on the assumptions used to estimate fees and the number of units that could be constructed. The ordinance proposes changes to City Ordinance Chapters 28.43.020-030 and 28.92.110 that could result in more housing being constructed that has not been evaluated in the Initial Study. . Asked that each change in the ordinance be evaluated.

With no one else wishing to speak, the public hearing was closed at 2:10 P.M.

Mr. Faulstich responded to comments made by the public by stating that secondary dwelling units are defined as rental units under the zoning law and would not be impacted by the proposed changes; changes in the ordinance only affect subdivisions. The noticing language regarding the upper middle income prices being increased was incorrect and has been clarified with a notice that is being published and distributed for the next meeting on April 2, 2009. Unlike the 15% required inclusionary units that are entitled by right under the ordinance to receive a density bonus, the 30% for upper middle income are not entitled to receive a density bonus under the proposed change.

While Mr. Faulstich's comments were acknowledged as true, Mr. Fisher stated that the only finding that would have to be made to grant a higher density modification is in the proposed language change to section 28.92.110.

Scott Vincent, Assistant Attorney, acknowledged that the code references made have been accurate. CEQA states that economic and social impacts do not result in significant effects on the environment, these areas can be evaluated to see if there is a chain of effects that

would then result in a physical impact on the environment. Mr. Vincent clarified that social impacts, such as consumer affordability, are not an appropriate topic for a CEQA document.

Chair Thompson called for a recess at 2:17 P.M. and reconvened the meeting at 2:32 P.M.

The Commissioners made the following comments:

1. Commissioner Jacobs found the Staff's report to be reasonable and approves of the changes recommended to the ordinance, specifically the changes to the in-lieu fees.
2. Commissioner White recalled an inclusionary policy in the early 1990's that was rescinded in the last recession and sees a need to be nimble with this proposed fee structure. Would like to see the environmental document cover options for trying to keep the ordinance nimble. Fees could be reduced or eliminated during recessions, for very small units that are affordable by design, and units in economically distressed areas. Inclusionary fees should be considered for commercial development as well.
3. Commissioner Thompson felt that the validity of the rationale needs to be present for the in-lieu fees. The environmental review does not take into account the unintended consequences of the proposed changes. Adding another fee is a disincentive for further development.
4. Commissioner Lodge stated that inclusionary housing, along with market rate housing, worsens the jobs/housing balance. There are 1.6 jobs for every household in the community; depending on the household income, there are more new jobs created because of the connected services. Asked that Staff review this relationship.

Mr. Vincent responded to the Planning Commission's question about the findings required for adopting and approving a modification and reviewed the proposed change that only applies to the fourth of the existing findings needed in section 28.92.110. The finding still has to be made for sound community planning, independent of the revision.

Mr. Vincent also stated that projects proposed that qualify for the exclusionary housing exemption would still be subject to any CEQA review for the project. This proposal is more than looking at a new income category; it is a response to a request from large employers who have attempted to create housing opportunities for their employers.

Mr. Vincent suggested tempering the expectations of the environmental document which deals with whether or not there are significant impacts. In general the in-lieu fee would generate about 3 units every other year, which could be lower in times of recession. If economic times changed, then we could see a higher generation of fees.

III. ADMINISTRATIVE AGENDA

ACTUAL TIME: 2:57 P.M.

A. Committee and Liaison Reports.

Commissioner Lodge reported on attending the Downtown Parking Committee meeting and parking surveys that are being conducted.

B. Review of the decisions of the Staff Hearing Officer in accordance with SBMC §28.92.026.

Commissioner Thompson reported on the Staff Hearing Officer meeting held on March 11, 2009 and seven projects that were heard.

Jim Kahan, Friends of Outer State Street, expressed concern over the findings necessary to secure an appropriate improvement. He was alarmed that an appealed resolution could not be found online. Also, requested that the Planning Commission review the modifications being approved; the seven projects that were heard resulted in approximately fifteen modifications approved. No where in the State of California is there a review process like this one and it should be reviewed for abuse of what was intended. Concern was also expressed for enforcement.

Chair Thompson asked Staff to review the Staff Hearing Officer process at a future luncheon meeting. Commissioner Lodge expressed concern over modifications and concurred with the need for a discussion. Commissioner Jacobs reminded the Commission that there is also a periodic Staff Hearing Officer report that is given to the Commission annually.

C. Action on the review and consideration of the following Draft Minutes and Resolutions listed in this Agenda:

- a. Draft Minutes of February 5, 2009
- b. Draft Minutes of February 12, 2009
- c. Resolution 004-09
1900 Lasuen Road
- d. Draft Minutes of February 19, 2009

MOTION: White/Lodge Approve the minutes and resolutions as amended.

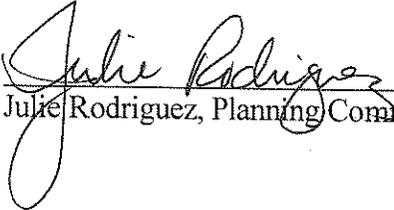
This motion carried by the following vote:

Ayes: 4 Noes: 0 Abstain: 0 Absent: 3 (Bartlett, Jostes, Larson)

VII. ADJOURNMENT

Chair Thompson adjourned the meeting at 3:19 P.M.

Submitted by,



Julie Rodriguez, Planning Commission Secretary