

**CITY OF SANTA BARBARA
CITY COUNCIL**

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Dale Francisco
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Frank Hotchkiss
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Bendy White



James L. Armstrong
City Administrator

Stephen P. Wiley
City Attorney

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

**JULY 23, 2013
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

2:00 p.m. - City Council Meeting Begins
5:00 p.m. - Recess
6:00 p.m. - City Council Meeting Reconvenes

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

AFTERNOON SESSION

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. Subject: Adoption Of Storm Water Management Ordinance (540.01)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Chapter 22.87 to Title 22 of the Santa Barbara Municipal Code Relating to Storm Water Management for Development and Redevelopment Projects.

CONSENT CALENDAR (CONT'D)

2. Subject: Adoption Of Ordinance For Grant Of Easement At 960 East Mountain Drive (330.03)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the City Administrator to Execute and Record a Non-Exclusive Driveway Easement, in a Form of Agreement Approved by the City Attorney, Over an Unused Portion of City Property Known as Gould Park, Assessor's Parcel Number (APN) 011-010-002, for Roadway Access, Maintenance of Roadway Improvements, Subsurface Utilities, and Related Purposes Benefitting the Property Known as 960 East Mountain Drive, APN 011-250-023, Both Parcels Being Located in the County of Santa Barbara.

3. Subject: Grant From California Department Of Boating And Waterways For Abandoned Vessel Removal (570.03)

Recommendation: That Council:

- A. Authorize the Waterfront Director to execute an agreement with the California Department of Boating and Waterways accepting a \$10,000 grant for the removal of abandoned recreational boats and associated hazards to navigation; and
- B. Increase Fiscal Year 2014 estimated revenue in the amount of \$10,000 and appropriate the funds to the Waterfront Department's Fiscal Year 2014 Capital Fund Budget.

4. Subject: Contract For Vic Trace Reservoir Geotechnical Investigation (540.09)

Recommendation: That Council approve, and authorize the Public Works Director to execute, a professional services contract with Earth Systems Southern California in the amount of \$50,100 to provide services for the Vic Trace Reservoir Geotechnical Investigation, and authorize the Public Works Director to approve expenditures of up to \$5,010 for extra services of Earth Systems Southern California that may result from necessary changes in the scope of work, for a total amount not to exceed \$55,110.

5. Subject: Sole Source Vendor For Clean Air Express Passes (670.02)

Recommendation: That Council authorize the City's General Services Manager to issue a Purchase Order to the City of Lompoc in the annual amount of \$30,000, pursuant to the sole source provisions of Santa Barbara Municipal Code Section 4.52.070(k), to purchase Clean Air Express Passes for the Work Trip Reduction Incentive Program.

CONSENT CALENDAR (CONT'D)

6. Subject: Lease Agreements For Westside Neighborhood Center And Louise Lowry Davis Center (330.04)

Recommendation: That Council authorize the Parks and Recreation Director to execute lease agreements for space at the following locations:

Westside Neighborhood Center:

- Independent Living Resource Center
- United Cerebral Palsy Work, Inc.
- Special Olympics

Louise Lowry Davis Center:

- United Cerebral Palsy of Los Angeles, Ventura and Santa Barbara Counties

7. Subject: Agreement With BBM&D Strategic Branding (560.01)

Recommendation: That Council approve, and authorize the Airport Director to execute, an Agreement with BBM&D Strategic Branding for development of marketing and advertising campaign concepts, for a total amount not to exceed \$30,600.

8. Subject: Agreement With Santa Barbara County Sheriff's Department For Law Enforcement Services At Special Events (520.04)

Recommendation: That Council authorize the Chief of Police or his designee to execute a three-year agreement with the Santa Barbara County Sheriff's Department to provide law enforcement services at special events, with an expiration date of June 30, 2016.

NOTICES

9. The City Clerk has on Thursday, July 18, 2013, 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.
10. Receipt of communication advising of vacancy created on the Neighborhood Advisory Council with the resignation of Sally Kingston; the vacancy will be part of the next City Advisory Groups recruitment.

This concludes the Consent Calendar.

PUBLIC HEARINGS

- 11. Subject: Public Hearing To Adopt Resolution Of Necessity For 115 Kimberly Avenue For The Mason Street Bridge Replacement Project (330.03)**

Recommendation: That Council adopt, by reading of title only, A Resolution of Necessity by the Council of the City of Santa Barbara to Acquire the Real Property Commonly Known as 115 Kimberly Avenue.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

- 12. Subject: Municipal Code Amendments For Implementation Of The Average Unit-Size Density (AUD) Incentive Program (640.02)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Chapter 28.20 to the Santa Barbara Municipal Code to Implement the City's 2011 General Plan Average Unit-Size Density Incentive Program; Amending Section 28.43.040 Regarding Exemptions to the City's Inclusionary Ordinance; Amending Sections 28.66.050, 28.69.050, 28.72.050, and 28.73.050 Concerning Building Height Standards for Community Benefit Projects in the C-2, C-M, M-1, and OM-1 Zones; and Amending Section 28.87.062 Concerning Encroachments in Open Yards.

SUCCESSOR AGENCY REPORTS

- 13. Subject: Proposed Capital Projects To Be Funded By Unencumbered Redevelopment Agency Bond Proceeds (620.06)**

Recommendation: That the Successor Agency to the Redevelopment Agency of the City of Santa Barbara approve, for purposes of funding recommendations only, the proposed capital projects to be funded with remaining, unencumbered, Redevelopment Agency Bond proceeds and request review and approval by the Oversight Board.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

14. 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 Police Bargaining Unit and General Bargaining Unit.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

RECESS

EVENING SESSION

RECONVENE

ROLL CALL

PUBLIC COMMENT

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

PUBLIC WORKS DEPARTMENT

15. Subject: Eastside Neighborhood Transportation Management Plan (610.04)

Recommendation: That Council:

- A. Approve the Eastside Neighborhood Transportation Management Plan dated as of July 23, 2013; and
- B. Direct staff to consider unfunded projects from the Eastside Neighborhood Transportation Management Plan within the normal Capital Improvement Program prioritization process.

ADJOURNMENT

ORDINANCE NO.

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADDING CHAPTER 22.87 TO TITLE 22 OF THE SANTA BARBARA MUNICIPAL CODE RELATING TO STORM WATER MANAGEMENT FOR DEVELOPMENT AND REDEVELOPMENT PROJECTS.

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Title 22 of the Santa Barbara Municipal Code is amended by adding a new Chapter 22.87, to read as follows:

Chapter 22.87

Storm Water Management

22.87.010 Definitions. For the purposes of this Chapter 22.87, the following words and phrases shall have the meaning indicated, unless the context or usage clearly requires a different meaning:

A. BEST MANAGEMENT PRACTICES (BMPs). Those activities, practices, and procedures to prevent, control, reduce, or remove the discharge of pollutants directly or indirectly to the storm drain system, surface waters, or waters of the State. BMPs include, but are not limited to, treatment practices and facilities to remove pollutants from storm water; operating and maintenance procedures; facility management practices to control site runoff, spillage, or leaks of non-storm water, water disposal, or drainage from raw materials storage; erosion and sediment control practices ; and the prohibition of specific activities, practices, and procedures and such other provisions as the City determines appropriate for the control of pollutants.

B. CREEKS DIVISION. The City of Santa Barbara Parks and Recreation Department Creeks Division.

C. GUIDANCE MANUAL. The City of Santa Barbara Storm Water Best Management Practices (BMP) Guidance Manual approved by

resolution of the City Council dated as of July 2013 and on file with the Santa Barbara City Clerk's Office.

D. IMPERVIOUS SURFACE. A hard surface which either prevents or retards the entry of water into soil, as would occur under natural conditions, or which causes water to run off the surface in greater quantities or at an increased rate of flow than would occur under natural conditions. Common impervious surfaces include, but are not limited to, roof tops, walkways, patios, driveways, parking lots, concrete or asphalt paving, gravel roads, compacted earthen materials, macadam, or other surfaces which impede the natural infiltration of storm water into the soil mantle. Open, uncovered retention/detention facilities (i.e., swimming pools, fountains, etc.) are not considered impervious surfaces.

E. MAINTENANCE OF PAVING. Maintenance of paving includes the following:

1. slurry sealing,
2. fog sealing,
3. crack sealing,
4. pot hole and square cut patching,
5. overlaying existing asphalt or concrete paving with asphalt or concrete without expanding the size of the impervious area,
6. resurfacing with in-kind material without expanding the size of the impervious area,
7. shoulder grading,
8. practices to maintain the original line and grade, hydraulic capacity, and overall footprint of the road or parking lot, or
9. repair or reconstruction of a road or parking lot due to slope failures, natural disasters, acts of God or other man-made disaster.

F. NEW DEVELOPMENT. Any land disturbing activity that includes site alteration (e.g., paving, grading, excavating, filling, or clearing), or the construction or installation of new structures, roads, driveways, parking, storage facilities, or other impervious surfaces on a lot that requires a building permit under the provisions of the California Building Code, as adopted and amended pursuant to Section 22.04.020 of this Code. Maintenance of paving is not considered new development or redevelopment of impervious area, even if a building permit is required.

G. POLLUTANT. An elemental or physical material that can be mobilized or dissolved by water or air and creates a negative impact to human health or the environment. Pollutants include suspended solids (sediment), heavy metals (such as lead, copper, zinc, and cadmium), nutrients (such as nitrogen and phosphorus), bacteria and viruses, organics (such as oil, grease, hydrocarbons, pesticides, and fertilizers), floatable debris, and increased temperature.

H. PROJECT SITE. For new development or redevelopment on private property, the project site is determined by the boundaries of the parcel. For new development or redevelopment on public property or the public right of way, the project site is determined on a case-by-case basis.

I. PROJECT TIER. The designation assigned to a development or redevelopment project based upon the scope and nature of the project pursuant to Section 1.4 and Appendix J of the City of Santa Barbara Storm Water Best Management Practices (BMP) Guidance Manual.

J. REDEVELOPMENT. Any land disturbing activity that includes the construction or installation of structures, parking, or other impervious surfaces that replaces or adds to existing structures, parking, or other impervious surfaces on a lot that requires a building permit under the provisions of the California Building Code, as adopted and amended pursuant to Section 22.04.020 of this Code. Maintenance of paving is not considered new development or redevelopment of impervious area, even if a building permit is required.

K. STORM WATER MANAGEMENT PROGRAM. The storm water management program is the City of Santa Barbara Storm Water Management Program dated as of _____ and approved by the Central Coast Regional Water Quality Control Board in satisfaction of the City's obligations under the state-wide permit for California under the National Pollutant Discharge Elimination System (NPDES) Phase II Regulations.

L. STORM WATER RUNOFF REQUIREMENTS. Storm water runoff requirements are site design elements and best management practices that are determined by the Community Development Department or the Public Works Department (in consultation with the Creeks Division) to satisfy the Storm Water Management Program's standards for: 1. peak runoff discharge management, 2. runoff volume reduction, and 3. water quality treatment as specified in Chapter 6 of the Storm Water Best Management Practices (BMP) Guidance Manual and Section 4.5 of the Storm Water Management Program.

22.87.020 Storm Water Runoff Requirements

New development or redevelopment within the City of Santa Barbara shall comply with the Storm Water Runoff Requirements applicable to the Project Tier to which the development or redevelopment project is assigned. The Storm Water Runoff Requirements for a particular new development or redevelopment will depend upon the Project Tier to which the new development or redevelopment is assigned pursuant to Section 1.4 and Appendix J of the Guidance Manual.

22.87.030 Scope of Project Evaluation.

A. MAINTAINING OR REDUCING PEAK RUNOFF DISCHARGE RATE. If the new development or redevelopment is subject to the requirement to maintain or reduce peak runoff discharge rates, then the discharge rate of the entire lot is considered when determining the pre-development and post-development runoff discharge rate.

B. VOLUME REDUCTION REQUIREMENTS. If the development or redevelopment is subject to the requirement for runoff volume reduction, the calculation of the runoff volume includes the change in discharge volume pre-development and post-development for the entire parcel.

C. WATER QUALITY TREATMENT. If the development or redevelopment is subject to the Storm Water Management Program

water quality treatment requirement, the project site includes all impervious surfaces on the lot, not just the area of the new development or the redevelopment.

22.87.040 Installation of Storm Water Runoff Requirements.

The owner of a lot on which new development or redevelopment triggers Storm Water Runoff Requirements shall install the site-specific Storm Water Runoff Requirements in accordance with the approved plans for the new development or redevelopment.

22.87.050 Maintenance of Storm Water Runoff Requirements.

The owner of any lot shall maintain and operate all Storm Water Runoff Requirements approved for the new development or redevelopment of the lot in accordance with their approved specifications.

22.87.060 Inspection and Monitoring.

A. Whenever the City Code Enforcement Officer has reasonable cause to believe that there exists, potentially exists, or has occurred in or upon any premises any condition which constitutes a violation of this Chapter 22.87, the City Code Enforcement Officer may seek consent from the responsible party to enter such premises to inspect the same to determine compliance with this Chapter.

B. If the City Code Enforcement Officer has been refused consent from the responsible party to enter any part of the premises, the City Code Enforcement Officer may seek issuance of an inspection warrant in accordance with California Code of Civil Procedure Section 1822.50, set eq., from any court of competent jurisdiction.

C. The City Code Enforcement Officer may require by written notice that any responsible party engaged in any activity or owning or operating any facility that may cause or contribute to pollution or illegal discharges to the storm drain system or waters of the State to undertake monitoring and analysis and to furnish reports regarding such monitoring and analysis to the City, at the responsible party's expense, as deemed necessary by the City Code Enforcement Officer to determine compliance with this Chapter.

D. The City Code Enforcement Officer may, in accordance with this section, take any samples and perform any testing deemed necessary by the City Code Enforcement Officer to determine compliance with this Chapter.

22.87.070 Enforcement.

It shall be unlawful for any person to violate any provision or fail to comply with any of the requirements of this chapter. Violations of this Chapter may be enforced in the methods specified in Chapters 1.25 and 1.28 of this Code.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AND RECORD A NON-EXCLUSIVE DRIVEWAY EASEMENT, IN A FORM OF AGREEMENT APPROVED BY THE CITY ATTORNEY, OVER AN UNUSED PORTION OF CITY PROPERTY KNOWN AS GOULD PARK, ASSESSOR'S PARCEL NUMBER (APN) 011-010-002, FOR ROADWAY ACCESS, MAINTENANCE OF ROADWAY IMPROVEMENTS, SUBSURFACE UTILITIES, AND RELATED PURPOSES BENEFITTING THE PROPERTY KNOWN AS 960 EAST MOUNTAIN DRIVE, APN 011-250-023, BOTH PARCELS BEING LOCATED IN THE COUNTY OF SANTA BARBARA.

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. In accordance with City Charter Section 520, the City Council hereby finds and determines as follows:

- a. The public safety and public fire protection benefits afforded by the continued maintenance of a driveway access over a small unused portion of the City's Gould Park to provide access to the Montecito Fire District fire hydrant located on the private real property located at 960 East Mountain Drive – a driveway and hydrant which has been in place since 1965 - is of considerable public benefit to the City, as well as of benefit to the public and private lands adjacent to the area;
- b. The City's Gould Park is located outside of the City and is undeveloped and little used, if at all, by members of the public for any park or recreational purpose, primarily due to its extremely steep topography and the lack of any sort of feasible or usable trail access.
- c. It appears that the City accepted the gift of Gould Park in 1926 as a bequest from Clara Hinton Gould and Charles W. Gould merely to preserve the land from development and for conservation purposes; as a result, the City has never developed Gould Park with any form of public access or trail system nor has it posted any signs notifying the public that Gould Park is available for public access or any form of public use;
- d. With the construction of the Roderick White residence at 960 East Mountain in 1965, the City Council granted Mr. and Mrs. White a driveway license over a small corner of the Gould Park property with the understanding that the Whites would be installing a public water main (to be owned and maintained by the Montecito Water District) and a fire hydrant which could serve to provide fire protection by the Montecito Fire District to both the White residence and the adjacent areas of Gould Park and the Los Padres National Forest.

e. The Montecito Fire District utilizes the White driveway (which includes that portion of the driveway over Gould Park) to provide a fire lookout location for the area and, without a driveway easement over Gould Park, such a fire lookout area protecting Gould Park would not be available.

SECTION 2. In light of the above-stated findings as well as the facts stated in the Council Agenda Report dated July 16, 2013, the City Council finds a proposed non-exclusive driveway/subsurface utility easement over a small portion of the City-owned property known as Gould Park (APN 011-010-002) which benefits the real property known as 960 East Mountain Drive (APN 011-250-023) to be fully accessory to and compatible with the sort of park purposes to which Gould Park has been dedicated. As a result, this easement is granted in accordance with Section 520 of the City Charter of the City of Santa Barbara and this non-exclusive easement does not constitute an encumbrance of City park property which needs to be submitted to the City voters for approval pursuant to Charter Section 520 provided it is authorized by an ordinance of the City Council.

SECTION 3. The City Administrator is hereby authorized to execute a non-exclusive driveway easement, in a form of easement acceptable to the City Attorney, granting an driveway and subsurface utility easement to Robert A. White and Michael N. White, Successor Trustees of the Roderick A. White Trust created by Declaration of Trust dated October 18, 1989, over a portion of the City-owned property known as Gould Park (APN 011-010-002) for vehicular access purposes, subsurface utilities, and for maintenance of related access and utility improvements, and other related purposes benefitting the real property known as 960 East Mountain Drive (APN 011-250-023), both parcels being within the County of Santa Barbara.

SECTION 4. That upon the effective date of this Ordinance, the Santa Barbara City Clerk is authorized to record said easement in the Official Records, in the Office of the County Recorder, Santa Barbara County.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Mayor and Councilmembers

FROM: Harbor Operations Division, Waterfront Department

SUBJECT: Grant From California Department Of Boating And Waterways For Abandoned Vessel Removal

RECOMMENDATION: That Council:

- A. Authorize the Waterfront Director to execute an agreement with the California Department of Boating and Waterways accepting a \$10,000 grant for the removal of abandoned recreational boats and associated hazards to navigation; and
- B. Increase Fiscal Year 2014 estimated revenue in the amount of \$10,000 and appropriate the funds to the Waterfront Department's Fiscal Year 2014 Capital Fund Budget.

DISCUSSION:

The California Department of Boating and Waterways (DBW) has reviewed and approved the Waterfront Department's application for a grant in the amount of \$10,000 for the removal and disposal of abandoned recreational vessels and related hazards to navigation in City waters and on City beaches. The funds, drawn from DBW's Abandoned Watercraft Abatement Fund, are used to reimburse the City 90% of the cost of removing and disposing vessels and hazards to navigation, many of which are typically associated with winter storms. By authorizing the Waterfront Director to execute the agreement with DBW, the City will receive this grant funding in time for the main winter season.

PREPARED BY: Scott Riedman, Waterfront Director

SUBMITTED BY: Scott Riedman, Waterfront Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Vic Trace Reservoir Geotechnical Investigation

RECOMMENDATION:

That Council approve, and authorize the Public Works Director to execute, a professional services contract with Earth Systems Southern California in the amount of \$50,100 to provide services for the Vic Trace Reservoir Geotechnical Investigation, and authorize the Public Works Director to approve expenditures of up to \$5,010 for extra services of Earth Systems Southern California that may result from necessary changes in the scope of work, for a total amount not to exceed \$55,110.

DISCUSSION:

Vic Trace Reservoir was constructed in 1956. It is located at 740 Dolores Drive in Santa Barbara, and is the City's largest reservoir, with a capacity of 10-million gallons. The reservoir is 380 feet long, 248 feet wide and 20 feet deep and has a two-acre metal roof. City staff inspects the reservoir annually and prepares an inspection report.

Over the past 10 years, a sinkhole has developed near the reservoir's southern exterior perimeter fence corner. Staff has repaired the area at least three times, only to have the sinkhole redevelop. It is unclear exactly what is causing the sinkhole. In 2012, staff performed tests to determine if there was a subsurface reservoir leak that was causing the sinkhole. The results were inconclusive, as the reservoir levels appeared to remain steady when the reservoir was isolated at various elevations, and there was no increased moisture associated with the sink hole.

This past year, Brown and Caldwell (B&C) assisted the City with the reservoir inspections under the Asset Management Program contract that Council authorized on June 19, 2012. B&C performed an asset risk analysis and condition assessment of the Water Distribution Section's many mechanical processes and facilities, including Vic Trace Reservoir. B&C noted in their report that the Vic Trace sinkhole is something that needs to be addressed.

Considering the history of the reappearing sinkhole at the reservoir, and B&C's comments in their risk and condition assessment report, staff is recommending a geotechnical investigation for the sink hole and surrounding area. The geotechnical investigation will include onsite field exploration and analysis and recommendations that will be submitted in a report for repairing the sinkhole.

Earth Systems Southern California (Earth Systems) was selected for this subject work through a competitive Request for Proposals (RFP) process. Six geotechnical firms responded to the City's RFP. Earth Systems was selected based on their understanding of the problem, experience on similar projects, and proposed approach to the work.

Following Earth System's report with recommendations, staff anticipates the need for design services, which will be covered under a separate contract. Construction related to the repair of the sinkhole will be done under a maintenance and repair contract.

BUDGET/FINANCIAL INFORMATION:

This project was anticipated and there are adequate appropriated funds in the Water Fund for this \$55,110 contract.

PREPARED BY: Catherine Taylor, Water System Manager/JW/mj

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Sole Source Vendor For Clean Air Express Passes

RECOMMENDATION:

That Council authorize the City's General Services Manager to issue a Purchase Order to the City of Lompoc in the annual amount of \$30,000, pursuant to the sole source provisions of Santa Barbara Municipal Code Section 4.52.070(k), to purchase Clean Air Express Passes for the Work Trip Reduction Incentive Program.

DISCUSSION:

On January 23, 2007, Council received a report from staff describing proposed enhancements to the City's existing Alternative Transportation Demand Management Program. This program was refashioned into the Work Trip Reduction Incentive Program. Its purpose was to help the City meet both its Sustainability and Circulation Element Goals by setting the example as a model employer, and reducing the employee single-passenger driving rate, by providing expanded commuter benefits.

One of the benefits and incentives the City offers is a 75% subsidy towards long distance bus passes. The Clean Air Express is the only service to provide long distance transit from Santa Maria, Lompoc, and the Santa Ynez Valley to Santa Barbara, and as such, staff is requesting Council approval to enter into a contract under the sole source provisions set forth in Santa Barbara Municipal Code Section 4.52.070(k).

BUDGET/FINANCIAL INFORMATION:

The cost for this year's expense to the Clean Air Express is estimated to be \$30,000, making adjustments for potential fee increases and anticipated increased participation. There are sufficient appropriated funds in Transportation Divisions Work Trip Reduction Incentive Program (Work TRIP) to cover the cost of the services.

SUSTAINABILITY IMPACT:

The Clean Air Express, with its current participation, saves approximately 250,000 miles per year of drive-alone trips by participating employees.

Since the Work TRIP program's initiation on July 1, 2007, over 3 million miles have been cut out of City employee commutes, 65,500 trips to the workplace have been eliminated, 2.8 million pounds of emissions, 144,000 gallons of fuel, and over \$1.6 million dollars have been saved.

Over the last five years, 402 employees have chosen not to drive alone to the workplace and have logged trips with the commute calendar tool the City uses to track participation.

PREPARED BY: Browning Allen, Transportation Manager/SG/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Mayor and Councilmembers

FROM: Recreation Division, Parks and Recreation Department

SUBJECT: Lease Agreements for Westside Neighborhood Center And Louise Lowry Davis Center

RECOMMENDATION:

That Council authorize the Parks and Recreation Director to execute lease agreements for space at the following locations:

Westside Neighborhood Center

- Independent Living Resource Center
- United Cerebral Palsy Work, Inc.
- Special Olympics

Louise Lowry Davis Center

- United Cerebral Palsy of Los Angeles, Ventura and Santa Barbara Counties

DISCUSSION:

The Parks and Recreation Department administers lease agreements for facility space at below market rates with local non-profit social service providers at the neighborhood centers. All leases are negotiated annually and commence on July 1, 2013. The non-profit agencies listed are renewal leases.

BUDGET/FINANCIAL INFORMATION:

The monthly rental rate for leased space is \$1.19 per square foot, as adopted by Council on June 18, 2013.

ATTACHMENT: Neighborhood Center Fiscal Year 2014 Lease Rate Schedule

PREPARED BY: Mark Alvarado, Neighborhood and Outreach Services Senior Supervisor

SUBMITTED BY: Nancy L. Rapp, Parks and Recreation Director

APPROVED BY: City Administrator's Office

NEIGHBORHOOD CENTER FISCAL YEAR 2014 LEASE RATE SCHEDULE

WESTSIDE NEIGHBORHOOD CENTER
423 W. Victoria Street

Organization	Leased Sq. Ft.	Allocated Sq. Ft.	Total Sq. Ft.	Monthly Rate @ \$1.19 per Sq. Ft.
United Cerebral Palsy, Work Inc.	3,044	474	3,518	\$4,186.42
Independent Living Resource Center	2,976	490	3,466	\$4,124.54
Santa Barbara Special Olympics	992	164	1,156	\$1,375.64

LOUISE LOWRY DAVIS CENTER
1232 De La Vina

Organization	Leased Sq. Ft.	Allocated Sq. Ft.	Total Sq. Ft.	Monthly Rate @ \$1.19 per Sq. Ft.
United Cerebral Palsy of Los Angeles, Ventura, and Santa Barbara Counties	173	0	173	\$205.87



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013
TO: Mayor and Councilmembers
FROM: Airport Administration, Airport Department
SUBJECT: Agreement With BBM&D Strategic Branding

RECOMMENDATION:

That Council approve, and authorize the Airport Director to execute, an Agreement with BBM&D Strategic Branding for development of marketing and advertising campaign concepts, for a total amount not to exceed \$30,600.

DISCUSSION:

The Airport has had a marketing and communications program since 1993. The goal of the program is to plan, develop and implement comprehensive marketing and communications strategies to increase regional traveler awareness of the Airport's airline services. The program provides for strong outreach to the tri-county market areas by developing campaigns that highlight the new terminal and the benefits of using the Santa Barbara Airport.

Staff interviewed three local marketing firms who could provide energetic creative campaigns with various media applications to be distributed using the Airport's in-house production and media capabilities. The three companies were The Shand Group, BBM&D Strategic Branding, and Idea Engineering. After an initial meeting, each firm submitted a proposal describing the strategy, process, deliverables, and budget estimate. Staff reviewed the proposals and, based upon the information presented and personal interviews, BBM&B was selected.

BBM&D will provide creative and production including development of advertising concepts, copywriting, art and broadcast direction, design, layout, electronic print, web programming, and marketing consultation. Airport staff will continue to be responsible for media planning and placement.

BUDGET/FINANCIAL INFORMATION:

The current Airport Operating Budget has sufficient appropriated funds for the \$30,600 contract.

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Mayor and Councilmembers

FROM: Administrative Services, Police Department

SUBJECT: Agreement With Santa Barbara County Sheriff's Department For Law Enforcement Services At Special Events

RECOMMENDATION:

That Council authorize the Chief of Police or his designee to execute a three-year agreement with the Santa Barbara County Sheriff's Department to provide law enforcement services at special events, with an expiration date of June 30, 2016.

DISCUSSION:

The City has always contracted with the Santa Barbara County Sheriff's Department to provide needed additional law enforcement staffing during special events, such as Fiesta. Due to the joint several liability provisions of the Government Tort Claims Act (Sections 895-895.6), it is advisable for the City to enter into a written contract with the County to provide this service. They, in turn, provide the necessary deputies, equipment, assume appropriate liability for the actions of their department staff and pay their employees through their normal payroll process.

BUDGET/FINANCIAL INFORMATION:

The Fiscal Year 2013 cost was approximately \$127,000. The contract amount for Fiscal Year 2014 will depend on the County's actual direct costs. The estimated cost was included in the Fiscal Year 2014 budget for special security services.

PREPARED BY: Kenneth Kushner, Sergeant/LSP

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Public Hearing To Adopt Resolution Of Necessity For 115 Kimberly Avenue For The Mason Street Bridge Replacement Project

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of Necessity by the Council of the City of Santa Barbara to Acquire the Real Property Commonly Known as 115 Kimberly Avenue.

DISCUSSION:

The Mason Street Bridge Replacement Project (Project) is necessary to replace the structurally deficient bridge over the Lower Mission Creek. The Project is an approved Federal Highway Administration (FHWA) Bridge Program project with oversight provided by the California Department of Transportation (Caltrans). The full property acquisition at 115 Kimberly Avenue is necessary to accommodate the widening of Mission Creek and the proposed realignment of Kimberly Avenue. The acquisition will be in accordance with applicable federal and state laws and guidelines to maintain the City's eligibility for reimbursement of Project costs using funds provided by the FHWA. The subject property is undeveloped and there are no existing buildings on the property. The Project design is 90 percent complete. Project construction is scheduled to begin in the spring of 2014.

The necessary real property interests are currently being acquired as identified below and on the Attachment. The existing adjacent residential (triplex) structure at 20 W. Mason Street was acquired by the City, since it is anticipated to sustain damage due to its proximity to the bridge and retaining wall construction. The commercial building at 15 W. Mason Street has also been acquired by the City. The building will be demolished to accommodate creek widening that is part of the proposed Project. A portion of the property at 16 W. Mason Street is required for the realignment of Kimberly Avenue as well as a Temporary Construction Easement (TCE), and a small easement on the 28 W. Cabrillo Boulevard property is also needed for permanent access and maintenance to the creek improvements once completed. The current status of the four properties and the easement required for acquisition is summarized below.

Mason Bridge Property Acquisitions and Status:

Address	Owner (Acquisition)	City Offer/Appraisal	Owner Appraisal	Owner Counter Offer	City Counter Offer	Settlement Price
15 W. Mason	Nordahl, et al (full)	\$1,950,000 10/30/12	none	\$2,600,000 2/4/13	\$2,200,000 3/7/13	\$2,300,000 3/14/13
20 W. Mason	Walters (full)	\$1,700,000 10/18/12	\$1,900,000 2/7/13	\$1,900,000 3/12/13	\$1,800,000 3/15/13	\$1,850,000 3/22/13
16 W. Mason	Romasanta (partial, and TCE)	\$194,000 5/17/13	None	\$214,000 6/25/13	\$217,000 6/28/13	Pending
28 W. Cabrillo	Romasanta (easement)	\$2,600 5/22/13	None			Pending
115 Kimberly	Funke (full)	\$100,000 5/17/13	Pending receipt			Pending

On May 7, 2013, Council approved execution of the agreements to acquire 15 and 20 W. Mason Street. These agreements have been fully executed, escrows have closed, and the City now owns these properties. The partial property and easement acquisitions for the Romasanta properties are anticipated to settle in the near future. The property at 115 Kimberly Avenue is awaiting receipt of the second appraisal that was requested by the Owners for further negotiations, and now requires the adoption of the Resolution of Necessity in order to proceed efficiently within the timeline for property acquisitions and subsequent construction of the Project.

Purpose of Hearing on the Resolution of Necessity

To comply with requirements of the federal and state agencies governing funding of the Project and reimbursement of costs to the City, the City must make a determination of the necessity to acquire the property at 115 Kimberly Avenue, which is done through the adoption of a Resolution of Necessity (Resolution) and the supported findings.

In addition to the adoption of the proposed Resolution, in order to proceed with eminent domain, the law requires that a public hearing be held concerning each of the required property rights being sought by the City and the public necessity for the acquisition of those rights. After the adoption of the Resolution, these findings will be presented in an eminent domain proceeding, should such action become necessary in the future.

In compliance with California Code of Civil Procedure Section 1245. 235 et. seq., written notice of the scheduled hearing on the Resolution was mailed to Alex and Erik Funke, the current property owners of 115 Kimberly Avenue, on July 8, 2013. The statutory purpose of the notice is to inform Alex and Erik Funke of Council's intent to hear all evidence in consideration of the possible adoption of the Resolution and to advise them

that, if they wish to object to the adoption of the Resolution, they must do so in writing within 15 days of said notice of the Council hearing. The notice sent to Alex and Erik Funke satisfies all legal noticing requirements for the hearing and provides that their last day to submit a written objection to the adoption of the Resolution of Necessity is July 23, 2013.

As provided in the State Code of Civil Procedure, the public hearing related to the proposed adoption of the Resolution should be limited to discussion of the requisite statutory findings specifically set forth in Section 1240.030 of the State Code of Civil Procedure, namely:

- a. That the public interest and necessity require the proposed Project.
- b. That the proposed Project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury.
- c. That the property described in the Resolution is necessary for the proposed Project.
- d. That either the offer required by Section 7267.2 of the California Government Code has been made to the owner or owners of record, or the offer has not been made because the owner cannot be located with reasonable diligence.

The proposed Resolution should be adopted by Council to authorize the City Attorney to initiate Superior Court eminent domain litigation, if necessary. Pursuant to Section 1245.240 of the California Code of Civil Procedure, the adoption of the proposed Resolution requires approval by five Councilmembers.

EVIDENTIARY FINDINGS

The Project is necessary to replace the existing structurally deficient public bridge and widen Mission Creek for flood control purposes. As stated above, however, due to the parcel at 115 Kimberly Avenue being located within the proposed creek widening area and adjacent to the proposed wider bridge, it is necessary to acquire the property in order to efficiently and economically complete the Project. All of the property will be utilized to widen Mission Creek and for the Kimberly Avenue realignment, channel wall construction, and restoration of the vegetated creek bank, including continued access for Santa Barbara County Flood Control for emergency flood response.

The subject property parcel is primarily within the creek and at the top of the creek bank, with a small portion of the parcel at the eastern property boundary containing two parking spaces for which the owners will be compensated in accordance with the appraised value of the property. Full acquisition is necessary to gain control of the property to complete the proposed Project construction. The City's real property agent consultant, Hamner, Jewell & Associates, have made offers for purchase of the property to the owner as required under Government Code Section 7267.2, and will continue negotiation efforts in an attempt to acquire the property without the need for an eminent domain action.

A copy of the Notice of Hearing on the Intent of the City of Santa Barbara to Adopt a Resolution of Necessity to Acquire Property by Eminent Domain, and its attached Exhibit describing the property interest to be acquired by eminent domain, are available for public review at the City Clerk's office, located at 735 Anacapa Street, Santa Barbara, California.

ENVIRONMENTAL REVIEW

The proposed Project was evaluated in the Lower Mission Creek Flood Control Project Environmental Impact Statement/Environmental Report, State Clearinghouse No. 1998101061, certified in 2001, and by subsequent Addendum dated November 2, 2011, pursuant to the California Environmental Quality Act. The environmental findings, reports, permits, and adopting actions have been made available to Council in the Council reading file and to the public at the City Clerk's Office, or at the public counter of the Community Development Department building at 630 Garden Street.

BUDGET/FINANCIAL INFORMATION:

There are sufficient funds in the Streets Capital Fund to purchase the required property. The funds include a FHWA reimbursement of 100 percent for the right of way acquisition and construction phases.

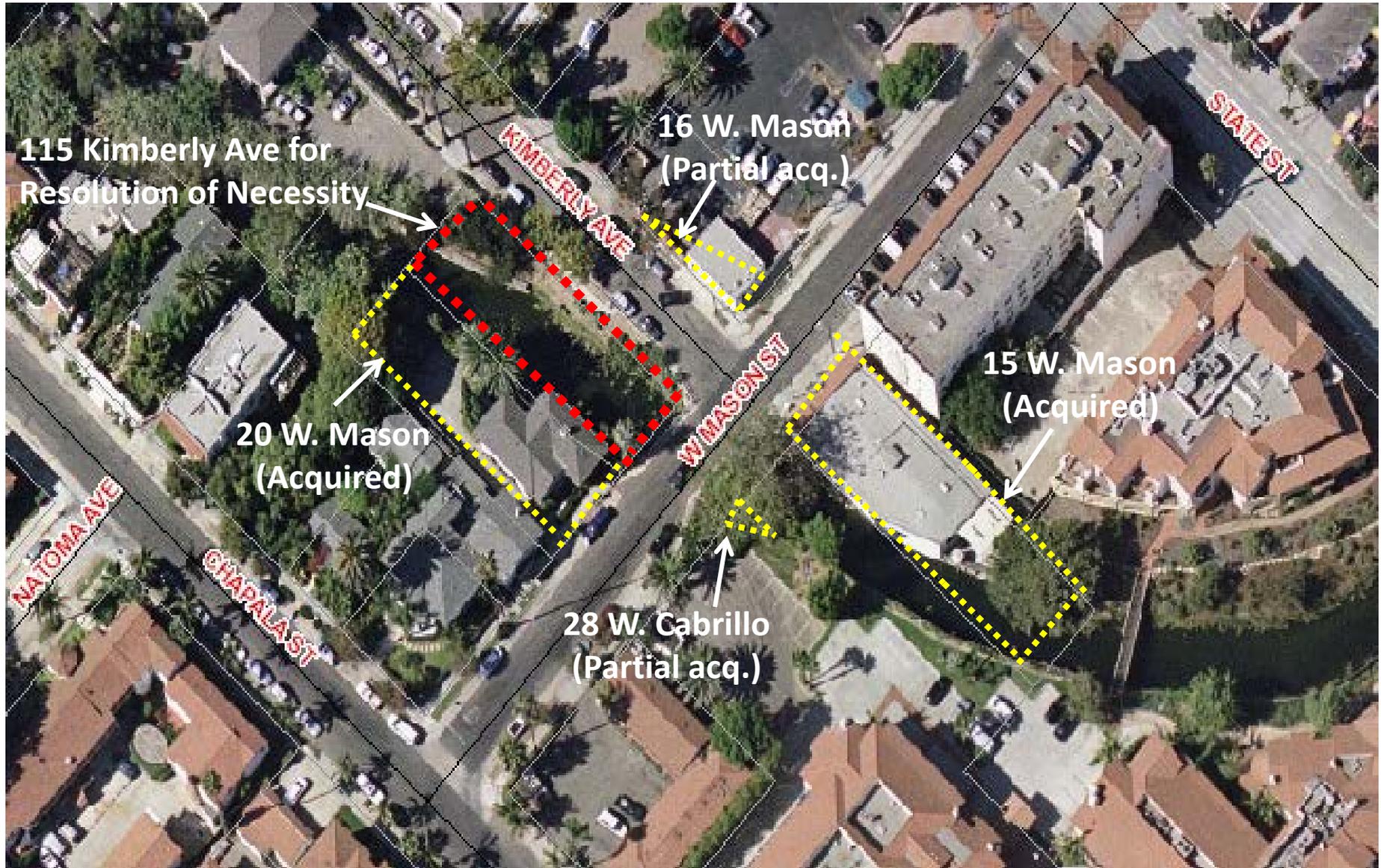
ATTACHMENT(S): Aerial map of properties being acquired

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

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

Mason Street Bridge Replacement Project Property Acquisitions Resolution of Necessity for 115 Kimberly Avenue



RESOLUTION NO. _____

A RESOLUTION OF NECESSITY BY THE COUNCIL OF
THE CITY OF SANTA BARBARA TO ACQUIRE THE REAL
PROPERTY COMMONLY KNOWN AS 115 KIMBERLY
AVENUE

WHEREAS, the Council of the City of Santa Barbara authorizes the acquisition of property rights for the purposes of replacing the existing structurally deficient Mason Street Bridge;

WHEREAS, the real property described herein is required for the replacement and construction of the Mason Street Bridge; and

WHEREAS, the Council of the City of Santa Barbara finds and determines that notice of its intention to adopt this resolution was duly given as required by law, and on the date and at the time and place fixed for hearing the Council did hear and consider all of the evidence presented.

NOW THEREFORE, THE COUNCIL OF THE CITY OF SANTA BARBARA DOES HEREBY DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. That, on July 23, 2013, after fifteen days written notice to the owner(s) of the property described hereafter, as they appeared on the last equalized County Assessment Roll, the City Council held a hearing for the purpose of allowing the owners thereof and other persons a reasonable opportunity to appear and be heard on the following matters:

- a. That the public interest and necessity require the proposed project;
- b. That the proposed project (as depicted on City Plan No. C-1-4678, a copy of which is permanently on file at the Public Works Department of the City of Santa Barbara, and hereinafter referred to as the "proposed project") is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury;
- c. That the property described in the resolution is necessary for the proposed project;
- d. That the offer required by Section 7267.2 of the California Government Code has been made to the owner or owners of record;
- e. That the proposed project has been determined to be categorically exempt from further environmental review pursuant to California Environmental Quality Act Regulations 15301 and 15320; and,
- f. Such other and further matters as may be referred to in California Code of Civil Procedure §1245.230.

SECTION 2. That the Council of the City of Santa Barbara does hereby find, determine and declare that:

- a. The public interest and necessity require the proposed project;
- b. The proposed project is planned or located in the manner that will be the most compatible with the greatest public good and the least private injury;
- c. All the property described in this resolution is necessary for the proposed project;
- d. The offer required by Section 7267.2 of the California Government Code has been made to the owner or owners of record (or the offer has not been made because the owner cannot be located with reasonable diligence); and
- e. The proposed project was evaluated in the certified Lower Mission Creek Flood Control (LMCFC) Project Environmental Impact Statement/Environmental Impact Report (EIS/EIR) (State Clearinghouse No. 1998101061) and an Addendum to the LMCFC Project EIS/EIR dated November, 2011, pursuant to California Environmental Quality Act (CEQA). The certified EIS/EIR determined that there would be unavoidable impacts associated with the project. The Addendum indicates that no new significant impacts or changes in circumstances or regulations would be anticipated since the original EIS/EIR was certified.

The Council of the City of Santa Barbara, as a result of said hearing, has determined that the public interest and necessity require the acquisition by the City of real property required for all activities necessary for the construction of the Mason Street bridge and Mission Creek improvements, and for all related surface and subsurface foundation improvements, and ingress and egress required for the removal, replacement and reconstruction of the Mason Street Bridge and appurtenant facilities within Mission Creek.

The taking of the properties described herein is authorized by Section 19 of Article I of the California Constitution, Section 37350.5 of the California Government Code, and Sections 1240.010 through 1240.125 of the California Code of Civil Procedure.

SECTION 3. That the Council of the City of Santa Barbara does hereby declare that it is the intention of said City to acquire said certain real property described herein in its name in accordance with the provisions of the laws of the State of California with reference to condemnation procedures.

SECTION 4. That the said certain real property is located in the City of Santa Barbara, County of Santa Barbara, State of California, and are more particularly described as follows:

I. 115 KIMBERLY AVENUE PROPERTY (APN 033074-019)

Real property in the City of SANTA BARBARA, County of Santa Barbara, State of California, described as follows:

THAT PORTION OF BLOCK 306 ACCORDING TO THE OFFICIAL SURVEY THEREOF DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY LINE OF MASON STREET DISTANT THEREON NORTHEASTERLY 155 FEET FROM THE NORTHEASTERLY LINE OF CHAPALA STREET, SAID POINT BEING THE EASTERLY CORNER OF THE TRACT OF LAND DESCRIBED AS PARCEL TWO IN THE DEED TO GUILFORD KIMBERLY, RECORDED FEBRUARY 26, 1919 IN BOOK 170, PAGE 240 OF DEEDS, RECORDS OF SAID COUNTY; THENCE NORTHEASTERLY ALONG SAID STREET LINE 45 FEET TO THE SOUTHWESTERLY LINE OF KIMBERLY AVENUE; THENCE NORTHWESTERLY ALONG SAID LINE OF KIMBERLY AVENUE 150 FEET; THENCE AT RIGHT ANGLES SOUTHWESTERLY 50 FEET; THENCE AT RIGHT ANGLES SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF THE TRACT OF LAND DESCRIBED AS PARCEL ONE IN SAID DEED TO KIMBERLY AND ITS NORTHWESTERLY PROLONGATION, 120 FEET TO THE NORTHWESTERLY CORNER OF SAID TRACT DESCRIBED AS PARCEL TWO IN SAID DEED TO KIMBERLY; THENCE SOUTHEASTERLY ON THE NORTHEASTERLY LINE OF SAID TRACT DESCRIBED AS PARCEL TWO IN SAID DEED TO KIMBERLY 32 FEET, MORE OR LESS, TO SAID LINE OF MASON STREET AND THE POINT OF BEGINNING.

SECTION 5. That the City Attorney is hereby authorized and directed to prepare, institute and prosecute in the name of the City, and is authorized to retain a law firm as Special Counsel for such proceedings, if necessary, in the proper Court having jurisdiction thereof, as may be necessary for the acquisition of the interests to said certain real property. Said counsel is also authorized and directed to obtain a necessary order of court granting to said City the right of immediate possession and occupancy of said certain real property and, at the discretion of the City Attorney, to approve and execute a settlement agreement or stipulated judgment vesting title to the real property described herein on terms and conditions approved by the City Attorney for the best interests of the City.

SECTION 6. That the Environmental Quality Control Act of 1970, as amended, and guidelines adopted pursuant thereto, have been complied with insofar as the above project is concerned by the evaluation of the Lower Mission Creek Flood Control Project Environmental Impact Statement/Environmental Impact Report (EIS/EIR) State Clearinghouse (SCH) No. 1998101061, certified in 2001 and subsequent Addendum dated November, 2011), which is hereby approved and directed to be filed with the City Clerk.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Municipal Code Amendments For Implementation Of The Average Unit-Size Density (AUD) Incentive Program

RECOMMENDATION:

That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Chapter 28.20 to the Santa Barbara Municipal Code to Implement the City's 2011 General Plan Average Unit-Size Density Incentive Program; Amending Section 28.43.040 Regarding Exemptions to the City's Inclusionary Ordinance; Amending Sections 28.66.050, 28.69.050, 28.72.050, and 28.73.050 Concerning Building Height Standards for Community Benefit Projects in the C-2, C-M, M-1, and OM-1 Zones; and Amending Section 28.87.062 Concerning Encroachments in Open Yards.

DISCUSSION:

On July 16, 2013 this proposed Ordinance was removed from the City Council Consent Calendar agenda for public comment and Council discussion. The Council subsequently voted 6-1 to introduce the Ordinance, approve the associated Resolution, and place the Ordinance on the July 23, 2013, regular agenda for further discussion and adoption.

PREPARED BY: John Ledbetter, Principal Planner

SUBMITTED BY: Paul Casey, Assistant City Administrator/Community Development Director

APPROVED BY: City Administrator's Office

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADDING CHAPTER 28.20 TO THE SANTA BARBARA MUNICIPAL CODE TO IMPLEMENT THE CITY'S 2011 GENERAL PLAN AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM; AMENDING SECTION 28.43.040 REGARDING EXEMPTIONS TO THE CITY'S INCLUSIONARY ORDINANCE; AMENDING SECTIONS 28.66.050, 28.69.050, 28.72.050, AND 28.73.050 CONCERNING BUILDING HEIGHT STANDARDS FOR COMMUNITY BENEFIT PROJECTS IN THE C-2, C-M, M-1, AND OM-1 ZONES; AND AMENDING SECTION 28.87.062 CONCERNING ENCROACHMENTS IN OPEN YARDS.

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Title 28 of the Santa Barbara Municipal Code is amended by adding a new Chapter 28.20, to read as follows:

Chapter 28.20
Average Unit-Size Density Incentive Program.

Section 28.20.010 Purpose.

The Average Unit-Size Density Incentive Program carries out a key program directed by the 2011 General Plan. The Program facilitates the construction of smaller housing units by allowing increased density and development standard incentives in selected areas of the City. Housing types that provide housing opportunities to the City's workforce are encouraged and facilitated by the program. The Average Unit-Size Density Incentive Program will be in effect for a trial period of either eight years or until 250 residential units have been constructed in the areas designated for High Density residential [as defined in SBMC §28.20.060(B)] or the Priority Housing Overlay[as defined in SBMC §28.20.060(C)], as shown on the City's Average Unit-Size Density Incentive Program Map whichever occurs earlier.

Section 28.20.020 Definitions.

For purposes of this Chapter 28.20, the following words or phrases shall have the respective meanings assigned to them in the following definitions unless, in a given instance, the context in which they are used indicates a different meaning:

A. Affordable Housing. Residential units that are sold or rented at values defined as being affordable by the City of Santa Barbara's Affordable Housing Policies and Procedures, as such policies and procedures may be approved by the City Council from time to time.

B. Average Unit Size. The total of the net floor area of each of the residential units in a project and divided by the number of residential units in that project.

C. Community Benefit Housing. Residential development that has a public benefit including the following housing types:

1. Priority Housing;
2. Housing affordable to low, moderate, or middle income households as defined in SBMC Chapter 28.43; and
3. Transitional Housing, affordable efficiency dwelling units (as described in Section 28.87.150 of this Code), and Supportive Housing which supports special needs populations such as housing for seniors, the physically or mentally disabled, the homeless, or children aging out of foster care.

D. Employer Sponsored Housing. Residential units which are developed, owned, maintained, and initially sold or rented to employees of a local Employer (or group of employers) where each residential unit is occupied as a primary residence (as defined by federal income tax law) by a household that includes at least one person who works on the south coast region of Santa Barbara County.

E. Net Floor Area. For purposes of this Average Unit-Size Density Program, net floor area is the area in square feet of all floors confined within the exterior walls of a residential unit, but not including the area of the following: exterior walls, vent shafts, courtyards, garages, carports, common areas not controlled by the occupant of an individual residential unit, and any areas with a ceiling height of less than five (5) feet above the finished floor. In addition, the area occupied by stairs or an elevator shaft within the exterior walls of a residential unit shall be counted only on one floor of the residential unit.

F. Limited-Equity Housing Cooperative. A corporation organized on a cooperative basis that meets the requirements of

state Civil Code § 817 and which restricts the resale price of the cooperative's shares in order to maintain a specified level of affordability to any new shareholder.

G. Local Employer. A person, business, company, corporation or other duly formed legal entity which employs persons whose primary place of employment is located within the South Coast region of Santa Barbara County.

H. Priority Housing. Priority Housing includes the following three categories of housing: 1. Employer-Sponsored Housing; 2. Limited-Equity Housing Cooperatives; and 3. Rental Housing.

I. Rental Housing. Housing developed and maintained as multiple dwelling units on the same lot for occupancy by separate households pursuant to a lease on other rental agreements where all dwelling units are owned exclusively by the same legal entity.

J. Supportive Housing. As defined in state Health and Safety Code Section 50675.14(b)(2).

K. Transitional Housing. That type of Supportive Housing that is re-circulated to other eligible program participants as specified and defined in state Health and Safety Code Section 50675.2(h).

Section 28.20.030 Permitted Zones for the Program.

The Average Unit-Size Density Incentive Program as established herein is a density incentive program available in the following zones of the City: R-3, R-4, HRC-2, R-O, C-P, C-L, C-1, C-2, C-M, and OC Zones, as shown on the City of Santa Barbara Average Unit-Size Density Incentive Program Map attached hereto as Exhibit A. The fact that a lot may be subject to an overlay zone, including, but not limited to, the S-D-2 or S-D-3 Overlay Zones, does not preclude the application of the Average Unit-Size Density Incentive Program on that lot if the Average Unit-Size Density Incentive Program is otherwise allowed in the base zoning of that lot. Development Projects developed in accordance with the provisions of the Average Unit-Size Density Incentive Program shall comply with the development standards specified in this Chapter 28.20.

Section 28.20.040 Program Duration.

A. Initial Program Period. The Average Unit-Size Density Incentive Program shall have an initial duration of eight years after the effective date of the ordinance codifying this Chapter or until 250 new residential units under this program are constructed (as evidenced by the issuance of a Certificate of Occupancy) within the areas of the City designated for High Density Residential or the Priority Housing overlay (as shown on the City of Santa Barbara Average Unit-Size Density Incentive Program Map attached to this Chapter as Exhibit A) whichever occurs sooner.

B. Exclusion of Low and Very Low Housing Units. Housing projects that are affordable to low-income and very low-income households, as defined in the City's Affordable Housing Policies and Procedures, will not count towards the 250 unit Program limit established in subsection A above.

C. Pending Applications. Any application for new development that is deemed complete prior to the expiration of the Program term established in subsection A or the issuance of the certificate of occupancy for the 250th residential unit (whichever occurs sooner) may continue to be processed and potentially approved under the Average Unit-Size Density Incentive Program.

Section 28.20.050 Status of R-3 and R-4 Residential Density.

Notwithstanding the provisions of SBMC Section 28.21.080 of this Title, for the duration of the Average Unit-Size Density Incentive Program established in Section 28.20.040(A) above, the following incentive program is available regarding the residential density of new development projects in zones of the City which otherwise would apply the R-3 residential density:

A. Average Unit-Size Density Incentive Program. Projects developed in accordance with the provisions of the Average Unit-Size Density Incentive Program established in Section 28.20.060 hereof are exempt from the standard R-3 residential density provisions specified in Subsections B through E of Section 28.21.080 of this Title.

B. Variable Density. The variable density provisions specified in Subsection F of Section 28.21.080 of this Code shall be suspended for the period of time the Average Unit-Size Density Incentive Program established by this Chapter is

available. Projects developed or approved in accordance with the terms of variable density prior to the effective date of this Chapter shall remain legal conforming land uses. During the suspension of Subsection F of SBMC Section 28.21.080, alterations and additions to variable density projects are permitted provided the alterations or additions do not add new residential units or add bedrooms to existing residential units in excess of the number of bedrooms that could have been developed on the real property under the Variable Density Program.

C. Development of Affordable Housing. Projects that meet the affordability criteria of the State Density Bonus Law or the City's Affordable Housing Policies and Procedures may continue to propose development pursuant to the density incentives established in Section 28.87.400 of this Title.

Section 28.20.060 Average Unit Size Density Incentives.

The Average Unit-Size Density Incentive Program offers project applicants dwelling unit density incentives as alternatives to the base residential densities specified for the particular City zones in which the program is available. The Average Unit-Size Density Incentive Program consists of three density tiers which may apply based upon the City's General Plan land use designation for the lot and the nature of the development being proposed as follows:

A. Medium-High Density. The Medium High density tier applies to those lots with a City General Plan land use designation of Medium High density residential. The Medium-High density tier allows the development of projects at residential densities ranging from fifteen (15) to twenty-seven (27) dwelling units per acre. The maximum average unit-size within the Medium-High density tier varies from 1,450 square feet of floor area to 905 square feet of floor area, depending upon the number of units per acre being developed, as specified in the Average Unit-Size Density Incentive Program Table attached to this Chapter as Exhibit B and incorporated by this reference as though fully set forth herein.

B. High-Density. The High-Density tier applies to those lots with a City General Plan land use designation of High-Density residential. The High-Density tier allows the development of projects at residential densities ranging from twenty-eight (28) to thirty-six (36) dwelling units per acre. The maximum average unit-size within the high density tier varies from 1,245 square

feet of floor area to 970 square feet of floor area, depending upon the number of units per acre being developed, as specified in the Average Unit-Size Density Incentive Program Table attached to this Chapter as Exhibit B.

C. Priority Housing Overlay. The Priority Housing Overlay applies to lots within the City with a City General Plan land use designation of High-Density residential and lots zoned C-M (regardless of the General Plan land use designation) as shown on the City of Santa Barbara Average Unit-Size Density Incentive Program Map attached to this Chapter as Exhibit A. The Priority Housing Overlay allows the development of projects at residential densities ranging from thirty-seven (37) to sixty-three (63) dwelling units per acre. The maximum average unit-size within the Priority Housing Overlay varies from 970 square feet of floor area to 811 square feet of floor area, depending upon the number of units per acre being developed, as specified in the Average Unit-Size Density Incentive Program Table attached to this Chapter as Exhibit B. The Priority Housing Overlay is only available for Rental Housing, Employer-Sponsored Housing, or Limited-Equity Cooperative Housing. A project developed under the Priority Housing Overlay may have a mixture of Priority Housing categories (i.e., a portion of the project may be Rental Housing while another portion of the project may be Employer-Sponsored housing.)

D. Process to Establish Priority Housing. For the purposes of this Chapter, the different forms of Priority Housing shall be established in the following manner:

- 1. Employer Sponsored Housing.** In order to qualify for the density incentives allowed under the Average Unit-Size Density Incentive Program, the applicant for a proposed Employer Sponsored Housing project should typically propose a project which contains a range of dwelling unit sizes and which offers a range of rents or purchase prices some of which are affordable to a household earning 200% of the Area Median Income or less at the time of the initial occupancy of the project. The owner of an approved Employee Sponsored Housing project must record a written instrument against the real property, in a form acceptable to the City Attorney, by which the employer sponsor(s) that owns the real property agrees to limit the occupancy of each residential unit to a household who occupies the unit as their primary residence and which includes at least one person who is primarily employed at a place of employment located

within the south coast region of Santa Barbara County for as long as the property is developed and maintained at the incentive densities.

2. Limited Equity Housing Cooperative. In order to qualify for the density incentives provided under the Average Unit-Size Density Program, all of the dwelling units within the limited-equity housing cooperative must be affordable to households earning up to 250% of the Area Median Income measured at the time of purchase, as affordability is defined in the City's Affordable Housing Policies and Procedures and a covenant containing this requirement (in a form acceptable to the City Attorney) shall be recorded against the real property to this effect.

3. Rental Housing. In order to qualify for the Priority Housing Overlay density incentives allowed under the Average Unit-Size Density Incentive Program, the owner of real property developed with rental housing must record a written covenant, in a form acceptable to the City Attorney, by which the owner agrees to maintain the rental housing use for as long as the property is developed and maintained at the incentive densities provided for in this Chapter.

E. Dwelling Unit Sizes. The unit sizes shown in the Average Unit-Size Density Incentive Program Table are the maximum average unit sizes allowed for the corresponding residential densities specified in the applicable density tier. Projects may be developed under the Average Unit-Size Density Incentive Program at a residential density that is greater than the base density for the zone in which the lot is located, but at a residential density that is less than the density range specified in the density tier assigned to the lot by its City General Plan land use designation. However, the average unit size of any project that is developed at a residential density which exceeds the SBMC Chapter 28.21 base density for the zone in which the lot is located through the application of the Average Unit-Size Density Incentive Program may not exceed the maximum average unit size for the applicable residential density tier as specified in the Average Unit-Size Density Incentive Program Table attached to this Chapter as Exhibit A.

Section 28.20.065 Average Unit Size and Inclusionary Housing Projects.

If a project developed in accordance with the Average Unit-Size Density Incentive Program of this Chapter is required to comply with the City's Inclusionary Housing Ordinance (SBMC Chapter 28.43) and if the owner of the Project elects to provide the inclusionary units on-site as part of the project (as opposed to paying the allowed in-lieu fee allowed by SBMC Chapter 28.43), the increased number of dwelling units to which the owner is entitled under SBMC Chapter 28.43 shall also comply with the maximum average unit size for the base density of the project under the Average Unit-Size Density Incentive Program.

Section 28.20.070 Additional Development Incentives.

A. Development Standards Generally. In order to further encourage the development of projects in accordance with the provisions of this Average Unit-Size Density Incentive Program, the development standards listed in this Section 28.20.070 are allowed for those projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program. Except as otherwise specified in this Section, projects developed in accordance with the provisions of the Average Unit-Size Density Incentive Program shall otherwise comply with the development standards applicable to the base zone in which the lot is located.

B. Market Rate Ownership Projects within the S-D-2 Overlay Zone. Projects developed with market rate ownership units on commercially zoned lots with a City General Plan land use designation of Medium-High Density within the S-D-2 overlay zone shall comply with S-D-2 zone development standards as required by Section 28.45.008 of this Title.

C. Building Height. Projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program shall conform to the building height standards specified within the zone in which the lot is located, except that Average Unit-Size Density Incentive Program projects in the R-3, R-4, HRC-2, R-O, C-P, C-L, C-1, S-D-2, and OC Zones may be built with up to four stories so long as such buildings do not exceed a maximum of 45 feet in building height provided, however, that projects developed with market rate ownership units on lots with a City General Plan land use designation of Medium-High Density and subject to the S-D-2 overlay zone shall comply with S-D-2 zone

building height and building story limitations of Section 28.45.008 of this Title.

D. Setbacks. Projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program shall observe the following building setback standards:

1. R-O, C-P, C-L, C-1, C-2, C-M, and S-D-2 Zones. Projects developed in accordance with the Average Unit-size Density Incentive Program in the R-O, C-P, C-L, C-1, C-2, C-M, and S-D-2 Zones shall observe the following building setback standards:

a. Front Setback.

i. State Street and First Blocks of Cross Streets.

Projects on lots fronting State Street between Montecito Street and Sola Street and lots fronting the first block east or west of State Street on streets that cross State Street between and including Montecito Street and Sola Street shall not be required to provide a front building setback.

ii. Commercially Zoned Lots Subject to the S-D-2 Overlay Zone. Projects developed on commercially zoned lots within the S-D-2 overlay zone shall observe a front setback of ten (10) feet provided, however, that projects on commercially zoned lots in the Medium-High Density designation and developed with market rate ownership units shall observe the front setback standards of the S-D-2 overlay zone required by Section 28.45.008 of this Title.

iii. All Other Lots. Projects on lots that do not front on the streets specified in Section 28.20.070(B)(1)(a)(i) shall observe the following front building setback standard: A uniform front setback of five (5) feet shall be provided except where that portion of the structure which intrudes into the required five (5) foot front setback is appropriately balanced with a front building setback area that exceeds the minimum five (5) foot front setback. The additional compensating setback area shall not be located farther from the adjacent front lot line than one half of the length of the front lot line.

b. Interior Setback Adjacent to Nonresidential Zone. No interior setback is required for those projects adjacent to a non-residential zone, provided, however, that projects on commercially zoned lots in the Medium-High Density designation within the S-D-2 overlay zone and developed with market rate

ownership units shall observe the interior setback standards required by the applicable base zone.

c. Interior Setback Adjacent to Residential Zone. A uniform interior setback of six (6) feet shall be provided except for those projects where that portion of the structure which intrudes into the required six (6) foot interior setback is appropriately balanced with an interior setback area that exceeds the minimum six (6) foot interior setback, provided, however, that projects developed on commercially zoned lots in the Medium-High Density designation within the S-D-2 overlay zone and developed with market rate ownership units shall observe the interior setback standards required by the applicable base zone.

2. R-3 and R-4 Zones. Projects on lots developed in accordance with the Average Unit-size Density Incentive Program in the R-3 and R-4 Zones, including projects within the S-D-2 overlay zone, shall observe the following building setbacks:

a. Front Setback. A front setback of not less than the indicated distance indicated below shall be provided between the front lot line and all buildings, structures, and parking areas on the lot as follows:

- i. One or two story buildings or structures: ten (10) feet
- ii. Three or more story buildings or structures:
 - (1) Ground floor portions: ten (10) feet
 - (2) Second story portions: ten (10) feet
 - (3) Third or more story portions: twenty (20) feet
 - (4) Parking: As required by Sections 28.21.060.A.3 & 28.21.060.A.4 of this Title.

b. Interior Setback. An interior setback of not less than the distance indicated below shall be provided between the interior lot line and all buildings, structures, and parking on the lot as follows:

- i. One or two story buildings or structures: six (6) feet
- ii. Three or more story buildings or structures
 - (1) Ground floor portions: six (6) feet
 - (2) Second story portions: six (6) feet
 - (3) Third or more story portions: ten (10) feet
 - (4) Garages, carport or uncovered parking: As required by Section 28.21.060.B.3. of this Title.

c. Rear Setback. A rear setback of not less than the indicated distance shall be provided between the rear lot line and all buildings, structures, and parking on the lot as follows:

- i. Ground floor portions: six (6) feet
- ii. Second story portions: ten (10) feet
- iii. Third or more story portions: ten (10) feet
- iv. Garage, carport, or uncovered parking: three (3) feet.

3. HRC-2 and O-C Zones. Lots developed in accordance with the Average Unit-Size Density Incentive Program in the HRC-2 and OC Zones shall observe the setback standards required by the applicable base zone.

C. Distance Between Buildings on the Same Lot.

No main building (as defined in SBMC section 28.04.145) shall be closer than ten feet (10) to any other main building on the same lot, provided, however, that projects on commercially zoned lots in the Medium-High Density designation subject to the S-D-2 overlay zone and developed with market rate ownership units shall observe the building separation standards required by the applicable base zone.

D. Parking.

As an alternative to the residential parking requirements specified in Subsections G and H of Section 28.90.100 of this Title, projects developed under the Average Unit-Size Density Incentive Program may observe the following residential parking requirements, provided, however, that projects on commercially zoned lots in the Medium-High Density designation subject to the S-D-2 overlay zone and developed with market rate ownership units shall observe the parking requirements required by the applicable base zone:

- 1. Residential Units.** A minimum of one covered or uncovered parking space shall be provided for each residential unit.
- 2. Bicycle Parking.** A minimum of one covered and secured bicycle parking space shall be provided for each residential unit.
- 3. Guest Parking.** Guest parking is not required.

4. **Other Parking Standards.** Other than the residential parking requirements specified in Subsections G and H of Section 28.90.100, projects developed under the Average Unit-Size Density Incentive Program shall observe the parking standards specified in Chapter 28.90 of this Title.

E. Outdoor Living Space.

Projects developed in accordance with the Average Unit-Size Density Incentive Program shall provide outdoor living space in accordance with the provisions of the R-3/R-4 Zone as stated in Section 28.21.081 of this Title with the following exceptions:

1. All projects on commercially zoned lots in the Medium-High Density designation within the S-D-2 overlay zone and developed with market rate ownership units shall observe the Outdoor Living Space requirements specified by the applicable base zone.

2. All projects in commercial zones electing to provide outdoor living space pursuant to the Private Outdoor Living Space Method specified in Subsection A of SBMC Section 28.21.081 are required to provide both the Private Outdoor Living Space specified in SBMC Section 28.21.081(A)(1) and the Common Open Area specified in SBMC Section 28.21.081(A)(3). Projects developed under the Average Unit-Size Density Incentive Program which elect to provide outdoor living space pursuant to the Private Outdoor Living Space Method of SBMC Section 28.21.081 (A)(1) may, but are not required to, provide the Open Space specified in SBMC Section 28.21.081(A)(2).

3. All projects in commercial zones electing to provide outdoor living space pursuant to the Common Outdoor Living Space Method specified in Subsection B of SBMC Section 28.21.081 shall provide common outdoor living space in accordance with Subsection B of that Section. In addition, for projects developed in accordance with the Average Unit-Size Density Incentive Program, the required common outdoor living space may be located at either grade or on any floor of the building(s), notwithstanding SBMC Section 28.21.081(B)(4) to the contrary.

SECTION 2. Section 28.21.081 of Chapter 28.21 of Title 28 of the Santa Barbara Municipal Code is amended to read as follows:

Section 28.21.081 Outdoor Living Space.

Every lot in this zone shall provide outdoor living space in

accordance with either of the following methods:

A. Private Outdoor Living Space Method. Lots providing outdoor living space in accordance with this method shall provide each of the spaces described in paragraphs 1-3 below:

1. Private Outdoor Living Space. Private outdoor living space shall be provided for each dwelling unit as follows:

a. Minimum size. The private outdoor living space shall be not less than the size specified below based on the number of bedrooms in the dwelling unit and the location where the private outdoor living space is provided:

- (1) Ground floor:
 - (a) Studio unit - 100 square feet
 - (b) 1 Bedroom unit - 120 square feet
 - (c) 2 Bedroom unit - 140 square feet
 - (d) 3 or more Bedroom unit - 160 square feet

- (2) Second or higher story:
 - (a) Studio unit - 60 square feet
 - (b) 1 Bedroom unit - 72 square feet
 - (c) 2 Bedroom unit - 84 square feet
 - (d) 3 or more Bedroom unit - 96 square feet

b. Minimum Dimensions. The private outdoor living space shall have minimum dimensions as specified below, measured in perpendicular directions based on the location where the private outdoor living space is provided:

- (1) Ground floor: 10 feet

- (2) Second or higher story: 6 feet

c. Connectivity. Private outdoor living space shall be contiguous to and accessible from the dwelling unit for which it is provided.

d. Multi-story dwelling units. Dwelling units that occupy more than one story may provide the required private outdoor living space on any story.

e. Allowed amenities. Private outdoor living space may include planter areas totaling no more than fifty (50) square feet, patio areas, balconies, and decks.

f. Exclusions. Private outdoor living space shall not include stairs, entrance decks, or landings. In addition, private outdoor living space shall not include areas located under eaves, balconies, or other cantilevered architectural or building projections not providing additional floor area where the vertical clearance under the architectural or building projection is less than seven feet.

g. Allowed setback encroachments. Private outdoor living space may encroach into setbacks as follows:

(1) Private outdoor living space provided on grade may encroach into interior and rear setbacks up to the property line.

(2) Private outdoor living space provided on grade may be located up to ten (10) feet from the front lot line, subject to the following conditions:

(a) The area of the private outdoor living space located in the front yard may not exceed more than 50% of the front yard area, excluding driveways.

(b) The private outdoor living space provided in the front yard shall be enclosed by a solid fence having a minimum height of five (5) feet and a maximum height of six (6) feet. The exterior of the fence shall be landscaped. However, the design review body that reviews the project may reduce or waive the requirement for a fence or landscaping in order to preserve substantial views from the unit being served by the private outdoor living space or if the area does not abut a street.

2. Open Space. In addition to all setbacks, every lot satisfying the outdoor living space requirement in accordance with this private outdoor living space method shall provide on grade open space of an area not less than ten percent (10%) of the net lot area in accordance with the provisions of this paragraph 2. The intent of this provision is to provide relief from building volume, driveways and parking beyond that afforded by setbacks.

a. Examples of Permitted Open Space Improvements.

The required open space may consist of landscaped or

hardscaped areas unobstructed from the ground upwards, including, but not limited to:

- (1) Walks,
- (2) Patios,
- (3) Planted areas,
- (4) Decks no more than 18" above grade at all points, and
- (5) Swimming pool areas.

b. Examples of Open Space Improvements Not Permitted. The required open space shall not consist of the following:

- (1) Garages,
- (2) Carports,
- (3) Driveways,
- (4) Loading areas,
- (5) Parking and turnaround areas,
- (6) Balconies,
- (7) Porches,
- (8) Decks higher than 18" above grade at any point,
- (9) Roof decks, or
- (10) Areas located under trellises, arbors, eaves, balconies, bay windows, window seats, or other cantilevered architectural or building projections not providing additional floor area where the vertical clearance under the structure or architectural or building projection is less than seven feet.

3. Common Open Area. The common open area requirement specified in this Paragraph 3 shall only apply to lots developed with four (4) or more dwelling units. Every lot satisfying the outdoor living space requirement in accordance with this private outdoor living space method shall provide a common open area in accordance with this paragraph 3. The common open area shall have a minimum dimension of fifteen (15) feet measured in perpendicular directions and shall be accessible to all dwelling units on the lot. The common open area may be located on grade, on the second or higher story, or on a roof deck. On grade common open area may include portions of the interior setback or rear setback. On grade common open area may include portions of any remaining front yard, but shall not include any portion of the front setback. The common open area required in this paragraph 3 may be counted as part of the open space required in paragraph 2 as long as the other conditions of paragraph 2 are satisfied.

B. Common Outdoor Living Space Method. Lots providing outdoor

living space in accordance with this method shall provide common outdoor living space in accordance with the following:

1. Accessibility. The common outdoor living space shall be accessible to all dwelling units on the lot.

2. Minimum Size. The common outdoor living space shall consist of at least fifteen percent (15%) of the net lot area.

3. Minimum Dimensions. The common outdoor living space may be provided in multiple locations on the lot, but at least one location shall have a minimum dimension of twenty (20) feet measured in perpendicular directions.

4. Location. Common outdoor living space must be located on grade. On grade common outdoor living space may be located in an interior setback or rear setback. On grade common outdoor living space may be located in the remaining front yard but shall not include any portion of the front setback.

5. Exclusions. Common outdoor living space shall not include any of the following areas:

a. Areas designed for use by motor vehicles, including, but not limited to, driveways, parking, and turnaround areas.

b. Areas located under trellises, arbors, eaves, balconies, bay windows, window seats, or other architectural or building projections not providing additional floor area where the vertical clearance under the structure or architectural or building projection is less than seven feet.

SECTION 3. Section 28.21.120 of Chapter 28.21 of Title 28 of the Santa Barbara Municipal Code is amended to read as follows:

Section 28.21.120 Public Street Requirements.

A. When any person proposes to construct one (1) or more multiple-family dwellings, wherein the number of dwelling units is controlled by Section 28.20.060, on a lot or combination of lots, the size, shape, dimensions or topography of which, in relation to existing abutting public streets, require that there be an adequate access or internal circulation roadway for vehicular traffic including but not limited to emergency vehicles and equipment traffic, the City's Chief Building

Official may, prior and as a condition to the issuance of a building permit for such dwelling or dwellings, require the submission by the owner or applicant of a plot plan of such lot or combination of lots showing the location of all existing buildings and all buildings proposed to be constructed thereon and showing the location, width, and extent of improvements of an adequate access or internal circulation roadway thereon designed to connect with the abutting public street or streets.

The term adequate access or internal circulation roadway shall mean a dedicated public street established and improved to City standards and so located as to provide convenient and orderly traffic movement, ingress and egress and circulation upon, through and within the lot or combination of lots in relation to abutting streets, the multiple-family dwelling or dwellings, and the off-street parking areas required in connection with such dwelling or dwellings.

The plot plan and adequate access or internal circulation roadway shall be required by the Chief Building Official where:

1. The lot or combination of lots which is the site of the proposed construction exceeds five (5) acres; or
2. The maximum possible number of dwelling units which could be constructed on such lot or combination of lots, pursuant to Section 28.20.060 exceeds one hundred (100); or
3. Any portion of a multiple-family dwelling proposed to be constructed on the lot or combination of lots will be more than two hundred and fifty feet (250') from the right-of-way line of an abutting street.

When none of the three (3) foregoing categories are applicable to the lot or combination of lots, the adequate access or internal circulation roadway as defined herein shall not be required where the lot or combination of lots abut on a previously dedicated street or streets and where the private driveway access from the nearest entry to the required off-street parking area to the point of connection with such street or streets does not exceed one hundred and fifty (150) lineal feet.

B. When the plot plan required by the Chief Building Official is filed, the building official shall forthwith submit the same to the Community Development Department and the Public Works Department for investigation, report and recommendation. Such

reports and recommendations shall be submitted to the Planning Commission for hearing at its earliest convenience, and such Planning Commission shall, following such hearing, approve, modify or reject such proposed adequate access or internal circulation roadway in respect to location and connection with existing abutting street or streets.

C. The owner or applicant may appeal any decision of the Planning Commission to the City Council in the manner provided by Chapter 1.30 of this Code.

D. Following approval by the Planning Commission or the City Council, as the case may be, of the proposed adequate access or internal circulation roadway shown on the plot plan, the owner or applicant shall:

1. By formal instrument offer to dedicate said proposed roadway as a public street; and

2. Either complete the required improvement of such public street to the satisfaction of the City Engineer or agree to complete such improvement within a period of one (1) year, such agreement to be secured by a good and sufficient surety bond in a principal sum equivalent to the estimated cost of such public street on the basis of estimates to be provided by the Department of Public Works, and conditioned on final completion of the construction of said street.

E. Upon completion of such public street improvement to the satisfaction of the City Engineer, or the execution and acceptance of an agreement to complete, secured by bond, a building permit shall then be issued if the requirements of other applicable ordinances have been met. The offer of dedication shall continue until and shall not be accepted until the required improvements have been completed to the satisfaction of the City Engineer.

SECTION 4. Section 28.43.040 of Chapter 28.43 of Title 28 of the Santa Barbara Municipal Code is amended to read as follows:

28.43.040 Exemptions.

A. **PROJECTS EXEMPTED FROM INCLUSIONARY REQUIREMENTS.** The requirements of this Chapter shall not apply to the following types of development projects:

1. **Rental Units.** A project constructing Dwelling Units

which may not be separately owned, transferred, or conveyed under the state Subdivision Map Act.

2. Casualty Reconstruction Projects. The reconstruction of any residential units or structures which have been destroyed by fire, flood, earthquake or other act of nature, which are being reconstructed in a manner consistent with the requirements of Santa Barbara Municipal Code Section 28.87.038.

3. Voluntarily Affordable Projects. Residential Developments which propose that not less than thirty percent (30%) of the units of the development will be deed restricted for occupancy by families qualifying as Upper Middle Income (or lower income) households pursuant to and in accordance with the City's Affordable Housing Policies and Procedures.

4. Employer-Sponsored Housing Projects. Employer Sponsored Housing Projects developed in accordance with the Average Unit-Size Density Incentive Program of SBMC Chapter 28.20.

SECTION 5. Sections 28.66.050, 28.69.050, 28.72.050, and 28.73.050 of Title 28 of the Santa Barbara Municipal Code are amended to read as follows:

28.66.050 Building Height.

A. Maximum Building Height. No building in this zone shall exceed a height of four (4) stories nor shall any building exceed a height of sixty feet (60'.)

B. Community Benefit Projects. Notwithstanding the maximum building height specified in subsection A above, no building constructed in this zone after the effective date of the ordinance enacting this Chapter, shall exceed a height of forty five feet (45') unless the project qualifies as a Community Benefit Project or a Community Benefit Housing Project and the Planning Commission expressly makes all of the following findings:

1. Demonstrated Need. The applicant has adequately demonstrated a need for the project to exceed 45 feet in building height that is related to the project's benefit to the community, or due to site constraints, or in order to achieve desired architectural qualities;

2. Architecture and Design. The project will be

exemplary in its design;

3. Livability. If the project includes residential units, the project will provide amenities to its residents which ensure the livability of the project with particular attention to good interior design features; such as the amount of light and air, or ceiling plate heights;

4. Sensitivity to Context. The project design will complement the setting and the character of the neighboring properties with sensitivity to any adjacent federal, state, and City Landmarks or any nearby designated Historic Resources, including City designated Structures of Merit.

C. Buildings Adjacent to Residential Zones. The building height of a building which will be immediately adjacent to a residential zone shall not exceed the height allowed in the most restrictive adjacent residential zone for that part of the structure constructed within a distance of thirty (30) feet or one-half (1/2) the height of the proposed structure, whichever is less provided, however, a project which qualifies as a Community Benefit Project or a Community Benefit Housing Project under Subsection B above need not comply with this requirement.

D. Theater Additions. Notwithstanding the provisions of SBMC Section 28.04.140, a stage addition to a live performance theater shall not be considered as part of the height of the building under the following circumstances: 1. the stage addition is devoted solely to rigging fly systems, 2. the addition is made to a theater that existed as of December 31, 2003 and 3. the stage addition does not exceed the height of the theater as such theater existed on December 31, 2003.

E. Timing and Procedure for Projects Requiring the Planning Commission Building Height Findings.

1. Conceptual Design Review. Prior to the Planning Commission considering an application for a Community Benefit Project or a Community Benefit Housing Project pursuant to this section a project shall receive conceptual design review by the Historic Landmarks Commission or the Architectural Board of Review as required by SBMC Title 22.

2. Planning Commission Consideration of Findings.

a. Design Review Projects. If a project only requires design review by the ABR or HLC under SBMC Title 22, the

Planning Commission shall review and consider the building height findings of this Section after conceptual design review and before consideration of the project by the HLC or ABR for Project Design approval.

b. Staff Hearing Officer Projects. If a project requires the review and approval of a land use permit by the Staff Hearing Officer, the Planning Commission shall review and consider the building height findings after conceptual design review pursuant to SBMC Title 22, but before the preparation of a full application for the consideration of the land use permit by the Staff Hearing Officer.

c. Planning Commission Projects. If a project requires the review and approval of land use permit by the Planning Commission, the Planning Commission shall review and consider the building height findings after conceptual design review pursuant to SBMC Title 22, but before the preparation of a full application for review by the Development Application Review Team (DART) and before the consideration of the land use permit by the Planning Commission.

d. Appeals from the Planning Commission Determination. A decision of the Planning Commission regarding the building height findings is appealable to the City Council pursuant to the provisions of Chapter 1.30 of this Code.

28.69.050 Building Height.

A. Maximum Building Height. No building in this zone shall exceed a height of four (4) stories nor shall any building exceed a height of sixty feet (60'.)

B. Community Benefit Projects. Notwithstanding the maximum building height specified in subsection A above, no building constructed in this zone after the effective date of the ordinance enacting this Chapter, shall exceed a height of forty five feet (45') unless the project qualifies as a Community Benefit Project or a Community Benefit Housing Project and the Planning Commission expressly makes all of the following findings:

- 1. Demonstrated Need.** The applicant has adequately demonstrated a need for the project to exceed 45 feet in building height that is related to the project's benefit to the community, or due to site constraints, or in order to achieve desired architectural qualities;

2. Architecture and Design. The project will be exemplary in its design;

3. Livability. If the project includes residential units, the project will provide amenities to its residents which ensure the livability of the project with particular attention to good interior design features; such as the amount of light and air, or ceiling plate heights;

4. Sensitivity to Context. The project design will complement the setting and the character of the neighboring properties with sensitivity to any adjacent federal, state, and City Landmarks or any nearby designated Historic Resources, including City designated Structures of Merit.

C. Buildings Adjacent to Residential Zones. The building height of a building which will be immediately adjacent to a residential zone shall not exceed the height allowed in the most restrictive adjacent residential zone for that part of the structure constructed within a distance of thirty (30) feet or one-half (1/2) the height of the proposed structure, whichever is less provided, however, a project which qualifies as a Community Benefit Project or a Community Benefit Housing Project under Subsection B above need not comply with this requirement.

D. Timing and Procedure for Projects Requiring the Planning Commission Building Height Findings.

1. Conceptual Design Review. Prior to the Planning Commission considering an application for a Community Benefit Project or a Community Benefit Housing Project pursuant to this section, a project shall receive conceptual design review by the Historic Landmarks Commission or the Architectural Board of Review as required by SBMC Title 22.

2. Planning Commission Consideration of Findings.

a. Design Review Projects. If a project only requires design review by the ABR or HLC under SBMC Title 22, the Planning Commission shall review and consider the building height findings of this Section after conceptual design review and before consideration of the project by the HLC or ABR for Project Design approval.

b. Staff Hearing Officer Projects. If a project requires the review and approval of a land use permit by the Staff

Hearing Officer, the Planning Commission shall review and consider the building height findings after conceptual design review pursuant to SBMC Title 22, but before the preparation of a full application for the consideration of the land use permit by the Staff Hearing Officer.

c. Planning Commission Projects. If a project requires the review and approval of land use permit by the Planning Commission, the Planning Commission shall review and consider the building height findings after conceptual design review pursuant to SBMC Title 22, but before the preparation of a full application for review by the Development Application Review Team (DART) and before the consideration of the land use permit by the Planning Commission.

d. Appeals from the Planning Commission Determination. A decision of the Planning Commission regarding the building height findings is appealable to the City Council pursuant to the provisions of Chapter 1.30 of this Code.

28.72.050 Building Height.

A. Maximum Building Height. Four (4) stories and not to exceed sixty feet (60').

B. Community Benefit Projects. Notwithstanding the maximum building height specified in subsection A above, no building constructed in this zone after the effective date of the ordinance enacting this Chapter, shall exceed a height of forty five feet (45') unless the project qualifies as a Community Benefit Project or a Community Benefit Housing Project and the Planning Commission expressly makes all of the following findings:

- 1. Demonstrated Need.** The applicant has adequately demonstrated a need for the project to exceed 45 feet in building height that is related to the project's benefit to the community, or due to site constraints, or in order to achieve desired architectural qualities;
- 2. Architecture and Design.** The project will be exemplary in its design;
- 3. Livability.** If the project includes residential units, the project will provide amenities to its residents which ensure the livability of the project with particular

attention to good interior design features; such as the amount of light and air, or ceiling plate heights;

4. Sensitivity to Context. The project design will complement the setting and the character of the neighboring properties with sensitivity to any adjacent federal, state, and City Landmarks or any nearby designated Historic Resources, including City designated Structures of Merit.

C. Buildings Adjacent to Residential Zones. The building height of a building which will be immediately adjacent to a residential zone shall not exceed the height allowed in the most restrictive adjacent residential zone for that part of the structure constructed within a distance of thirty (30) feet or one-half (1/2) the height of the proposed structure, whichever is less provided, however, a project which qualifies as a Community Benefit Project or a Community Benefit Housing Project under Subsection B above need not comply with this requirement.

D. Timing and Procedure for Projects Requiring the Planning Commission Building Height Findings.

1. Conceptual Design Review. Prior to the Planning Commission considering an application for a Community Benefit Project or a Community Benefit Housing Project pursuant to this section, a project shall receive conceptual design review by the Historic Landmarks Commission or the Architectural Board of Review as required by SBMC Title 22.

2. Planning Commission Consideration of Findings.

a. Design Review Projects. If a project only requires design review by the ABR or HLC under SBMC Title 22, the Planning Commission shall review and consider the building height findings of this Section after conceptual design review and before consideration of the project by the HLC or ABR for Project Design approval.

b. Staff Hearing Officer Projects. If a project requires the review and approval of a land use permit by the Staff Hearing Officer, the Planning Commission shall review and consider the building height findings after conceptual design review pursuant to SBMC Title 22, but before the preparation of a full application for the consideration of the land use permit by the Staff Hearing Officer.

c. Planning Commission Projects. If a project requires the review and approval of land use permit by the Planning Commission, the Planning Commission shall review and consider the building height findings after conceptual design review pursuant to SBMC Title 22, but before the preparation of a full application for review by the Development Application Review Team ("DART") and before the consideration of the land use permit by the Planning Commission.

d. Appeals from the Planning Commission Determination. A decision of the Planning Commission regarding the building height findings is appealable to the City Council pursuant to the provisions of Chapter 1.30 of this Code.

28.73.050 Building Height.

A. Maximum Building Height. No building in this zone shall exceed a height of four (4) stories nor shall any building exceed a height of sixty feet (60'.)

B. Community Benefit Projects. Notwithstanding the maximum building height specified in subsection A above, no building constructed in this zone after the effective date of the ordinance enacting this Chapter, shall exceed a height of forty five feet (45') unless the project qualifies as a Community Benefit Project or a Community Benefit Housing Project and the Planning Commission expressly makes all of the following findings:

- 1. Demonstrated Need.** The applicant has adequately demonstrated a need for the project to exceed 45 feet in building height that is related to the project's benefit to the community, or due to site constraints, or in order to achieve desired architectural qualities;
- 2. Architecture and Design.** The project will be exemplary in its design;
- 3. Livability.** If the project includes residential units, the project will provide amenities to its residents which ensure the livability of the project with particular attention to good interior design features; such as the amount of light and air, or ceiling plate heights;
- 4. Sensitivity to Context.** The project design will complement the setting and the character of the neighboring

properties with sensitivity to any adjacent federal, state, and City Landmarks or any nearby designated Historic Resources, including City designated Structures of Merit.

C. Buildings Adjacent to Residential Zones. The building height of a building which will be immediately adjacent to a residential zone shall not exceed the height allowed in the most restrictive adjacent residential zone for that part of the structure constructed within a distance of thirty (30) feet or one-half (1/2) the height of the proposed structure, whichever is less provided, however, a project which qualifies as a Community Benefit Project or, a Community Benefit Housing Project under Subsection B above need not comply with this requirement.

D. Timing and Procedure for Projects Requiring the Planning Commission Building Height Findings.

1. Conceptual Design Review. Prior to the Planning Commission considering an application for a Community Benefit Project or a Community Benefit Housing Project pursuant to this section, a project shall receive conceptual design review by the Historic Landmarks Commission or the Architectural Board of Review as required by SBMC Title 22.

2. Planning Commission Consideration of Findings.

a. Design Review Projects. If a project only requires design review by the ABR or HLC under SBMC Title 22, the Planning Commission shall review and consider the building height findings of this Section after conceptual design review and before consideration of the project by the HLC or ABR for Project Design approval.

b. Staff Hearing Officer Projects. If a project requires the review and approval of a land use permit by the Staff Hearing Officer, the Planning Commission shall review and consider the building height findings after conceptual design review pursuant to SBMC Title 22, but before the preparation of a full application for the consideration of the land use permit by the Staff Hearing Officer.

c. Planning Commission Projects. If a project requires the review and approval of land use permit by the Planning Commission, the Planning Commission shall review and consider the building height findings after conceptual design review pursuant to SBMC Title 22, but before the preparation of a full

application for review by the Development Application Review Team (DART) and before the consideration of the land use permit by the Planning Commission.

d. Appeals from the Planning Commission Determination. A decision of the Planning Commission regarding the building height findings is appealable to the City Council pursuant to the provisions of Chapter 1.30 of this Code.

SECTION 6. Section 28.87.062 of Chapter 28.87 of Title 28 of the Santa Barbara Municipal Code is amended to read as follows:

28.87.062 Setback, Open Yard, Common Outdoor Living Space, and Distance Between Main Buildings Encroachments.

A. Where setbacks, open yards, common outdoor living space, and minimum distances between main buildings are required in this title, they shall be not less in depth or width than the minimum dimensions specified for any part, and they shall be at every point unobstructed by structures from the ground upward, except as follows:

1. Encroachments allowed in the specific zone.

2. Cantilevered architectural features at least three feet (3') above adjacent grade or finished floor (whichever is higher), and which do not provide additional floor space within the building (such as cornices, canopies, or eaves), or chimneys may encroach up to two feet (2'). However, no cantilevered architectural feature or chimney shall be located closer than three feet (3') from any property line, except roof eaves, which may be located as close as two feet (2') from any property line.

3. Uncovered balconies not providing additional floor space within the building may encroach up to two feet (2'). However, an uncovered balcony shall not encroach into an interior setback on a lot located in any single family zone.

4. Solar energy systems, as defined in subdivision (a) of Civil Code section 801.5, that are installed roughly parallel to, and protrude no higher than ten inches (10") above (measured from the top of the roof perpendicularly to the highest point of the solar energy system), a roof eave, may encroach the same amount as the roof eave.

B. The following structures may encroach into setbacks as specified:

1. Decks that are no more than 10 inches (10") in height above existing grade may encroach into any setback.

2. Uncovered porches, terraces and outside steps, not extending above the finished floor level of the first floor, may encroach up to three feet (3') into any interior setback.

3. Covered or uncovered entrance landings not extending above the finished floor level of the ground floor and not exceeding three feet (3') measured in perpendicular dimensions (excluding the area under any handrail required under the California Building Code as adopted and amended by the City) may encroach three feet into any setback.

4. Bay windows at least three feet (3') above adjacent grade or finished floor (whichever is higher), and which do not provide additional floor space within the building may encroach up to two feet (2') into the front setback.

5. Accessible uncovered parking spaces, access aisles, and accessibility ramps necessary to make an existing building accessible to persons with disabilities may encroach into required setbacks to the extent reasonably necessary to accommodate the existing building. This encroachment is not available for new buildings or additions to existing buildings where the addition precludes the development of a conforming accessible improvement.

C. The following types of structures may encroach into the required open yard in the One-Family Residence Zone and the Two-Family Residence Zone (SBMC Section 28.15.060.C. and 28.18.060.C.1 and 3a) or common outdoor living space in the R-3/R-4 Zones (SBMC Section 28.21.081.A.3 and 28.21.081.B.), provided the total area of all such structures on the property does not occupy more than 20% of the total required open space or common outdoor living space on the lot, that no structure or structures occupy more than 20% of any individual area of required open space or common outdoor living space (if provided in multiple locations):

1. Detached, unenclosed structures (e.g., gazebos, trellises, hot tubs, spas, play equipment, or other freestanding structures).

2. Unenclosed structures which are attached to a wall or walls of a main building (e.g., patio covers, trellises, canopies, or other similar structures).

D. The following types of structures may encroach into the required minimum distance between main buildings on the same lot. However, at no time shall any structure be located closer than five (5) feet to any other structure on the lot with the exception of: planters less than ten (10) inches in height above finished grade, fences, walls, and roof eaves.

1. Detached accessory structures.
2. Uncovered parking.
3. Planters less than ten (10) inches in height from finished grade.
4. Paving.
5. Fences, hedges, and walls.
6. Uncovered bicycle parking areas including bicycle racks and posts, but excluding bicycle locker parking.
7. The following structures may encroach a maximum of three feet:

a. Balconies, decks, porches, and terraces that do not provide additional floor area. These improvements may be roofed or unroofed. If such improvements are provided above the first floor, they must be cantilevered, and the area below the structure shall not be enclosed.

b. Structures built to enclose trash, recycling, water heaters, or water softeners.

c. Exterior stairways, as long as the stairways are not enclosed by solid walls.

SECTION 7. Applications for development submitted prior to and deemed complete before the effective date of this Ordinance which propose residential units in accordance with the provisions of Subsection F of Section 28.21.080 (the Variable Density Ordinance) may proceed in accordance with the Variable Density Ordinance, SBMC Chapter 28.21.

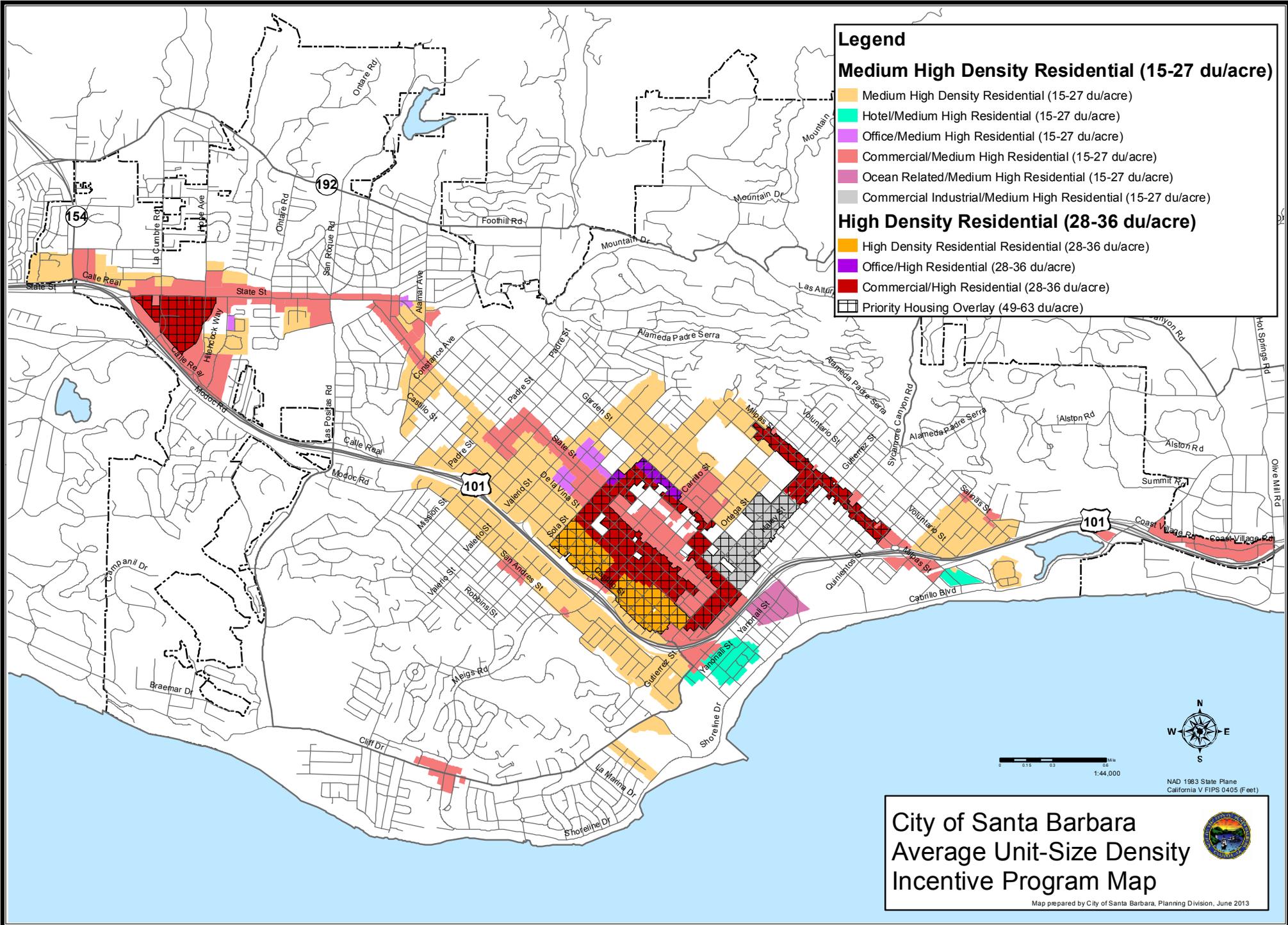


Exhibit B
1-23-13

AVERAGE UNIT-SIZE DENSITY (AUD) INCENTIVE PROGRAM TABLE

Medium-High Density (15-27 du/ac)		High Density (28-36 du/ac)		Priority Housing Overlay (37-63 du/ac)	
Maximum Average Unit Size SF	Density du/ac	Maximum Average Unit Size SF	Density du/ac	Maximum Average Unit Size SF	Density du/ac
1,450	15	1,245	28	970	37
1,360	16	1,200	29	970	38
1,280	17	1,160	30	970	39
1,210	18	1,125	31	970	40
1,145	19	1,090	32	970	41
1,090	20	1,055	33	970	42
1,040	21	1,025	34	970	43
1,005	22	995	35	970	44
985	23	970	36	970	45
965	24			970	46
945	25			970	47
925	26			970	48
905	27			969	49
				960	50
				941	51
				935	52
				917	53
				901	54
				896	55
				880	56
				874	57
				859	58
				845	59
				840	60
				827	61
				825	62
				811	63



CITY OF SANTA BARBARA

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Successor Agency Members

FROM: City Administrators Office

SUBJECT: Proposed Capital Projects To Be Funded By Unencumbered Redevelopment Agency Bond Proceeds

RECOMMENDATION:

That the Successor Agency to the Redevelopment Agency of the City of Santa Barbara approve, for purposes of funding recommendations only, the proposed capital projects to be funded with remaining, unencumbered, Redevelopment Agency Bond proceeds and request review and approval by the Oversight Board.

BACKGROUND:

As part of the state mandated process to dissolve redevelopment agencies (RDAs), once a local successor agency receives a finding of completion from the State Department of Finance, the successor agency may utilize unencumbered proceeds derived from bonds issued prior to January 1, 2011 for purposes for which the bonds were sold and in a manner consistent with the bond covenants.

This language was added to the legislation as an incentive to encourage successor agencies to comply with the State law for the dissolution of redevelopment agencies, including the timely payment of monies made due to the State and taxing entities through Assembly Bill No. 1484.

On April 26, 2013, the Successor Agency to the former Redevelopment Agency of the City of Santa Barbara received its finding of completion after having complied with all of the requirements of the dissolution process including the transfer of all unencumbered and unobligated assets.

The RDA issued bonds in 2001 and 2003. There remain \$14,072,192 in bond proceeds unspent and unencumbered from those two issuances -- \$2,118,871 from the 2001 Bond, and \$11,953,321 from the 2003 Bond.

The successor Agency is now prepared to submit eligible capital projects to be funded with bond proceeds to the local Oversight Board for their approval. If approved by the Oversight Board, the projects would be separately listed on the next applicable Recognized Obligations Payment Schedule as projects to be funded from unencumbered bond proceeds and submitted to the State Department of Finance for approval.

PROPOSED CAPITAL PROJECTS

To determine eligible capital projects for the remaining bond proceeds, Staff has looked towards the bond covenants at the time the bonds were issued in 2001 (see Attachment 1) and 2003 (see Attachment 2), as well as the existing Redevelopment Agency Five Year Implementation Plan 2010-2014 (see Attachment 3). Projects that were underway at the time of the RDA dissolution are also a priority.

The bond covenants identified existing projects at the time the bonds were issued that were to be completed with the bond proceeds and also stated that the bond proceeds would be used to continue the redevelopment activities within the Redevelopment Project area ("CCRP"). The Redevelopment Agency's Five Year Implementation Plan more clearly outlined priority projects that were to be completed in a five year period using both bond proceeds and tax increment revenue. The full list of projects was not completed due to the dissolution of the RDA.

Staff has determined that the most eligible projects include the following:

Bath Street Pocket Park – The proposed pocket park at the corner of Bath and Ortega Streets was identified as part of the Mission Creek Flood Control Project, and includes the installation of a playground for 2-5 year old children among other amenities. The property size is 2,688 square feet. The project was included in the 2001 Bond Measure's Official Statement and the RDA Five Year Implementation Plan. Design and installation are still required. Total project cost is \$250,000.

Cabrillo Pavilion and Bathhouse Renovation – The project includes renovation of the 24,500 square foot building which was first constructed in 1926. The scope of work includes renovation of all mechanical, plumbing and electrical systems; building structure stabilization; restoration of the exterior promenade and building facade; exterior accessibility to both levels; interior elevator access; interior renovation of shower/locker facilities, gym, restrooms and kitchen facilities; and renovation of and space planning for a new multi-purpose room; and second floor restroom, kitchen and main room renovation, among other things.

The project is included in the RDA's Five Year Implementation Plan, with an expected cost of \$10,300,000.

Work had begun on the project prior to the dissolution of the Redevelopment Agency, with over \$120,000 expended on building infrastructure technical studies analyzing the facility needs, as well as a business development plan for potential appropriate community oriented uses. The 2001 and 2003 Bonds were sold in order to provide funds to continue redevelopment activities within the Redevelopment Project area. The Cabrillo Pavilion and Bathhouse are contiguous to the CCRP and are in state of severe decline which, if left unattended, will result in a condition of blight.

Staff recommends bond proceeds in the amount of \$9,117,026 towards this project. The remaining amount will need to be developed from General Fund sources or fundraising to complete the project.

Police Department 911 Call Center – The project includes the temporary relocation of the 911 dispatch center to the Granada Garage second floor office space. The City was looking to do a complete replacement of the Police Department Headquarters using \$25 million of remaining RDA money to fund a substantial portion of the cost to do so. A seismic analysis called into question the ability to keep the 911 dispatch center fully operational during an earthquake due to its location in the basement of the Police building. Until a resolution for funding a new building can be developed, it became imperative to move the 911 dispatch center to a more seismically secure temporary facility. Planning and design was initiated for such a move prior to the dissolution of the Redevelopment Agency. Over \$1.1 million had been spent on the Police Building planning and design process.

The 2001 and 2003 Bonds were sold in order to provide funds to continue redevelopment activities within the Redevelopment Project area. The Granada Garage facility is within the CCRP and bond proceeds were used to originally construct the facility. This project is included in the five year RDA implementation Plan as part of the police building renovation project. The cost of the project is \$2,280,000. This does not include the \$277,942 in General Fund monies that the City Council authorized for final design in March, 2013.

West Downtown Lighting Phases II and III – The project is for installation of streetlights in the Lower West Downtown area. Phase I has been constructed. The remaining two phases of the project only require a small amount of work for final design and then will be ready to be bid out and installed. Over \$750,000 has been spent on designing the first three phases of the project and installation of Phase I prior to the dissolution of the Redevelopment Agency. This project was included in the 2003 bond, and is included in the RDA Five Year Implementation Plan. The cost for completing design and construction is \$1,300,000.

Ensemble Theater/Victoria Hall – The Successor Agency, Oversight Board and the California Department of Finance recently approved a modification to the Ensemble Theater grant agreement to assist in the permanent purchase of the property. The revised agreement decreased the amount of the previously approved enforceable

obligation from \$1,000,000 to \$950,000. Bond proceeds were identified as the source of funds for this obligation, as the project is included in the 2003 bond, and in the RDA Five Year Implementation Plan. If Ensemble does not move forward with the use of these monies, they would be available for other eligible projects.

West Beach Pedestrian Improvement – This project is completed. However, there is an outstanding retention payment of \$175,166 being held due to a protracted lawsuit with Elevation Engineering. Depending upon the outcome of that lawsuit, this amount will either need to be paid out, or could be used for other eligible bond projects. The project is included in the 2003 Bond, and in the Five Year Implementation Plan.

Funding for these six projects total \$14,072.192.

OTHER POTENTIAL PROJECTS

Other projects available for consideration by the Successor Agency, if they are determined to be a higher priority than those outlined above, include:

Library Plaza Construction – The project is for final design and construction of a new to-be-designed Library Plaza. Design work had begun prior to the elimination of the Redevelopment Agency. The design contract was found to be an enforceable obligation by the Oversight Board, so the design firm of Campbell and Campbell will be completing the preliminary design concept in the next six months, and may incorporate ideas of joint use with the Santa Barbara Museum of Art. The funding amount would be to finalize a design and pay for construction. Other possible sources include a joint partnership with the Santa Barbara Museum of Art, and use of General Fund monies as they become available. The project is included in the RDA Five Year Implementation Plan. The total cost is approximately \$1,500,000 excluding improvements and ideas that may come out of the collaboration with the Santa Barbara Museum of Art.

Plaza De La Guerra – The project would be for the design and construction of a new Plaza De La Guerra. Some initial design work was completed prior to the elimination of the Redevelopment Agency, but no community consensus has been achieved. The total cost would be approximately \$2,500,000, although the actual amount would depend upon the final design.

Side Street Sidewalks – The project is the replacement of deteriorating sidewalks on the cross streets downtown (Haley, Cota, Ortega) from Chapala Street to Santa Barbara Street. Preliminary engineering for this project was completed prior to the dissolution of the Redevelopment Agency. The project is included in the Five Year RDA Implementation Plan. The cost is approximately \$2,025,000.

Review by Neighborhood Advisory Council

On July 10, 2013, the Neighborhood Advisory Council (NAC) reviewed the projects proposed for funding with the bond monies. The NAC concurred with the proposed projects for funding.

STAFF RECOMMENDATION

Staff recommends the following projects be forwarded to the Oversight Board for funding with the remaining bond proceeds:

- Bath Street Pocket Park
- Cabrillo Bathhouse and Pavilion
- Police Department 911 Call Center
- West Downtown Lighting Phases II and III
- Ensemble Theater/Victoria Hall
- West Beach Pedestrian Project Retention

All six projects are long standing priorities of the former Redevelopment Agency that would provide great community benefit and/or are existing obligations of the Successor Agency.

NEXT STEPS

With Successor Agency concurrence, staff will submit these projects to the Oversight Board for consideration. With Oversight Board approval, the projects would then be listed on the next applicable Recognized Obligations Payment Schedule and submitted to the State Department of Finance for approval.

BUDGET/FINANCIAL INFORMATION:

There is no current budget impact. If projects are approved, then the bond proceeds will be used to complete these capital projects. If projects are not approved, they will remain high priority capital projects but will need to be evaluated and funded as part of the City's General Fund capital program.

- ATTACHMENT(S):**
1. Excerpts of 2001 Bond Document
 2. Excerpts of 2003 Bond Document
 3. Redevelopment Agency Five Year Implementation Plan
2010 - 2014

Successor Agency Agenda Report
Proposed Capital Projects To Be Funded By Unencumbered Redevelopment Agency
Bond Proceeds
July 23, 2013
Page 6

PREPARED BY: Paul Casey, Assistant City Administrator

SUBMITTED BY: Paul Casey, Assistant City Administrator

APPROVED BY: City Administrator's Office

NEW ISSUE – FULL BOOK-ENTRY ONLY

Ratings
Moody's: Aaa
Standard & Poor's: AAA
(See "RATINGS" herein)

In the opinion of Orrick Herrington & Sutcliffe LLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2001 A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2001 A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2001 A Bonds. See "TAX MATTERS."

\$38,855,000.00
REDEVELOPMENT AGENCY OF THE
CITY OF SANTA BARBARA
(Santa Barbara County, California)
CENTRAL CITY REDEVELOPMENT PROJECT
TAX ALLOCATION BONDS
SERIES 2001 A

Dated: Date of Delivery

Due: March 1, as shown on the inside cover

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR REFERENCE ONLY, IT IS NOT A SUMMARY OF ALL OF THE PROVISIONS OF THE SERIES 2001 A BONDS. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The \$38,855,000.00 Redevelopment Agency of the City of Santa Barbara, Central City Redevelopment Project Series 2001 A Bonds (the "Series 2001 A Bonds") are being issued to finance redevelopment activities in the Central City Redevelopment Project Area (the "Project Area"), to fund a debt service reserve fund (the "Reserve Account") and to pay certain expenses of the transaction. The Series 2001 A Bonds are being issued on a parity with the Agency's Outstanding Series 1993 Bonds and the Series 1995 A Senior Bonds, as more particularly described herein. The Outstanding Series 1993 Bonds and the Series 1995 A Senior Bonds and the Series 2001 A Bonds are collectively referred to as the "Bonds." The Series 2001 A Bonds are special obligations of the Agency and are equally and ratably secured by an irrevocable pledge of certain tax revenues derived from the Agency's Central City Redevelopment Project Area and other funds as provided in the Indenture, as amended and supplemented, pursuant to which the Bonds are issued (the "Indenture"), as further discussed herein. The Series 2001 A Bonds are subject to redemption as more particularly described herein. See "SECURITY FOR THE SERIES 2001 A BONDS" and "REDEMPTION."

Interest with respect to the Series 2001 A Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2002. The Bonds will be delivered in fully registered form only, and, when executed and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2001 A Bonds. See "Appendix H - Book-Entry Only System." Beneficial ownership interests in the Series 2001 A Bonds may be purchased in book-entry form only in the denomination of \$5,000 or any integral multiple thereof. The principal of, redemption price, if any, and interest on the Series 2001 A Bonds are payable by the applicable Trustee. So long as Cede & Co. is the registered owner, principal of, redemption price, if any, and interest on the Series 2001 A Bonds will be paid by the applicable Trustee to DTC, which will remit such principal, redemption price, if any, and interest to the Beneficial Owners (as hereinafter defined) of the applicable Series 2001 A Bonds, respectively, as described herein.

The scheduled payment of principal of and interest on the Series 2001 A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2001 A Bonds by FINANCIAL SECURITY ASSURANCE INC.



See "BOND INSURANCE FOR THE SERIES 2001 A BONDS" and "APPENDIX G - SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

The Series 2001 A Bonds are not a debt of the City of Santa Barbara, the State of California or any of its political subdivisions and neither said City, said State, nor any of its political subdivisions is liable for them, nor in any event shall said Series 2001 A Bonds be payable out of any funds or properties other than those of the Agency as set forth in the applicable Indenture. Said Series 2001 A Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing the Series 2001 A Bonds are liable personally on the Series 2001 A Bonds by reason of their issuance. See "SECURITY FOR THE SERIES 2001 A BONDS" and "BONDOWNERS' RISKS."

The Series 2001 A Bonds were awarded at a public sale on July 10, 2001, at a true interest cost of 4.765152 percent. The Series 2001 Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to approvals as to legality by Orrick, Herrington & Sutcliffe LLC, Los Angeles, California, Bond Counsel, and to certain other conditions. Certain matters will be passed upon for the Agency by the Agency Counsel and by Orrick, Herrington & Sutcliffe LLC, Los Angeles, California, Disclosure Counsel. It is anticipated that the Series 2001 A Bonds, in book-entry form, will be available for delivery through DTC in New York, New York on or about July 25, 2001.

Dated: July 10, 2001

Barbara automatically performs base year calculations with adjustments on an annual basis to reflect property acquisitions, if any, by public entities within redevelopment project areas.

The procedure employed by the County for the allocation of tax increment revenues follows a specified formula. Revenues generated by the secured tax increment are paid in two installments to the Agency in December and April of each fiscal year. A reconciliation and final payment between the tax increments previously paid to the Agency, and actual secured tax receipts received by the County is made in June of each fiscal year. For unsecured tax revenues, a payment is made in September to the Agency based on the actual unsecured taxes collected by the County. A one-time reconciliation payment is then made in July concurrently with the final secured reconciliation.

The Agency has never defaulted on its notes, bonds or other monetary obligations.

Financial Statements

The Agency is a public entity separate and apart from the City. All accounting records of Agency operations are maintained by the City's Finance Department separately from the accounting records of the City.

Agency financial statements have been audited by independent certified public accountants since the Agency was established. The audited financial statements of the Agency for the fiscal year ended June 30, 2000 are included herein as Appendix A.

The Agency has not requested nor did the Agency obtain permission from Brown, Armstrong, Randall, Reyes, Paulden & McCown Accountancy to include the audited financial statements as an appendix to this Official Statement. Accordingly, Brown, Armstrong, Randall, Reyes, Paulden & McCown Accountancy has not performed any post-audit review of the financial condition or operations of the Commission.

THE PROJECT

History

The Central City Redevelopment Project Area was established with the adoption of the Redevelopment Plan for the Project by Ordinance No. 3566 of the Santa Barbara City Council on November 14, 1972. The Redevelopment Plan was substantially amended by the City Council with the adoption of City Ordinance No. 3923 on August 30, 1977. Subsequent amendments occurred with the adoption of City Ordinance No. 4438 on December 16, 1986, by City Ordinance No. 4894 on December 6, 1994, by City Ordinance No. 5085 on November 11, 1998 and by City Ordinance No. 5089 on January 12, 1999. The Redevelopment Plan terminates on August 30, 2012 and is prohibited from receiving tax increment for the repayment of debt after August 30, 2022.

The City Council found that conditions within the Project Area prior to adoption of the Redevelopment Plan met the statutory conditions of blight, which must be found to exist as a prerequisite to initiation of redevelopment activities. These conditions included mixed and

incompatible land uses, deteriorated housing, other non-conforming or under-utilized properties, and inadequate public facilities.

Description

The Central City Redevelopment Project Area includes approximately 850 acres in the downtown area of the City of Santa Barbara including the wharf and marina at the foot of lower State Street. The project is bounded by Victoria Street on the north, U.S. Highway 101 on the west, the Ocean front and Harbor on the south and Santa Barbara Street on the east plus that area between U.S. 101, the beach, Milpas Street and Santa Barbara Street.

The Agency has completed many of the redevelopment projects, programs and activities envisioned by the Redevelopment Plan. These activities referred to as "project elements," include the development of low income and moderate income housing, the construction of a major retail shopping center in the heart of the Project Area, Lower State Street Revitalization Program, Transportation Management Program, the construction of a major public park in the City's waterfront, downtown parking improvements, Garden Street improvements and public improvements related to commercial development, and public restroom improvements. Significant tax revenues have been generated by the completion of these "project elements" and overall the project activities have assisted with spin-off economic redevelopment of the entire Project Area.

All real property in the Project Area is subject to the controls and restrictions of the Redevelopment Plan. The Redevelopment Plan itself is in accordance with standards incorporated in the City General Plan. The Redevelopment Plan requires that all new construction shall meet or exceed the standards set forth in the City's building, electrical, plumbing, mechanical and other applicable construction codes. The Redevelopment Plan further provides that no new improvements shall be constructed and that no existing improvements shall be substantially modified, altered, repaired, or rehabilitated except in accordance with site plans submitted and approved by the City Planning Commission.

The Redevelopment Plan allows for commercial-office, residential, industrial and public uses within the Project Area but specifies the particular land use area in which each such use is permitted. The Agency may permit an existing but nonconforming use to remain so long as the existing building is in good condition and is generally compatible with other surrounding developments and uses.

The heights of buildings, architectural controls, and other developments and design controls necessary for proper development within the Project Area are established by the Redevelopment Plan and the City Charter and Municipal Code.

Development Projects

Proceeds from the sale of the 1984, 1985 and 1987 Bonds, together with other Agency funds have been used to undertake and complete a majority of Agency projects and programs. To date, the Agency has completed the Lower State Street Revitalization Project, which includes the development of three public parking facilities involving 475 parking spaces. A total of six blocks on State Street have been landscaped, sidewalks widened and tiled with planters, benches

and fountains. Also, significant traffic improvements have been made throughout the Project Area. The 1985 Bonds, together with a portion of the 1987 Bonds were used to assist in the completion of Paseo Nuevo, a 462,300 square foot shopping center with Broadway (now Macy's) and Nordstrom as anchor department store tenants and over 60 retail shops and restaurants. The Agency, together with the developer, have constructed 1,650 public parking spaces to support the retail expansion efforts. The total invested by both the Agency and the development company, JMB Realty, is approximately \$200 million. The shopping center has been open and operating since 1989.

In 1993, the Agency issued the Series 1993 Bonds which were earmarked for the implementation of the Waterfront Park and Hotel Project. This project involves the development of a ten acre public park together with a private development of a 150-room luxury hotel resort complex. Construction was completed on Chase Palm Park in 1997; plans for the hotel are currently under review. In addition, the Agency has completed the acquisition, restoration and improvement of the Santa Barbara Railroad Station Project. This project involved restoration of the City's historic Railroad Depot, site improvements including 220 public parking spaces, landscaping, lighting and passenger services improvements.

Private commercial development in the Redevelopment Project is strong, with several new substantial projects either under construction or in the review process. These projects are indicative of the development climate in the Redevelopment Project. Land values are quite high in the project area, and vacant or under-utilized parcels are scarce and the subject of much attention regarding potential high quality development. Of particular note are the following:

- Ralph's supermarket nearly completed at 100 W. Carrillo Street in the Downtown core, with a permit value of \$6,850,000 (2002-2003 role)
- A 3-story commercial bank building nearly completed at 1021 Anacapa Street in the Downtown core, with a permit value of \$3,200,000 (2002-2003 role)
- Chapala Lofts, a mixed use development under construction at 328 Chapala Street, with a permit value of \$3,480,000 (2002-2003 role)
- An approved 96-room business-class hotel not yet under construction at 31 W. Carrillo Street in the downtown core
- An approved 150-room luxury resort hotel by Fess Parker, adjacent to the existing Fess Parker Doubletree Hotel in the Waterfront, not yet under construction. This hotel is part of the Chase Palm Park Redevelopment Project
- A 201-room family hotel on Garden Street in the Waterfront, adjacent to Chase Palm Park, currently scheduled for Planning Commission concept review.

Proceeds of the Series 2001 A Bonds will be used to continue the redevelopment activities within the Redevelopment Project including the Lot 6 Parking Structure, State Street Sidewalks Phase II and Phase III, the Cultural Arts District Plan Property Development including the Granada Theatre Acquisition/Renovation Project and Ensemble Theatre Development

Project, the Mission Creek Flood Control Project Enhancements and property acquisition. The Lot 6, 575 space Parking Structure (the "Parking Structure") is planned to replace an existing city surface parking lot. The Lot 6 Parking Structure will help meet a downtown parking space shortfall. The Parking Structure design includes approximately 10,000 square feet of occupied floor space for transportation offices and parking structure ancillary uses and landscaped pedestrian facilities to help meet a critical need for city staff space needed to provide alternative transportation related programs and services in the city of Santa Barbara. The State Street Sidewalk renovations include new brick sidewalks and landscaping in the downtown area of Santa Barbara. The Mission Creek Flood Control Project provides enhancements to the U. S. Army Corps of Engineers Lower Mission Creek flood control project to help revitalize the downtown area and provide needed recreational facilities.

The Cultural Arts District Plan is a coordinated planning and development effort to counter evidence of blight in the Downtown District of the Project Area in the section of the State Street corridor between Carrillo Street and Victoria Street. This section of Downtown was once the most vital core of the commercial district, but the development of the Paseo Nuevo Mall south of this section of State Street shifted the retailing locus of Downtown away from this area. The "North of Carrillo" section has been experiencing declining retail sales counts, greater vacancies, and less-favorable leasing rates, as documented in the 1999 City study, "North of Carrillo: an Economic Analysis."

One of the identified remedies to this situation is the strengthening of the identity of this section of Downtown as the "Cultural District," which led to the concept of the Cultural Arts District Plan. The concept of the Cultural Arts District Plan calls for the enhancement of existing cultural venues in the area, as well as the development of new cultural venues and the infrastructure (public space, housing, and parking) needed to support that enhancement and development.

The proposed Ensemble Theatre project would make funds available to acquire and develop properties that currently are utilized under lease from private ownerships as surface parking in City Parking Lot 6. These properties will not be utilized for the planned City Lot 6 parking structure described above, but rather, would be developed as office space, residential units and the performing arts theatre. The funds for this project would be used to support the development of a performing arts facility and related infrastructure, including public paseos and plazas that would be developed throughout the Cultural District that would ensue from the Cultural Arts District Plan, the intent of which would be to create a pedestrian-friendly network of public spaces and cultural art venues. The proposed Granada Theatre Acquisition/Renovation Project would provide funds for the acquisition and renovation of the historic Granada Theatre by the Santa Barbara Center for Performing Arts.

Maintenance of Tax Revenues. The Agency shall comply with all requirements of the Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and appropriate officials of the State. The Agency shall not enter into any agreement with the County or any other governmental unit, which would have the effect of reducing the amount of Tax Revenues. Nothing in the Indenture is intended or shall be construed in any way to prohibit or impose any limitations on the entering into by the Agency of any such agreement, amendment or supplement which by its terms meets the requirements of the Agency for the issuance of Subordinate Debt.

No Arbitrage. The Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code and applicable Tax Regulations.

Private Business Use Limitation. The Agency shall assure that:

(a) not in excess of ten (10) percent of the Proceeds of the Bonds is used for Private Business Use if, in addition, the payment of the principal of, or the interest on, more than ten (10) percent of the Proceeds of the Bonds is (under the terms of the Bonds or any underlying arrangement) directly or indirectly, (i) secured by any interest in property, or payments in respect of property, used or to be used for a Private Business Use, or (ii) to be derived from payments (whether or not to the Agency) in respect of property, or borrowed money, used or to be used for a Private Business Use; and

(b) in the event that in excess of five (5) percent of the Proceeds of the Bonds is used for a Private Business Use, and, in addition, the payment of the principal of, or the interest on, more than five (5) percent of the Proceeds of the Bonds is, (under the terms of the Bonds or any underlying arrangement) directly or indirectly, secured by any interest in property, or payments in respect of property, used or to be used for said Private Business Use or is to be derived from payments (whether or not to the Agency) in respect of property, or borrowed money, used or to be used for a Private Business Use, then, (A) said excess over said five (5) percent of the Proceeds of the Bonds which is used for a Private Business Use shall be used for a Private Business Use related to a government use of such Proceeds and (B) each such Private Business Use over five (5) percent of the Proceeds of the Bonds which is related to a government use of such Proceeds shall not exceed the amount of such Proceeds which is used for the government use of Proceeds to which such Private Business Use is related.

Private Loan Limitation. The Agency shall assure that not in excess of the lesser of five (5) percent of the Proceeds of the Bonds or \$5,000,000 is to be used, directly or indirectly, to make or finance loans (other than loans constituting Nonpurpose Investments and other than loans which enable the borrower to finance any governmental tax or assessment of general application for a specific essential governmental function) to persons other than state or local government units.

Compliance with the Tax Code. The Agency covenants to take any and all action and to refrain from taking such action which is necessary in order to comply with the Tax Code or amendments thereto in order to maintain the exclusion from federal gross income, pursuant to Section 103 of the Tax Code, of the interest on the Bonds paid by the Agency and received by the Owners of the Bonds.

Federal Guarantee Prohibition. The Agency shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code and applicable Tax Regulations.

Compliance with Rebate Requirements. The Agency shall assure compliance with the requirements for rebate of excess investment earnings to the federal government in accordance with Section 148(f) of the Tax Code and applicable Tax Regulations.

Compliance with the Law; Low and Moderate Income Housing Fund.

(a) The Agency shall ensure that all activities undertaken by the Agency with respect to the redevelopment of the Project Area are undertaken and accomplished in conformity with all applicable requirements of the Redevelopment Plan and the Law, including without limitation, duly noticing and holding any public hearing required by either Section 33445 or Section 33679 of the Law prior to application of proceeds of the Bonds to any portion of the Project subject to either Section 33445 or Section 33679 of the Law.

(b) The Agency further covenants that it shall deposit or cause to be deposited in the Low and Moderate Income Housing Fund all amounts when, as and if required to be deposited therein pursuant to the Law and shall expend amounts deposited in the Low and Moderate Income Housing Fund, including, without limitation, proceeds of any Parity Debt deposited therein, solely in accordance with Section 333342 of the Law.

(c) The Agency further covenants that if, for any reason, it deposits less than all amounts required to be deposited in the Low and Moderate Income Housing Fund when, as and if required to be deposited therein pursuant to the Law, it shall comply with the provisions of Section 33334.6(g) of the Law.

Management and Operations of Properties. The Agency will manage and operate all properties owned by the Agency and comprising any part of the Project in a sound and businesslike manner, and will keep such properties insured at all times in conformity with sound business practice.

Further Assurances. The Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

Continuing Disclosure. The Agency and the Trustee covenant and agree that they will comply with and carry out all of the provisions of the Continuing Disclosure Agreement (Series 2001 A). Notwithstanding any other provision of the Indenture, failure of the Agency or the Trustee to comply with the Continuing Disclosure Agreement (Series 2001 A) shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2001 A Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee) or any Owner or Beneficial Owner (Series 2001 A) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Agency or the Trustee, as the case may be, to comply with its obligations under this paragraph.

Annual Accounting of Gross Tax Increment. The Agency will cause to be prepared and filed with the Trustee annually, within 180 days after the close of each Fiscal Year, so long as any of the 1995 Bonds are Outstanding, complete audited financial statements with respect to such Fiscal Year showing the Gross Tax Increment (defined as all monies allocated within the Plan Limit, including amounts required to be deposited into the Low and Moderate Income Housing Fund, payments due under any tax sharing agreements and payments received as subventions or payments in lieu of taxes), all disbursements from the Special Fund and the financial condition of Redevelopment Project, including the balances in all

NEW ISSUE — BOOK-ENTRY ONLY

RATINGS: Moody's: "Aaa"
 Standard & Poor's: "AAA"
 (See "RATINGS" herein)

In the opinion of Orrick Herrington & Sutcliffe LLC, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2003A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Series 2003A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2003A Bonds. See "TAX MATTERS."

\$34,810,000
REDEVELOPMENT AGENCY OF THE
CITY OF SANTA BARBARA
Central City Redevelopment Project
Tax Allocation Bonds
Series 2003A

Dated: Date of Delivery

Due: March 1, as shown on the inside cover

This cover page contains certain information for reference only, it is not a summary of all of the provisions of the Series 2003A Bonds. Prospective investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

The Redevelopment Agency of the City of Santa Barbara, Central City Redevelopment Project Series 2003A Bonds (the "Series 2003A Bonds") are being issued to finance redevelopment activities in the Central City Redevelopment Project Area (the "Project Area"), to refund all of the Agency's Outstanding Series 1993 Bonds (as defined herein), to pay the fees associated with a Reserve Surety Bond (as defined herein) to satisfy the Reserve Requirement (as defined herein), and to pay certain expenses of the transaction. The Series 2003A Bonds are being issued on a parity basis with the Agency's Outstanding Series 1995 Senior Bonds and Series 2001 Bonds, as more particularly described herein. The Outstanding Series 1995 Senior Bonds, the Series 2001 Bonds, and the Series 2003A Bonds are collectively referred to as the "Outstanding Parity Bonds." The Outstanding Parity Bonds and all bonds or other obligations issued on a parity therewith are sometimes referred to herein as the "Bonds." The Series 2003A Bonds are special obligations of the Agency and are equally and ratably secured by an irrevocable pledge of certain tax revenues derived from the Agency's Central City Redevelopment Project Area and other funds as provided in the Indenture, as amended and supplemented, pursuant to which the Outstanding Parity Bonds are issued (the "Indenture"), as further discussed herein. The Series 2003A Bonds are subject to redemption as more particularly described herein. See "SECURITY FOR THE SERIES 2003A BONDS" and "THE SERIES 2003A BONDS — Optional Redemption."

Interest with respect to the Series 2003A Bonds is payable on March 1 and September 1 of each year, commencing March 1, 2004. The Series 2003A Bonds will be delivered in fully registered form only, and, when executed and delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2003A Bonds. See "APPENDIX H — BOOK-ENTRY ONLY SYSTEM." Beneficial ownership interests in the Series 2003A Bonds may be purchased in book-entry form only in the denomination of \$5,000 or any integral multiple thereof. The principal of, redemption price, if any, and interest on the Series 2003A Bonds are payable by the applicable Trustee. So long as Cede & Co. is the registered owner, principal of, redemption price, if any, and interest on the Series 2003A Bonds will be paid by the applicable Trustee to DTC, which will remit such principal, redemption price, if any, and interest to the Beneficial Owners (as hereinafter defined) of the applicable Series 2003A Bonds, respectively, as described herein.

The scheduled payment of principal of and interest on the Series 2003A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2003A Bonds by Ambac Assurance Corporation.

Ambac

See "BOND INSURANCE FOR THE SERIES 2003A BONDS" and "APPENDIX G — SPECIMEN INSURANCE POLICY."

Maturity Schedule
 (See inside cover page)

The Series 2003A Bonds are not a debt of the City of Santa Barbara, the State of California, or any of its political subdivisions and none of said City, said State, or any of its political subdivisions is liable for the Series 2003A Bonds, and in no event will the Series 2003A Bonds be payable out of any funds or properties other than those of the Agency as set forth in the Indenture. The Series 2003A Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the members of the Agency nor any persons executing the Series 2003A Bonds are liable personally on the Series 2003A Bonds by reason of their issuance. See "SECURITY FOR THE SERIES 2003A BONDS" and "BONDOWNERS' RISKS."

The Series 2003A Bonds are offered when, as and if issued by the Agency and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Agency in connection with the Series 2003A Bonds by its general counsel, and by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Jones Hall, A Professional Law Corporation, San Francisco, California. It is expected that the Series 2003A Bonds, in book-entry form, will be available for delivery in New York, New York on or about December 18, 2003.

MORGAN STANLEY

Dated: December 10, 2003

\$34,810,000
REDEVELOPMENT AGENCY OF THE
CITY OF SANTA BARBARA
Central City Redevelopment Project
Tax Allocation Bonds
Series 2003A
MATURITY SCHEDULE

<u>Maturity (March 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2004	\$2,085,000	2.000%	1.030%
2005	2,085,000	2.000	1.250
2006	2,145,000	2.000	1.630
2007	2,205,000	2.000	1.980
2008	1,140,000	3.500	2.330
2009	1,860,000	3.000	2.650
2010	1,920,000	3.000	3.000
2011	1,975,000	5.000	3.320
2012	2,075,000	3.500	3.580
2013	2,140,000	5.000	3.770
2014	2,245,000	5.000	3.910
2015	2,360,000	5.000	4.030*
2016	2,470,000	4.000	4.160
2017	2,570,000	5.000	4.260*
2018	2,700,000	5.000	4.360*
2019	2,835,000	4.300	4.450

* Priced to par call on March 1, 2014.

Debt Service Requirements

The principal and interest requirements for the Series 1995 Senior Bonds, the Series 2001 Bonds, the Series 2003A Bonds, and the 1995 Subordinate Bonds are as follows:

Table 1

ANNUAL DEBT SERVICE REQUIREMENTS

Fiscal Year	Series 1995 Senior Bonds	Series 2001 Bonds	Series 2003A Bonds	Total Parity Debt Service ⁽¹⁾	1995 Subordinate Bonds	Total Debt Service ⁽¹⁾
2003-04	\$3,168,788	\$1,764,854	\$2,351,963	\$7,285,605	\$772,700	\$8,058,305
2004-05	2,389,800	1,764,854	3,359,830	7,514,484	720,500	8,234,984
2005-06	2,369,100	1,764,854	3,378,130	7,512,084	719,200	8,231,284
2006-07	2,353,000	1,764,854	3,395,230	7,513,084	720,800	8,233,884
2007-08	3,460,900	1,764,854	2,286,130	7,511,884	—	7,511,884
2008-09	—	4,549,854	2,966,230	7,516,084	—	7,516,084
2009-10	—	4,544,973	2,970,430	7,515,403	—	7,515,403
2010-11	—	4,545,554	2,967,830	7,513,384	—	7,513,384
2011-12	—	4,546,185	2,969,080	7,515,265	—	7,515,265
2012-13	—	4,551,165	2,961,455	7,512,620	—	7,512,620
2013-14	—	4,553,565	2,959,455	7,513,020	—	7,513,020
2014-15	—	4,550,785	2,962,205	7,512,990	—	7,512,990
2015-16	—	4,557,290	2,954,205	7,511,495	—	7,511,495
2016-17	—	4,556,810	2,955,405	7,512,215	—	7,512,215
2017-18	—	4,558,750	2,956,905	7,515,655	—	7,515,655
2018-19	—	4,557,000	2,956,905	7,513,905	—	7,513,905
TOTAL	\$13,741,588	\$58,896,199	\$47,351,388	\$119,989,175	\$2,933,200	\$122,922,375

(1) Amount listed for Fiscal Year 2003-04 does not include debt service paid in respect of the Series 1993 Bonds on September 1, 2003 in an amount equal to \$226,511, which when included would increase the Total Parity Debt Service for Fiscal Year 2003-04 to \$7,512,116.

SECURITY FOR THE SERIES 2003A BONDS

General

The Redevelopment Law provides security for the financing of redevelopment projects through an allocation of taxes collected within a project area. The taxable valuation of a project area last equalized prior to adoption of the redevelopment plan, or base roll, is established and, except for any period during which the taxable valuation drops below the base year level, the taxing agencies thereafter receive the taxes produced by the levy of the then current tax rate upon the base roll. Taxes collected upon any increase in taxable valuation over the base roll are allocated to a redevelopment agency and may be pledged by a redevelopment agency to the repayment of any indebtedness incurred in financing or refinancing a redevelopment project. Redevelopment agencies themselves have no authority to levy property taxes and only receive tax revenues from the allocation of taxes under the redevelopment plan.

other evidences of indebtedness, and expend their proceeds. The Agency itself does not have the power to levy taxes.

The Agency may also clear buildings or other improvements, develop as a building site any real property owned or acquired, and in connection with such development, may provide for the installation of streets, utilities, sidewalks, and other necessary public improvements. With the exception of payment for the construction of publicly owned structures and facilities benefiting a redevelopment project, the Agency itself cannot construct any buildings contemplated under the specific redevelopment plan but must convey property in a redevelopment project by sale or lease for private redevelopment in strict conformity with the redevelopment plan. The Agency may specify a period of time within which such development must begin.

Financial Statements

The Agency is a public entity separate and apart from the City. All accounting records of Agency operations are maintained by the City's Finance Department separately from the accounting records of the City.

Agency financial statements have been audited by independent certified public accountants since the Agency was established. The audited financial statements of the Agency for the fiscal year ended June 30, 2002 are included herein as APPENDIX A. The Agency anticipates that its Fiscal Year 2002-03 audited financial statements will be available on or before December 15, 2003 and such financial statements will be disclosed as part of the first Annual Report (See "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT").

The Agency has not requested nor did the Agency obtain permission from Brown, Armstrong, Randall, Reyes, Paulden & McCown Accountancy to include the audited financial statements as an appendix to this Official Statement. Accordingly, Brown, Armstrong, Randall, Reyes, Paulden & McCown Accountancy has not performed any post-audit review of the financial condition or operations of the Agency.

THE PROJECT

History

The Central City Redevelopment Project Area was established with the adoption of the Redevelopment Plan for the Project by Ordinance No. 3566 of the Santa Barbara City Council on November 14, 1972. The Redevelopment Plan was substantially amended by the City Council with the adoption of City Ordinance No. 3923 on August 30, 1977. Subsequent amendments occurred with the adoption of City Ordinance No. 4438 on December 16, 1986, by City Ordinance No. 4894 on December 6, 1994, by City Ordinance No. 5085 on November 11, 1998 and by City Ordinance No. 5089 on January 12, 1999. The Redevelopment Plan terminates on August 30, 2012 and is prohibited from receiving tax increment for the repayment of debt after August 30, 2022.

The City Council found that conditions within the Project Area prior to adoption of the Redevelopment Plan met the statutory conditions of blight, which must be found to exist as a prerequisite to initiation of redevelopment activities. These conditions included mixed and incompatible land uses, deteriorated housing, other non-conforming or under-utilized properties, and inadequate public facilities.

Description

The Central City Redevelopment Project Area includes approximately 850 acres in the downtown area of the City of Santa Barbara including the wharf and marina at the foot of lower State Street. The project is bounded by Victoria Street on the north, U.S. Highway 101 on the west, the Ocean front and Harbor on the south and Santa Barbara Street on the east in addition to that area between U.S. 101, the beach, Milpas Street and Santa Barbara Street.

The Agency has completed many of the redevelopment projects, programs and activities envisioned by the Redevelopment Plan. These activities, referred to as "project elements," include the development of low income and moderate income housing, the construction of a major retail shopping center in the heart of the Project Area,

Lower State Street Revitalization Program, Transportation Management Program, the construction of a major public park in the City's waterfront, the acquisition and historic rehabilitation of the former Southern Pacific Railroad Depot now in use by Amtrak, downtown retail parking improvements, a Garden Street extension and improvement, public improvements related to commercial development, and public restroom improvements. Significant tax revenues have been generated by the completion of these project elements and overall the project activities have assisted with spin-off economic redevelopment of the entire Project Area.

All real property in the Project Area is subject to the controls and restrictions of the Redevelopment Plan. The Redevelopment Plan itself is in accordance with standards incorporated in the City General Plan. The Redevelopment Plan requires that all new construction shall meet or exceed the standards set forth in the City's building, electrical, plumbing, mechanical and other applicable construction codes. The Redevelopment Plan further provides that no new improvements shall be constructed and that no existing improvements may be substantially modified, altered, repaired, or rehabilitated except in accordance with site plans submitted and approved by the City Planning Commission.

The Redevelopment Plan allows for commercial-office, residential, industrial and public uses within the Project Area but specifies the particular land use area in which each such use is permitted. The Agency may permit an existing but nonconforming use to remain so long as the existing building is in good condition and is generally compatible with other surrounding developments and uses.

The heights of buildings, architectural controls, and other developments and design controls necessary for proper development within the Project Area are established by the Redevelopment Plan and the City Charter and Municipal Code.

Development Projects

Proceeds from the sale of the 1984, 1985 and 1987 Bonds, together with other Agency funds were used to undertake and complete a majority of Agency projects and programs. The Agency has completed the Lower State Street Revitalization Project, which included the development of three public parking facilities involving 475 parking spaces. A total of six blocks on State Street were landscaped, sidewalks widened, tiled, and improved with planters, benches and fountains. Also, significant traffic improvements were made throughout the Project Area. The 1985 Bonds, together with a portion of the 1987 Bonds were used to assist in the completion of Paseo Nuevo, a 462,300 square foot shopping center with Broadway (now Macy's) and Nordstrom as anchor department store tenants and over 60 retail shops and restaurants. The Agency, together with the developer, constructed 1,650 public parking spaces to support the retail expansion efforts. The total invested by both the Agency and the development company, JMB Realty, is approximately \$200 million. The shopping center has been open and operating since 1989.

In 1993, the Agency issued the Series 1993 Bonds, which were earmarked for the implementation of the Waterfront Park and Hotel Project. This project involves the development of a ten-acre public park together with a private development of an approved 150-room luxury hotel resort complex. Construction was completed on Chase Palm Park in 1997; plans for the hotel are currently under review. In addition, the Agency has completed the acquisition, restoration and improvement of the Santa Barbara Railroad Station Project. This project involved restoration of the City's historic Railroad Depot, site improvements including 220 public parking spaces, landscaping, lighting and passenger services improvements.

In 2001, the Agency issued the Series 2001 Bonds, which funded the completion of two phases of the State Street Sidewalk Improvement Project, the opportunity acquisition of over four acres located in the Waterfront of the Project Area, and most recently, the renovation of the historic Granada Theatre, which is currently underway. The Series 2001 Bonds are also currently funding the Lot 6 Parking Structure (Granada Garage), the Cultural Arts District Plan Property Development including a proposed Ensemble Theatre Development Project, the City/U.S. Army Corps of Engineers Mission Creek Flood Control Project Enhancements project and related property acquisitions. The recipient of the majority of the Series 2001 Bond funds was the 575-space Granada Garage, planned to replace an existing city surface parking lot. The Granada Garage will help meet a downtown parking space shortfall in the immediate vicinity of the parking structure. The Granada Garage design includes approximately 10,000 square feet of occupied floor space for transportation offices and parking structure ancillary

uses and landscaped pedestrian facilities to help meet a critical need for city staff space to provide alternative transportation-related programs and services in the city of Santa Barbara.

Private commercial development in the Project Area is strong, with several new substantial projects either under construction, approved, or in the review process. These projects are indicative of the development climate in the Project Area. Land values are quite high in the Project Area, and vacant or under-utilized parcels are scarce and the subject of much attention regarding potential high quality development. Of particular note are the following:

- An approved 96-room business-class hotel under construction at 31 W. Carrillo Street in the downtown core with a construction value of over \$17,000,000;
- An approved 150-room luxury resort hotel by Fess Parker, adjacent to the existing Fess Parker Doubletree Hotel in the Waterfront, not yet under construction. This hotel is part of the Chase Palm Park Redevelopment Project;
- Ritz-Carlton Club Santa Barbara, a 62-unit luxury timeshare project located on lower State Street near Cabrillo Boulevard, has received various approvals and is projected for construction in the Fall of 2004;
- A 40-unit Residential condominium project on Yanonali Street currently nearing completion;
- Recently completed Ralph's supermarket located at 100 West Carrillo street in the downtown core, with a permit value of \$6,850,000;
- Recently completed Chapala Lofts, a mixed-use development at 328 Chapala Street consisting of 17 units of housing and 13,000 square feet of commercial/retail space with a permit value of \$3,480,000;
- Recently completed \$8,000,000 State Street Sidewalk Improvement Project. The project consisted of a 7-block renovation of the State Street sidewalks the primary thoroughfare in the downtown core. Concrete was replaced with brick pavers, landscaping was enhanced with sandstone features, and existing and new trees were used to frame the elaborate architecture of downtown buildings. Merchants and the public alike have seen a significant increase in foot traffic since the completion of each of the three phases;
- Restoration of the historic Granada Theater is currently underway. The private, non-profit \$15,000,000 renovation will be assisted with a \$3,000,000 secured loan from the Redevelopment Agency and is expected to be complete in the Fall of 2005 and be the anchor of the Cultural Arts District; and
- Recently completed Chapala Lofts (consisting of 17 units of housing and 13,000 square feet of commercial/retail space) and the proposed mixed use Chapala One project, which is located at 401 Chapala Street, and is proposed to include 10,000 square feet of commercial space, 6,000 square feet of office space, and 46 residential condominiums.

Proceeds of the Series 2003 A Bonds will be used to continue the redevelopment activities within the Project including one or more of the Granada Garage, the State Street Sidewalk Improvement Project (400-500 Blocks), Carrillo Street Sidewalk Improvements, 916 State Street Public Restroom Project, the West Downtown Improvement Program, the Carrillo Recreation Center Restoration, Waterfront property Development, Cabrillo/State Restroom Remodel, the Fire Station #1 Remodel, and the Cabrillo Boulevard Sidewalk Project. All of the listed projects have been determined by the City's Community Development Department to be categorically exempt from environmental review under the California Environmental Quality Act ("CEQA") except for the Granada Garage Project which was approved by the City in May 2001 on the basis of a full environmental impact report prepared and approved in accordance with CEQA.

The State Street Sidewalk Improvement Project (400-500 Blocks) is the final stage of a very successful four year project that involves replacing the existing concrete sidewalks with brick pavers, improving business visibility by arranging landscape elements to frame building facades and storefronts, thereby recognizing and enhancing significant architectural elements, and improving the overall pedestrian experience by providing better

pedestrian circulation and pedestrian amenities. The Carrillo Street Sidewalk Improvements would replace the degraded sidewalks with brick pavers in a two-block section of this highly visible and heavily used downtown corridor. The brick pavers would carry the successful theme of the State Street project out to this important thoroughfare.

The 916 State Street Restroom project would give the Agency the opportunity to provide a very important public amenity in the Downtown core. The West Downtown Neighborhood Program will allow the Agency the opportunity to upgrade the pedestrian amenities in a key Project Area residential neighborhood by implementing a series of capital programs, fostering a pedestrian connection to the downtown core. The two most prominent capital programs are the Anapamu Street and Ortega Street corridor improvements. These projects would repair and replace sidewalks, improve street landscaping, and provide for better pedestrian lighting in an effort to create safe, pedestrian friendly corridors that would link the West Downtown and the Westside to the Downtown core of the Project Area.

The Carrillo Recreation Center Renovation would completely restore this city landmark building in the heart of downtown. The heavily used recreation center would receive a complete interior remodel consisting of upgraded electrical and plumbing systems, and refurbishment of the auditorium and various activity rooms in an effort to provide the citizens of the Project Area and City a positive recreational experience in a historic building. The Waterfront Property Development would provide funding for possible future development at this Redevelopment Agency-owned property that was purchased using a portion of the Agency's Series 2001 bonds.

The Cabrillo/State Restroom Remodel will provide a strongly needed renovation of a prime waterfront restroom facility. The restroom is located at the foot of historic Stearn's Wharf and is heavily used by locals and tourists. Renovation work will include new plumbing fixtures, new tile, a new electrical system, a new red tile roof, and other general interior and exterior aesthetic improvements. The Fire Station #1 Remodel would provide a complete interior renovation of a public facility which provides emergency services to the Project Area. Activities will include renovating and separating the dormitory facilities and bathrooms, upgrading lighting, doors, windows, security system and the overall energy efficiency of the building which is located in the center of the Project Area. The Cabrillo Boulevard Sidewalk Project will replace the existing sidewalk on this City Scenic Highway from historic Stearn's Wharf to Milpas Street. The site of constant activity, including weekly local art shows, Cabrillo Boulevard is an integral part of the city's beachfront experience. The new sidewalks will include landscaping enhancements and pedestrian amenities such as wood benches and trash cans.

property in the Project Area unless such disposition is permitted as provided as follows: If the Agency proposes to participate in such a disposition, it shall thereupon appoint an Independent Redevelopment Consultant to report on the effect of said proposed disposition. If the Report of the Independent Redevelopment Consultant concludes that the security of the Bonds or the rights of the Owners will not be materially impaired by said proposed disposition, the Agency may thereafter make such disposition, with the consent of AMBAC Indemnity, which shall not be unreasonably withheld. If said Report concludes that such security will be materially impaired by said proposed disposition, the Agency shall disapprove said proposed disposition.

Maintenance of Tax Revenues. The Agency must comply with all requirements of the Law to insure the allocation and payment to it of the Tax Revenues, including without limitation the timely filing of any necessary statements of indebtedness with appropriate officials of the County and appropriate officials of the State. The Agency shall not enter into any agreement with the County or any other governmental unit, which would have the effect of reducing the amount of Tax Revenues. Nothing in the Indenture is intended or shall be construed in any way to prohibit or impose any limitations on the entering into by the Agency of any such agreement, amendment or supplement which by its terms meets the requirements of the Agency for the issuance of Subordinate Debt.

No Arbitrage. The Agency shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code and applicable Tax Regulations.

Private Business Use Limitation. The Agency must assure that:

(a) not in excess of ten percent of the Proceeds of the Bonds is used for Private Business Use if, in addition, the payment of the principal of, or the interest on, more than ten percent of the Proceeds of the Bonds is (under the terms of the Bonds or any underlying arrangement) directly or indirectly, (1) secured by any interest in property, or payments in respect of property, used or to be used for a Private Business Use, or (2) to be derived from payments (whether or not to the Agency) in respect of property, or borrowed money, used or to be used for a Private Business Use; and

(b) in the event that in excess of five percent of the Proceeds of the Bonds is used for a Private Business Use, and, in addition, the payment of the principal of, or the interest on, more than five percent of the Proceeds of the Bonds is, (under the terms of the Bonds or any underlying arrangement) directly or indirectly, secured by any interest in property, or payments in respect of property, used or to be used for said Private Business Use or is to be derived from payments (whether or not to the Agency) in respect of property, or borrowed money, used or to be used for a Private Business Use, then, (1) said excess over said five percent of the Proceeds of the Bonds which is used for a Private Business Use shall be used for a Private Business Use related to a government use of such Proceeds and (2) each such Private Business Use over five percent of the Proceeds of the Bonds which is related to a government use of such Proceeds shall not exceed the amount of such Proceeds which is used for the government use of Proceeds to which such Private Business Use is related.

Private Loan Limitation. The Agency must assure that not in excess of the lesser of five percent of the Proceeds of the Bonds or \$5,000,000 is to be used, directly or indirectly, to make or finance loans (other than loans constituting Nonpurpose Investments and other than loans which enable the borrower to finance any governmental tax or assessment of general application for a specific essential governmental function) to persons other than state or local government units.

Compliance with the Tax Code. The Agency covenants in the Indenture to take any and all action and to refrain from taking such action which is necessary in order to comply with the Tax Code or amendments thereto in order to maintain the exclusion from federal gross income, pursuant to Section 103 of the Tax Code, of the interest on the Bonds paid by the Agency and received by the Owners of the Bonds.

Federal Guarantee Prohibition. The Agency may not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code and applicable Tax Regulations.

Compliance with Rebate Requirements. The Agency must assure compliance with the requirements for rebate of excess investment earnings to the federal government in accordance with Section 148(f) of the Tax Code and applicable Tax Regulations.

Compliance with the Law; Low and Moderate Income Housing Fund.

(a) The Agency must ensure that all activities undertaken by the Agency with respect to the redevelopment of the Project Area are undertaken and accomplished in conformity with all applicable requirements of the Redevelopment Plan and the Law, including without limitation, duly noticing and holding any public hearing required by either Section 33445 or Section 33679 of the Law prior to application of proceeds of the Bonds to any portion of the Project subject to either Section 33445 or Section 33679 of the Law.

(b) The Agency further covenants that it shall deposit or cause to be deposited in the Low and Moderate Income Housing Fund all amounts when, as and if required to be deposited therein pursuant to the Law and shall expend amounts deposited in the Low and Moderate Income Housing Fund, including, without limitation, proceeds of any Parity Debt deposited therein, solely in accordance with Section 333342 of the Law.

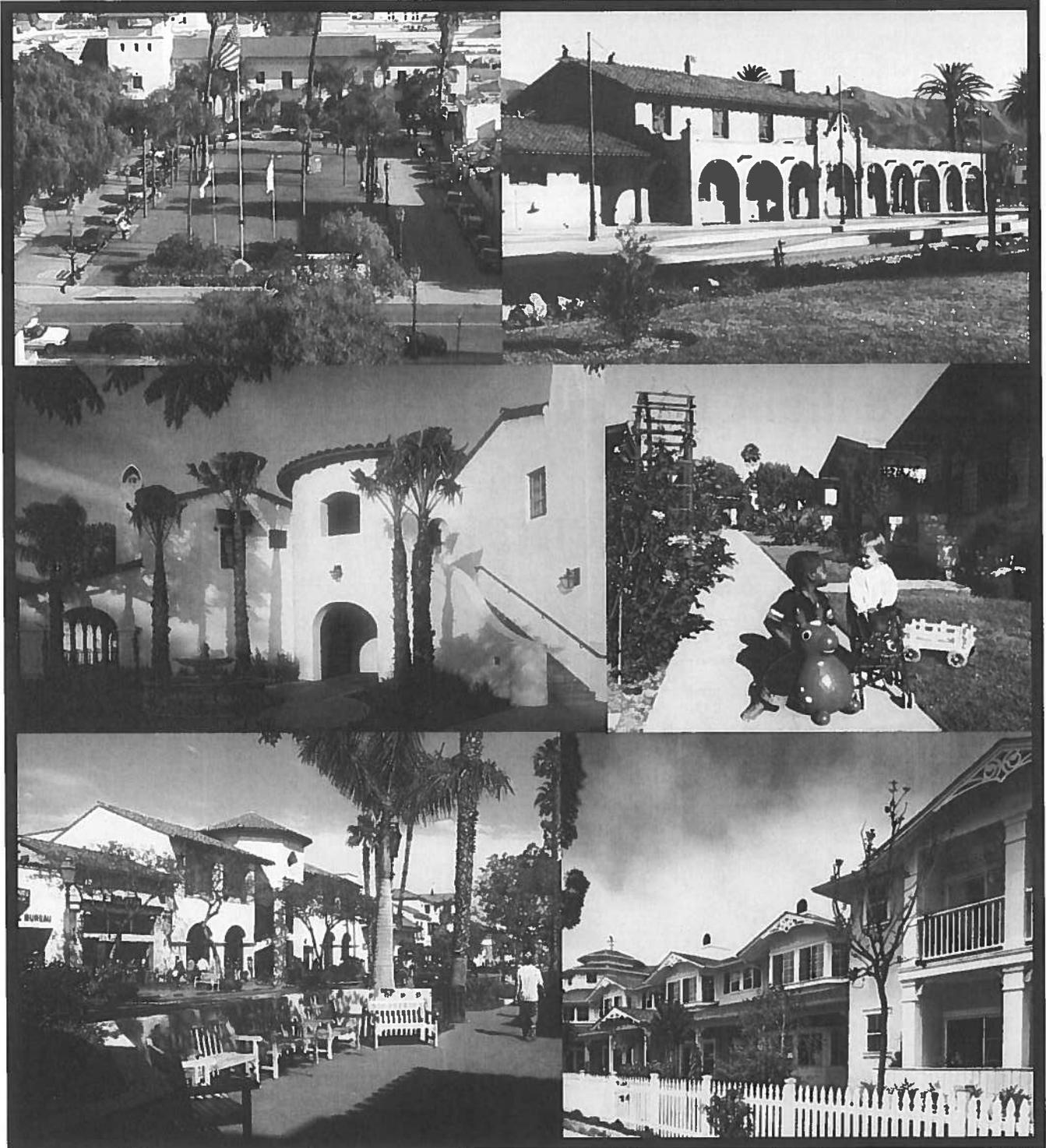
(c) The Agency further covenants that if, for any reason, it deposits less than all amounts required to be deposited in the Low and Moderate Income Housing Fund when, as and if required to be deposited therein pursuant to the Law, it shall comply with the provisions of Section 33334.6(g) of the Law.

Management and Operations of Properties. The Agency will manage and operate all properties owned by the Agency and comprising any part of the Project in a sound and businesslike manner, and will keep such properties insured at all times in conformity with sound business practice.

Further Assurances. The Agency will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

Continuing Disclosure. The Agency and the Trustee covenant and agree that they will comply with and carry out all of the provisions of the Continuing Disclosure Agreement (Series 2003A). Notwithstanding any other provision of the Indenture, failure of the Agency or the Trustee to comply with the Continuing Disclosure Agreement (Series 2003A) shall not be considered an Event of Default; however, the Trustee may (and, at the request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2003A Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee) or any Owner or Beneficial Owner (Series 2003A) may take such actions as may be necessary and appropriate, including seeking mandate or specific

City of Santa Barbara Central City Redevelopment Project



Implementation Plan 2010 - 2014

City of Santa Barbara
Central City Redevelopment Project
Implementation Plan
2010-2014

Adopted October 20, 2009
Redevelopment Agency Resolution No. 1017

STATEMENT OF PURPOSE

This Implementation Plan for the Central City Redevelopment Project (CCRP) is prepared pursuant to Health & Safety Code Section 33490. Its purpose is to set forth the goals of the Redevelopment Plan for the Central City Redevelopment Project and to present an overview of the programs the Redevelopment Agency expects to implement over the next five years to advance those goals and to eradicate blight within the Project Area.

The discussion of proposed programs in the Implementation Plan is divided into two sections. The first section presents information on anticipated general redevelopment capital programs. The second section outlines a projection of activities to be undertaken with the Housing Fund.

Adoption of an Implementation Plan does not constitute an approval of any specific program, project, or expenditure described in the plan, and therefore an Implementation Plan is not a project under the California Environmental Quality Act requiring environmental documentation.

BACKGROUND

The Redevelopment Plan for the CCRP was adopted by the City Council by Ordinance No. 3566 on November 14, 1972. This plan established certain development standards and presented an outline of some activities anticipated to be carried out in the Redevelopment Plan area.

After initial adoption of the Redevelopment Plan, more specific evaluation and planning continued to identify programs that would best enable the Redevelopment Agency to effectuate the goals of the plan and address the identified blighted conditions.

The firm of Patterson, Stewart & Associates was hired to develop and review several implementation strategies. The result of their work with the community was presented in a report called Santa Barbara's Central City: Choices for the Future. This study outlined a number of alternative paths to accomplish the goals of the redevelopment plan. More than 80 meetings were held to collect input from residents, property owners and interest groups. Those alternative plans were presented to the City Council. After further public discussion and refinement, consideration was narrowed to two alternative strategies, which were merged and analyzed for marketability and environmental effects.

The end result of these studies and the analysis of all the specific potential programs was the realization that a more generalized land use plan would provide the most flexibility to private entities and public agencies without sacrificing the goals of redevelopment.

An Environmental Impact Report was prepared which analyzed the potential impacts of the likely alternative programs for carrying out the Redevelopment Plan as a long-term conceptual project. Within this framework, individual redevelopment activities would require site specific environmental review.

In August 1977, the First Amended Redevelopment Plan for the Santa Barbara Central City Redevelopment Project was adopted by City Council Ordinance No. 3923. A map showing the boundaries of the CCRP is attached as Exhibit 1. The Amended Plan included a Land Use Designation Map, attached as Exhibit 2, which delineated generally the location of existing uses

and proposed reuses. The anticipated public uses, street layout and open spaces are shown on Exhibit 3. The Plan was further amended on December 16, 1986, by Ordinance No. 4438 to incorporate provisions required by amendments to the California Community Redevelopment Law. As required by the California Redevelopment Law Reform Act of 1993, the Redevelopment Plan for the CCRP was further amended by City Ordinance No. 4894 on December 6, 1994, to specify the latest dates for incurring and repaying indebtedness or receipt of tax increment. On November 12, 1998, City Ordinance No. 5085 was adopted to extend the Redevelopment Agency's authority to exercise eminent domain to August 30, 2007. The next amendment to the Plan was by Ordinance No. 5089 adopted January 12, 1999, wherein the term of the CCRP was extended to August 30, 2012 (for a total of 35 years from the adoption of the First Adopted Plan in August of 1977). Pursuant to Health and Safety Code section 33333.6(e)(2)(C), City Ordinance No. 5314 was adopted on April 27, 2004, to extend the effectiveness of the Plan for an additional one year period, from August 30, 2012 (thirty-five years), to August 30, 2013 (thirty-six years), City Ordinance No. 5363 was adopted June 14, 2005, and extended the effectiveness of the Plan for an additional one year period, from August 30, 2013 (thirty-six years), to August 30, 2014 (thirty-seven years) and City Ordinance No. 5388 was adopted June 6, 2006 and extended the effectiveness of the Plan for an additional one year period from August 30, 2014 (thirty-seven years), to August 30, 2015 (thirty-eight years).

If the Plan sunsets in 2015 as is presently scheduled, the 2010-2014 Implementation Plan would be the last full, five-year Implementation Plan for the Project Area. Additional limitations of the Plan include:

Time limit to incur indebtedness: January 1, 2004;

Time limit to repay indebtedness: Aug. 30 2025; and

Time limit for the commencement of eminent domain proceedings: August 30, 2019 or the expiration of the Plan, whichever is sooner.

GOALS OF THE REDEVELOPMENT PLAN

The intent and purpose in specifying land uses and controls for the redevelopment activities in the Central City Redevelopment Plan are set forth in Section 503 of the First Amended Redevelopment Plan for the Santa Barbara Central City Redevelopment Project, as follows:

1. To encourage harmonious, environmentally compatible and economically efficient land uses throughout the Project Area, thereby achieving functional, economic and visual order;
2. To coordinate such land uses and the accompanying standards, controls and regulations with existing City controls and review processes; and
3. To create an economically viable central core that offers an attractive and pleasant environment.

The goals of the Central City Redevelopment Plan can be further understood as they were expressed in Santa Barbara's Central City: Choices for the Future, the study prepared for the City in 1974 to evaluate alternative strategies and potential activities to implement the Central City Redevelopment Plan:

- ◆ To preserve the Santa Barbara spirit and character in the design and scale of potential land uses;
- ◆ To preserve the integrity of structures and places which have special architectural or historical values, to provide them with viable uses which will allow them to function efficiently – in cultural, social and economic terms – in today’s complex world;
- ◆ To re-establish the Central City as the principal center of commerce for Santa Barbara’s South Coast Region – a position it once enjoyed;
- ◆ To retain the Central City as the principal center of government for Santa Barbara City and County functions;
- ◆ To establish the Central City as the cultural and entertainment center for the County’s South Coast Region;
- ◆ To activate public programs and encourage private interests to reverse those physically deteriorating forces presently working in the area;
- ◆ To initiate housing programs which will assist people whose present circumstances do not permit them to enjoy the quality of life expected in Santa Barbara;
- ◆ To coordinate development and reuse activities with the “low-growth-producing” interests of the majority of the City’s people;
- ◆ To prepare plans and implement programs which will satisfy mobility requirements of existing uses and future land use opportunities with a minimum dependency upon the automobile and a maximum potential for the development of alternate forms of local and regional transportation;
- ◆ To reorient physical use of the East Beach sector of the planning area to more fully respect and interface with the ocean, the Transportation Corridor and with “people pleasing” amenities;
- ◆ To tie various functional components of the planning area together in order to build upon existing and future interrelationships; and
- ◆ To bring the City’s people – those having interests within and outside the planning area – into the planning and decision-making process in a more meaningful way.

The First Amended Redevelopment Plan for the Santa Barbara Central City Redevelopment Project, adopted by the City Council in August 1977, set forth the policies and standards against which future Agency activities should be evaluated.

DESCRIPTION OF PROJECT AREA BLIGHTING CONDITIONS

At the onset of redevelopment activity in the project area, a number of factors characterized the blighting conditions within the CCRP: land parcels of inadequate size to meet parking demand on site in some areas; incompatible land uses in the waterfront area; and, structures that were deteriorated or of inadequate size for existing standards and market conditions. Other problems to be resolved were: buildings needing seismic reinforcement; congested streets and inadequate public parking facilities in some areas; the condition of public improvements including street lighting; and, the lack of public restroom facilities. Economic blight within the CCRP was evidenced by the decline in assessed property values, business turnover, and empty storefronts in

the downtown, business relocations, and the lack of necessary commercial facilities to serve residents of the CCRP. Poor economic conditions suggested some Agency assistance was necessary to make the improvements that would encourage property owner responsiveness to the market.

Since inception, the Redevelopment Agency has participated with business and property owners to address much of the blight in the CCRP. The next section provides a description of future projects that the Agency expects to implement over the next five years in an effort to continue the revitalization of the project area.

FUTURE REDEVELOPMENT AGENCY CAPITAL PROGRAMS

Potential future projects are broken down into categories based on the type of project. The level of detail presented in the discussion below reflects the amount of planning completed to date. The number of projects and programs implemented will depend, at least in part, on the availability of funding over the Project Area's six (6) remaining fiscal years. In every case the cost shown is only an estimate.

GENERAL REDEVELOPMENT PROJECTS

Relationship to the Elimination of Blight: Pursuing general redevelopment projects within the Project Area will promote economic development, increase the vitality of the area and eliminate blighting influences. Due to the wide variety of projects in this General Redevelopment category, each project listed below includes a discussion of the project's relationship to the elimination of blight.

Estimated Expenditures: \$23,000,000

- **Fire Station #1 Administration Annex Renovation:** Project would include a seismic retrofit along with extensive interior and exterior renovations to the former muffler shop. The renovated building would be the home of the Fire Department Administration. This project will eliminate blight that begins with the degradation of infrastructure and will prevent blight by providing safe and well-maintained support facilities for emergency response within the Project Area.
- **Chapala/Carrillo – Mixed Use Project:** A public/private mixed-use development that could include parking, housing, and retail components, as well as a new transit center. This project will prevent blight by adding vitality to an underutilized downtown property and improving access to the area's shopping, dining, and entertainment venues.
- **Mission Creek Flood Control Project Enhancement:** Augmenting the US Army Corps of Engineers-funded flood control project for Mission Creek, the Agency has funded purchase of two residential properties adjacent to Mission Creek for likely use as a neighborhood park and to serve as a creek buffer. Design and construction of the park would further the creek enhancements. Restoration efforts will eliminate this existing blight and prevent further blight from developing.
- **Downtown Bridge Replacement:** Replacement of several structurally deficient, downtown bridges crossing Mission Creek at Mason Street, Cota Street and Ortega Street.
- **Visitor Center:** The Entrada project involves redevelopment of three blocks in the Lower State Street area, and consists of fractional ownership units, a parking garage, retail uses, and various public improvements. The Agency is a co-applicant with the private developer for development of a Visitor Information Center, which would be housed in a commercial condominium space acquired by the Agency and leased for operation by the Chamber of Commerce. The Visitor Center will enhance downtown vitality by providing information to visitors about business, entertainment, cultural activities and parking opportunities in the Project Area.

- **Shuttle Bus Funding:** As part of the City's Transportation Management Program, the shuttle bus program mitigates traffic impacts from private development and Agency revitalization activities in the downtown area. Two commuter parking lots developed by the Agency allow downtown employees to park on the fringes of the central business district and ride shuttle buses to work places. The Downtown/Waterfront Shuttle runs along State Street and Cabrillo Boulevard, providing tourists and residents with convenient and inexpensive transportation. These shuttle buses mitigate the impacts of Agency projects that are aimed at eliminating blight. They contribute to the overall quality of life in the downtown area, by reducing traffic and congestion and improving air quality by the use of electric vehicles.
- **Calle Cesar Chavez Property Development:** Predevelopment funding, design and construction of a public benefit development project on Agency-owned property located at 125 South Calle Cesar Chavez. The condition of this lot is currently full of weeds and generally in a very unsightly condition. Vagrants are attracted to this area and littering is a problem. Improving this vacant lot will continue the cleanup and elimination of blight in the area of the City's waterfront, which is a focal point for both residents and visitors.
- **Police Department Building Renovations:** Seismic and structural upgrades of the police station headquarters at 215 E. Figueroa Street. Interior remodeling would upgrade the locker and exercise rooms, install an emergency generator and new heating, ventilation and air conditioning (HVAC) and electrical systems. This project will eliminate blight that begins with the degradation of infrastructure and will prevent blight by providing safe and well-maintained support facilities for emergency response within the Project Area.
- **Mission Lagoon Restoration:** Habitat restoration and improved public access.
- **West Beach Use Analysis & Possible Capital Improvements:** Investigation into possible future capital projects for the Waterfront neighborhood.
- **Railroad Depot Redevelopment Parcel Map:** Preparation of a redevelopment parcel map to assemble the various Redevelopment Agency owned lots that comprise the railroad depot in preparation for the future transfer to City of Santa Barbara ownership.

CULTURAL ARTS DEVELOPMENT

Relationship to the Elimination of Blight: Enhancing the City's cultural arts venues and preserving the City's vibrant arts community will benefit the Project Area and the community culturally, socially, and economically. Cultural development will bring desirable activity to the Project Area, resulting in increased tax increment and greater patronage of stores, restaurants, and hotels in the area. Increased vitality will reduce and forestall the blight associated with building vacancies and declining retail sales, especially within the City's Cultural Arts District.

Estimated Expenditures: \$3,100,000

- **Cultural Development Symposia:** In collaboration with the County Arts Commission periodic symposia would focus on Cultural Development within the Project Area. The Symposia will help the Agency plan for the development of performing arts venues, public cultural venues, infrastructure and support facilities.

- **Ensemble Theater:** Agency funds would assist the Ensemble Theatre Company in their efforts to develop a 350-seat “jewel box” theatre that is proposed as part of a mixed-use project on land that is now leased by the City. The theatre would provide a much needed venue, as indicated in the City’s Performing Arts Feasibility Study.
- **Community Arts Workshop (CAW):** The Agency is interested in helping to provide affordable workspace for artists. The project could involve the contribution of funds for the acquisition of property and rehabilitation of space for use as artist workspace. The CAW would be run a by a non-profit and a reasonable lease rate would be negotiated.
- **Art in Public Places in the CCRP:** Agency funding for the exhibit of sculptural art pieces at several locations within the Project Area.
- **Downtown Organization Cultural Promotions:** Funding to the Downtown Organization will be used to promote the City’s Cultural Arts District. Activities conducted by the Downtown Organization would include extensive media campaigns to promote downtown as the region’s primary arts, dining, and retail center.
- **125 State Street – Children’s Museum Long-Term Lease:** Environmental site investigation and soil remediation of this 22,000 square foot, Agency-owned lot adjacent to the railroad tracks. A memorandum of understanding with the Children’s Museum of Santa Barbara could potentially result in their development of this site. The Children’s Museum would benefit the local community and the South Coast region.

PUBLIC RESTROOMS

Relationship to the Elimination of Blight: Restroom renovations and the construction of new public restrooms will provide much needed facilities to serve people enjoying the many recreational and commercial opportunities in the Downtown and Waterfront areas. The existing facilities are in a dilapidated condition, and their renovation will prevent blight that begins with the degradation of infrastructure. Providing new restroom facilities in the Project Area will increase the vitality of the area and eliminate blighting influences.

Estimated Expenditures: \$1,200,000

- **Project Area Public Restroom Renovation:** Improvements to existing public restrooms at: Plaza del Mar (23 Castillo Street), Chase Palm Park (323 E. Cabrillo Boulevard), Cabrillo Ballfield (800 E. Cabrillo Boulevard) and Pershing Park (100 Castillo Street).
- **Parking Structure No. 10 New Public Restroom:** Design and development of a new public restroom adjacent to Parking Structure No. 10 (at Ortega Street and Anacapa Street).

PARKING AND INTERSECTION IMPROVEMENTS

Relationship to the Elimination of Blight: Public parking improvements will increase the vitality of the Project Area by improving access to shopping, dining, and entertainment venues. Additional parking could assist in maintaining the area north of Carrillo Street as a viable

commercial and office district, forestalling the blight associated with building vacancies and inadequate infrastructure. Public parking is being proposed for two vacant lots (125 & 235 State Street) that are underutilized and in a very unsightly condition. Improving these lots will continue the cleanup and elimination of blight surrounding the City's Railroad Station.

Estimated Expenditures: \$8,500,000

- **217 Helena Avenue Surface Parking Lot:** This Agency-owned lot a portion of this vacant property, which is intended to provide additional public parking in the Lower State Street area where parking is in high demand.
- **Downtown Parking Structure Improvements (Lots No. 2, No. 9, No. 10):** Structural improvements to parking garages at Lot No. 2 (\$2.2M), Lot No. 9 (\$1M), and Lot No. 10 (\$2.2M) to replace deteriorating stairway and landings at these downtown structures. An Additional \$100k would be needed to revise the existing plans for compliance with current codes.
- **Cabrillo Boulevard & Anacapa Street Intersection Improvements:** Design and construct intersection improvements consistent with the recent West Beach Pedestrian Improvement Project intersections.
- **De la Vina Street/Figueroa Street Intersection Improvements:** Improvement to paving, lighting, and curbs at intersection.
- **235 State Street Parking Lot Upgrade:** Bring existing Redevelopment Agency-owned parking lot (adjacent to Enterprise Fish Company restaurant) up to City standards for circulation, lighting and landscaping. The upgrade would include conversion to a "Pay by Space" lot with an automated ticket kiosk that would accept cash or credit card payments. The lot would not be accessible via the railroad depot lot.
- **Parking Lot No. 10 Paseo Improvements:** The proposed project would upgrade the walking surfaces (removal of tiles and uneven flagstone), lighting, landscaping and drainage in the paseo that connects Lot No.10 with State Street, E. Ortega Street and Thompson Avenue.
- **De la Vina Street/West Cañon Perdido Street Intersection Improvements:** Install traffic signals at De La Vina Street and Canon Perdido Street.
- **Parking Lot No. 3 Paseo Improvements:** The proposed project would upgrade the walking surfaces, landscaping, lighting, and possibly trash enclosures in the paseo between the Lot and Figueroa Street.
- **Parking Lot No. 7 (Main Library) Improvements:** The proposed project would bring the handicap parking on the ground level floor of the Library parking lot into compliance with the Americans with Disabilities Act (ADA).
- **West Haley Street/Anacapa Street Intersection Improvements:** Traffic signal upgrade at intersection.

PROPERTY ACQUISITIONS AND DISPOSITIONS

Relationship to the Elimination of Blight: Depending on the location, Agency acquisitions and dispositions of real property for development purposes could contribute to the reduction of blight by bringing new development to the Project Area. Improving the properties adjacent to the Granada Garage to their highest and best use would contribute to the revitalization efforts in progress in the declining area north of Carrillo Street.

Estimated Expenditures: To be determined.

- **Opportunity Acquisitions and Dispositions:** The Agency will appropriate funds, as necessary, to acquire and dispose of real property related to revitalization efforts that will contribute to developing and maintaining a vital Project Area. Funds would be for opportunity purchases or sales of property in the Project Area to be used for public-benefit development consistent with the Redevelopment Plan.

SIDEWALKS AND STREETScape IMPROVEMENTS

Relationship to the Elimination of Blight: Enhanced public sidewalks will forestall blight that begins with the degradation of infrastructure. Public infrastructure improvements enhance the Project Area and make it more attractive for locals and visitors. Plans that identify improvements that will enhance the viability of a given area can be expected to contribute to blight reduction. Related development and infrastructure improvements will enhance the surrounding area, encouraging more activity by locals and visitors and strengthening downtown as the retail, financial, and cultural core of the south coast.

Estimated Expenditures: \$8,200,000

- **Lower State Street Sidewalk Improvements:** Wider sidewalks between the railroad tracks and Cabrillo Boulevard are proposed in conjunction with the private Entrada mixed-use project. The sidewalk widening component of the project will create pedestrian and vehicle amenities that are consistent with the State Street Plaza north of the freeway and will improve pedestrian circulation contributing to the plaza ambiance.
- **Sidewalk Improvements Across State Street (Haley Street, Cota Street, Ortega Street):** Replacement of deteriorating sidewalks in the heart of downtown. In total, eighteen (18) block faces would be improved to enhance the aging infrastructure that directly serves pedestrians in the Project Area.
- **Lower Milpas Pedestrian Improvements:** Design and construction of pedestrian lighting and sidewalk infill on Lower Milpas Street from the UPRR to Cabrillo Boulevard following completion of US highway 101 Improvements.
- **Haley Corridor/Lower West Downtown Street Lighting:** This project will install State Street and Domus street lights (Depending on design jurisdiction) along Haley corridor from Castillo to Chapala Street in conjunction with the Haley Street Bridge Replacement Project. Would include all construction of all street lighting currently being designed with CDBG grant as well.

- **Eastern Cabrillo Boulevard Sidewalks (Milpas Street to Niños Drive):** Repair and replacement of the existing sidewalk on the beach side of Cabrillo Boulevard from Milpas Street to Niños Drive. This phase would extend the recently completed sidewalks between Anacapa Street and Milpas Street. Landscaping enhancements and pedestrian amenities such as benches and new trash cans would be added where appropriate. *Note: Outside of Project Area.*
- **Brinkerhoff Street Lighting:** This project will install four (4) Carrillo style street lights, underground wire and a meter pedestal along Brinkerhoff Avenue, between W. Cota St and W. Haley St. Lights will be installed on both sides of street staggered in such a way to light the entire block.
- **Chapala Street Corridor Improvements:** Continue Chapala Design Guidelines from Carrillo Street to Anapamu Street, including lane configuration, sidewalk improvements and landscaping as part of the Downtown Transit Center. The work will be consistent with improvements planned for construction on Chapala at Anapamu and at Ortega streets as part of the West Downtown Improvement Project.
- **Waterfront Coral Tree Entry:** Renovation of the pedestrian entrance area located by the three coral trees adjacent to the Breakwater Restaurant.
- **Breakwater Lighting:** Installation of eight (8) acorn lights on the recently renovated breakwater. Original breakwater lighting was removed in the 1970's and not replaced.
- **State Street Pedestrian Amenity Improvements:** Design and construction for reorientation and relocation of existing pedestrian benches, trash/recycling cans, and chamfering of landscape planter walls.
- **Waterfront Pedestrian/Vehicle Area Improvements:** Improvements to the area between the building housing the Brophy Brothers restaurant and the Marine Center Classroom Building. Improvements could include decorative paving along the commercial/restaurant side. Surface grade improvements are needed to accommodate heavy industrial traffic at the Navy Pier
- **Downtown Street Lighting Plan:** Using established street lighting guidelines, this project will create a plan to install all infrastructure and lights to properly light sixteen (16) downtown streets from Haley St on the southeast to Victoria St to the northwest. The project will extend two (2) blocks either side of State St to De La Vina St and Santa Barbara St respectively. Excludes Carrillo Street which is already lighted. Cost estimates for the entire installation as one project as well as each individual segment will be provided.

PARKS AND PUBLIC OPEN SPACES

Relationship to the Elimination of Blight: Providing parks and open space areas in the Project Area will increase the vitality of the area, improve aesthetics, and eliminate blighting influences. These projects will prevent blight that begins with the degradation of infrastructure.

Estimated Expenditures: \$7,000,000

- **Plaza De La Guerra Improvements:** Infrastructure improvements to the City's central plaza could include road grading and re-paving, drainage improvements, new sidewalks, an electrical service enclosure, landscaping enhancements, and amenities such as benches, bike racks, trash/recycling receptacles, and lighting.
- **Chase Palm Park Expansion – Wisteria Arbor:** The Wisteria arbor was included in the original design of the Chase Palm Park Expansion Project, but construction was delayed due to a lack of funding. The arbor will provide benches and built-in game boards in an area protected from the sun under climbing vines with a view of the ocean beyond. The Wisteria arbor will further enhance the appearance of this formerly blighted site and satisfy contractual obligations related to the park and the proposed waterfront hotel.
- **Library Plaza Renovation:** Complete renovation of the main library plaza downtown. Improvements could include removal of walls to create an open and level entrance area that would be more attractive and secure. Overall design and landscaping would be consistent with the recently completed Jardin de las Granada open space directly across E. Anapamu Street.
- **Chase Palm Park Lighting and Electrical Upgrades:** Renovation to address design deficiencies and upgrade park infrastructure. Project would improve the power supply to better accommodate the types of uses common to the park, replace the sail structure at the pavilion and address ADA accessibility standards. Specific project elements could include: electrical service upgrade, replacement of forty (40) pole lights, modification of inoperable landscape lights for security, replacement and repair of walkways and wall surfaces, new landscaping, improving lagoon circulation, installation of fencing at the top of the Laguna Channel bank, designing a new shade structure for the Pavilion area and development of an improved sign and map program.
- **Chase Palm Park Renovation:** Replace sail structure, ADA access improvements, repair stucco, replace signage, replace playground, improve lagoon circulation, landscape renovation.
- **Mission Lagoon Restoration:** The purpose of the project is to develop a comprehensive program to improve water quality and enhance native habitats of the Andree Clark Bird Refuge. In addition to poor water quality, issues to be addressed include sedimentation, overgrown emergent vegetation, non-native habitat and the function of the weir gate.

RECREATIONAL FACILITIES

Relationship to the Elimination of Blight: General enhancement of these recreational facilities, and the provision of increased recreational opportunities within the Project Area, will increase the vitality of the area and address blighting conditions. Heightened preservation consciousness will address the project area goal of preserving the integrity of structures and places that are architecturally or historically significant.

Estimated Expenditures: \$3,500,000

- **Carrillo Recreation Center:** Interior and exterior renovation of this popular community recreation facility. Improvements would include electrical, plumbing and structural upgrades, changes for compliance with current Americans with Disabilities Act (ADA) and aesthetic enhancements.

FUTURE HOUSING PROGRAMS

HOUSING GOALS

The Agency's main housing goal is to promote and facilitate the development and preservation of housing primarily for low- and moderate-income households, in order to foster an inclusive and balanced community. There are further strategies associated with the CCRP that call for the Agency to minimize the need for residential relocation.

The Agency implements City housing goals as well. Contained within the 2004 Housing Element is policy 4.2.1, which states the City should, "continue the use of Redevelopment Agency tax increment funds to assist sponsors in developing low and moderate income housing opportunities which will benefit the Redevelopment Project Area or the City. When possible, increase the portion of the Redevelopment Agency's annual tax increment funds earmarked for affordable housing."

The City of Santa Barbara is also required to prepare a Consolidated Plan as a condition of Federal Community Development Block Grant and HOME Investment Partnerships Program funding. These programs are to be used for the most disadvantaged in the community – those persons with low- or very low-incomes, and those with special housing needs. The Consolidated Plan identifies Redevelopment Agency tax increment housing set-aside funds as a source of matching money for the Federal programs.

FIVE YEAR PLAN

Because the Agency has never had a surplus of housing set-aside funds and generally expends or reserves its housing funds within a year from when they are received, it is not envisioned that funds will be transferred to any other agency for administration.

The Agency is actively involved with the development of the projects that are listed below in Table 1. Some projects are not funded with Agency funds. They are included here nevertheless because of the Agency staff time spent in helping develop them.

TABLE 1 – FUTURE PROJECTS		
Project Address (Sponsor)	Affordable Units & target population	Agency/City Funding to Date
416-424 E. Cota St. “Artisan Court” (Housing Authority)	56 For at-risk formerly homeless and low- income downtown workers	\$2 million in Agency funds for site acquisition in 2006 \$3.2 million for construction (\$2,284,583 in Agency funds, the balance (\$915,417) in federal HOME funds)
421 E. Cota St. “Mom’s Apartments” (Transition House)	8 Formerly homeless families	\$680,000 in federal HOME funds (no Agency funds)
512-518 Bath (Housing Authority)	60 (approx) For at-risk formerly homeless and low- income downtown workers	\$4.8 million in Agency funds for site acquisition in fiscal year 2007-08
618 San Pasqual (Habitat for Humanity)	4 For low income homeowners	\$400,000 in State HELP funds \$660,000 in federal HOME funds (no Agency funds)
Totals:	Total units: 128	Agency funding: \$9,084,583 HOME funding: \$2,255,417 State HELP funding: \$400,000 Combined Funding: \$11,740,000

Descriptions of those projects receiving Agency funds follow:

1. 416-424 EAST COTA STREET (ARTISAN COURT)

The Agency and City have provided the City Housing Authority with affordable housing loans totaling \$5.2 million to assist in their development of a 56-unit low income housing project (55 studio units and one manager’s unit). The “Artisan Court” project will be built on the site that the Housing Authority bought and landbanked for such purpose in 2006 with the assistance of a \$2 million loan from the Agency. \$3.2 million in new City and Agency loans were approved in 2009. Of this amount, \$1.2 million will be used to subsidize the project development costs, and \$2 million will be used toward retiring the existing bank loan on the site.

The target population for the units includes low income downtown workers, youth who are transitioning out of foster care and are at risk of homelessness, and formerly homeless persons or other special-needs persons who are at-risk of homelessness.

The total City and Agency assistance of \$5.2 million represents a subsidy of approximately \$93,000 per unit. This level of City and Agency subsidy is consistent with other recent affordable housing projects.

2. 421-425 EAST COTA STREET (MOM'S PROPERTY)

The City provided Transition House with a \$680,000 loan for the addition of eight units to their property at 421-425 E. Cota Street. The property was acquired in 1999 with the assistance of an Agency loan of \$320,000, and consists of two mixed-use buildings – one with eight existing residential units over ground floor office space, the other a former restaurant. The rear of the property is adjacent to the homeless shelter Transition House operates. Transition House acquired the property in order to expand its inventory of affordable housing available to families ready to leave the homeless shelter and to provide services for its clients. The building that housed the former restaurant has structural problems and will be demolished in order to make way for space for infant day care on the ground floor and the new eight units of affordable housing on the upper two floors.

3. 512-518 BATH

In fiscal year 2007-08 the Agency provided a loan of \$4,800,000 to the Housing Authority to acquire this site. The Housing Authority is land-banking the site for future affordable housing development, and will operate the existing 10-unit residential structure as affordable rental housing until plans for a new project are complete. The Housing Authority has hired an architect to design a supportive housing project for the homeless and downtown workers (approximately 60 units). Since the rear of the property abuts Mission Creek, the project would include a creek restoration component. Construction is expected to start in 2010.

4. 618 SAN PASQUAL

Habitat For Humanity is in the process of predevelopment of a new project – 4 new low income ownership units – using Habitat's well-tested formula that includes donated materials and technical assistance from the local development community, volunteer labor, future homeowners' labor (sweat equity), and grant funds and donations from a wide range of foundations and local churches. The Agency provided \$400,000 in state HELP funds for acquisition, and Agency staff secured \$660,000 in City HOME funds for construction. Work is expected to start in 2009.

The projects listed above in Table 1 do not constitute a complete list of future projects. Other affordable housing opportunities will likely arise, and they often require quick action, as properties suitable for affordable housing development may stay on the market only briefly.

Redevelopment Agency housing set-aside funds will be combined with other affordable housing funds that are administered by the City such as federal HOME funds and Community Development Block Grant (CDBG) funds.

ONE YEAR PLAN

The Agency's One Year Plan consists of implementing as many of these projects as possible. The specific projects identified in Table 1 above comprise 128 units. All but the Bath Street project are expected to be under construction during Fiscal Year 2010.

HEALTH & SAFETY CODE SECTIONS 33334.4 AND 33334.6

These Code sections require the 20-percent housing set-aside, make legislative declarations, and establish rules as to the fund's administration. As explained above, the Santa Barbara Redevelopment Agency complies with the 20-percent housing set-aside requirement and reports this annually to the State Controller's Office. There has been no deficit, nor have there been any findings to reduce the 20-percent to some lesser amount. All expenditures are for activities permitted under these Sections.

As of October 2009, the current balance of uncommitted housing set-aside funds is \$2,859,000. This amount includes funds that have been set aside for contingencies and opportunity acquisition as well as a set-aside for a transit-oriented housing development that is not expected to go forward.

For Fiscal Year 2010, the amount equaling twenty percent of the Agency's tax increment funds was estimated at \$4,080,000. After deducting administrative costs and required payments on housing bonds secured by these setaside funds, the balance that was deposited in the housing set-aside capital fund was \$2,700,000. The following indicates projections for annual deposits to this fund over the next five years assuming annual increases in tax increment of two percent:

FY 2010	\$2,700,000
FY 2011	\$2,750,000
FY 2012	\$2,800,000
FY 2013	\$2,860,000
FY 2014	\$2,920,000

The Agency typically spends or commits housing set-aside funds within a year of receipt. Assuming an estimated average subsidy of \$125,000 per unit needed to finance future projects would result in an average of 22 affordable units built or committed during each of the five years. A higher level of production is possible due to federal HOME Program funds and also due to density bonus units and inclusionary housing units that do not receive Agency funding.

HEALTH & SAFETY CODE SECTION 33413 (a)

None of the projects listed on Table 1 will involve the demolition of low-income housing.

Developers of any new Agency-funded project involving demolition of low-income housing will also be required to prepare relocation plans and comply with State and Federal relocation requirements. All low-income units that are demolished will be expected to be replaced on site.

In cases involving minimal rehabilitation, relocation is not applicable when rehabilitation is carried out with tenants in place or upon vacancy of the unit. In cases involving more substantial rehabilitation, relocation is minimized by “checker-boarding,” that is moving tenants into vacant units and conducting the rehabilitation in stages. This practice has been particularly effective in previous substantial rehabilitation projects completed by Peoples’ Self-Help Housing at 322 Ladera Street and 22 East Victoria Street.

When relocation is unavoidable, very low and low-income relocation units are frequently available through the Housing Authority, or through nonprofit housing providers in the community. When needed, moderate-income rental units are available through local affordable housing providers or the general housing market.

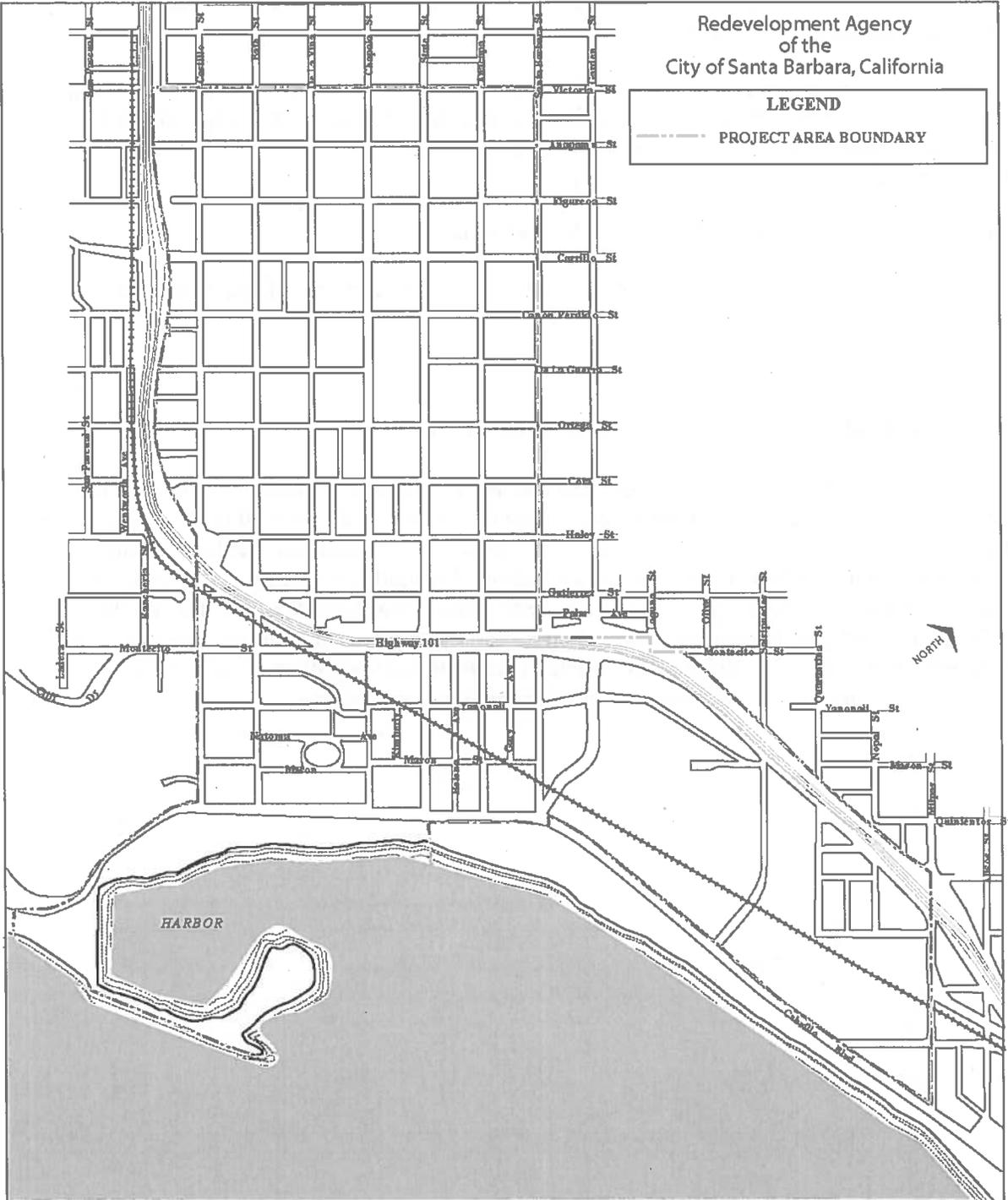
HEALTH & SAFETY CODE SECTION 33413 (b)

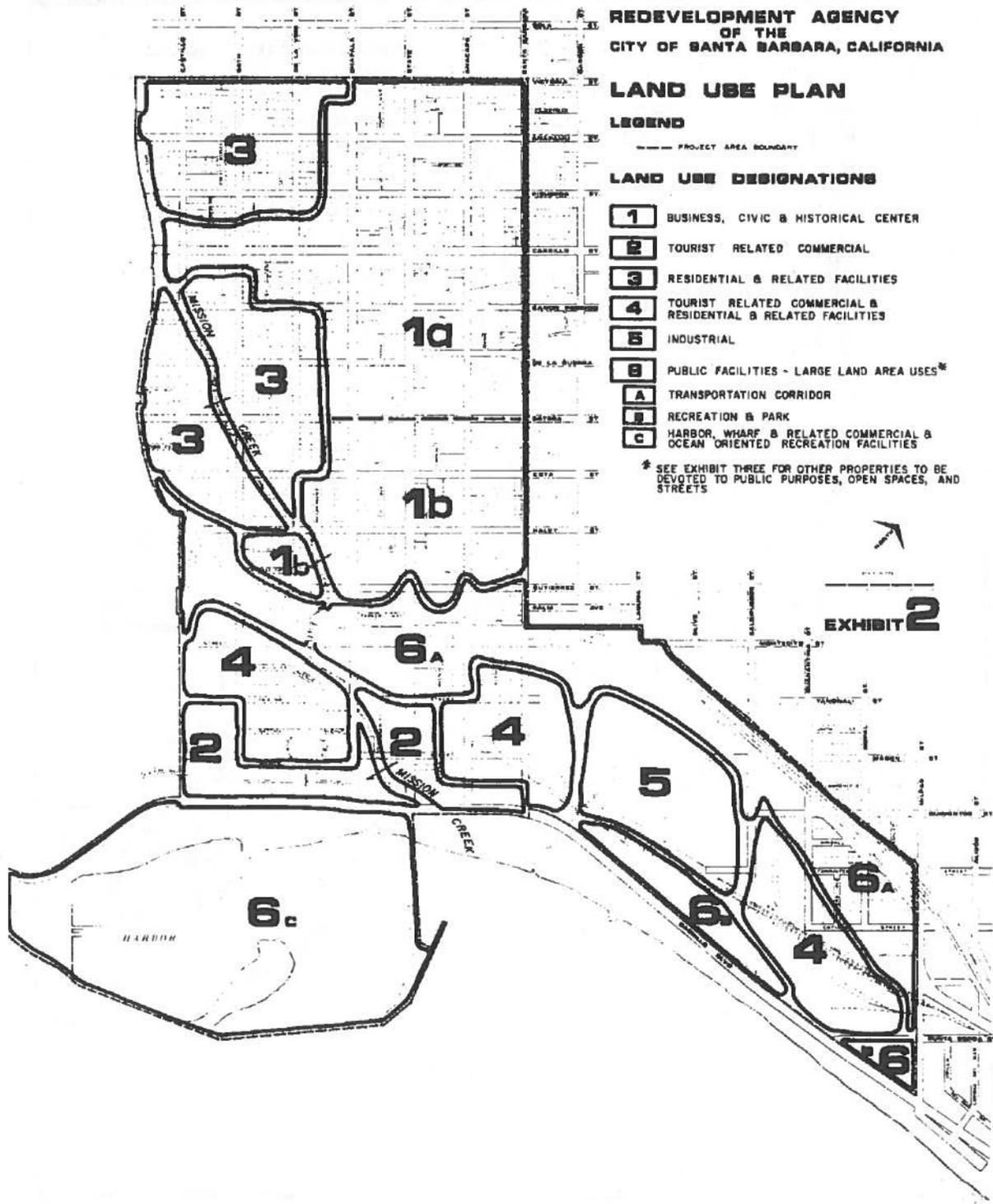
As the CCRP was initiated prior to January 1, 1976, the requirements of this Subparagraph do not apply.

HEALTH & SAFETY CODE SECTION 33490 (a) (4)

The CCRP is due to expire in 2015, and because this falls within six years of the time limit on the effectiveness of the redevelopment plan, Health & Safety Code §33490 (a) (4) requires that Agency housing obligations be addressed. The Agency has consistently met its housing obligations during each of the years of its operations. Currently, the Agency has no unmet housing obligations, either with regard to the expenditure of at least 20% of our tax increment on development and preservation of affordable housing, or with regard to our inclusionary and replacement housing obligations. The Agency intends to continue to meet its housing obligations during each fiscal year remaining in the life of our agency.

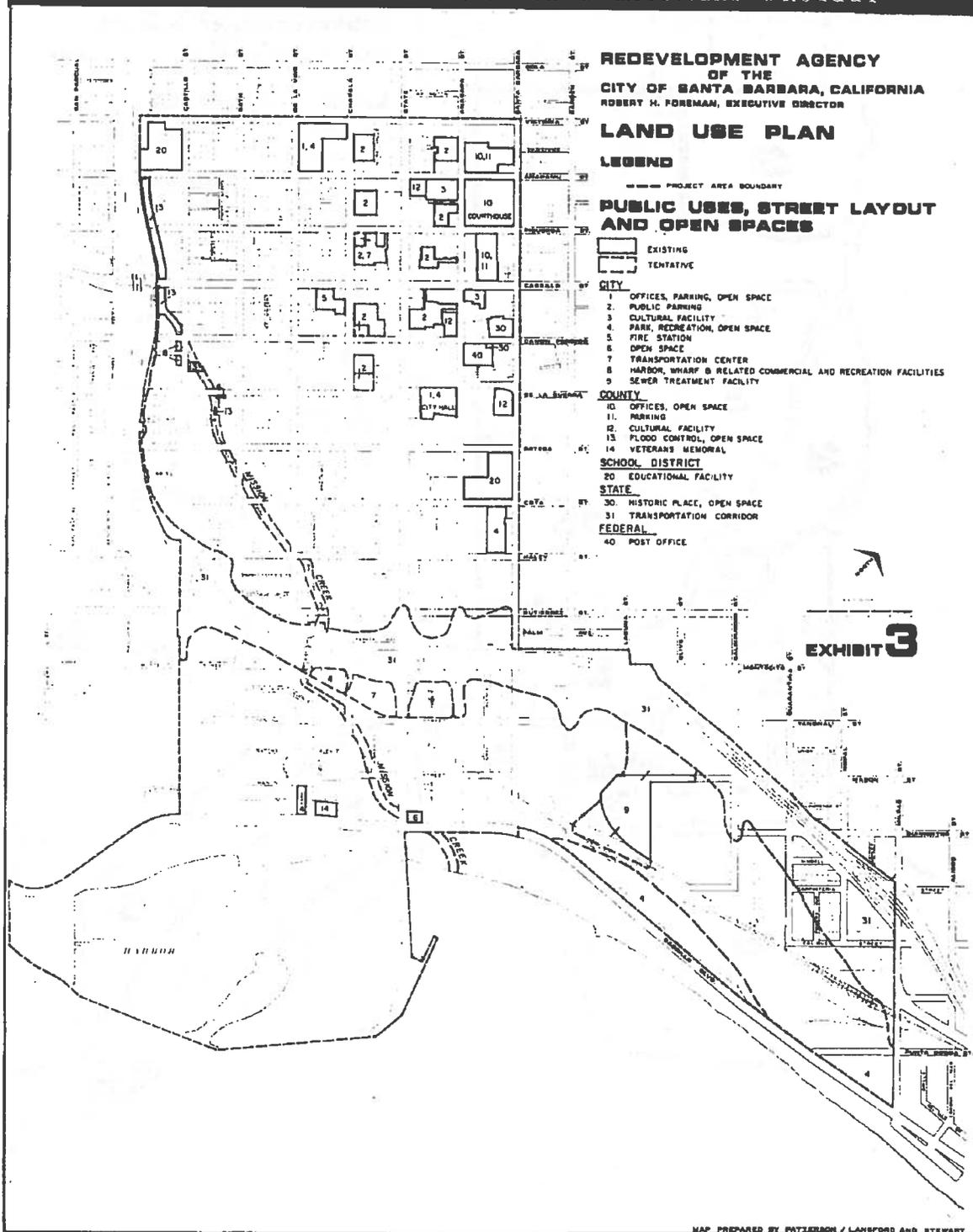
Santa Barbara Central City Redevelopment Project Area





SANTA BARBARA

CENTRAL CITY REDEVELOPMENT PROJECT





CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

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 Police Bargaining Unit and General Bargaining Unit.

SCHEDULING: Duration, 30 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



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 23, 2013

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Eastside Neighborhood Transportation Management Plan

RECOMMENDATION: That Council:

- A. Approve the Eastside Neighborhood Transportation Management Plan dated as of July 23, 2013;
- B. Direct staff to consider unfunded projects from the Eastside Neighborhood Transportation Management Plan within the normal Capital Improvement Program prioritization process.

EXECUTIVE SUMMARY:

In response to pedestrian and traffic safety issues in Santa Barbara's Eastside Neighborhood, Council directed the Public Works Department to conduct a bilingual outreach effort to help the neighborhood identify areas of concern and develop action steps to address those concerns. The Eastside Neighborhood Transportation Management Plan (hereinafter the "Plan") describes the process in which the neighborhood participated, the input they provided, and the plan of action developed to address their concerns. The Plan reflects the participation of a representative cross section of the Eastside neighborhood residents. Staff is seeking Council approval of the Plan.

The majority of the twenty-eight strategies and projects included in the Plan can be addressed with existing City resources and budgeted funds over the next three years. The remaining ten projects have a funding need ranging from \$16,549,000 to \$19,013,000. Approximately \$11 million of the funding needed is for neighborhood lighting improvements.

DISCUSSION:

Background

On September 18, 2012, City Council directed the Transportation Division of the Public Works Department to move forward with the Eastside neighborhood planning effort. The

Eastside neighborhood is approximately bounded by Canon Perdido Street to the north, Salinas Street to the west, Highway 101 to the south and Milpas Street to the east. Council directed that the Plan should include a Traffic Safety Analysis.

A Traffic Safety Analysis was conducted by the Supervising Transportation Engineer who analyzed the Police Department Traffic Collisions Reports within the Eastside neighborhood to determine if intersection adjustments were needed. Safety improvements are typically implemented based on standard traffic engineering practices and do not normally involve neighborhood consensus.

A Neighborhood Transportation Management Plan attempts to address neighborhood pedestrian quality or comfort and may also include the steps identified in a Traffic Safety analysis. A Neighborhood Transportation Management Plan can also address neighborhood concerns with engineering, enforcement and educational approaches.

Plan Approval

The entire Plan can be found in Attachment 1. Below is a brief summary of the Plan.

The Plan is comprised of three main sections:

1. Process: This section details how the Plan was initiated, its goals and objectives, and its stakeholders.
2. Plan Inputs: This section describes the community outreach efforts and feedback in addition to the Traffic Safety Analysis.
3. Plan: The Plan identifies six main strategies, followed by the projects needed to accomplish each strategy. A funding plan is included for the projects that cannot be funded by the Streets Capital at this time.

The goal of the Plan is to improve neighborhood livability by addressing pedestrian and traffic safety issues. Based on the feedback from the Eastside residents, there are six main strategies to address pedestrian and traffic safety issues on the Eastside:

1. Improve street lighting
2. Enhance walking experience
3. Reduce vehicle speeds
4. Add bicycle amenities
5. Increase outreach on rules of the road (motorists, pedestrians, cyclists)
6. Improve bus stops

The neighborhood's plan has twenty-eight projects recommended to implement these strategies, and the projects consist of a mix of engineering, enforcement and educational approaches. Eighteen of the projects are already scheduled to be accomplished within the approved Streets Capital Budget for Fiscal Year 2014 (see Attachment 1, page 31). The remaining ten projects are unfunded capital improvements (see Attachment 1, page 32).

On June 12, 2013 the Neighborhood Advisory Council provided its support of the Plan. On June 13, 2013, the Transportation Circulation Committee found the Plan consistent with the City's Circulation Element and recommended that Council adopt the Plan. Staff now seeks Council approval of the plan.

Funding Needs

The projects have a funding need of between \$16,549,000 and \$19,013,000. Approximately \$11 million of the funding need is for neighborhood lighting improvements. At the Eastside Approach Workshop on April 6, 2013, the Eastside residents ranked lighting as their number one needed improvement, followed by enhanced pedestrian crossings. It is likely that funding for lighting installation will need to be addressed through smaller projects over the long term.

There are two main options for implementation of the remaining ten unfunded projects.

- Option 1 would include these projects in the City's normal project prioritization process within the Six-Year Capital Improvement Program (CIP), which would consider these projects in the context of other neighborhood and transportation needs Citywide. This is the approach recommended by staff to ensure continued full consideration of other priority projects in comparison the Plan projects.
- Option 2 would be to prioritize some or all of these ten projects ahead of other projects in the CIP. So prioritized, these projects could be advanced ahead of other projects in allocating Streets Capital Program funds, or in applying for Community Development Block Grant (CDBG) funds, other grant opportunities, or General Fund support.

Option 1: Standard Practice

Under standard practice, transportation related capital projects are included in the Streets Capital and in Neighborhood Improvement Task Force (NITF) Programs of the Six-Year Capital Improvement Program (CIP).

Historically, the majority of the City's Streets Capital Program revenue goes towards maintaining existing City streets and infrastructure. The Streets Capital Fund is already running at a deficit because there is not enough revenue in the budget to cover pavement maintenance needs for the 238 miles of City roadway. Therefore, the remaining ten unfunded projects of the Plan, along with other unfunded transportation projects Citywide, would be funded primarily using grant opportunities. The \$11 Million in lighting needs would probably be divided into smaller lighting projects. Staff typically moves a project forward based on its competitiveness for a specific grant opportunity, the project's ability to meet a safety need, and the support from the community. No funding sources have yet been identified for the remaining Plan projects.

The ten remaining projects would also be considered by the NITF for inclusion in its list of programs for possible Community Development Block Grant (CDBG) application. All ten projects qualify for CDBG funding. The Neighborhood Advisory Council (NAC) establishes priorities regarding these capital program needs, and presents recommendations to the Community Development and Human Services Committee. Although the NAC makes project recommendations, the grant application is subject to

the Community Development and Human Service Committee’s final recommendation to Council. Every year, the City and non-profit agencies compete for CDBG capital funding. For Fiscal Year 2014, \$449,914 of CDBG capital funding was available.

Option 2: Elevate the Remaining Plan Projects Above Other City Priorities

Another option would be to elevate all or some of the remaining ten projects over other projects in the Streets Capital and/or in NITF Programs.

- **Street Capital Program Priority:** The Public Works Department does not support elevating the Plan ahead of pavement maintenance or critical safety related projects in the Streets Capital Program. The only safety project in the Plan is at the intersection of Carpinteria and Voluntario Streets. When this project is compared to other safety related intersection needs, however, it ranks in approximately 50th place.
- **CDBG Priority:** In the past, Councilmembers have expressed some interest in prioritizing projects on the Eastside for CDBG funds. Council could direct the Community Development and Human Service Committee to give priority consideration to applications for Projects from the Eastside Plan.

One potential scenario would be for Council to prioritize \$1,307,000 over a 5-year period to address projects under the Plan. Under this scenario the City might apply for these funds as reflected in the table below. Assuming available funding of approximately \$450,000 per year, under this scenario approximately \$200,000 would remain in most years for other City and non-profit projects to compete in the CDBG selection process.

Projects	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Neighborhood LED lighting study and design	\$120,000				
Curb extensions at intersection of Carpinteria and Voluntario	\$203,000				
Pedestrian crossing features (pedestrian refuge islands) at Eastside intersections		\$196,000	\$196,000	\$196,000	\$196,000
Access Ramps		\$50,000	\$50,000	\$50,000	\$50,000
Total	\$323,000	\$246,000	\$246,000	\$246,000	\$246,000
Grand Total	\$1,307,000				

- **Other Grant Funding Priority:** Council could direct staff to prioritize Plan projects over other City projects when competing for other eligible grant opportunities. Some projects

would qualify for the South County Measure A grant funds administered by Santa Barbara County Association of Governments (SBCAG). These funds are available on a 3-year cycle with the next call for applications in Fiscal Year 2016. Plan projects may also qualify for other grant sources, such as the Federal/State Safe Routes to School Grants and Bicycle Transportation Account.

- *General Fund*: Council could also designate General Fund monies towards the Eastside's unfunded improvements.

These options are not mutually exclusive and could be combined to elevate the Eastside Plan over other priorities.

Neighborhood Advisory Council Input

On June 12, 2013, the Neighborhood Advisory Council (NAC) considered the plan and funding options. The NAC indicated a strong desire for City Council to approve funding to make neighborhood improvements on the Eastside as expeditiously as possible, but had concerns about the approval of CDBG funds out of the regular cycle and decision-making process.

The NAC would like the current process for CDBG funds to continue unchanged. NAC indicated a wish to continue to look closely at all projects put forth for CDBG funds, including the projects in the Eastside Plan. However, the NAC would like Council to consider any other funds possible (e.g., General Fund) to complete the projects included in the Plan as soon as possible.

Within the Plan, the NAC recommended starting with the following items:

- LED lighting study and design
- Sidewalk infill
- Access ramp installation
- Bus shelter installation
- Trash receptacle installation at all bus stops

Please reference Attachment 2, Memo from Sally Kingston, Chairperson of the NAC, recapping the NAC recommendation.

BUDGET/FINANCIAL INFORMATION:

There is no current budget impact associated with this item; however the plan contains unfunded projects ranging from \$16,549,000 to \$19,013,000.

SUSTAINABILITY IMPACT:

Many of the Plan strategies incorporate infrastructure improvements that enhance the walking, biking and transit experience, which are all energy conservation alternatives to driving. The surveys that were distributed as part of this effort serve as the baseline in addition to the Safe Routes to School Surveys that the Coalition for Sustainable Transportation performs. City staff plans on sending surveys out again once the

infrastructure improvements are completed to determine if there is an increase in families commuting to school/work via alternative modes of walking, biking or transit.

Converting the Eastside's neighborhood lighting from High Pressure Sodium to Light Emitting Diodes (LEDs) has the potential for an energy reduction as well as reduction in replacement and maintenance costs. Energy conservation of kilowatts per year saved would be evaluated in the comprehensive Eastside Lighting Study.

- ATTACHMENT(S):**
1. Eastside Neighborhood Transportation Management Plan dated as of July 23, 2013
 2. Letter from NAC to City Council dated June 14, 2013

PREPARED BY: Browning Allen, Transportation Manager/JWG/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office

ATTACHMENT 1

THIS ATTACHMENT IS AVAILABLE FOR REVIEW
IN THE CITY CLERK'S OFFICE



City of Santa Barbara
Parks and Recreation Department

Memorandum

DATE: June 14, 2013
TO: Mayor and Council
FROM: Neighborhood Advisory Council
SUBJECT: Eastside Neighborhood Transportation Management Plan - Recommendation

The purpose of this letter is to express the Neighborhood Advisory Council's (NAC) support of the *Eastside Neighborhood Transportation Management (ENTM) Plan*. We appreciate and applaud the City's attention to the Eastside, the comprehensive review of neighborhood needs, and the inclusion of neighbors in the process.

On June 12, 2013, the NAC received a presentation of the ENTM Plan by Jessica Grant, Project Planner for Public Works. Based on a memo from Browning Allen, Transportation Manager, the NAC was asked to "recommend a funding plan to Council to implement neighborhood improvements." Our recommendation is included in this letter. In the memo, Mr. Allen proposed four (4) funding strategies for the NAC to consider. At the meeting, the NAC approved a recommendation for a funding plan to implement neighborhood improvements on the Eastside, which includes proposed funding strategies #1 and #4:

The Neighborhood Advisory Council appreciates and endorses the Eastside Transportation Management Plan and would like City Council to make it a priority. The Neighborhood Advisory Council would like the current process for Community Development Block Grant (CDBG) funds to continue as is. The Neighborhood Advisory Council would like City Council to consider any other funds possible (e.g., General Fund) to complete the projects included in this Plan as soon as possible. Within the Plan, the NAC recommends starting with the following items described in the 5-Year Capital Improvement Funding Strategy Plan:

- #1: LED lighting study and design (items listed for FY 2014-2015)
- #5: Sidewalk infill (items listed for FY 2015-2016)
- #6: Access ramp installation (items listed for FY 2015-2016)
- #9: Bus shelter installation (items listed for FY 2015-2016)
- #10: Trash receptacle installation at all bus stops (items listed for FY 2015-2016)

The approved recommendation emphasizes two main ideas expressed by NAC members at the meeting: (a) a strong desire for City Council to approve funding to make neighborhood improvements on the Eastside as expeditiously as possible and (b) concerns about the approval of CDBG funds out of the regular cycle and decision-making process. The NAC recognizes that many other organizations rely on CDBG funds every year and would like to keep the current process in place. As part of the CDBG process, the NAC will look closely at all projects put forth, including the Eastside Neighborhood Transportation Management Plan.

Thank you for providing the NAC with this opportunity to provide City Council with input regarding Eastside neighborhood needs and solutions.

Respectfully,

Sally Kingston
Chairperson