

**CITY OF SANTA BARBARA
CITY COUNCIL**

Helene Schneider
Mayor
Frank Hotchkiss
Mayor Pro Tempore
Grant House
Ordinance Committee Chair
Dale Francisco
Finance Committee Chair
Cathy Murillo
Randy Rowse
Bendy White



James L. Armstrong
City Administrator

Stephen P. Wiley
City Attorney

City Hall
735 Anacapa Street
<http://www.SantaBarbaraCA.gov>

**MAY 15, 2012
AGENDA**

ORDER OF BUSINESS: Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council meeting begins at 2:00 p.m. in the Council Chamber at City Hall.

REPORTS: Copies of the reports relating to agenda items are available for review in the City Clerk's Office, at the Central Library, and <http://www.SantaBarbaraCA.gov>. In accordance with state law requirements, this agenda generally contains only a brief general description of each item of business to be transacted or discussed at the meeting. Should you wish more detailed information regarding any particular agenda item, you are encouraged to obtain a copy of the Council Agenda Report (a "CAR") for that item from either the Clerk's Office, the Reference Desk at the City's Main Library, or online at the City's website (<http://www.SantaBarbaraCA.gov>). Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at City Hall, 735 Anacapa Street, Santa Barbara, CA 93101, during normal business hours.

PUBLIC COMMENT: At the beginning of the 2:00 p.m. session of each regular City Council meeting, and at the beginning of each special City Council meeting, any member of the public may address the City Council concerning any item not on the Council's agenda. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that public comment is taken up by the City Council. Should City Council business continue into the evening session of a regular City Council meeting at 6:00 p.m., the City Council will allow any member of the public who did not address them during the 2:00 p.m. session to do so. The total amount of time for public comments will be 15 minutes, and no individual speaker may speak for more than 1 minute. The City Council, upon majority vote, may decline to hear a speaker on the grounds that the subject matter is beyond their jurisdiction.

REQUEST TO SPEAK: A member of the public may address the Finance or Ordinance Committee or City Council regarding any scheduled agenda item. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that the item is taken up by the Finance or Ordinance Committee or City Council.

CONSENT CALENDAR: The Consent Calendar is comprised of items that will not usually require discussion by the City Council. A Consent Calendar item is open for discussion by the City Council upon request of a Councilmember, City staff, or member of the public. Items on the Consent Calendar may be approved by a single motion. Should you wish to comment on an item listed on the Consent Agenda, after turning in your "Request to Speak" form, you should come forward to speak at the time the Council considers the Consent Calendar.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act, if you need special assistance to gain access to, comment at, or participate in this meeting, please contact the City Administrator's Office at 564-5305 or inquire at the City Clerk's Office on the day of the meeting. If possible, notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements in most cases.

TELEVISION COVERAGE: Each regular City Council meeting is broadcast live in English and Spanish on City TV Channel 18 and rebroadcast in English on Wednesdays and Thursdays at 7:00 p.m. and Saturdays at 9:00 a.m., and in Spanish on Sundays at 4:00 p.m. Each televised Council meeting is closed captioned for the hearing impaired. Check the City TV program guide at www.citytv18.com for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

ORDER OF BUSINESS

- 12:30 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room,
630 Garden Street
2:00 p.m. - City Council Meeting

FINANCE COMMITTEE MEETING - 12:30 P.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)

1. Subject: Loan To Habitat For Humanity For New Affordable Housing Project At 822-824 East Canon Perdido (120.03)

Recommendation: That the Finance Committee consider and recommend that Council approve a \$515,000 loan of federal HOME funds to Habitat for Humanity for the construction of twelve new residential ownership units affordable to low income persons located at 822-824 East Canon Perdido.

2. Subject: Andrée Clark Bird Refuge Vegetation Maintenance And Restoration Project Funding (120.03)

Recommendation: That the Finance Committee:

- A. Receive a report on the Creeks Advisory Committee's recommendation related to providing Measure B funds for the Andrée Clark Bird Refuge Vegetation Maintenance and Restoration (Bird Refuge) Project; and
- B. Provide a recommendation to City Council.

REGULAR CITY COUNCIL MEETING – 2:00 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

CITY COUNCIL

1. Subject: Contract For Professional Services For The Listing And Sale Of Excess City Properties (330.03)

Recommendation: That Council:

- A. Authorize the Public Works Director to execute a contract with Goodwin & Thyne Properties for listing and sale of the excess residential City-owned properties known as 136 West Haley Street, 306 West Ortega Street, and 309 West Ortega Street; and
- B. Authorize the Public Works Director to execute a contract with Hayes Commercial Group for the sale of the City-owned commercial property known as 20 South Milpas Street.

2. Subject: Purchase Of Water From Carpinteria Valley Water District (540.08)

Recommendation: That Council authorize the Public Works Director to purchase up to 600 acre feet of Cachuma Water from the Carpinteria Valley Water District at a cost of \$150 per acre foot (\$90,000).

3. Subject: Appropriation Of K-9 Donation Funds (520.04)

Recommendation: That Council appropriate \$32,000 in the Police K-9 Trust Fund from accumulated reserves for the Santa Barbara Police Department K-9 program.

CONSENT CALENDAR (CONT'D)

SUCCESSOR AGENCY

4. Subject: Legal Services Contract For Oversight Board (620.01)

Recommendation: That Council, acting as the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, authorize the City Attorney, at the request of the Oversight Board, to negotiate and enter into a legal services contract with Mark Manion, a partner with the law firm of Price, Postel and Parma, LLA, in an amount not to exceed \$25,000, and to direct staff to include the legal services contract on the Recognized Obligation Payment Schedule.

NOTICES

5. The City Clerk has on Thursday, May 10, 2012, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
6. The public hearing scheduled for Tuesday, May 15, 2012, at 2:00 p.m. for the appeal of the Planning Commission decision regarding 1085 Coast Village Road has been continued to Tuesday, June 26, 2012, at 2:00 p.m. at the request of the Applicant/Appellant.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

7. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the City's General bargaining unit, the City's Supervisory bargaining unit, the SBPD Police Officers Association, and the SBPD Police Management Association, and regarding discussions with confidential City employees and unrepresented management about salaries and fringe benefits.

Scheduling: Duration, 45 minutes; anytime

Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: May 15, 2012

Dale Francisco, Chair

TIME: 12:30 P.M.

Bendy White

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Cathy Murillo

James L. Armstrong
City Administrator

Robert Samario
Finance Director

ITEMS TO BE CONSIDERED:

1. Subject: Loan To Habitat For Humanity For New Affordable Housing Project At 822-824 East Canon Perdido

Recommendation: That the Finance Committee consider and recommend that Council approve a \$515,000 loan of federal HOME funds to Habitat for Humanity for the construction of twelve new residential ownership units affordable to low income persons located at 822-824 East Canon Perdido.

2. Subject: Andrée Clark Bird Refuge Vegetation Maintenance and Restoration Project Funding

Recommendation: That the Finance Committee:

- A. Receive a report on the Creeks Advisory Committee's recommendation related to providing Measure B funds for the Andrée Clark Bird Refuge Vegetation Maintenance and Restoration (Bird Refuge) Project; and
- B. Provide a recommendation to City Council.



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: May 15, 2012

TO: Finance Committee

FROM: Housing Division, Community Development Department

SUBJECT: Loan To Habitat For Humanity For New Affordable Housing Project
At 822-824 East Canon Perdido

RECOMMENDATION:

That the Finance Committee consider and recommend that Council approve a \$515,000 loan of federal HOME funds to Habitat for Humanity for the construction of twelve new residential ownership units affordable to low income persons located at 822-824 East Canon Perdido.

DISCUSSION:

Project Description

Habitat for Humanity of Southern Santa Barbara County (Habitat) acquired the property located at 822-824 East Canon Perdido in December, 2010 with financial assistance from the City's former Redevelopment Agency Housing Set Aside Funds ("RDA Housing Funds") in the form of a \$925,000 acquisition loan. The City's Planning Commission and Architectural Board of Review have approved Habitat's plans to demolish two residences on the 19,303 square foot property and develop three new residential structures with twelve ownership units comprising two 3-bedroom units, eight 2-bedroom units, and two 1-bedroom units. Construction is expected to commence in the fall. Habitat is applying for \$515,000 in federal Home Investment Partnership Program (HOME) funds from the City to help pay for construction costs.

One of the two residences currently on the property is occupied. Residents will receive full relocation benefits consisting of relocation advisory services, moving expenses, plus 42 months of rental assistance based on the difference between the rent for the new residence and rent for the existing residence.

Project Costs & Financing

The cost to develop the project is estimated below:

Property acquisition:	925,000
Site preparation:	400,000
Building Materials:	750,000
Professional Labor:	875,000
Architect/Engineer/Permits:	425,000
Misc. Fees	265,500
Contingency:	<u>175,000</u>
Total:	<u>\$3,815,500</u>

The majority of the project financing comes from Habitat's extensive fundraising efforts. Habitat continues to succeed in raising funds from individuals, foundations, corporations, and local churches. Habitat will also rely on loan repayment from residents in two completed Habitat projects. From these sources, Habitat will raise \$2,375,000. The \$1,440,000 balance of the project funding consists of the previous RDA Housing Fund loan and the new HOME loan requested here. Not counted in this calculation is the value of the hours of donated labor from future homeowners (sweat equity) and from community volunteers.

A critical component to Habitat's successful fundraising is their ReStore operation where unnecessary donated materials for Habitat projects are sold to contractors and the general public. Proceeds from the ReStore fund 90 percent of Habitat's administrative expenses, enabling Habitat to ensure that donated funds go directly to families in need.

Requested HOME Loan

Habitat requests \$515,000 in federal HOME funds from the City, which when combined with the previous RDA Housing Fund loan would result in a total City/RDA subsidy of \$1,440,000 or \$120,000 per unit. Previous City/RDA subsidies to Habitat have ranged from \$80,000 per unit to \$165,000 per unit, with variation dependent on project costs and availability of funds.

The terms of the requested HOME loan are proposed to match those of previous RDA Housing Fund loans to Habitat. The \$515,000 loan would be executed initially with Habitat, covers construction expenses, and bears zero interest. Upon completion of construction, the HOME loan would convert to twelve separate loans of \$42,917 – one for each homeowner. The loans with the homeowners would be deferred, bear zero interest, and would be forgiven upon conclusion of the City's 90-year affordability period. The previous \$925,000 RDA Housing Fund loan is structured similarly and will result in twelve separate loans of \$77,083.

The RDA Housing Fund and HOME loans would act as silent second and third mortgage loans behind the Habitat loan in first position. Habitat is providing homeowners with zero-interest first mortgage loans of about \$200,000, depending on actual construction costs and approval by the U.S. Department of Housing and Urban Development (HUD).

Payment terms on the Habitat loan would be structured so that homeowners pay no more than 35 percent of their income on housing costs (mortgage payments, taxes, insurance, and homeowner association fees). Payment on these Habitat loans would help finance future Habitat projects.

The proposed HOME loan would be secured by a deed of trust in second position during construction, behind the previous RDA Housing Fund loan. With the property appraised at \$965,000 in late 2010, the HOME loan would be partially unsecured during construction, which is a common position for City loans. Upon completion of construction, the individual loans with the homeowners would be fully secured by the anticipated value of the completed home.

Income Targeting

Habitat will be seeking low income families in the 40-80 percent range of Area Median Income (AMI), the upper limit for which is \$60,700 for a family of four. City-subsidized ownership projects are typically targeted to moderate income households (80-120 percent of Area Median Income) and targeted to middle income households (up to 160% of AMI) under the City's Inclusionary Housing Ordinance. Habitat is the only organization in Santa Barbara that develops low income ownership housing. Ordinarily it would take a very large City subsidy to reach affordability for this income group. However, given Habitat's creative financing plan, they need only a total City subsidy of \$120,000 per unit.

Resale of the Units

If the homeowner sells before the end of the City's 90-year affordability period, the unit would be sold back to Habitat, who would market the unit to a new low income household. The departing homeowner would recoup only what they paid in down payment and mortgage payments, adjusted for inflation. The new homeowner would sign new loans and covenant agreements with the City and Habitat for the balance of the 90-year term, thereby assuring long-term affordability.

Community Housing Development Organizations

HUD requires that 15 percent of each year's HOME funds be used on affordable housing projects developed by Community Housing Development Organizations (CHDOs) – nonprofit organizations meeting HUD requirements pertaining to experience, capacity, and board representation. Habitat is amending its by-laws and board membership to meet new HUD requirements. The proposed HOME loan would, thus, meet HUD's 15-percent CHDO requirement.

BUDGET/FINANCIAL INFORMATION:

There are sufficient existing appropriations in the HOME Fund to cover the proposed loan.. No additional appropriations are needed. The City must commit \$752,530 before the end of the City's fiscal year, in accordance with HUD regulations. The loan requested here plus financial assistance requested for tenant-based rental assistance scheduled next week for Finance Committee would meet this commitment deadline.

Finance Committee Agenda Report
Loan To Habitat For Humanity For New Affordable Housing Project At 822-824 East
Canon Perdido
May 15, 2012
Page 4

Staff recommends that Finance Committee recommend to Council approval of the requested HOME loan to assist in creating a new Habitat project.

ATTACHMENT: Letter from Habitat for Humanity
PREPARED BY: Brian Bosse, Housing Manager/ SK
SUBMITTED BY: Paul Casey, Assistant City Administrator
APPROVED BY: City Administrator's Office



*Building
homes,
building
hope*

April 30, 2012

Mr. Simon Kiefer
City of Santa Barbara Community Development Department
Housing & Redevelopment Division
630 Garden Street
Santa Barbara, California 93102-1990

Dear Simon:

This letter is to confirm Habitat for Humanity of Southern Santa Barbara County's intent to build twelve affordable housing units for low-income families at our site located at 822 and 824 E Canon Perdido Street, Santa Barbara. As per our attached budget, we will once again seek funding from a variety of sources, including individuals, foundation, faith-based organizations, civic groups and corporations along with the RDA and HUD funding provided by the City.

As part of our financing, we are applying for \$515,000 in HOME funds to be used for site preparation and construction of the homes, a total of \$42,917 per unit. These homes will be built in partnership with future homeowners and volunteers. Homeowners will be selected by our Family Selection committee according to Habitat's criteria: annual income between 40% and 80% of area median income; currently living in substandard housing; and willingness to work a minimum of 250 hours of sweat equity per adult family member to build the homes. At our recent orientations, we dispersed over 300 applications, which underscores the huge need for affordable housing.

We request that the HOME funds be carried as a zero-interest ninety-year mortgage on each of the units. Upon occupancy, the RDA funds previously provided by the City will also be carried as a silent mortgage in the amount of \$77,083 on each home. The two mortgages combined total \$120,000 per home, and would allow the City of Santa Barbara to monitor the continuing affordability of these homes through an affordability covenant recorded on each property. At the end of the affordability period and subject to restrictions imposed by the City, we request that these mortgages be forgiven. Habitat for Humanity of SSBC will carry the first mortgage, which will also be a zero-interest loan. Mortgages will be established upon completion of construction that allow all shelter costs, including property taxes, homeowners association fees, utilities and insurance, to total no more than 35% of the homeowner's income.



We plan to break ground on this project later this year once all permits have been approved by the City. To date, we have received approvals from the Planning Commission on January 12, 2012 and from the Architectural Board of Review on March 5, 2012. The consultants we have hired are providing their expertise to create the construction drawings, paying particular attention to the energy conservation measures that will help us achieve our goal of creating “net zero” energy usage homes.

The sustainability measures we propose for this project will satisfy the requirements of the Santa Barbara Built Green program, to Level 4. Our architect Ed DeVicente is also licensed in Passive House Design, and we plan to incorporate a number of components for sustainability, including:

- House wrap, insulation and highly energy-efficient windows to create a tight envelope
- Recycled content and low-VOC building materials such as carpet, flooring, adhesives and sealants
- Use of building materials donated to the ReStore such as bath sinks and light fixtures
- Solar thermal and/or photovoltaic systems with whole house heat recovery ventilators
- Highly efficient Energy Star appliances
- Permeable paving and low-water, low-maintenance landscaping
- Preserving existing landscape materials including two young oak trees, roses and succulents

We are pleased to join with other agencies in finding solutions to the affordable housing crisis on the South Coast, and we welcome a continuing partnership with the City of Santa Barbara. We look forward with great anticipation to the day we can begin building these affordable homes.

Sincerely,

Handwritten signature of Joyce McCullough.

Joyce McCullough
Executive Director



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: May 15, 2012

TO: Finance Committee

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Andrée Clark Bird Refuge Vegetation Maintenance And Restoration Project Funding

RECOMMENDATION: That the Finance Committee:

- A. Receive a report on the Creeks Advisory Committee's recommendation related to providing Measure B funds for the Andrée Clark Bird Refuge Vegetation Maintenance and Restoration (Bird Refuge) Project; and
- B. Provide a recommendation to City Council.

DISCUSSION:

Background

The Bird Refuge is a 42-acre open space park that includes a 29-acre lake, trails, a small parking lot and a section of the multi-modal beach way. The park is popular with Santa Barbara residents and visitors, including bicyclists, runners, walkers, and bird watchers. Current conditions in the Bird Refuge support high summer populations of mosquitoes and a corresponding increased threat of West Nile Virus. During significant storm events, flooding can occur on Old Coast Highway, Highway 101 and Cabrillo Boulevard. In addition, poor water quality and lack of conveyance contribute to algal blooms that cause water discoloration and noxious odors.

The purpose of the Bird Refuge Project is to restore water flow and conveyance for the purpose of reducing mosquito production and potential for flooding. Project construction began in January 2012 and will continue over a five-year period. The project includes the removal of approximately 0.93 acres of emergent vegetation, maintenance of those areas over a five-year period, and restoration of 0.86 acres of habitat. Restoration is required by the various permitting agencies as mitigation for the habitat that is removed.

On December 6, 2011, the City Council allocated \$286,352 to fully fund the Bird Refuge Project. The initial Capital Improvement Program (CIP) allocation was \$117,000. Once project design and permitting were complete, the Parks and Recreation Department determined that the total project cost would be \$403,352. As outlined in the table below, Council approved allocating \$236,900 from the Fiscal Year 2012 Park Restroom Renovation Program and a transfer of \$49,452 from an increase in estimated General Fund transient occupancy tax revenues.

Funding Source	Amount
Bird Refuge CIP Account	\$117,000
Allocation from Park Restroom CIP Account	\$236,900
Allocation from the General Fund	\$49,452
Total	\$403,352

As part of its approval, Council also requested that staff refer the project to the Creeks Advisory Committee to consider whether it would be appropriate to use Measure B funds to backfill the General Fund for project costs of \$49,452.

Creeks Advisory Committee Review and Recommendation

Staff presented the project to the Creeks Advisory Committee (Committee) on March 14, 2012. Committee discussion included the purpose of the project, the guiding language of Measure B, and the Creeks Funding Guidelines, developed in 2003. As outlined in the attached memorandum, the Creeks Advisory Committee voted that funding the Bird Refuge Project with Measure B funds would not be appropriate for a number of reasons. The attachment also includes the Creeks Program Funding Guidelines, submitted to Council in 2003, and Municipal Code Chapter 4.09 which outlines the use of the additional transient occupancy tax collected for creeks and water quality improvements.

The Committee did also recognize that separate from Parks Division operations and maintenance activities, there are likely to be significant opportunities for long-term water quality improvement and habitat restoration in and around the Bird Refuge. The Creeks Division's Six-Year Capital Improvement Program does include funding to pursue a water quality and habitat restoration project at the Bird Refuge in future years.

ATTACHMENT: Creeks Advisory Committee Memorandum to Council

PREPARED BY: Jill E. Zachary, Assistant Parks and Recreation Director

SUBMITTED BY: Nancy Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office



City of Santa Barbara
Parks and Recreation Department

Memorandum

DATE: March 14, 2012

TO: City Council

FROM: Creeks Restoration and Water Quality Improvement Program
Citizens Advisory Committee

**SUBJECT: RECOMMENDATION REGARDING THE USE OF MEASURE B
FUNDS FOR THE ANDREE CLARK BIRD REFUGE
VEGETATION MAINTENANCE AND RESTORATION PROJECT**

On March 14, 2012, the Creeks Restoration and Water Quality Improvement Program Citizens Advisory Committee (Creeks Advisory Committee) conducted a public meeting to discuss and make recommendations to the City Council regarding whether Measure B is an appropriate source of funding for the Andree Clark Bird Refuge Vegetation Maintenance and Restoration Project. In addition to receiving public comment from three individuals (including one Committee member who was unable to attend the meeting), the Creeks Advisory Committee undertook a discussion of the proposed project and took action on a series of recommendations. The purpose of this memorandum is to advise the City Council of the Creeks Advisory Committee's recommendations.

The Creeks Advisory Committee unanimously recommends that:

1. The Bird Refuge Vegetation Maintenance Project is not an appropriate use of Measure B Funds.
2. Measure B is a special fund to be used for water quality improvement and creeks restoration projects. While this project is important to the City for other reasons, it is not a water quality project. It is a flood control and vector control project and doesn't fit within the letter, or the spirit, of Measure B.
3. When Measure B was on the ballot, City voters were told that the newly generated revenues would supplement existing City operations and not just provide a new revenue stream to supplant the old revenue for ongoing operations. The Creeks Program Funding Guidelines clearly reflect this and point out that even when a project has some water quality benefit (which this project may or may not have), it is not appropriate to use Measure B funds for

Creeks Restoration and Water Quality Improvement Program
Citizens Advisory Committee
Memorandum to the City Council

March 14, 2012

Page 2

projects that would be funded by any other similarly situated municipality that doesn't have a Measure B. Indeed the Bird Refuge maintenance, and the flood control and vector control maintenance in particular, would be funded by another City and has been funded by our City's General Fund for many years both before and after Measure B was passed. The City Council should keep the City's word to the voters and not use Measure B funds to backfill General Fund obligations.

4. The Funding Guidelines clearly state that Measure B funds should not be used to pay for regulatory compliance that is required for cities similar to Santa Barbara. In this case, all of the planting being performed is mitigation required by permitting agencies for the removal of existing wetland vegetation. Measure B funds should not be used to pay for legally required mitigation.

Attachments: Creeks Program Funding Guidelines
Municipal Code Chapter 4.09 (Measure B)

cc: Jim Armstrong, City Administrator
Paul Casey, Assistant City Administrator/Community Development Director
Nancy L. Rapp, Parks and Recreation Director
Jill E. Zachary, Assistant Parks and Recreation Director
Cameron Benson, Creeks Restoration/Clean Water Manager



City of Santa Barbara
Parks and Recreation Department

Memorandum

DATE: February 12, 2003

TO: Mayor and Council

FROM: Creeks Restoration and Water Quality Improvement Program Citizen Advisory Committee

SUBJECT: Creeks Program Funding Guidelines

The Creeks Citizens Advisory Committee has focused considerable attention on articulating the need to have clear and precise methods for determining the proper use of Measure B Funds. After much discussion, we are pleased to have arrived at our "Recommended Creeks Program Funding Guidelines." We believe that they accurately reflect the spirit of the Measure. If used consistently, they will ensure that the restricted funds are used appropriately and as articulated by the goals and objectives adopted by the Committee and Council. These guidelines provide clear direction to Council for determining the appropriate use of Measure B funds. Their purpose is to be used as a checklist against which one would compare future funding requests. If the project is not consistent with the guidelines, or fails to meet the "Threshold Funding Criteria," contained within, we would ask that such a project not be funded from Measure B.

However, there may be instances when a project meets these standards and criteria, which may indeed have direct water quality benefits, but still are not appropriate uses of Measure B funds. The Threshold Funding Criteria speak to the issue of existing programs, and that they should not be supplanted by new initiatives to use Measure B funds. What are not addressed are the many future projects that will appear before Council for funding that should not be funded by the Creeks Program. Some clear examples would be programs that are required for regulatory compliance by cities similar to Santa Barbara. A current example of this would be the permit fees for the NPDES permit, which will not be paid out of Measure B funds.

Other projects that we believe should not be funded by the Creeks Program include those that other municipalities would still fund without a program such as Measure B. One example would be litter reduction and trash collection in our City parks, which are adjacent to creeks. Clearly, removing litter from the park itself would lessen the chance that the litter would end up in the creek. Some might see this as a direct influence on water quality. However, even if it were seen as a direct benefit to the creek itself, the fact remains that cities have a duty to keep their parks clean, regardless of their proximity to a creek.

The Creeks Citizens Advisory Committee is dedicated to the task of enhancing our city's beauty and its value to our citizens and tourists by addressing the issues of water quality in our onshore and offshore flows, as well as by restoring our creeks to their natural beauty and function. We provide these guidelines to address the mandate given us by the citizens who voted for the Measure, and our primary source of funding, the Hotel/Lodging industry.

We encourage you to adopt and apply these funding guidelines as submitted. We would also urge you to watch for future programs that may pass the guidelines, but still may not be appropriate for Measure B funding. We look forward to working with you in keeping our water clean and our creeks beautiful.

**RECOMMENDED
CREEKS PROGRAM FUNDING GUIDELINES
February 12, 2003**

Purpose

To determine whether a project or program is eligible for Creeks Program funds.

Application

City projects and programs
City/County/Community organization cooperative efforts

General Areas

Water Quality Improvement- To improve creek and ocean water quality through reduction of pollution in storm water and urban runoff that enters City creeks.

Creek Restoration -To restore riparian and aquatic habitat to improve the condition and function of City creeks and to increase open space and passive recreation opportunities on City parcels

Policy and Planning- To undertake planning and policy studies to assist in the achievement of creek restoration and water quality improvement objectives.

Public Information and Education- The development of materials and implementation of programs that support the City's creek restoration and water quality improvement objectives.

Projects/Programs

Water Quality

1. Pilot programs to evaluate the effectiveness of BMPs such as storm water interceptors, catch basin filters, oil/water separators and nonstructural BMPs such as biofilters, detention basins, etc.
2. Maintenance of infrastructure such as storm water interceptors and catch basin filters and other nonstructural BMPs that prove to be effective in improving water quality
3. Creek water quality monitoring
4. Creek Clean-ups
5. Enforcement of City storm water ordinances
6. Technical assistance and training for businesses, construction industry and landowners regarding codes and BMPs
7. Research related to methods to measure sources of bacterial water pollution

Restoration

1. Riparian and aquatic habitat restoration on City-owned parcels-including bank modification/stabilization, removal of non-natives and revegetation, removal of fish passage barriers, etc
2. Native plant nursery
3. Technical assistance for landowners interested in native plant revegetation
4. Collaborative support for projects and programs of other agencies and organizations

Policy and Planning

1. Revision of City codes, standards and policies related to storm water, urban runoff and protection of creek resources
2. Technical assistance to developers, construction companies, architects, etc regarding appropriate methods and policy compliance
3. Preparation of watershed plans
4. Special studies to determine appropriate approach to selection and implementation of structural and nonstructural water quality improvement projects
5. Preparation of NPDES Storm Water Management Program

Public Information and Education

1. Media efforts to inform the community about City projects and programs
2. Media efforts to educate the community about pollution reduction
3. Interpretive programs for restoration project sites (signage, field days)
4. Demonstration sites for water quality improvement and restoration projects
5. Technical assistance to landowners with interest in restoring private property
6. Educational materials and programs for school children
7. Educational materials and programs for businesses
8. Neighborhood outreach programs for residents
9. Public presentation materials- displays, maps, etc.

Unsolicited Project Idea Consideration Process

1. Any individual, organization, business, City department or other public agency may attend a regular CAC meeting to present a project proposal to the Committee during the public comment period.
2. A proposal presented during public comment that warrants further discussion would be placed on the agenda of a future regularly notice public meeting. The Creeks Restoration/Clean Water Manager and the Chair will determine the appropriate meeting in which to consider the proposal.
3. At the meeting in which the proposal is considered, the CAC could take any of the following actions:
 - Recommend that the proposal not receive further consideration

- Request that the Creeks Restoration/Clean Water Manager further consider the concept, gather additional information, determine whether there are funds available for the proposal, and provide the Committee with a recommendation
 - Form a sub-committee to investigate the concept further
 - Recommend the delay of further discussion of the proposal until a future time which could include a new budget cycle or related agenda item
 - If it is determined that funds may be available, recommend that a process for funding the proposal be initiated
4. A proposal that is recommended by the Advisory Committee and City Staff would be forwarded to the Parks and Recreation Director, City Administrator and City Council for approval and in accordance with City appropriate policy.

Threshold Funding Criteria-

1. Project, program or service must be new or an expansion of a program, neither of which replaces funds otherwise available.
2. Project or program must demonstrate direct link to water quality improvement or creek restoration in a cost effective manner.
3. Project or program must identify specific benefits, costs, desired outcomes and methods of gauging project success.
4. Project could include a public information component. where feasible.
5. Project must include a budget detailing all proposed expenditures and minimize administrative costs.
6. Project must be responsive to the Creek Restoration/Clean Water goals and objectives.
7. Project must show funding efficiencies, collaboration and other resources in addition to Measure B funds.

Chapter 4.09

ADDITIONAL TRANSIENT OCCUPANCY TAX
OR IMPROVEMENT OF WATERS AND CREEKS**Sections:**

4.09.010 Tax Imposed, Payment, Debt.

4.09.020 Use of Tax Proceeds.

4.09.030 Applicable Definitions and Procedures.

4.09.010 Tax Imposed, Payment, Debt.

For the privilege of occupancy in any hotel, each transient is subject to and shall pay a tax, in addition to the tax imposed by Chapter 4.08 of the Santa Barbara Municipal Code, in the amount of two percent (2%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the City, which is extinguished only by payment to the operator or to the City. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. If the rent is paid in installments, a proportionate share of the tax shall be paid with each installment. The unpaid tax shall be due upon the transient ceasing to occupy space in the hotel. If for any reason the tax due is not paid to the operator of the hotel, the Director of Finance may require that such tax shall be paid directly to the Director of Finance. (Ord. 5173, 2000.)

4.09.020 Use of Tax Proceeds.

From and after the effective date of the ordinance adding this chapter to the Municipal Code, the revenues collected under this chapter shall be deposited in a special fund and shall be appropriated therefrom and used to fund programs to improve the quality of storm waters and other surface waters discharged into the Pacific Ocean. **to carry out creek restoration improvements, and for projects or programs to improve the quality of onshore or offshore waters.** (Ord. 5173, 2000)

4.09.030 Applicable Definitions and Procedures.

All terms used herein shall be as defined in Chapter 4.08 of the Santa Barbara Municipal Code and all procedures for the imposition, registration, reporting, calculation of interest and penalties, collection, refund and appeals shall be as provided in Chapter 4.08. The definitions of such terms and the procedures for imposition, registration, reporting, calculation of interest and penalties, collection, refund and appeals may be modified, expanded or otherwise amended from time to time by the City Council of the City of Santa Barbara taking action by ordinance as provided by the City Charter or otherwise provided by law. (Ord. 5173, 2000.)

rev. 12/31/00



Agenda Item No. _____

File Code No. 330.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 15, 2012

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Professional Services For The Listing And Sale Of Excess City Properties

RECOMMENDATION: That Council:

- A. Authorize the Public Works Director to execute a contract with Goodwin & Thyne Properties for listing and sale of the excess residential City-owned properties known as 136 West Haley Street, 306 West Ortega Street, and 309 West Ortega Street; and
- B. Authorize the Public Works Director to execute a contract with Hayes Commercial Group for the sale of the City-owned commercial property known as 20 South Milpas Street.

DISCUSSION:

The excess residential City-owned properties at 136 West Haley Street, 306 West Ortega Street, and 309 West Ortega Street, were acquired by the City in connection with improvements related to the Haley/De La Vina Streets and Ortega Street Bridge Replacement Projects. These properties have previously been declared excess by the City and are subject to disposal under Government Code 54220. The properties were acquired utilizing project grant funding due to their proximity to the bridge construction and the potential of being damaged during construction. Each property has been inspected and repaired as appropriate and, as such, is ready to be sold at auction as excess City property.

The excess commercial City-owned property at 20 South Milpas has also been declared excess, and having now complied with Government Code 54220 requirements, the City is now also ready to dispose of this property. The Milpas property is an undeveloped parking lot that has been owned by the City since 1960. It has served primarily as customer parking for the adjacent improved commercial property under a long-term lease with the United States Postal Service, serving the Milpas Street Post Office for many years. In 2008, the post office relocated, and the parking lot was sublet by the

United States Postal Service to another business tenant until 2011, when the lease with the City expired.

Proposals were solicited from seven realtors in the County of Santa Barbara. Five of the seven firms were reported by the Santa Barbara Association of Realtors to be the top residential realtor firms, based on the total number of completed residential sales transactions and the total dollar volume of residential sales transactions. These five firms offer combined residential and commercial realtor services. Two of the seven firms are recognized local commercial realtor specialists. Staff expects that the hiring of the realtors will result in maximizing the sale proceeds of the properties through professional real estate company marketing that includes the use of the Multiple Listing Service and all other resources available for sales by the selected realtors. This additional marketing will be in conjunction with the City's required public bid/auction sale process, as mandated by the Santa Barbara Municipal Code. The expectation is that the higher level of professional real estate sales services will gain wider exposure to potential buyers, and subsequently result in higher prices being bid and in the best future use for the properties.

Staff is recommending that the City enter into a contract with Goodwin & Thyne Properties as residential real estate sales specialists for the sale of the excess residential City-owned properties on Haley and Ortega Streets. Goodwin and Thyne Properties has proposed receiving a commission of 1.5 percent for their services, while recommending a 2.5 percent commission be offered to the potential buyer's realtor, for a total of 4 percent sales commission. A common industry standard for best sales results is for the seller's and buyer's realtors to receive a 3 percent commission each, for a total of 6 percent. The lower 4 percent commission looks appropriate due to the nature of the properties being sold via a public bid auction sale process, which is anticipated to reduce the time a realtor could spend finalizing a property sale. This was the lowest commission of the proposals received.

Additionally, staff recommends hiring the Hayes Commercial Group (Hayes) for the sale of the 20 South Milpas Street property, which is a unique sale due to its size and configuration. Staff believes Hayes will provide the highest service and commercial market exposure as compared to the other Realtors that submitted proposals. Of the seven proposals received, Hayes and Radius Commercial Real Estate & Investments (Radius) both specialize in the sale of commercial property. Radius withdrew their proposal leaving Hayes as the lead candidate for the sale of the 20 South Milpas property. Hayes proposed a 3 percent commission earned for the buyer and seller realtors, for a total of 6 percent gross sales commission. Conventional commercial realtor services are expected to attract additional buyer interest, due to the more unique site limitations for the 20 South Milpas property.

BUDGET/FINANCIAL INFORMATION:

The actual cost of sales and the net proceeds will be determined by the final sales prices obtained through the public auction sales. It should be noted that all shared realtor costs and other sale expenses will be paid from the property sale transactions

when the sale is completed at the close of escrow. Since the residential properties were purchased with Highway Bridge Program funds, the net proceeds received by the City from the properties sold can only be used on eligible federal projects. As a result, these proceeds will be placed in a Streets Capital Bridge Project fund to be established for use as matching funds for future federally funded bridge replacement projects. However, net proceeds from the 20 South Milpas Street sale will go into the City's General Fund to be used as determined by Council.

The table below summarizes the approximate anticipated sales prices to be realized and the associated realtor sales costs.

Goodwin & Thyne Properties - Residential Excess City Properties

	136 West Haley	306 West Ortega	309 West Ortega	Commission	Totals
Estimated Sale Price	\$334,000	\$264,333	\$405,166		\$1,003,469
Realtor Seller Commission at 1.5%	\$5,010	\$3,965	\$6,077	\$15,052	
Realtor Buyer Commission at 2.5%	\$8,350	\$6,608	\$10,130	\$25,087	
Total Commission	\$13,360	\$10,573	\$16,207		(\$40,140)
Estimated Net Sale Proceeds	\$320,640	\$253,760	\$388,959		\$963,359

Hayes Commercial Group - Commercial Excess City Property

20 South Milpas	Commission	Totals
Estimated Sale Price		\$725,000
Realtor Seller Commission at 3%	\$21,750	
Realtor Buyer Commission at 3%	\$21,750	
Total Commission		(\$43,500)
Estimated Net Sale Proceeds		\$681,500

The associated sales cost for the residential property listings is estimated at \$40,140 based on the anticipated sale prices of the properties. A similar cost determination has been made for the commercial property, with a cost of \$43,500.

Given the recognition of the benefits of professional real estate sales advertising and marketing has in obtaining the highest potential sales proceeds and anticipated best use for these properties, staff recommends approval of these contracts.

PREPARED BY: John Ewasiuk, Principal Civil Engineer/DT/mj

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 540.08

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 15, 2012

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Purchase Of Water From Carpinteria Valley Water District

RECOMMENDATION:

That Council authorize the Public Works Director to purchase up to 600 acre feet of Cachuma Water from the Carpinteria Valley Water District at a cost of \$150 per acre foot (\$90,000).

DISCUSSION:

In June 2011, the City Council adopted an updated long-term water supply plan. An important element of the plan is to manage the City's water supplies to avoid the need for desalination water until the sixth year of a drought. In order to defer the need for the desalination plant, it is necessary to develop a reserve of water. This is partially accomplished by encouraging conservation and saving unused annual allocations of water for future use. It also requires the purchase of additional water as drought supplies.

Typical annual water demand is 14,000 acre feet. An acre foot of water is 325,851 gallons and is typically enough to support three families for a year. At this time, the City has approximately 5,000 acre feet of water in reserve at Cachuma. Purchasing the water from the Carpinteria Valley District will add to this reserve and offers an insurance policy for the City should this year's dry weather extend into a lengthy drought.

BUDGET/FINANCIAL INFORMATION:

The cost of this water compares favorably to other supplies. For instance, State Water costs approximately \$250 per acre foot delivered to Cachuma. There are adequate funds in the City's Water Fund budget for this purchase.

SUSTAINABILITY IMPACT:

Developing a reserve account of water for use during a drought delays the need to activate the energy intensive desalination plant.

This item is scheduled for presentation to the Board of Water Commissioners on May 14, 2012. If the Board does not support the water purchase, the item will be removed from the Council agenda.

PREPARED BY: Rebecca Bjork, Water Resources Manage/RB/mh

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 520.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 15, 2012
TO: Mayor and Councilmembers
FROM: Chief's Staff, Police Department
SUBJECT: Appropriation Of K-9 Donation Funds

RECOMMENDATION:

That Council appropriate \$32,000 in the Police K-9 Trust Fund from accumulated reserves for the Santa Barbara Police Department K-9 program.

DISCUSSION:

Many years ago, a trust fund was set up to account for donations received for the benefit of the Santa Barbara Police K-9 program to help offset the cost of procuring, training, and maintaining K-9 police dogs and with the purchase of day to day equipment items necessary in maintaining a healthy working environment.

Currently, the Police K-9 Trust Fund has a balance of reserves from accumulated donations of \$66,268. Staff recommends appropriating \$32,000 of these funds for K-9 related costs in accordance with the intended use of the donations.

PREPARED BY: Lieutenant David Whitham
SUBMITTED BY: Camerino Sanchez, Chief of Police
APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 15, 2012
TO: Mayor and Councilmembers
FROM: City Attorney's Office
SUBJECT: Legal Services Contract For Oversight Board

RECOMMENDATION:

That Council, acting as the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, authorize the City Attorney, at the request of the Oversight Board, to negotiate and enter into a legal services contract with Mark Manion, a partner with the law firm of Price, Postel and Parma, LLA, in an amount not to exceed \$25,000 and to direct staff to include the legal services contract on the Recognized Obligation Payment Schedule.

DISCUSSION:

At the April 12, 2012 meeting of the Oversight Board to the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, the Oversight Board expressed a need to retain outside legal counsel to advise it on various legal matters. The Board formed a Subcommittee to solicit proposals from possible candidates, review proposals submitted and present a recommendation to the Board.

The Subcommittee reviewed proposals submitted by several candidates and on May 3, 2012, recommended that the Successor Agency retain Mark Manion of Price, Postel and Parma to provide outside legal services to the Oversight Board. Mr. Manion has represented public entities for many years and has broad experience in all areas of public law. Mr. Manion has proposed an hourly billing rate of \$295.

The Oversight Board concurred with the Subcommittees' recommendation and approved a motion to request that the Successor Agency enter a legal services contract with Mark Manion of Price, Postel and Parma, LLC to provide legal services to the Oversight Board

There is no provision in AB X1 26 for the provision of legal services to the oversight board. Further, AB X1 26 does not vest the oversight board with the legal authority to enter contracts. The successor agency has the legal authority to contract.

BUDGET/FINANCIAL INFORMATION

AB X1 26 provides that the successor agency must pay all oversight board meeting costs and that those costs may be included in the successor agency's administrative budget. There is no indication in the statute that "meetings costs" include fees paid to oversight board legal counsel. The statute does provide, however, that "contracts or agreements necessary for the administration or operation of the successor agency" are enforceable obligations. All enforceable obligations of the successor agency must be listed on the Recognized Payment Obligation Schedule. Staff recommends that the City Council, acting as the Successor Agency, authorize the City Attorney to negotiate and enter into a contract with Mark Manion in a not to exceed amount of \$25,000 and to direct staff to include the contract on the Recognized Obligation Payment Schedule.

PREPARED BY: Sarah Knecht, Assistant City Attorney

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 440.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 15, 2012

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Conference With Labor Negotiator

RECOMMENDATION:

That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the City's General bargaining unit, the City's Supervisory bargaining unit, the SBPD Police Officers Association, and the SBPD Police Management Association and regarding discussions with confidential City employees and unrepresented management about salaries and fringe benefits.

SCHEDULING: Duration, 45 minutes; anytime

REPORT: None anticipated

PREPARED BY: Kristy Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office