

**CITY OF SANTA BARBARA
CITY COUNCIL
FINANCING AUTHORITY**

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



James L. Armstrong
City Administrator

Stephen P. Wiley
City Attorney

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

**DECEMBER 10, 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
2:00 p.m. - Special Financing Authority Meeting

REGULAR CITY COUNCIL MEETING – 2:00 P.M. SPECIAL FINANCING AUTHORITY MEETING – 2:00 P.M.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CEREMONIAL ITEMS

1. Subject: Employee Recognition - Service Award Pins (410.01)

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through December 31, 2013.

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

2. Subject: Minutes

Recommendation: That Council waive further reading and approve the minutes of the regular meeting of November 12, 2013, and the adjourned regular meeting of November 25, 2013.

CONSENT CALENDAR (CONT'D)

3. Subject: Resolution Of Council Findings Regarding Arlington Village (640.07)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Denying the Appeal and Upholding the Decision of the Historic Landmarks Commission to Approve the Application of Metropolitan Theatres Corporation for a Project Located at 1330 Chapala Street (MST2013-00169) and Known As the "Arlington Village" Project.

4. Subject: Local Coastal Program Grant Application Resolution (650.04)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Supporting a Grant Application to Update the City of Santa Barbara Local Coastal Program (LCP) to Address Sea-Level Rise, Coastal Hazards and Other Climate Change-Related Impacts.

5. Subject: Authorization Of Payment To Southern California Edison For Interconnection At The City's Hydroelectric Plant (380.01)

Recommendation: That Council authorize the Public Works Director to approve payment to Southern California Edison for installation of interconnection equipment at the City's Hydroelectric Plant in the amount of \$106,628, and an additional \$10,663 to cover any unforeseen costs.

6. Subject: Extension Of Banking Services Agreement (210.03)

Recommendation: That Council authorize the Finance Director to negotiate and execute a second amendment to banking services agreement, in a form acceptable to the City Attorney, with Union Bank, to provide banking services on the same terms and conditions as Agreement No. 22,312 and the First Amendment dated December 14, 2011, for an additional two months through February 28, 2014.

7. Subject: Entrada De Santa Barbara Owner Participation Agreement, Substantial Encroachment And Land Development Agreements (700.07)

Recommendation: That Council:

- A. Authorize the City Administrator to execute an Amendment to the April 2004 Owner Participation Agreement with 35 State Street Hotel Partners, LLC, in a form of agreement approved by the City Attorney;

(Cont'd)

CONSENT CALENDAR (CONT'D)

7. (Cont'd)

- B. Authorize the Public Works Director to execute a standard City Land Development Agreement (and related subsidiary agreements), in a form of agreement approved by the City Attorney, for the remaining public improvements associated with the Entrada Project; and
- C. Authorize the Public Works Director to execute a standard City Substantial Encroachment Agreement for the Entrada Project's Hotel Arcade on East Mason Street.

8. **Subject: Contract For Design Of Lift Station Improvement Project (540.13)**

Recommendation: That Council authorize the Public Works Director to execute a City Professional Services contract with MNS Engineers in the amount of \$188,350 for design services for the Lift Station Improvement Project, and authorize the Public Works Director to approve expenditures of up to \$18,835 for extra services of MNS Engineers that may result from necessary changes in the scope of work.

9. **Subject: Agreement For Fats, Oils, And Grease Inspection Services For Food Services Establishments (540.13)**

Recommendation: That Council authorize the Public Works Director to execute a one-year City professional services agreement with Wallace Group for fats, oils, and grease inspection services for the City's food service establishments in an amount not to exceed \$149,575, and authorize the Public Works Director to approve expenditures of up to \$14,958 for extra services that may result from necessary changes in the scope of work.

10. **Subject: Professional Services Agreement For Final Design Of Santa Barbara Police Department Vehicle Access Security Gate Project (320.01)**

Recommendation: That Council authorize the Public Works Director to execute a Professional Services Agreement with Kruger, Bensen, Ziemer Architects, Inc., in the amount of \$25,750 for the final design of the Vehicle Access Security Gate Project at the Santa Barbara Police Department at 215 East Figueroa Street, and authorize the Public Works Director to approve expenditures of up to \$2,575 for extra services that may result from necessary changes in the scope of work.

CONSENT CALENDAR (CONT'D)

11. Subject: Professional Services Agreement For Santa Barbara Police Department HVAC Design (320.01)

Recommendation: That Council authorize the Public Works Director to execute a standard City Professional Services contract with Mechanical Engineering Consultants for \$150,000 for the design of a new heating, ventilation and air conditioning system for the Police Department building.

12. Subject: Declaration Of Fire Engine As Surplus, And Donation Of Said Fire Engine (520.03)

Recommendation: That Council authorize the General Services Manager to prepare all documentation required to donate one (1) surplus 1983 Mack fire engine, Vehicle No. 1264, to Allan Hancock College Regional Fire Academy.

NOTICES

13. The City Clerk has on Thursday, December 5, 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.

This concludes the Consent Calendar.

CITY COUNCIL AND FINANCING AUTHORITY REPORTS

14. Subject: 2014 Waterfront Refunding Revenue Bonds (210.05)

Recommendation:

- A. That the Board adopt, by reading of title only, A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Execution and Delivery by the Authority of an Installment Sale Agreement, a Trust Agreement and a Letter Agreement for Purchase in Connection With the Execution and Delivery of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014, Authorizing the Execution and Delivery of Such Bonds in an Aggregate Amount Not to Exceed \$14,000,000, and Authorizing Related Actions;

(Cont'd)

CITY COUNCIL AND FINANCING AUTHORITY REPORTS (CONT'D)

14. (Cont'd)

- B. That Council introduce, by reading of title only, an Ordinance of the Council of the City of Santa Barbara Authorizing the Execution and Delivery by the City of an Installment Sale Agreement and a Letter Agreement for Purchase and Approving the Execution of a Trust Agreement by the Authority in Connection with the Execution and Delivery of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014, and Authorizing Related Actions; and
- C. That Council approve and authorize the City Administrator to execute a Commitment Letter between the City and Compass Bank.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

COMMUNITY DEVELOPMENT DEPARTMENT

15. Subject: Freedom Warming Centers Funding Request (660.04)

Recommendation: That Council:

- A. Consider the request from The Unitarian Society to support the Freedom Warming Centers' pilot emergency overflow site;
- B. If approved, authorize the Assistant City Administrator to execute an agreement with The Unitarian Society for up to \$15,000 for the operation of the pilot emergency overflow site from December 15, 2013, through March 31, 2014, subject to City Attorney approval as to form; and
- C. Appropriate \$15,000 from the Overnight Accommodation reserves funds held within the General Fund.

PUBLIC HEARINGS

16. Subject: Proposed City Landmark Designation Of The Hodges House And Property Improvements At 2112 Santa Barbara Street (640.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Designating the Hodges House and Property Improvements at 2112 Santa Barbara Street as a City Landmark.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

COMMUNITY DEVELOPMENT DEPARTMENT (CONT'D)

17. Subject: Mills Act Historic Property Contract For 2112 Santa Barbara Street - Assessor's Parcel Nos. 025-252-006 And -007 (640.06)

Recommendation: That Council consider approval of an exception to the Mills Act contract limits outlined in Santa Barbara Municipal Code Section 22.22.160.C.4(m) for historic property at 2112 Santa Barbara Street, subject to completion of City Landmark Designation, and authorize the Community Development Director to execute a historic property contract.

18. Subject: General Plan Safety Element Update (650.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the 2013 Safety Element Update to the General Plan and Making Environmental Findings Pursuant to the California Environmental Quality Act.

(Continued from November 12, 2013, Item No. 12)

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

19. Subject: Public Employment/Public Employee Appointment (160.01)

Recommendation: Continuation of the December 5, 2013 closed session, pursuant to Section 54957 of the Government Code, regarding the appointment of an interim City Attorney. The Council will announce in open session the selection of the Interim City Attorney.

Position Title: Interim City Attorney

Scheduling: Anytime.

Report: The Council will announce the selection of the Interim City Attorney.

CLOSED SESSIONS (CONT'D)

20. 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 General Bargaining Unit, Treatment and Patrol Bargaining Units, Hourly Bargaining Unit, Police Management Association, and regarding salaries and fringe benefits for certain unrepresented management and confidential employees.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

ADJOURNMENT



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Employee Recognition – Service Award Pins

RECOMMENDATION:

That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through December 31, 2013.

DISCUSSION:

Since 1980, the City Employees' Recognition Program has recognized length of City Service. Service award pins are presented to employees for every five years of service. Those employees achieving 25 years of service or more are eligible to receive their pins in front of the City Council.

Attached is a list of those employees who will be awarded pins for their service through December 31, 2013.

ATTACHMENT: December 2013 Service Awards

PREPARED BY: Myndi Hegeman, Administrative Specialist

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office

DECEMBER 2013 SERVICE AWARDS

December 10, 2013, Council Meeting

5 YEARS

Mike Witbeck, Electronics / Communication Technician II, Public Works Department
Nicholas Negro, Waterfront Maintenance Worker II, Waterfront Department

10 YEARS

Karen Gumtow, Environmental Services Specialist II, Environmental Services Department

15 YEARS

Nina Johnson, Assistant to the City Administrator, City Administrator's Office
Alec Hardy, Senior Network / Applications Analyst, Information Systems Department
John Ledbetter, Principal Planner, Community Development Department
Michael Brown, Police Sergeant, Police Department
Scott Klacking, Police Officer, Police Department
Dave Harris, Automotive / Equipment Technician, Public Works Department
George Jimenez, Senior Tree Trimmer, Parks and Recreation Department

20 YEARS

William Sandoval, Automotive / Equipment Technician, Public Works Department
Alfonso Lopez, Water Distribution Operator II, Public Works Department
Amador Escalante, Treatment Plant Technician Supervisor, Public Works Department

25 YEARS

Anthony Ruggieri, City TV Production Supervisor, City Administrator's Office

30 YEARS

Jaime Limon, Senior Planner II, Community Development Department
Richard Marshall, Water Distribution Operator Technician II, Public Works Department
Rae Rosas, Administrative Specialist, Airport Department



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

**REGULAR MEETING
November 12, 2013
COUNCIL CHAMBER, 735 ANACAPA STREET**

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:01 p.m. (The Finance Committee and Ordinance Committee met at 12:30 p.m.)

PLEDGE OF ALLEGIANCE

Mayor Schneider.

ROLL CALL

Councilmembers present: Dale Francisco, Frank Hotchkiss, Grant House, Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, Deputy City Clerk Deborah L. Applegate.

CEREMONIAL ITEMS

1. Subject: Employee Recognition - Service Award Pins (120.04)

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through November 30, 2013.

Documents:

November 12, 2013, report from the Assistant City Administrator.

(Cont'd)

1. (Cont'd)

By consensus, the Council approved the recommendation, and the following employees were recognized:

5 YEARS

Michael Pease, Budget Manager, Finance Department
Sue Sadler, Code Enforcement Officer, Environmental Services Department
Paul Diaz, Water Distribution Operator II, Public Works Department
Jason Remotti, Water Treatment Plant Operator, Public Works Department
Evan Ellison, Airport Patrol Officer II, Airport Department

15 YEARS

Melissa Velasco, Public Safety Dispatcher, Police Department
Florencio Herrera, Streets Maintenance Worker I, Public Works Department

25 YEARS

Gilbert Cash, Fire Captain, Fire Department
Sheri Markley, Police Records Specialist, Police Department
Fernando Arroyo, Senior Custodian, Public Works Department
Jose Guerrero, Senior Custodian, Public Works Department

30 YEARS

William Rodoracio, Fire Captain, Fire Department

PUBLIC COMMENT

Speakers: Robin Elander, Santa Barbara Open Streets; Barry Remir, Santa Barbara Open Streets; Robert Hansen; AIE! The Person.

CONSENT CALENDAR (Item Nos. 2-8)

The title of the resolution and ordinances related to Consent Calendar items were read.

Motion:

Councilmembers Murillo/Hotchkiss to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote.

2. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meetings of October 22 and 29, 2013 and the regular meeting of November 5, 2013 (cancelled).

Action: Approved the recommendation.

3. Subject: Appropriation Of Miscellaneous Grants Funds For Scheduling Software Upgrade (170.04)

Recommendation: That Council:

- A. Appropriate \$20,000 in the Fiscal Year 2014 Police Department Miscellaneous Grants Fund from available reserves for the purchase of an upgrade and service package for the InTime Scheduling software; and
- B. Find it in the City's best interest to waive the bidding process as provided in Municipal Code 4.52.070(k) and authorize the General Services Manager to issue a purchase order in the amount of \$20,000 to InTime for a software upgrade and annual maintenance for the following four fiscal years, in accordance with approved budgets.

Action: Approved the recommendations (November 12, 2013, report from the Chief of Police).

4. Subject: Appropriation Of Asset Forfeiture Funds For The Purchase Of A System Upgrade And Digital Forensic Equipment (520.04)

Recommendation: That Council:

- A. Appropriate \$8,668 in the Fiscal Year 2014 Police Department Police Asset Forfeiture Fund from available reserves for the purchase of an upgrade for the NEC fingerprint workstation;
- B. Appropriate \$8,632 in the Fiscal Year 2014 Police Department Police Asset Forfeiture Fund from available reserves for the purchase of a Micro Systemation XRY software for the forensic analysis of mobile device digital data evidence;
- C. Find it in the City's best interest to waive the formal bid process as authorized in Municipal Code Section 4.52.080(k) and authorize the City's General Services Manager to issue a sole source purchase order to NEC for an upgrade to the fingerprint workstation; and
- D. Find it in the City's best interest to waive the formal bid process as authorized in Municipal Code Section 4.52.080(k) and authorize the City's General Services Manager to issue a sole source purchase order to Micro Systemation for the XRY software application used to perform secure forensic extraction of digital data.

Action: Approved the recommendations (November 12, 2013, report from the Chief of Police).

5. Subject: Request To Restate And Amend Covenant On Property Located At 203, 215, And 221 Hitchcock Way ("Rancho Franciscan Apartments") (330.01)

Recommendation: That Council approve a Restated and Amended Declaration of Covenants, Conditions, and Restrictions Imposed on Real Property ("Covenant") to Comply with Housing and Urban Development (HUD) Requirements Concerning Age Discrimination and Subordination of the Covenant to a New HUD Insured Loan During the Term of the Loan and Authorize the Community Development Director to Execute Such Agreements and Related Documents, Subject to Approval as to Form by the City Attorney, as Necessary.

Action: Approved the recommendation; Agreement No. 24,653 (November 12, 2013, report from the Assistant City Administrator/Community Development Director).

6. Subject: Avigation And Noise Easement For 7000 Hollister Avenue, Goleta (560.14)

Recommendation: That Council:

- A. Approve and authorize the City Administrator to execute and record a grant deed of avigation and noise easement and agreement imposing conditions on real property by and between Goleta Hollister, LLC and the City of Santa Barbara; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City Of Santa Barbara Accepting an Avigation and Noise Easement Imposing Conditions on Real Property known as Assessor's Parcel Numbers 073-030-020 and 073-030-021.

Action: Approved the recommendations: Resolution No. 13-089, Deed No. 61-432 and Agreement No. 24,654 (November 12, 2013, report from the Airport Director; proposed resolution).

7. Subject: Cancellation Of Certain Council Meetings In 2014 (120.02)

Recommendation: That Council cancel the regular Council Meetings on the following dates: January 21, February 18, April 1, May 27, July 8, August 19, August 26, September 2, December 2, December 23, December 30, 2014.

Action: Approved the recommendation (November 12, 2013, report from the City Administrator).

8. Subject: Adoption Of Ordinance Amending Lease With Richones Inc., Doing Business As Chuck's Waterfront Grill, For Office Space At 113 Harbor Way (330.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving Lease Amendment Number One to Lease Number 23,328 with Richones Inc., Doing Business As Chuck's Waterfront Grill, for Office Space Located at 113 Harbor Way #145 and #150 at a Monthly Rate of \$2,519.

Action: Approved the recommendation; Agreement No. 23,328.1; Ordinance No. 5640.

NOTICES

9. The City Clerk has on Thursday, November 7, 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.

This concluded the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee Chair Dale Francisco reported that the Committee met to review the City's Interim Financial Statements for the Three Months Ended September 30, 2013. The Committee approved the statements, which were approved by the full Council as Item No. 10.

REPORT FROM THE ORDINANCE COMMITTEE

Ordinance Committee Chair Grant House reported that the Committee met to review a draft ordinance establishing interim air quality design standards for development near Highway 101, to implement Policy ER7 of the 2011 General Plan and will be referring this ordinance to the Planning Commission and entire Council at a future meeting.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

FINANCE DEPARTMENT

10. Subject: Fiscal Year 2014 First Quarter Interim Financial Statements (120.03)

Recommendation: That Council:

- A. Hear a report from staff on the status of revenues and expenditures in relation to budget for the three months ended September 30, 2013;
- B. Accept the fiscal year 2014 Interim Financial Statements for the Three Months Ended September 30, 2013; and
- C. Approve the proposed first quarter adjustments to Fiscal Year 2014 appropriations and estimated revenues as detailed in the attached Schedule of Proposed First Quarter Adjustments.

Documents:

- November 12, 2013, report from the Finance Director.
- PowerPoint presentation prepared and presented by Staff.

Speakers:

Staff: Accounting Manager Julie Nemes; Treasury Manager Genie Wilson.

Motion:

Councilmembers Francisco/Rowse to approve the staff's recommendations.

Vote:

Unanimous voice vote.

COMMUNITY DEVELOPMENT DEPARTMENT

11. Subject: Emergency Shelter Zoning Discussion (640.09)

Recommendation: That Council provide direction to Community Development staff related to the implementation of Senate Bill 2 (SB2), (as enacted in 2007 as Government Code Section 65583), requiring that every municipality identify zoning intended to encourage and facilitate "emergency shelters".

Documents:

- November 12, 2013, report from the Assistant City Administrator/Community Development Director.
- PowerPoint presentation prepared and presented by Staff.

(Cont'd)

11. (Cont'd)

Speakers:

Staff: Project Planner Irma Unzueta; Principal Planner John Ledbetter.

Motion:

Councilmember House/Hotchkiss to direct staff to proceed in the direction of Option 1 as outlined in the Council Agenda Report, and bring the item back to the Ordinance Committee for review, submit it to Planning Commission, and then return to the City Council for final approval.

Vote:

Unanimous voice vote.

PUBLIC HEARINGS

12. Subject: General Plan Safety Element Update (610.04)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the 2013 Safety Element Update to the General Plan and Making Environmental Findings Pursuant to the California Environmental Quality Act.

Documents:

- November 12, 2013, report from the Assistant City Administrator/Community Development Director.
- Proposed Resolution.
- Affidavit of Publication.
- PowerPoint presentation prepared and made by Staff.

The title of the resolution was read.

Public Comment Opened:

3:02 p.m.

Speakers:

- Staff: Project Planner Elizabeth V. Limon; Principal Planner John Ledbetter; City Attorney Stephen P. Wiley.
- Members of the Public: Steve Monk, attorney with the law firm Hollister & Brace.

Public Comment Closed:

3:11 p.m.

(Cont'd)

12. (Cont'd)

Motion:

Councilmembers White/Rowse to continue the item until the Council meeting of December 10, 2013.

Vote:

Unanimous roll call vote.

MAYOR AND COUNCIL REPORTS

13. Subject: Interviews For City Advisory Groups (140.05)

Recommendation: That Council:

- A. Hold interviews of applicants to various City Advisory Groups; and
- B. Continue interviews of applicants to November 19, 2013.

Documents:

November 12, 2013, report from the Assistant City Administrator.

Speakers:

The following applicants were interviewed:

Access Advisory Committee:

Karen L. Johnson

Adelaida Ortega

Airport Commission:

Jeff Clark

Carl L. Hopkins

Mark A. Rincon-Ibarra

James R. Wilson

Arts Advisory Committee:

Robert F. Adams

Nina L. Dunbar

Jim Laponis

Marylove Thralls

Civil Service Commission:

Bernard Melekian

Desmond O'Neill

Mark A. Rincon-Ibarra

Community Development And Human Services Committee:

Katherine Zeiss

Community Events & Festivals Committee:

Katrina Carl

Creeks Advisory Committee:

James Hawkins

(Cont'd)

13. (Cont'd)

Fire and Police Commission:
Matthew Hunter Kramer
Jim Laponis
Bernard Melekian
Harbor Commission:
Mark A. Rincon-Ibarra
Jim Sloan
Neighborhood Advisory Council:
Ana D. Soto
Parks and Recreation Commission:
Margery Baragona
Chris Casebeer
David Victor Vasquez
Planning Commission:
Michael Jordan
Rental Housing Mediation Task Force:
Margery Baragona
Jeana L. Dressel
Santa Barbara Youth Council:
Rachael Diaz

By consensus, the Council continued the interviews to November 19, 2013, at 6:00 p.m.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

Information:

- Councilmember Murillo reported that she attended the Housing Authority Commission meeting where they discussed the Agency's Five-Year Strategic Plan. She reported on her attendance at the Veteran's Day Celebration; and her attendance at the Veteran's Treatment Court Graduation where six individuals went through a restorative justice rehabilitation program.
- Councilmember White reported on his attendance at the City's Open Streets Celebration and mentioned he is looking forward to future events.
- Councilmember Hotchkiss shared his concern of closing certain streets for the Open Street Celebration which resulted in traffic concerns impacting State and Milpas Streets. He mentioned he would like to address this issue prior to next year's event.

CLOSED SESSIONS

14. Subject: Conference with Legal Counsel - Pending Litigation (160.03)

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (d)(1) of section 54956.9 of the Government Code and take appropriate action as needed. The pending litigation is *Donald Sipple, and New Cingular Wireless PSC LLC, et al., v. The City of Alameda, California, et al.*, LASC Case No. BC432270

Scheduling: Duration, 10 minutes; anytime

Report: None anticipated

Documents:

November 12, 2013, report from the City Attorney.

Time:

3:20 p.m. – 3:30 p.m.

No report made.

15. 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 General Bargaining Unit, Treatment and Patrol Bargaining Units, Hourly Bargaining Unit, Police Management Association, and regarding salaries and fringe benefits for certain unrepresented management and confidential employees.

Scheduling: Duration, 45 minutes; anytime

Report: None anticipated

Documents:

November 12, 2013, report from the Assistant City Administrator.

Time:

3:30 p.m. – 4:17 p.m.

No report made.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 5:32 p.m. in memory of Jonny Wallis, former Mayor, Councilmember and early founder of the City of Goleta.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

_____ ATTEST: _____
HELENE SCHNEIDER DEBORAH L. APPLGATE
MAYOR DEPUTY CITY CLERK



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

ADJOURNED REGULAR MEETING November 25, 2013 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 1:40 p.m.

ROLL CALL

Councilmembers present: Frank Hotchkiss, Grant House (1:50 p.m.), Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: Dale Francisco.

Staff present: Assistant City Administrator/Community Development Director Paul Casey, City Attorney Stephen P. Wiley.

PUBLIC COMMENT

No one wished to speak.

NOTICES

The City Clerk has on Thursday, November 21, 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.

SITE VISIT

Subject: 510 N. Salsipuedes Street

Recommendation: That Council make a site visit to the property located at 510 N. Salsipuedes Street, which is the subject of an appeal hearing scheduled for November 26, 2013, at 2:00 p.m.

Documents:

Photographs of proposed project site, submitted by Appellant.

(Cont'd)

Subject: 510 N. Salsipuedes Street (Cont'd)

Discussion:

Staff led the Council on a walk around the subject property and provided an overview of the proposed project plans and key appeal issues.

ADJOURNMENT

Mayor Schneider adjourned the meeting at 2:05 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

HELENE SCHNEIDER
MAYOR

ATTEST:

SUSAN TSCHECH, CMC
DEPUTY CITY CLERK

RESOLUTION NO. ____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA DENYING THE APPEAL AND UPHOLDING THE DECISION OF THE HISTORIC LANDMARKS COMMISSION TO APPROVE THE APPLICATION OF METROPOLITAN THEATRES CORPORATION FOR A PROJECT LOCATED AT 1330 CHAPALA STREET (MST2013-00169) AND KNOWN AS THE “ARLINGTON VILLAGE” PROJECT.

WHEREAS, on May 6, 2013, the applicant, Metropolitan Theatres Corporation, (hereinafter “MTC”) submitted an application to the city of Santa Barbara for City design approval of a mixed-use development at the corner of West Sola and Chapala Streets that consists of 33 residential apartments (totaling 28,302 square feet) and two commercial units (totaling 931 net square feet), and including a 534 square foot exercise room and a 13,400 square foot parking garage with 42 spaces, hereinafter referred to as the “Project.” The Project also includes a surface parking lot with 49 spaces for use by the patrons of the existing Arlington Theatre owned by MTC;

WHEREAS, the Historic Landmarks Commission reviewed the design of the Project on May 22, 2013, June 19, 2013, and August 14, 2013. The Project received its Project Design Approval from the Historic Landmarks Commission on August 14, 2013, and with the Commission having fully considered all of the appropriate criteria required by the Santa Barbara Municipal Code ;

WHEREAS, on August 26, 2013, the Commission’s design approval was appealed to the City Council by Margaret Cafarelli, as an agent for Urban Developments, LLC, hereinafter referred to as the “appellant.” The appellant submitted a letter to the City stating the grounds for her appeal;

WHEREAS, on October 7, 2013, MTC submitted a revised site plan for the Project that included a new driveway access to Sola Street and an updated Traffic Management Plan to the City for consideration by the City Council and in apparent response to issues raised by the appellant in her appeal;

WHEREAS, on October 27, 2013, the City Council visited the Project site and met with representatives of MTC, the appellant, the Project Architects, City staff and members of the public, and it conducted an inquiry into the physical aspects of the appeal design issues; and

WHEREAS, on October 28, 2013, the City Council held a duly noticed public City Council hearing on the appeal. The appeal hearing included the following which were particular relevant and helpful to the Council in making its decision on this appeal:

1. A detailed written report and staff presentation, including a City staff report discussing the appeal issues, and a PowerPoint presentation on the appeal issues – both of which are incorporated into this resolution as though fully set forth herein.

2. A presentation by the appellant of her concerns;
3. A presentation by representatives of MTC, including a PowerPoint presentation prepared by the Project's architect. MTC also delivered to the City Council on October 28, 2013 a letter from Peikert + RRM Design Group which is part of the record in this case and was fully considered by the City Council in making its decision on this appeal.
4. Public comments from two members of the Historic Landmarks Commission explaining their views on the Project design and the appeal issues.

WHEREAS, after consideration of all of the evidence presented (both written and verbal), as well as the public testimony received, and after deliberation by the Council members, the City Council voted six to one to deny the appeal of the Project and to uphold the decision of the Historic Landmarks Commission approving the Project's design, with some additional City Council direction that the Historic Landmarks Commission work with MTC and its representatives on the following Project elements in connection with the issuance of the HLC's Final Design Approval for the Project:

1. The exit driveway at Sola Street, particularly the grade with regard to the feasibility of trucks and other large vehicles going in and out;
2. The location of the residential trash enclosure for the Project currently shown at a location off of the paseo adjacent to Sola Street;
3. The functionality of the paseo connection from Alma del Pueblo to the existing paseo system than connects to Sola Street; and
4. Ways of further ensuring that the commercial units are designed for commercial use.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT THE COUNCIL FINDS AND DETERMINES AS FOLLOWS:

SECTION 1. Compliance with City Charter and Municipal Code; Consistency with Design Guidelines and Compatibility Analysis Criteria [SBMC Sections 22.22.130, 22.22.132, and 22.22. 145 (B) (1).

A. General Consistency with Charter and Municipal Code. The City Council finds that the design of the Project, as approved by the HLC and as further conditioned by the Council in its decision on the appeal, appropriately complies with all requirements of the City Charter and Municipal Code, and is fully consistent with the City's El Pueblo Viejo design guidelines for this particular area of State and Chapala Streets and that this Council determination is based on the information, reports, and other documents provided to the City Council in connection with the appeal hearing all of which is incorporated herein by this reference as though fully set forth herein.

B. Failure of Appellant to Present Evidence to the Contrary. The appellant has not claimed, either before the Historic Landmarks Commission or before the City Council at the appeal hearing, that the Project is inconsistent with any requirement of the City Charter or applicable provisions of the Santa Barbara Municipal Code. In its presentation and its report to the Council at the appeal hearing, City staff analyzed the Project and expressed its opinion that the Project is consistent with the City Charter and Municipal Code. Because no facts contrary to this conclusion were presented to the City Council by the appellant, the Council determines that the Project is fully consistent with the requirements of the City Charter and the Municipal Code, in particular the requirements of SBMC Chapter 22.22.

C. Claim that the Project is Inconsistent with the Variable Density Ordinance. On appeal, the appellant claimed that the Project is incompatible with the “Goal” stated in the City’s Variable Density Ordinance which is stated as follows: “New development in or adjacent to existing residential neighborhoods must be compatible in terms of scale, size, and design with the prevailing character of the established neighborhood.” The appellant also asserted that the Project violated various policies of the El Pueblo Viejo Design Guidelines and the Urban Design Guidelines. For the most part, the appellant’s assertions on appeal were conclusionary and unsupported by actual evidence or by specific reference to any physical aspect of the Project which was actually inconsistent with the City Charter or Municipal Code.

However, in her presentation during the appeal hearing, the only design feature of the Project which the appellant claimed created an inconsistency was the functioning and adequacy of the Project’s private surface parking lot. Yet, the City Council finds that the Project is located in a neighborhood that has a number of surface parking lots, both public and private, including one that is directly across the street from the Project site. As a result, the Council finds that the inclusion of a surface parking lot is consistent with the prevailing character of the established neighborhood.

D. Appropriate Architectural Style and Design. The Council further finds that the design of the Project, as approved at the conclusion of the appeal hearing, is compatible with the desirable architectural qualities and characteristics which are distinctive of Santa Barbara, in particular the El Pueblo Viejo, and of the particular neighborhood surrounding the Project for the following reasons:

1. The appellant has not claimed, either before the Historic Landmarks Commission or before the City Council during the appeal hearing, that the actual design and architectural style of the Project would somehow be incompatible with the desirable architectural qualities and characteristics which are distinctive of El Pueblo Viejo District of Santa Barbara and this City neighborhood. The City staff presentation to Council demonstrated a detailed analysis of the Project regarding these issues and both the staff and the HLC has stated their opinion that the Project meets the City’s compatibility standards. This appeal presented no facts to the City Council which would support a contrary finding.
2. The Project is located on the same parcel as the historic Arlington Theatre. The proposed Project residential buildings would be 2 ½ to 3 stories and the maximum height would be approximately 33’ 2” from Sola Street and 40’ 2” from the interior paseo. A

central component of the Project is the inclusion of common open spaces, courtyards and public paseos. A “village green” and a courtyard would be provided on-grade between the Theatre and the proposed development. This area is intended to serve as a place where residential and commercial tenants can gather and enjoy the Santa Barbara climate. All of these features are similar to features of other downtown commercial buildings, and are thus, the Council finds, are compatible with the desirable architectural qualities and characteristics that are distinctive of Santa Barbara. In fact, the appellant never took issue with any of these Project features nor asserted that they were inconsistent with applicable design guidelines.

3. The Project’s architecture appropriately complements the architecture of the Arlington Theatre, as demonstrated by and concluded in the Historic Structures Report prepared by Post/Hazeltine, and dated April 25, 2013, that was reviewed and accepted by the Historic Landmarks Commission and made available to the City Council. In fact, the appellant made no claim to the contrary during the appeal hearing or in her appeal letter.

4. The appellant argued in her appeal that the proposed Project failed to meet various city policies regarding paseos and courtyards. But, again, these assertions were only made in a conclusionary fashion and the appellant provided no real specifics about why the Project’s paseos and courtyards were somehow inconsistent with the City’s applicable policies.

Consequently, the Council considered this argument, and finds that the facts do not support the appellant’s assertions. To the contrary, the Council finds that the Arlington Village Project has been designed to complement the existing walking paseo system within this City block because it includes a new paseo from the adjacent condominium/market Project to the courtyard between the proposed Project and the Arlington Theatre. It also includes improvements to the existing paseos that are adjacent to two sides of the Theatre, including new paving and lighting. These improvements are consistent with the City’s paseo system and satisfy the City’s design guidelines.

E. The Project is an Appropriate Size, Mass, and Scale. The Council also finds that the size, mass, bulk, height and scale of the Project is appropriate for its location and its neighborhood. Again, the appellant did not claim otherwise, either before the Historic Landmarks Commission or before the City Council at the appeal hearing. City staff analyzed the Project and has stated its opinion that the Project is appropriate as to its size, bulk, and scale within the context of its location and neighborhood. The Historic Landmarks Commission also reached this conclusion. No facts have been presented to the City Council that would support a contrary finding.

F. Project Sensitivity to Nearby Historic Resources. The City Council further finds that the design of the Project is appropriately sensitive to adjacent Federal, State and City Landmarks and other nearby designated historic resources, including structures of merit, sites and natural features. The appellant has not claimed, either before the Historic Landmarks Commission or before the City Council during the appeal hearing, No facts have been presented to the City Council that would support a contrary finding and the evidence contained with the staff report for the appeal hearing, the staff presentation at the appeal hearing, and the presentation and

documents provided by the representatives of MTC at the appeal, fully support a conclusion that the Project is appropriately sensitive to nearby Landmarks and other City historic resources, whether designated or potential. The Historic Structures Report prepared by Post/Hazeltine, and dated April 25, 2013, that was accepted by the Historic Landmarks Commission on May 22, 2013, also demonstrates that this criteria is satisfied.

G. Project Does Not Negatively Impact Public Scenic Vistas. The City Council finds that there are no “established scenic public vistas” of the ocean or mountains that may be affected by this Project. The appellant has not asserted otherwise.

H. Project Open Space and Landscaping Consistency. The City Council finds that the Project includes an appropriate amount of open space and landscaping, for the reasons stated earlier in these findings. The appellant has not asserted otherwise.

SECTION 2. Findings for Environmental Review of the Project Under the California Environmental Quality Act :

A. Appropriate Use of a Categorical Exemption. In accordance with CEQA Guidelines section 15183, those projects with net new development (nonresidential square footage or residential units) may qualify for an exemption from further environmental review if all of the following: 1. they are consistent with the General Plan development density evaluated in the 2011 General Plan Program Environmental Impact Report, and 2. any potentially significant Project-specific impacts are addressed through existing development standards. Section 15183 exemptions are determined by City staff environmental analyst based on a preliminary environmental review process. For a Section 15183 exemption, the City decision-maker is required to make the necessary CEQA finding and appropriately made the following findings.

1. That the Project qualifies for an exemption from further environmental review under CEQA Guidelines Section 15183, based on the City staff analysis and CEQA certificate of determination on file for this Project.
2. The Project activity is within the scope of the City’s 2011 General Plan and the Program EIR analysis for the General Plan. No further environmental document or analysis is required for this Project pursuant to the California Environmental Quality Act (Public Resources Code §21083.3 and Code of Regulations §15183). The City Council’s environmental findings adopted for the 2011 General Plan remain valid and applicable for this Project’s environmental determination.
3. No one, including the appellant, has ever claimed that the City’s environmental review of the Project did not qualify under the Categorical Exemption of CEQA Guideline Section 15183.

SECTION 3: Revised Conditions of Approval. The City Council hereby approves the attached Project Conditions of Approval dated October 29, 2013, as revised as part of the Council decision on the appeal, for this Project.



City of Santa Barbara California

HISTORIC LANDMARKS COMMISSION CONDITIONS OF APPROVAL

1330 CHAPALA STREET

AUGUST 14, 2013

[Includes changes to conditions of approval based on City Council action on October 29, 2013 to deny the project appeal.]

In consideration of the project approval granted by the Historic Landmarks Commission (HLC) and for the benefit of the owner(s) and occupant(s) of the Real Property, the owners and occupants of adjacent real property and the public generally, the following terms and conditions are imposed on the use, possession, and enjoyment of the Real Property:

- A. **Recorded Conditions Agreement.** The Owner shall execute a *written instrument*, which shall be prepared by Planning staff, reviewed as to form and content by the City Attorney, Community Development Director and Public Works Director, recorded in the Office of the County Recorder, and shall include the following:
 1. **Approved Development.** The development of the Real Property approved by the HLC on August 14, 2013 is limited to a new, three-story, 40'-2" tall mixed-use development on a 91,000 square foot parcel located at the southeast corner of W. Sola and Chapala Streets. The project includes 33 new residential apartments (totaling 28,302 square feet) and two new commercial units (totaling 931 net square feet). The new building will total 52,945 square feet, including a 534 square foot exercise room and a 13,400 square foot partially below-grade parking garage that contains 42 spaces. A surface lot will contain 49 spaces, for a total of 91 parking spaces on-site. Thirty-three covered spaces are allocated to the residential units, two covered spaces are allocated to the commercial units and 56 spaces (7 covered, 49 uncovered) are allocated to the Arlington Theatre. Also proposed is the removal of eight mature trees including four grevillea, two pittosporum, one ficus and one solanum, with 6 mature palm trees to be preserved and relocated on-site. Grading excavation will total 3,400 cubic yards. A detached trash enclosure for the Theatre is proposed to replace an existing trash enclosure and will be constructed near the northwest corner of the Arlington Theatre. The Arlington Theatre and Arlington Hotel Garden Arch are proposed to remain. Landscape and hardscape improvements are also proposed, as shown on the approved plans. Vehicular access to the site shall be provided from the existing driveway on Chapala Street and a new driveway on W. Sola Street, as shown on the site plan dated October 22, 2013.
 2. **Uninterrupted Water Flow.** The Owner shall allow for the continuation of any historic flow of water onto the Real Property including, but not limited to, swales, natural watercourses, conduits and any access road, as appropriate.

3. **Recreational Vehicle Storage Prohibition.** No recreational vehicles, boats, or trailers shall be stored on the Real Property.
4. **Landscape Plan Compliance.** The Owner shall comply with the Landscape Plan approved by the HLC. Such plan shall not be modified unless prior written approval is obtained from the HLC. The landscaping on the Real Property shall be provided and maintained in accordance with said landscape plan, including any tree protection measures. If said landscaping is removed for any reason without approval by the HLC, the owner is responsible for its immediate replacement.
5. **Storm Water Pollution Control and Drainage Systems Maintenance.** Owner shall maintain the drainage system and storm water pollution control devices in a functioning state. Should any of the project's surface or subsurface drainage structures or storm water pollution control methods fail to capture, infiltrate, and/or treat water, or result in increased erosion, the Owner shall be responsible for any necessary repairs to the system and restoration of the eroded area. Should repairs or restoration become necessary, prior to the commencement of such repair or restoration work, the Owner shall submit a repair and restoration plan to the Community Development Director to determine if an amendment or a new Building Permit is required to authorize such work. The Owner is responsible for the adequacy of any project-related drainage facilities and for the continued maintenance thereof in a manner that will preclude any hazard to life, health, or damage to the Real Property or any adjoining property.
6. **Truck Access and Management Plan.** The development shall comply with the Truck Access and Management Plan prepared by Associated Transportation Engineers and dated ~~July 25, 2013~~[October 7, 2013](#) and the following conditions:
 - a. For any activity, all trucks and buses associated with Arlington Theatre events shall be scheduled to arrive and depart outside of peak traffic hours of 7 am through 9 am and 4 pm through 6 pm.
 - b. All trucks and buses associated with Arlington Theatre events shall leave the site for temporary storage upon completion of performance stage set up, and return after performances to reload equipment to trucks.
 - c. Vehicles shall be limited to one truck and one bus onsite at a time. Events that require multiple trucks or buses shall be staggered with the additional vehicles staged on W. Sola St.
 - d. Permits for a "No Parking" area to facilitate staging on Sola St. shall be obtained from the City Public Works Department no less than 72 hours in advance of the event day.
 - e. ~~Thirteen-Five~~ parking spaces within the Arlington parking lot shall be reserved and blocked to facilitate truck movements, parking and loading per Figure 2 of the Truck Access and Management Plan.

- f. Trucks and buses shall be removed from the Arlington site after completion of unloading.
 - g. The designated parking area for trucks and buses shall be coned off on the Arlington Site to facilitate loading and unloading per figure 3 of the Truck Access and Management Plan.
 - h. The Arlington Theatre operators shall employ traffic and parking personnel to supervise unloading and loading activities, enforce parking restrictions, manage truck and bus ingress and egress from the site, and monitor parking lot circulation.
 - i. An orientation meeting shall take place between the Theatre operators and traffic control personnel prior to the first event season after project occupation to review management plan components of the Truck Access and Management Plan.
 - j. A monitor shall be hired during the first event season after project completion to determine if the Truck Access and Management Plan is working as intended. The monitoring firm is to prepare a summary report documenting operations after each event. A final report is to be submitted to Public Works Transportation staff one year after the occupied project's first event, summarizing all season operations and providing any recommended operational adjustments.
 - k. Follow-up meetings between the Theatre operators and traffic monitor personnel shall be scheduled as necessary to review each monitoring report and recommend fine tune management components to City staff.
7. **Residential Permit Parking Program.** Residents shall not participate in the Residential Permit Parking Program.
 8. **Common Area Maintenance.** All common/shared areas shall be kept open, available and maintained in the manner in which it was designed and permitted.
 9. **Areas Available for Parking.** All parking areas and access thereto shall be kept open and available in the manner in which it was designed and permitted except as outlined in the Truck Access and Management Plan.
- B. **Final Design Review.** In addition to the items identified in the HLC motion granting Project Design Approval, the following items shall be satisfactorily addressed in the final design plans prior to Final Approval by the HLC.
1. **Tree Removal and Replacement.** All trees removed, except fruit trees and street trees approved for removal without replacement by the Parks Department, shall be replaced on-site on a one-for-one basis with minimum 24-inch box sized or 15 gallon size tree(s) of an appropriate species or like species, as determined by the

HLC, in order to maintain the site's visual appearance and reduce impacts resulting from the loss of trees.

2. **Tree Relocation.** The five existing Phoenix canariensis tree(s) and one Washingtonia robusta tree shall be relocated on the Real Property and shall be fenced and protected during construction.

3. Grevillia Tree. The 24" DBH grevillia tree (Tree #2 on the Tree Protection and Removal Plan dated July 24, 2013) that will be removed due to the driveway access to Sola Street shall be mitigated based on recommendations from the Historian of record and subject to concurrence by the Landscape Architect and HLC.

- 3.4. **Tree Protection Measures.** The landscape plan and grading plan shall include the following tree protection measures:

- a. **Tree Protection.** All trees not indicated for removal on the approved Tree Protection & Removal Plan shall be preserved, protected, and maintained, in accordance with the Tree Protection Plan and/or any related Conditions of Approval.
- b. **Landscaping Under Trees.** Landscaping under the tree(s) shall be compatible with the preservation of the tree(s), as determined by the HLC.
- c. **Tree Protection Plan.** The recommendations/conditions contained in the Tree Protection Plan prepared by Courtney Jane Miller, dated July 24, 2013, shall be implemented.
- d. **Tree Replacement.** Any tree that is identified to remain in place or be relocated on-site that is subsequently damaged, lost or dies within two years of Occupancy of the project, shall be replaced at a three to one (3:1) ratio with replacement species and size to be approved by the HLC.
- e. **During Construction.**
 - (1) All trees within 25 feet of proposed construction activity shall be fenced six feet outside the dripline for protection.
 - (2) No grading shall occur within six feet of the dripline(s) of the existing tree(s).
 - (3) A qualified Arborist shall be present during any excavation beneath the dripline(s) of the tree(s) which are required to be protected. All excavation within the dripline(s) of the tree(s) shall be minimized and shall be done with hand tools.
 - (4) Any roots encountered shall be cleanly cut and sealed with a tree-seal compound.

- (5) Any root pruning and trimming shall be done under the direction of a qualified Arborist.
- (6) No heavy equipment, storage of materials or parking shall take place within six feet of the dripline of any tree(s).

~~4.5.~~ **Screened Backflow Device.** The backflow devices for fire sprinklers, solar panels and/or irrigation systems shall be provided in a location screened from public view or included in the exterior wall of the building, as approved by the HLC.

~~5.6.~~ **Location of Dry Utilities.** Dry utilities (e.g. above-ground cabinets) shall be placed on private property unless deemed infeasible for engineering reasons. If dry utilities must be placed in the public right-of-way, they shall be painted "Malaga Green," and if feasible, they shall be screened as approved by HLC.

~~6.7.~~ **Trash Enclosure Provision.** A trash enclosure with adequate area for recycling containers (an area that allows for a minimum of 50 percent of the total capacity for recycling containers) and green waste containers shall be provided on the Real Property and screened from view from surrounding properties and the street. Said enclosure shall be approved by MarBorg and the City of Santa Barbara Environmental Services Division.

Dumpsters and containers with a capacity of 1.5 cubic yards or more shall not be placed within five (5) feet of combustible walls, openings, or roofs, unless protected with fire sprinklers.

~~7.8.~~ **Historic Resource Report.** Prior to final approval of the project by the HLC, the items identified in Section 10.1 of the Historic Structures Report prepared by Post/Hazeltine Associates and dated April 25, 2013, shall be addressed.

~~8.9.~~ **Enhanced Pavement.** Identify all areas of enhanced or permeable pavement. Provide details on scoring patterns, colors, etc.

~~9.10.~~ **Solar Energy Systems.** Identify and detail any proposed solar panels, systems or equipment for the project. Regardless of whether a solar energy system is currently proposed, all projects are recommended to show a "potential future solar energy system installation location" if feasible for the site. Plans are recommended to show at least 300 square feet of roof space with good sun exposure free of rooftop equipment for potential future solar energy system installation if feasible.

~~10.11.~~ **Storm Water Management.** Details on project compliance with Tier 3 Storm Water Management requirements shall be included on the final plans reviewed by the HLC.

~~11.12.~~ **Project Directory.** A project directory, including map and parking directional signs, listing all units on-site shall be indicated on the project plans. This

directory shall be lit sufficiently for readability for site visitors and placed in a location or locations acceptable to the Fire Department, shall meet current accessibility requirements, and is subject to Sign Committee Approval.

13. Truck Access and Management Plan. The project plans shall include a copy of the Truck Access and Management Plan prepared by Associated Transportation Engineers and dated ~~July 25, 2013~~October 7, 2013, including any associated diagrams.

14. City Council Direction. Per City Council action to deny the appeal and uphold the HLC approval, Council directed that the HLC shall work with the Applicant on the following project elements:

- a. The exit at Sola Street, particularly the grade with regard to vehicles going in and out;
- b. The location of the residential trash enclosure;
- c. The paseo connection from Alma del Pueblo to the existing paseo system that connects to Sola Street; and
- d. Ensuring that the commercial units are designed for commercial use.

C. Requirements Prior to Permit Issuance. The Owner shall submit the following, or evidence of completion of the following, for review and approval by the Department listed below prior to the issuance of any permit for the project. Some of these conditions may be waived for demolition or rough grading permits, at the discretion of the department listed. Please note that these conditions are in addition to the standard submittal requirements for each department.

1. Public Works Department.

a. Public Improvements. Public improvements are required for this project and shall be submitted to the Public Works Department for review and approval. Plans shall be submitted separately from plans submitted for a Building Permit, and shall be prepared by a licensed civil engineer registered in the State of California. Any design changes to the project or improvements in the right-of-way as a result of Public Works review of the public improvements shall require review after final by the HLC.

As determined by the Public Works Department, the improvements may include, but are not limited to, new and/or remove and replace to City standards, the following: sidewalk, driveway aprons modified to meet Title 24 requirements with widths to be determined by the City Traffic Engineer, curb and gutter, access ramp(s), asphalt concrete or concrete pavement on aggregate base or crack seal to the centerline of the street along entire subject property frontage and slurry seal a minimum of 20 feet beyond the limits of all trenching, connection to and/or relocation or

extension of water and sewer mains and utilities, installation of new residential/commercial fire hydrant(s), public drainage improvements with supporting drainage calculations and/or hydrology report for installation of drainage pipe or connection to existing City or County storm drain, supply and install City standard Dome Style (or other) street light(s), coordinate with Public Works staff and Edison to retire light standard from existing utility pole, preserve and/or reset survey monuments, protect and relocate existing contractor stamps to parkway, supply and install directional/regulatory traffic control signs per the CA MUTCD during construction, supply and install new street name sign(s), storm drain stenciling, improvement of the MTD bus stop consistent with current MTD bus stop standards and amenities provided by the neighborhood type stop described in the City Urban Design Guidelines (benches, trash receptacles, shelters with night lighting, decorative hardscape surface, and concrete pads to meet ADA requirements) on Sola Street, new street trees and tree grates, and provide adequate positive drainage from site.

Any work in the public right-of-way requires a Public Works Permit.

- b. **Water Rights Assignment Agreement.** The Owner shall assign to the City of Santa Barbara the exclusive right to extract ground water from under the Real Property in an *Agreement Assigning Water Extraction Rights*. Engineering Division Staff prepares said agreement for the Owner's signature.
- c. **Drainage and Water Quality.** The project is required to comply with Tier 3 of the Storm Water Management Plan (treatment). The Owner shall submit drainage calculations and/or worksheets from the Storm Water BMP Guidance Manual for Post Construction Practices prepared by a registered civil engineer or licensed architect demonstrating that the new development will comply with the City's Storm Water Management Plan. Project plans for grading, drainage, storm water facilities and treatment methods, and project development, shall be subject to review and approval by the City Building Division and Public Works Department. Sufficient engineered design and adequate measures shall be employed to ensure that no significant construction-related or long-term effects from increased runoff, erosion and sedimentation, urban water pollutants (including, but not limited to trash, hydrocarbons, fertilizers, bacteria, etc.), or groundwater pollutants would result from the project.

The Owner shall provide an Operations and Maintenance Procedure Plan (describing replacement schedules for pollution absorbing pillows, etc.) for the operation and use of the storm drain surface pollutant interceptors. The Plan shall be reviewed and approved consistent with the Storm Water Management Plan BMP Guidance Manual.

- d. **Haul Routes Require Separate Permit.** Apply for a Public Works permit to establish the haul route(s) for all construction-related trucks with a gross vehicle weight rating of three tons or more entering or exiting the site. The Haul Routes shall be approved by the Transportation Manager.

The Public Works Department shall consider closing Sola Street from State Street to Chapala Street in order to facilitate construction at the site.

- e. **Construction-Related Truck Trips.** Construction-related truck trips for trucks with a gross vehicle weight rating of three tons or more shall not be scheduled during peak hours (7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m.) in order to help reduce truck traffic on adjacent streets and roadways.
- f. **Vehicle Access.** Vehicles exiting to Chapala Street shall be restricted to right turns only, and a NO LEFT TURN sign shall be posted and maintained on-site advising motorists of this restriction and shall be shown on the approved plans.
- g. **Stop Sign.** A "STOP" sign and painted stop bar with "Stop" legend shall be installed at the ~~main~~-Chapala Street exit and shown on the approved plans.
- h. **Bicycle Parking.**
- (1) **Residential:** Provide 16 covered secure bicycle parking spaces on the first floor of the development for residents. For residential bicycle parking, it is preferred that at least a portion be provided in bicycle lockers, a bicycle room, or similar covered and lockable storage on the first floor of the residential development. Their size and location shall be approved by the Transportation Manager.
 - (2) **Commercial.** Provide one (1) bicycle parking space for every seven (7) vehicle parking spaces allocated to the commercial portion of the project. As currently designed, this would require seven (7) bicycle spaces. Their size and location shall be approved by the Transportation Manager.

2. **Community Development Department.**

- a. **Recordation of Agreements.** The Owner shall provide evidence of recordation of the written instrument that includes all of the Recorded Conditions identified in condition A "Recorded Conditions Agreement" to the Community Development Department prior to issuance of any building permits.
- b. **Archaeological Monitoring Contract.** Submit a contract with an archaeologist from the most current City Qualified Archaeologists List

for monitoring during all ground-disturbing activities associated with the project, including, but not limited to, grading, excavation, trenching vegetation or paving removal and ground clearance in the areas identified in the Phase 1 Archaeological Resources Report prepared for this site by David Stone, dated May 2013. The contract shall be subject to the review and approval of the Environmental Analyst.

The archaeologist's monitoring contract shall include the provisions identified in condition C.2.c "Requirement for Archaeological Resources" below.

- c. **Requirement for Archaeological Resources.** The following information shall be printed on the grading plan:

If archaeological resources are encountered or suspected, work shall be halted or redirected immediately and the Planning Division shall be notified. The archaeologist shall assess the nature, extent, and significance of any discoveries and develop appropriate management recommendations for archaeological resource treatment, which may include, but are not limited to, redirection of grading and/or excavation activities, consultation and/or monitoring with a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List, etc.

If the discovery consists of possible human remains, the Santa Barbara County Coroner shall be contacted immediately. If the Coroner determines that the remains are Native American, the Coroner shall contact the California Native American Heritage Commission. A Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Planning Division grants authorization.

If the discovery consists of possible prehistoric or Native American artifacts or materials, a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Planning Division grants authorization.

- d. **Prepare a Structural Crack Survey and Video Reconnaissance.** At least twenty (20) days prior to the issuance of a building permit, Owner shall notify owners and occupants of structures within 100 feet of the project site property lines of the opportunity to participate in a structural crack survey and video reconnaissance of their property. Prior to the issuance of a building permit, Owner shall prepare a structural crack

survey and video reconnaissance of the property of those owners or occupants who express a desire to participate in the survey. The purpose of the survey shall be to document the existing condition of neighboring structures within 100 feet of the project site property line and more than 50 years old. After construction, a follow-up structural crack survey and video reconnaissance of the property of those owners and occupants who elected to participate in the survey shall be prepared. Prior to issuance of a certificate of occupancy, Owner shall meet with the owners and occupants who elected to participate in the survey to determine whether any structural damage has occurred due to demolition, grading or construction at the project site.

- e. **Shoring Design.** Special design of the shoring is required to minimize the potential for deflection that may damage adjacent structures. A structural/civil engineer knowledgeable in this type of construction shall be retained to design the shoring and underpinning.
- f. **Solid Waste Management Plan.** The Applicant shall develop and implement a solid waste management plan that identifies feasible measures to address the operation of the Project, which may include, but is not limited to, the following:
 - (1) Provision of space and/or bins for storage of recyclable materials within the project site. This information shall be shown on the building plans and installed as a part of the proposed project's improvements.
 - (2) Development and implementation of a plan for collection of recyclable materials on a regular basis.
 - (3) Development of source reduction measures, indicating the method and amount of expected reduction.
 - (4) Implementation of a monitoring program (quarterly, bi-annually) to attain and maintain a 50-80% minimum participation in recycling efforts.
 - (5) Implementation of a composting landscape waste reduction program.
- g. **Contractor and Subcontractor Notification.** The Owner shall notify in writing all contractors and subcontractors of the site rules, restrictions, and Conditions of Approval. Submit a draft copy of the notice to the Planning Division for review and approval.
- h. **Neighborhood Notification Prior to Construction.** At least twenty (20) days prior to commencement of construction, the contractor shall provide written notice to all property owners, businesses, and residents within 300

feet of the project area. The notice shall contain a description of the project, the construction schedule, including days and hours of construction, the name and phone number of the Contractor(s), site rules and Conditions of Approval pertaining to construction activities, and any additional information that will assist Building Inspectors, Police Officers and the public in addressing problems that may arise during construction.

Submit a draft copy of the notice to the Planning Division for review and approval. The language of the notice and the mailing list shall be reviewed and approved by the Planning Division prior to being distributed. An affidavit signed by the person(s) who compiled the mailing list shall be submitted to the Planning Division.

- i. **Design Review Requirements.** Plans shall show all design, landscape and tree protection elements, as approved by the HLC and all elements/specifications shall be implemented on-site.
- j. **Acoustic Report.** An acoustic report compliant with 2007 CBC section 1207.11.2 shall provide specific construction requirements so "Interior noise levels attributable to exterior sources shall not exceed 45 dB in any habitable room."
- k. **Conditions on Plans/Signatures.** These conditions of approval shall be provided on a full size drawing sheet as part of the drawing sets. A statement shall also be placed on the sheet as follows: The undersigned have read and understand the required conditions, and agree to abide by any and all conditions which are their usual and customary responsibility to perform, and which are within their authority to perform.

Signed:

_____		_____
Property Owner		Date

Contractor	Date	License No.

Architect	Date	License No.

Engineer	Date	License No.

D. **Construction Implementation Requirements.** All of these construction requirements shall be carried out in the field by the Owner and/or Contractor for the duration of the project construction, including demolition and grading.

1. **Construction Contact Sign.** Immediately after Building permit issuance, signage shall be posted at the points of entry to the site that list the contractor(s) name, contractor(s) telephone number(s), construction work hours, site rules, and construction-related conditions, to assist Building Inspectors and Police Officers in the enforcement of the conditions of approval. Said sign shall not exceed six feet in height from the ground if it is free-standing or placed on a fence; said sign shall not exceed 24 square feet.
2. **Sandstone Curb Recycling.** Any existing sandstone curb in the public right-of-way that is removed and not reused shall be carefully salvaged and delivered to the City Corporation Annex Yard on Yanonali Street.
3. **Construction Hours.** Construction (including preparation for construction work) shall only be permitted Monday through Friday between the hours of 7:00 a.m. and 5:00 p.m. and Saturdays between the hours of 8:00 a.m. and 4:00 p.m., excluding the following holidays:

New Year's Day	January 1st*
Martin Luther King, Jr. Day	3rd Monday in January
Presidents' Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4th*
Labor Day	1st Monday in September
Thanksgiving Day	4th Thursday in November
Following Thanksgiving Day	Friday following Thanksgiving Day
Christmas Day	December 25th*

*When a holiday falls on a Saturday or Sunday, the preceding Friday or following Monday, respectively, shall be observed as a legal holiday.

When, based on required construction type or other appropriate reasons, it is necessary to do work outside the allowed construction hours, contractor shall contact the City to request a waiver from the above construction hours, using the procedure outlined in Santa Barbara Municipal Code §9.16.015 Construction Work at Night. Contractor shall notify all residents within 300 feet of the parcel of intent to carry out said construction a minimum of 48 hours prior to said construction. Said notification shall include what the work includes, the reason for the work, the duration of the proposed work and a contact number.

4. **Construction Storage/Staging.** Construction vehicle/ equipment/ materials storage and staging shall be done on-site. No parking or storage shall be permitted within the public right-of-way, unless specifically permitted by the Transportation Manager with a Public Works permit.
5. **Construction Parking.** During construction, free parking spaces for construction workers shall be provided on-site or off-site in a location subject to the approval of the Transportation Manager.
6. **Vibration.** During demolition of the existing site improvements, care shall be taken to ensure that excessive vibrations of the ground closest to the Arlington Theatre do not occur. Any piece of pneumatic machinery used in the demolition process should be restricted to working at least 20 feet away from the Theatre.
7. **Nesting Birds.** Birds and their eggs nesting on or near the project site are protected under the Migratory Bird Treaty Act and pursuing, hunting, taking, capturing, killing, or attempt to do any of the above is a violation of federal and state regulations. No trimming or removing brush or trees shall occur if nesting birds are found in the vegetation. All care should be taken not to disturb the nest(s). Removal or trimming may only occur after the young have fledged from the nests(s).
8. **Construction Best Management Practices (BMPs).** Construction activities shall address water quality through the use of BMPs, as approved by the Building and Safety Division.
9. **Street Sweeping.** The property frontage and adjacent property frontages, and parking and staging areas at the construction site shall be swept daily to decrease sediment transport to the public storm drain system and dust.
10. **Construction Equipment Maintenance/Sound Control.** All construction equipment, including trucks, shall be professionally maintained and fitted with standard manufacturers' muffler and silencing devices.
11. **Construction Dust Control - Expeditious Paving.** All roadways, driveways, sidewalks, etc., shall be paved as soon as possible. Additionally, building pads shall be laid as soon as possible after grading unless seeding or soil binders are used, as directed by the Building Inspector.

12. **Air Quality and Dust Control.** The following measures shall be shown on grading and building plans and shall be adhered to throughout grading, hauling, and construction activities:
- a. During construction, use water trucks or sprinkler systems to keep all areas of vehicle movement damp enough to prevent dust from leaving the site. At a minimum, this should include wetting down such areas in the late morning and after work is completed for the day. Increased watering frequency should be required whenever the wind speed exceeds 15 mph. Reclaimed water should be used whenever possible. However, reclaimed water should not be used in or around crops for human consumption.
 - b. Minimize amount of disturbed area and reduce on site vehicle speeds to 15 miles per hour or less.
 - c. If importation, exportation and stockpiling of fill material is involved, soil stockpiled for more than two days shall be covered, kept moist, or treated with soil binders to prevent dust generation. Trucks transporting fill material to and from the site shall be tarped from the point of origin.
 - d. Gravel pads shall be installed at all access points to prevent tracking of mud onto public roads.
 - e. After clearing, grading, earth moving or excavation is completed, treat the disturbed area by watering, or revegetating, or by spreading soil binders until the area is paved or otherwise developed so that dust generation will not occur.
 - f. The contractor or builder shall designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust offsite. Their duties shall include holiday and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the Air Pollution Control District prior to land use clearance for map recordation and land use clearance for finish grading of the structure.
 - g. All portable diesel-powered construction equipment shall be registered with the state's portable equipment registration program OR shall obtain an APCD permit.
 - h. Fleet owners of mobile construction equipment are subject to the California Air Resource Board (CARB) Regulation for In-use Off-road Diesel Vehicles (Title 13 California Code of Regulations, Chapter 9, § 2449), the purpose of which is to reduce diesel particulate matter (PM) and criteria pollutant emissions from in-use (existing) off-road diesel-fueled vehicles. For more information, please refer to the CARB website at www.arb.ca.gov/msprog/ordiesel/ordiesel.htm.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Local Coastal Program Grant Application Resolution

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Supporting a Grant Application to Update the City of Santa Barbara Local Coastal Program (LCP) to Address Sea-Level Rise, Coastal Hazards and Other Climate Change-Related Impacts.

DISCUSSION:

The City of Santa Barbara's existing LCP was originally certified by the California Coastal Commission in 1981. The LCP needs a comprehensive update, which will require a significant, multi-year effort and include close coordination with Coastal Commission staff. Should this grant application be successful, all funding would be applied towards this comprehensive update effort.

The purpose of these grants is to support local coastal planning to develop new LCPs for certification in areas that are not currently certified, or to update existing certified LCPs to reflect new information and changed conditions, especially in light of the effects of climate change, in a manner consistent with the policies of the California Coastal Act. LCP completions and updates that include policies and implementation ordinances that address sea-level rise and other climate change impacts will be given special consideration.

BUDGET/FINANCIAL INFORMATION:

If this application is successful the City would receive up to \$300,000. The application provides a scope of work and milestone schedule to cover the time period from July 2013 to April 2016. City in-kind contributions are estimated at \$783,000, however, staff believes that the actual amount of City resources needed to completely update the LCP will be more, including additional time from planners, and staff in other departments including Parks & Recreation, Waterfront and Public Works.

An overall work program and budget for the LCP update will be discussed in the City's budget process for Fiscal Years 2014, 2015 and 2016 and perhaps beyond, as we estimate the entire process will take about five years and will also require an update of the General Plan Environmental Resources Element.

ATTACHMENT: 2013 Coastal Commission Grant Application

PREPARED BY: John Ledbetter, Principal Planner

SUBMITTED BY: Paul Casey, Assistant City Administrator

APPROVED BY: City Administrator's Office

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
 SAN FRANCISCO, CA 94105-2219
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CALIFORNIA COASTAL COMMISSION

LCP PLANNING

GRANT APPLICATION FORM

SEPTEMBER 5, 2013

For Fiscal Year 2013-2014, Governor Brown and the California Legislature approved an augmentation of \$1 million to the California Coastal Commission's budget to support local governments responsible for planning under the California Coastal Act (Coastal Act) to develop or update Local Coastal Programs (LCPs). A full description of the grant program is available <http://www.coastal.ca.gov/lcp/lcpgrantprogram.html>.

Coastal Commission staff is available to work with local governments and to assist you during the application process. Please note the entire grant application will be public record upon submittal. Click in the shaded text fields to enter text, numbers and dates. The fields will expand to accommodate the data. Press the tab key to move between fields.

APPLICANT INFORMATION

Applicant name (organization): City of Santa Barbara

Address: 630 Garden Street P.O. Box 1990, Santa Barbara, CA 93102

Contact name: John Ledbetter, AICP Title: Principal Planner

Telephone: (805) 564-5470 x 2569 Fax: (805) 897-1904 Email: jledbetter@santabarbaraca.gov

Federal Tax ID# 95-6000-787 DUNS #008-717-3634

Person authorized to sign contract and amendment: Name: John Ledbetter, AICP Title: Principal Planner

Application prepared by: Name: John Ledbetter, AICP Title: Principal Planner

Signature: _____ Date: 11/18/13

PROJECT INFORMATION

Project title: Local Coastal Program Update

LCP/ LCP Segment: City of Santa Barbara (City segment)

Project location: City / Geographic area: Santa Barbara County: Santa Barbara

Project timeline: Start date: 07/01/13

End date: 04/30/16

MAPS AND PHOTOS

Applications must include one map showing the planning area for the project. Additional photos or maps may be included as attachments if needed to illustrate the proposed project. Please note: any photos and maps you submit are subject to the unqualified and unconditional right of the State of California to use, reproduce, publish, or display, free of charge. Please indicate if crediting is requested for the photos and/or maps.

APPLICATION MATERIALS

1. A PROJECT DESCRIPTION. Provide a clear description of the proposed project organized under subheadings to describe how the project will address the priorities and criteria. This section should be no more than 5- 7 pages in 12 point font, single-spaced, and should include the following:

- a. The **goals and objectives** of your project: Include a description of how you will accomplish each objective, and how your objectives will accomplish your goals.
- b. **Project details:** Include a specific description of how the planning project will be carried out, including specific plans for community outreach and **how the project addresses the adopted priorities and criteria:**

- i. **Public Benefit/Significance**

Please describe the extent to which the proposed LCP planning project will: (1) address issues of statewide significance and (2) maximize public benefits of the coast. These benefits can include: preserving and enhancing coastal habitat, protecting, providing and enhancing public access, protecting priority land uses such as agriculture, coastal dependent development or recreation, Smart Growth and sustainable development initiatives, protecting and providing lower cost visitor and recreational opportunities, and addressing climate change and sea-level rise. Provisions for citizen participation must be a part of the work program.

- ii. **Relative Need for LCP Update/Extent of Update**

Describe the need for the proposal. For example, when was the LCP last updated in whole or in part? Is there an urgency related to the specific planning issues to be addressed? What is the scope of the effort? Please identify the specific elements of the LCP that you are targeting to be updated. Is it targeted to a particular geographic or policy area or to the entire jurisdiction? Does the LCP need to be reformatted or reorganized to improve the clarity and utility of the document and how it relates to other planning documents? Describe how the proposed planning project will be effective in conserving and protecting coastal resources, and how the proposed project builds upon or complements existing efforts that may be underway or completed for your jurisdiction.

- iii. **Addressing the Effects of Climate Change**

Please describe how the proposed project addresses the effects of climate change, including sea-level rise and other coastal hazards. How will it address shoreline protection, planned retreat and redevelopment of existing shoreline and blufftop development? How will it address other issue areas affected by climate change, such as changes in habitat, fire hazards, and transportation and land use policies to facilitate reductions in greenhouse gas emissions and vehicle miles travelled?

iv. Likelihood of Success/Effectiveness

Please describe the planning process, steps or mechanisms for coordination with the Coastal Commission staff and the public, and how this grant would advance that process. Please describe the factors that will contribute to the success and effectiveness of your project. Consider the following questions in your response:

- What steps or measures are proposed to help ensure that this effort will be successfully completed and implemented? If your jurisdiction is not yet certified, please explain the factors that make the success of this planning effort more likely. Similarly, if your jurisdiction previously received LCP grant funds, explain the factors that make the success of this planning effort more likely.
- What is the level of support for the project? Please describe or include information that shows support for the project such as resolutions of intent and endorsement for the proposed work, matching funds or other complementary efforts.
- Is LCP or related planning work already underway? How will this grant support and further that effort?

v. Workload and Permit Streamlining

Describe how this project may contribute to a more efficient and streamlined permitting and post-certification process.

vi. Project Integration/Leverage/Matching Funds

Please describe how this grant application will contribute to efficient use of informational resources, and any existing resources. What other grant funds have been committed or applied for? Are any matching funds or significant in-kind resources available? What other planning work (such as through the Ocean Protection Council, Coastal Conservancy or the Strategic Growth Council) is being undertaken that could help further the LCP effort? If other resources are limited or unavailable, describe the hardship circumstances that may warrant waiver of these considerations.

CCC LCP Planning Grant Application: Project Description

Goals and Objectives

Consistent with California Coastal Act policies, the City of Santa Barbara's Local Coastal Program (LCP) will be updated to better plan in the Coastal Zone, and particularly for climate change and the associated sea-level rise, extreme high tides, frequency of storm events and coastal erosion through updated baseline conditions, amended policies, maps and implementing ordinances. Emphasis will be placed on protecting and enhancing coastal resources, expanding recreational opportunities and access, and improving adaptation to sea level rise. The primary goals of the project are: 1) to comprehensively update the City's Land Use Plan (LUP) to bring recently adopted City plans and ordinances, such as the [2011 General Plan Update](#), into conformance with the Coastal Act, 2) update a targeted portion of the Implementation Plan (IP) to include climate change adaptation actions, and 3) encourage citizen participation throughout the planning process. Specific project objectives are found below.

Objective 1: Update Existing Land Use Plan Baseline

Initial actions are underway, and City staff has already inventoried the components of the City's LCP in need of updating, identified needed sea level rise vulnerability assessments and inventoried referenced documents and policies. Staff will update existing conditions, digitize all existing LUP maps, and inventory policies and actions needed to bring other City policy into conformance with the Coastal Act. The City is committed to executing this objective, independent from grant funding. Accomplishing this objective will set the foundation for Goal 1 - a comprehensive LUP update.

Objective 2: Create Detailed Sea Level Rise Vulnerability & Adaptation Report

A consultant team will create a technical document that will include updated flood maps and sea level rise vulnerability assessments of vulnerable populations, critical infrastructure, environmentally sensitive resources, public access and recreational facilities. This team will build off the [Griggs-Russell City of Santa Barbara Sea Level Rise Vulnerability Study](#) and leverage the work of the [Santa Barbara Area Coastal Ecosystem Vulnerability Assessment](#) project that is currently being performed in the area and will be completed in summer/fall 2015. This technical document and the resulting public workshop will work towards achieving all three project goals, as the technical document will be integral in policy and implementation action development for the LUP and IP updates, and the public open house will serve to encourage citizen participation through awareness of local sea level rise vulnerabilities and potential adaptation options.

Objective 3: Draft Comprehensive Land Use Plan Update

City staff will use the Sea Level Rise Report, feedback from the public open house, Coastal Commission input and best practice approaches to create a draft LUP update document. City

staff will also rework the document formatting, combine policy sections when appropriate and integrate referenced policies and documents to improve usability. Two public workshops will be held to foster community input. City staff will present the draft for Planning Commission and City Council review, providing further opportunity for civic engagement. This objective directly relates both to Goal 1 – comprehensively update the LUP – and Goal 3 – encourage citizen participation.

Objective 4: Draft Implementation Plan Update

City staff will use the *Sea Level Rise Report*, feedback provided through the public outreach process, Coastal Commission input, and best practice approaches to create a draft IP update document. This approach will target preliminary climate change adaptation actions. A public workshop will be held to solicit community feedback. City staff will present the draft for Planning Commission and City Council review, which will provide for additional public input. The object relates to both Goal 2 – update a targeted portion of the IP – and Goal 3 – encourage citizen participation.

Objective 5: City Adoption of Updated LCP, and Submit for Certification

City staff will incorporate feedback from the public, Planning Commission, City Council and Coastal Commission staff to draft the proposed final LUP and IP update documents. These documents will be presented to Planning Commission and City Council for adoption and submitted to the Coastal Commission for certification. Completing this objective will effectively achieve both Goal 1 – comprehensively update the LUP – and Goal 2 – update a targeted portion of the IP.

Project Details

i. Public Benefit/Significance

The proposed LCP planning project will be of considerable statewide significance as the detailed vulnerability assessments, maps, policies and adaptation actions are relevant to other coastal communities in that they can serve as a model to improve climate change adaptation and community resiliency in the Coastal Zone. Furthermore, the City of Santa Barbara has been a leader in climate change adaptation response, as shown in the policies and strategies of the [2010 PlanSB FEIR](#), [2011 General Plan Update](#), [2012 Climate Action Plan \(CAP\)](#), and particularly in the City’s Sea Level Rise Vulnerability study. This report was one of the first localized vulnerability assessments conducted, and served as a case study for the California Energy Commission sponsored Griggs-Russell “Adapting to Sea Level Rise: A Guide for California Coastal Communities.” The City intends that, once complete, the LCP update, including more detailed vulnerability assessments, adaptation policies and implementation actions will serve as a template for other communities initiating coastal adaptation to climate change, and more specifically through a comprehensive LCP framework.

The proposed LCP planning project will also maximize public benefits of the coast. As projected by the Griggs-Russell Vulnerability Study, sea level rise will gradually move the shoreline

landward. The result of this will be the gradual loss of the more than three miles of beaches that front low-lying coastal land, including Leadbetter Beach, East Beach and West Beach. Additionally, sea level rise will increase flooding risk and storm damage, and threaten public infrastructure and facilities such as Cabrillo Boulevard (a scenic highway and primary coastal access), the coastal bike path (part of the California Coastal Trail), Stearn's wharf, the Santa Barbara Harbor, and all of the visitor-serving amenities and commercial activities found along the waterfront area.

The detailed vulnerability assessments and the resultant implementation actions will improve sea level rise adaptation responses and help to preserve the existing public access (e.g. One Thousand Steps Beach Access and the Mesa Lane trail), recreational opportunities (e.g. Arroyo Burro Beach and Chase Palm Park) and visitor serving uses (e.g. hotels and restaurants) in the Coastal Zone. In addition, the focused sea level vulnerability assessments will better direct policy aiming to protect priority land uses, e.g. coastal dependent activities (such as harbor activities and commercial fishing) and Environmentally Sensitive Habitat Areas (such as Arroyo Burro Creek and Andree Clark Bird Refuge).

As previous described, active citizen participation is an integral component of this planning process. Each project deliverable will have at least one associated open house or public workshop. In addition, each deliverable will be presented to the Planning Commission and City Council, providing another formal opportunity for public input.

ii. Relative Need for LCP Update/Extent of Update

The Land Use Plan (LUP) component of the City's LCP was originally certified by the Coastal Commission in January 1981, and no comprehensive updates have occurred in the 32 years since plan adoption. As a result, many elements in the City's LUP reference expired plans and replaced policies, and are in need of an update. This is especially evident in the "Local Resources and Issues" component of each policy area in the City's LUP, where the "existing condition" may now differ from the conditions in 1981. Consequently, this project will comprehensively update the LUP to include current plans, policies and conditions for the City of Santa Barbara. In addition, the existing LUP includes numerous policy references to external documents, some of which have been updated multiple times, which can lead to an inefficient review process. As a result, the comprehensive LUP update will feature better formatting to improve usability and all referenced policy directions and actions will be directly integrated into the LUP document.

As with many coastal communities, the impacts of climate change and sea level rise pose a great threat to the City of Santa Barbara's community, public infrastructure and coastal resources. The City has already begun the process of improving its sea level rise adaptation capacity, as shown in the *2010 PlanSB FEIR*, which includes a description of sea level rise projections and projected consequences, an inventory of existing policies, and a proposal for new mitigation policies. The *2011 General Plan Update* explicitly directs further planning for climate change adaptation through specific policies and implementation actions. Additionally, the City's *2012 Climate*

Action Plan (CAP) includes updated sea level rise projections, a climate change adaptation policy framework and an initial citywide sea level rise vulnerability study conducted by Griggs-Russell of the U.C. Santa Cruz Institute of Marine Sciences. Identified vulnerabilities include:

- (1) *Storm Damage*. It is projected that by 2050, the risk of wave damage to shoreline development and infrastructure in Santa Barbara will be high, options are limited, and adaptive capacity will be moderate, with retreat being the most viable long-term option. By 2100, the risk of wave damage will become very high.
- (2) *Flooding and Inundation*. It is projected that by 2050, there is a moderate risk of flooding and inundation of low-lying coastal areas, which will have a moderate capacity for adaptation. If the high sea levels projected by the State occur, this risk will become very high, and adaptive capacity will become low by 2100.
- (3) *Beach Retreat*. Local beach erosion is complicated by the Santa Barbara Harbor and its sand trapping nature. The rate of sand supply from beaches up the coast is expected to persist. It is projected that there is a low threat of beach retreat in 2050, but a high threat by 2100. The City faces a dilemma: protect oceanfront development and infrastructure or remove barriers and let beaches migrate inland.
- (4) *Cliff Erosion*. Cliff erosion has occurred for decades and is expected to increase. A bluff retreat model was conducted that includes wave impacts from projected sea level rise. It is projected that risk of increased cliff erosion will be moderate by 2050, and threaten 30 or more homes, while the risk will be very high by 2100 and threaten 67 homes. Adaptation capacity will be low, and retreat likely needed.
- (5) *Tsunami*. There is no clear correlation between climate change and tsunami occurrences. It is projected that tsunami damage to be very low given historic evidence.

As recounted above, the City has a broad understanding of projected sea level rise vulnerabilities. The Griggs-Russell study recommends developing more detailed baseline data (e.g., flood maps) and adaptation planning studies. With the resources provided in this grant, the City will refine and further the initial vulnerability assessment to better guide the City's adaptation policies and implementation actions. As noted above, the City's existing policy framework to respond to sea level rise is found in the *2011 General Plan Update* and CAP, both of which have been formally adopted through the City's public planning process. Additional adaptation policy is included in the recent draft Safety Element / LUP Hazards section, which is under review by the City and the Coastal Commission. Currently however, none of these policies have been incorporated in the City's LUP or IP. The next step in improving the City's coastal adaptation to sea level rise is implementing these sea level rise adaptation policies.

In addition, all maps included in the City's LCP are pen and ink, which limits analytical capacity and accuracy. As a result, during Phase I of the attached Work Plan, all LUP maps will be comprehensively updated and digitized. When appropriate, new maps will be created to enhance the "Local Resources and Issues" sections. As an added benefit, this task will improve the

Coastal Commission review process as it will be easier to compare the existing and proposed policy changes in Phase II of the attached Work Plan.

As described above, there is a given need to update the City's LUP and IP both because the existing documents are out of date and because the impacts of climate change and sea level rise are projected to significantly impact the City of Santa Barbara's coastal resources, infrastructure and services. As a result, updating these documents, conducting targeted vulnerability studies to better understand local climate change impacts and implementing sea level rise adaptation actions in the City's LUP and IP are critical to Santa Barbara's climate change coastal adaptation efforts.

iii. Addressing the Effects of Climate Change

As described in detail in the previous section, initial sea level rise assessments project that the City of Santa Barbara faces numerous vulnerabilities to climate change, including sea level rise and other coastal hazards. As a result, a key purpose to this update process is to address these vulnerabilities and incorporate adaptation policy and implementation actions into the City's LCP. As previously illustrated, the *Sea Level Rise Report* will include detailed vulnerability assessments, and a range of adaptation options for each targeted vulnerability (including provisions for habitat protection and enhancement).

Likely policy issue areas include the use of shoreline protection, planned retreat, living shorelines, restricted redevelopment and bluff-top development. As previously mentioned, a secondary goal of this update is to bring recent City plans and policies into conformance with the Coastal Act. For instance, updating the LUP Hazards section to include policy actions from the recent General Plan Safety Element will address issues such as fire hazards and flooding. In addition, integrating the City's existing Climate Action Plan and General Plan policy actions into the LCP will further expand the scope of issue areas addressed to include current transportation and land use adaptation policies.

iv. Likelihood of Success/Effectiveness

Given that the policy framework suggested for this LCP update was developed through an extensive General Plan update process and is backed with community support, the City anticipates a relatively smooth LUP update process. However, one challenge may be reaching agreement on new standards and ordinances during a perhaps more detailed IP update process. Another possible challenge of this project may be adhering to the defined scope of work as timely Coastal Commission project review and feedback is imperative to ensuring that the project's milestones are achieved. Project delays due to prolonged review will significantly impact the feasibility of both project completion and navigation through the City's local planning process.

However, the City is confident that this update process will be successfully completed and implemented. The technical approach of this project will be joint action and include close

cooperation between City staff, Coastal Commission staff and a private consultant team. City staff will execute the baseline document update actions, manage policy and ordinance language development, and facilitate the community outreach process. The Coastal Commission will collaborate with City staff, share best practice approaches and ensure that all project actions are consistent with the Coastal Act. The private consultant will build off the Griggs-Russell study to produce the technical sea level vulnerability studies and preliminary adaptation options.

City staff will navigate the project through the local planning process, providing regular Planning Commission and City Council review, final City Council approval, and lastly, submit the adopted LUP and IP to the Coastal Commission for certification.

The LCP update planning process is comprised of two key phases. The purpose of Phase I tasks is to provide a foundation for Phase II policy development and implementation action through an updated baseline, detailed sea level rise vulnerability studies and preliminary adaptation options. Some Phase I actions are already underway. Phase II will incorporate existing policy frameworks and build off Phase I actions to develop an updated LCP with sea level rise adaptation policies and implementation actions, as shown below:

Phase I

1. Update LUP baseline and maps with a team of three in-house Long Range planning staff.
2. Coordinate with other City Departments, including Waterfront, Parks & Recreation, Airport and Public Works.
3. Coordinate with Coastal Commission staff to ensure consistency with the Coastal Act.
4. Hire outside consultants to provide project assistance, conduct technical studies, and develop policy and implementation action recommendations.
5. Conduct community open house, in coordination with the consultant team, to present technical report findings.
6. Present project status, technical studies and phase two scheduling to Planning Commission and City Council for early review.

Phase II

1. Coordinate with other City Departments, including Waterfront, Parks & Recreation, Airport and Public Works.
2. Hold monthly meetings with Coastal Commission staff.
3. Draft each LUP policy section and submit to the Coastal Commission for review (section by section), taking into consideration existing City climate change adaptation framework, best practice approaches, consultant-provided recommendations and community input.
4. Collaborate with Coastal Commission staff to develop complete draft LUP.
5. Conduct two draft LUP public workshops
6. Present draft LUP to Planning Commission and City Council for review.

7. Draft IP update for Coastal Commission review to include sea level rise adaptation guidelines for new development, other adaptation actions suggested by the consultant-produced technical studies, Coastal Commission best practices and community input.
8. Collaborate with Coastal Commission staff to develop draft IP update.
9. Conduct a draft IP public workshop
10. Present draft IP to the Planning Commission and City Council for review.
11. Initiate formal public review process and present updated LUP and IP to the Planning Commission.
12. Incorporate public comments into LUP and IP.
13. Present updated LUP and IP to the City Council for adoption.
14. Submit locally adopted LUP and IP to the Coastal Commission for certification.

v. Workload and Permit Streamlining

As previously described, a significant effort will be made during this update process to improve LCP document usability. The LCP will be modernized to reflect current baseline conditions, the document format will be improved, the LUP and IP will be more concise through combined policy sections when appropriate, referenced policy actions and documents will be directly integrated into the LUP, and a greater level of detail for standards and methodologies will be employed. This will directly improve the efficiency of the review process, as the LCP documents will be easier to use, the policies and actions easier to understand, and the review process clearer for applicants. In addition, this project will be executed in close coordination with Coastal Commission staff, which will lead to updated LCP documents based on a mutual understanding of the review process between Coastal Commission and City staff.

vi. Project Integration/Leverage/Matching Funds

As formerly mentioned, this LCP update project will leverage the work conducted for the *Santa Barbara Area Coastal Ecosystem Vulnerability Assessment* project to maximize the efficient use of informational resources. In particular, the downscaled climate data and the Coastal Storm Modeling System model data, which includes information on sediment transport, coastal erosion and waves, will be an important tool used to understand both ecosystem and infrastructure vulnerability. This will serve to inform the consultant created *Sea Level Rise Report* and later community input on the preliminary adaptation options. The City is committed to improving its LCP, and will therefore be committing significant in-kind resources to ensure that this project will be successful. The City will fund 1 Principal Planner (0.5 FTE), 1 Project Planner (1 FTE) and 1 Planning Technician (0.5 FTE), as well as fund community outreach and printing costs.

2. **A WORK PROGRAM AND SCHEDULE.** Provide a work program and schedule for implementation of the project, including anticipated benchmarks for LCP and or LCP amendment development and review for the project, using the template provided below. Bear in mind that funds will not be available until early spring 2014 and some work tasks must be scheduled to begin on or before April 30, 2014. Grantees will have two years to complete tasks, and work must be completed on or before April 30, 2016.

SCHEDULE

Proposed starting date: 07/01/2013

Estimated completion: 04/30/2016

WORK PROGRAM

	Complete Date: 04/30/2016
Task 1. Update Land Use Plan Baseline	
1.1 Review existing LUP for dated policies, actions, designations, maps, tables, exhibits, etc.	
1.2 Update the existing conditions components of the LUP (no policy changes)	
1.3 Digitize all existing LUP maps, and where appropriate, create new maps	
1.4 Inventory relevant City policies and implementation actions in need of conformance with the LCP and Coastal Act	
Outcome/Deliverables: LUP Baseline	Projected date: 06/31/2014
Task 2. Draft Sea Level Rise Vulnerability & Adaptation Report	
2.1 Update flood maps to reflect the most recent Sea Level Rise (SLR) projections	
2.2 Perform detailed sea level rise vulnerability assessments, to include preliminary adaptation actions options, of vulnerable populations, critical infrastructure, environmentally sensitive resources, public access and recreation facilities	
2.3 Conduct Report findings open house	
2.3 Conduct Planning Commission and City Council review	
Outcome/Deliverables: SLR Report	Projected date: 09/30/2014
Task 3. Draft Land Use Plan comprehensive update	
3.1 Update LUP policies with emphasis on	

climate change adaptation, and where appropriate, combine LUP policy sections into the following policy areas: a. Land Use b. Public Access & Recreation c. Water and Marine Environments d. Cultural Resources (in draft form) e. Ocean Dependent Activities f. Public Infrastructure g. Scenic and Visual Resources h. Hazards (in draft form)	
3.2 Conduct two draft LUP community workshops	
3.3 Conduct Planning Commission and City Council review	
Outcome/Deliverables: Draft LUP	Projected date: 06/31/2015
Task 4. Draft Implementation Plan update	
4.1 Develop sea level rise adaptation guidelines for new development	
4.2 Develop other adaptation actions per SLR report and community input	
4.3 Revise Implementation Plan to include SLR adaptation actions	
4.4 Conduct draft IP public workshop	
4.5 Conduct Planning Commission and City Council review	
Outcome/Deliverables: Draft IP	Projected date: 12/31/2015
Task 5. Adopt Local Coastal Program update and submit to Coastal Commission for Certification	
5.1 Initiate formal public review process at the Planning Commission	
5.2 Incorporate public comments into LUP and IP	
5.3 Present updated LUP and IP to the City Council for adoption	
5.4 Submit LUP and IP for Coastal Commission certification	
Outcome/Deliverables: Adopted LUP/IP	Projected date: 04/30/2016

Please list (1) all significant and pertinent project benchmarks related to the project for which funds are being requested, (2) expected dates for reaching or completing those steps. These will be used in monitoring grant progress and in grant reporting under approved contracts.

BENCHMARK SCHEDULE

ACTIVITY	COMPLETION DATE
Update Land Use Plan Baseline	06/31/2014
Draft Sea Level Rise Vulnerability & Adaptation Report	09/30/2014
Draft Land Use Plan	06/31/2015
Draft Implementation Plan	12/31/2015
Adopted Local Coastal Program update	04/30/2016

3. **A BUDGET.** Please provide a proposed budget, including the Application Budget Information and a Budget Summary, using the provided Application Budget Form.

APPLICATION BUDGET INFORMATION

Funding Request: \$300,000 Total Project Cost: \$1,083,100

If multiple funding sources are being used, in the funding sources matrix below, list the major tasks of the proposed project and indicate the estimated cost of each, including source of funding for task. These tasks should correlate with your overall Work Program. An example follows the matrix.

PROJECT FUNDING SOURCES

Task Number	Task	Total Cost	Allocation of total cost among all funding sources			
			Applicant's funding	LCP Grant Funding	Other Funds (define below)	Other funds (define below)
1	LUP Baseline	\$230,000	\$230,000	\$0	\$0	\$0
2	SLR Report	\$187,000	\$0	\$187,000	\$0	\$0
3	Draft LUP update	\$308,100	\$253,100	\$55,000	\$0	\$0
4	Draft IP update	\$270,000	\$225,000	\$45,000	\$0	\$0
5	Adopted LCP update	\$88,000	\$75,000	\$13,000	\$0	\$0
TOTAL		\$1,083,100	\$783,100	\$300,000	\$0	\$0

OTHER FUNDING SOURCES (NOT INCLUDING IN-KIND SERVICES)

\$ Amount	Source of funds	Status (Committed, Applied, etc)
0	NA	NA

In-kind Services: \$783,100

In-kind services or contributions include staff time, volunteer time and materials contributed to the project. Please describe and estimate value, and differentiate between expected in-kind

contributions and contributions (work or other types of contributions) already obtained/completed.

BUDGET SUMMARY

Grant Application Budget Form

Organization Name: City of Santa Barbara
 Project Title: Local Coastal Program Update
 Requested Amount: \$300,000

	Grant Request Budget	Total Project Budget
Personnel:		
Salaries and Wages ⁽¹⁾	\$94,000	\$650,500
Benefits ⁽²⁾	\$19,000	\$238,600
<i>Total Personnel</i>	<i>\$113,000</i>	<i>\$889,100</i>
Operating Expenses		
Postage/Shipping	\$0	\$0
Supplies/Materials ⁽³⁾	\$0	\$0
Travel ⁽⁴⁾	\$0	\$0
Indirect Costs ⁽⁵⁾	\$0	\$0
Other:		
Technical Studies	\$187,000	\$187,000
Outreach	\$0	\$5,000
Printing	\$0	\$2,000
<i>Total Operating Expenses</i>	<i>\$187,000</i>	<i>\$194,000</i>
Total Budget	\$300,000	\$1,083,100

⁽¹⁾ Attach an explanation of rate(s) and hours for each position for which funds are being requested.

⁽²⁾ Amount requested for benefits not to exceed 40% of amount requested for salary or wage.

⁽³⁾ Include a list of the major supplies and materials and how much they cost.

⁽⁴⁾ Travel reimbursement rates are the same as similarly situated state employees.

⁽⁵⁾ Indirect costs include, for example, a pro rata share of rent, utilities, and salaries for certain positions indirectly supporting the proposed project but not directly staffing it. Amount requested for indirect costs should be capped at 10% of amount requested for "Total Personnel."

4. **A RESOLUTION FROM THE APPLICANT'S GOVERNING BODY.** Please submit a resolution containing that contains the following authorizations: 1) authority to submit the proposal, 2) authority to enter into a contract with the California Coastal Commission if the grant is awarded, and 3) designation of the applicant's authorized representative (name and title). A sample resolution is provided as Attachment A.

SUBMISSION DATES

Applications are due November 22, 2013. Application packets must be RECEIVED by 5pm November 22, 2013. Proposals must be emailed or mailed; faxed responses will not be considered.

If the governing body of an applicant cannot adopt a resolution similar to Attachment A of the application by this date, the applicant can submit the proposal with a draft resolution, provide a date for when the governing body will consider adoption of the resolution and **submit the adopted resolution by 5pm December 19, 2013**. All other materials must be submitted by the November 22, 2013 deadline. Applications will not be deemed complete until an adopted resolution is received. **Applications that do not contain a final, adopted resolution by December 19, 2013 will not be considered for funding.**

The Commission is expected to award grants in early 2014.

SUBMISSION REQUIREMENTS

Please submit the completed application form, including all attachments, via email to Hilary Papendick, Statewide LCP Grant Coordinator, at LCPGrantProgram@coastal.ca.gov. Please submit all application materials as **a single PDF file AND submit the Project Description, Work Program, Budget, and Schedule as a Word document.** See Attachment B for a checklist of required application materials.

If you are unable to submit via email, you may mail a CD and hard copy to the Coastal Commission:

Hilary Papendick
Statewide LCP Grant Coordinator
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105
415-904-5294

Please note: all information that you submit is subject to the unqualified and unconditional right of the Coastal Commission to use, reproduce, publish, or display, free of charge. All documents submitted will be considered a public record upon submittal. Please indicate if credit is requested for any of the photos and/or maps.

QUESTIONS

Coastal Commission staff are pleased to assist local governments during preparation of LCP grant applications. Please send questions on the grant application process to **Hilary Papendick, Statewide LCP Grant Coordinator, via email at LCPGrantProgram@coastal.ca.gov, (415) 904-5294**. A frequently asked questions document will be posted to the Coastal Commission website. Questions regarding the LCP process and update approach should be directed to the relevant Coastal Commission district contact person, via phone or email. LCP Grant contacts for the district offices are listed below.

LCP GRANT DISTRICT CONTACT INFORMATION

North Coast (Del Norte, Humboldt, Mendocino Counties)

- Alison Dettmer, Deputy Director
Email: Alison.Dettmer@coastal.ca.gov, Phone: (415) 904-5200
- Bob Merrill, District Manager
Email: Bob.Merrill@coastal.ca.gov, Phone: (707) 826-8950

North Central Coast (Sonoma, Marin, San Francisco, San Mateo Counties)

- Dan Carl, Deputy Director
Email: Dan.Carl@coastal.ca.gov, Phone: (831) 427-4863
- Madeline Cavalieri, District Manager
Email: Madeline.Cavalieri@coastal.ca.gov, Phone: (831) 427-4863

Central Coast (Santa Cruz, Monterey, San Luis Obispo Counties)

- Dan Carl, Deputy Director
Email: Dan.Carl@coastal.ca.gov, Phone: (831) 427-4863
- Madeline Cavalieri, District Manager
Email: Madeline.Cavalieri@coastal.ca.gov, Phone: (831) 427-4863

South Central Coast (Santa Barbara and Ventura Counties, and the Malibu portion of Los Angeles Counties)

- John (Jack) Ainsworth, Senior Deputy Director
Email: John.Ainsworth@coastal.ca.gov, Phone: (805) 585-1800
- Steve Hudson, District Manager

Email: Steve.Hudson@coastal.ca.gov, Phone: (805) 585-1800

South Coast (Los Angeles (except Malibu) and Orange Counties)

- John (Jack) Ainsworth, Senior Deputy Director
Email: John.Ainsworth@coastal.ca.gov, Phone: (562) 590-5071

- Sherilyn Sarb, Deputy Director
Email: Sherilyn.Sarb@coastal.ca.gov, Phone: (562) 590-5071

- Teresa Henry, District Manager
Email: Teresa.Henry@coastal.ca.gov, Phone: (562) 590-5071

San Diego (San Diego County)

- Sherilyn Sarb, Deputy Director
Email: Sherilyn.Sarb@coastal.ca.gov, Phone: (619) 767-2370

- Deborah Lee, District Manager
Email: Deborah.Lee@coastal.ca.gov, Phone: (619) 767-2370

ALTERNATE CONTACT

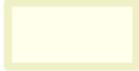
Liz Fuchs, Manager, Statewide Planning (Available after September 20th)
Email: Elizabeth.Fuchs@coastal.ca.gov, Phone: (415) 904-5287



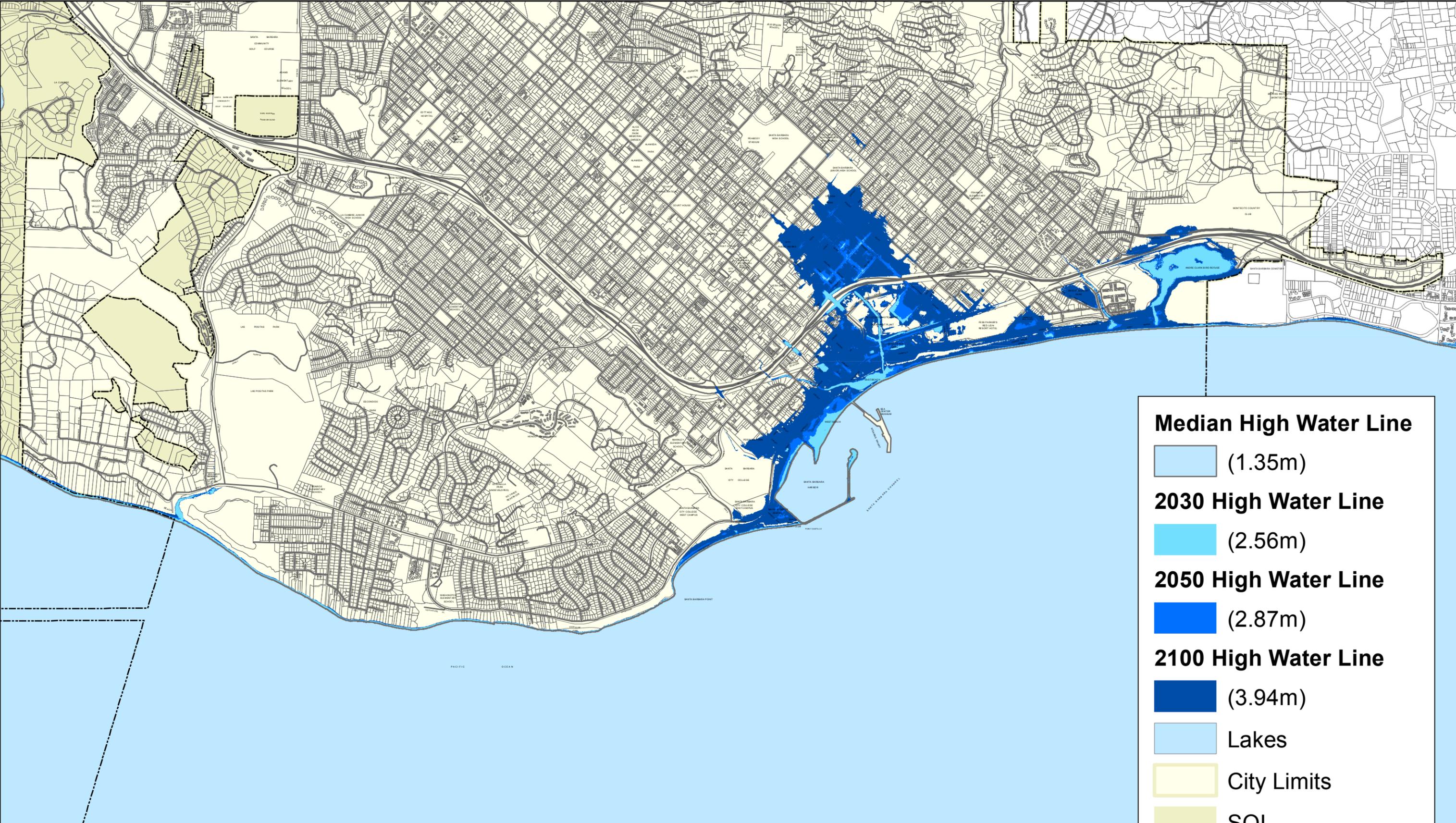
Local Coastal Program Update Grant: Project Area

City of Santa Barbara and Its Sphere of Influence
 Map prepared by City of Santa Barbara, Planning Division, TB, July 2013



-  Project Area
-  City Limits
-  SOI
-  Lakes
-  Ocean





Median High Water Line
 (1.35m)

2030 High Water Line
 (2.56m)

2050 High Water Line
 (2.87m)

2100 High Water Line
 (3.94m)

Lakes

City Limits

SOI

0 0.25 0.5 0.75 Mile

N

Projected Flooding Due to Sea Level Rise

City of Santa Barbara and Its Sphere of Influence

Map prepared by City of Santa Barbara, Planning Division, TB, July 2013

Note: Stearns Warf was excluded from this analysis



LEGEND

- Year 2025 Coastal Bluff Erosion Hazard Zone
- Year 2050 Coastal Bluff Erosion Hazard Zone
- Year 2100 Coastal Bluff Erosion Hazard Zone

Note: State estimates for coastal erosion are not accurate enough to be used for planning purposes and those projected to the years 2050 and 2100 are beyond the planning horizon of Plan Santa Barbara.

Source: Pacific Institute GIS 2009.



Inset map scale 1:12,000



Inset map scale 1:12,000



AREA OF DETAIL ABOVE LEFT

AREA OF DETAIL ABOVE RIGHT

SCALE

0 1,000 2,000 Feet

0 0.25 0.5 Miles

1:24,000

1 inch equals 2,000 feet

NAD 1983 State Plane California V FIPS 0405 (Feet)

Figure 18.1 Coastal Bluff Erosion Hazard Zone

Plan Santa Barbara Draft Environmental Impact Report
City of Santa Barbara and Its Sphere of Influence

Basemap prepared by amec



Local Coastal Program Update Grant Proposal

Resources and Costs

Explanation of Rates

Position	Full Time Equivalent	Salary	Benefits	Total
<i>Grant Resources</i>				
Project Planner (1)	(.25 FTE X 2 years)	\$45,000	\$17,500	\$62,500
Planning Technician Hourly (1)	(1,000 hrs X 2 years)	\$49,000	\$1,500	\$50,500
	Total	\$94,000	\$19,000	\$113,000
<i>In Kind</i>				
Principal Planner (1)	(.50 FTE X 3 years)	\$181,500	\$72,600	\$254,100
Project Planner (1)	(1 FTE X 3 years)	\$270,000	\$105,000	\$375,000
Planning Technician (1)	(.50 FTE X 3 years)	\$105,000	\$42,000	\$147,000
	Total	\$556,500	\$219,600	\$776,100
	Total Costs	\$650,500	\$238,600	\$889,100

Resources	Costs	
	Grant	In-kind
Project Planner (1)	(.25 FTE X 2 years)	62,500
Planning Technician (1)	(1,000 hrs X 2 years)	50,500
Technical Studies		
Vulnerability/Adaptation Studies		187,000
In Kind Services		
Staff		
Principal Planner (1)	(.50 FTE X 3 years)	254,100
Project Planner (1)	(1 FTE X 3 years)	375,000
Planning Technician (1)	(.50 FTE X 3 years)	147,000
Outreach		5,000
Printing		2,000
		<hr/>
		300,000
Total Costs		1,083,100

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA SUPPORTING A GRANT APPLICATION
TO UPDATE THE CITY OF SANTA BARBARA LOCAL
COASTAL PROGRAM (LCP) TO ADDRESS SEA-LEVEL
RISE, COASTAL HAZARDS AND OTHER CLIMATE
CHANGE-RELATED IMPACTS

WHEREAS, the Budget Act of 2013 provides an appropriation of \$1 million for Coastal Commission grants in FY 13-14 to local governments to support Local Coastal Program (LCP) planning, and

WHEREAS, the California Coastal Commission, under the authority of the California Coastal Act, may provide financial assistance to support coastal planning and has approved a competitive grant program to provide such financial assistance for LCP planning; and

WHEREAS, the goal of the grant program is to develop new or updated LCPs in conformance with the California Coastal Act and to reflect current circumstances and new scientific information, including new understandings and concern for the effects of climate change, and

WHEREAS, grant proposals submitted under this grant program must complete land use plan and/or zoning work to either achieve submittal for certification of a Local Coastal Program (LCP) or an Area of Deferred Certification (ADC) or of an LCP Amendment to significantly update a certified LCP or LCP segments, including with special emphasis on effects of climate change and sea-level rise;

WHEREAS, The City of Santa Barbara has an effectively certified LCP; and

WHEREAS, the City of Santa Barbara, desires to pursue a project that would result in the completion and submittal for certification by the California Coastal Commission of an Amendment to update the LCP in part,

WHEREAS, the City of Santa Barbara commits to and agrees to fully support a planning effort intended to update a certified LCP pursuant to the provisions of the California Coastal Act, with full public participation and coordination with the Coastal Commission staff.

NOW, THEREFORE, BE IT RESOLVED, that the Council of the City of Santa Barbara hereby:

Directs the City of Santa Barbara Community Development Department staff to submit the grant application package to the California Coastal Commission to provide financial and planning assistance, under authority of the California Coastal Act, in the amount of \$300,000 to fund the project more particularly described in the grant application package.

Authorizes the City Administer, or said designee, of the City of Santa Barbara, to execute, in the name of the City of Santa Barbara, all necessary applications, contracts and agreements and amendments thereto to implement and carry out the grant application package attached hereto and any project approved through approval of the grant application.

RESOLUTION NO. _____

STATE OF CALIFORNIA)
)
COUNTY OF SANTA BARBARA) ss.
)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the foregoing resolution was adopted by the Council of the City of Santa Barbara at a meeting held on December 10, 2013, by the following roll call vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

IN WITNESS WHEREOF, I have hereto set my hand and affixed the official seal of the City of Santa Barbara on December 11, 2013.

Gwen Peirce, CMC
City Clerk Services Manager

I HEREBY APPROVE the foregoing resolution on December 11, 2013

Helene Schneider
Mayor

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA SUPPORTING A GRANT APPLICATION TO UPDATE THE CITY OF SANTA BARBARA LOCAL COASTAL PROGRAM (LCP) TO ADDRESS SEA-LEVEL RISE, COASTAL HAZARDS AND OTHER CLIMATE CHANGE-RELATED IMPACTS

WHEREAS, the Budget Act of 2013 provides an appropriation of \$1 million for Coastal Commission grants in FY 13-14 to local governments to support Local Coastal Program (LCP) planning,

WHEREAS, the California Coastal Commission, under the authority of the California Coastal Act, may provide financial assistance to support coastal planning and has approved a competitive grant program to provide such financial assistance for LCP planning;

WHEREAS, the goal of the grant program is to develop new or updated LCPs in conformance with the California Coastal Act and to reflect current circumstances and new scientific information, including new understandings and concern for the effects of climate change,

WHEREAS, grant proposals submitted under this grant program must complete land use plan and/or zoning work to either achieve submittal for certification of a Local Coastal Program (LCP) or an Area of Deferred Certification (ADC) or of an LCP Amendment to significantly update a certified LCP or LCP segments, including with special emphasis on effects of climate change and sea-level rise;

WHEREAS, The City of Santa Barbara has a certified LCP;

WHEREAS, the City of Santa Barbara, desires to pursue a project that would result in the completion and submittal for certification by the California Coastal Commission of an Amendment to update the LCP in part, and

WHEREAS, the City of Santa Barbara commits to and agrees to fully support a planning effort intended to update a certified LCP pursuant to the provisions of the California Coastal Act, with full public participation and coordination with the Coastal Commission staff.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. City of Santa Barbara Community Development Department staff are directed to submit the grant application package to the California Coastal Commission to provide financial and planning assistance, under authority of the California Coastal Act, in the amount of \$300,000 to fund the project more particularly described in the grant application package.

SECTION 2. The City Administer of the City of Santa Barbara, or said designee, is authorized to execute, in the name of the City of Santa Barbara, all necessary applications, contracts and agreements and amendments thereto to implement and carry out the grant application package attached hereto and any project approved through approval of the grant application.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Authorization Of Payment To Southern California Edison For Interconnection At The City's Hydroelectric Plant

RECOMMENDATION:

That Council authorize the Public Works Director to approve payment to Southern California Edison for installation of interconnection equipment at the City's Hydroelectric Plant in the amount of \$106,628, and an additional \$10,663 to cover any unforeseen costs.

DISCUSSION:

The City owns the Hydroelectric Plant (Plant) located at 1402 San Roque Road, which is located within the fenced enclosure around Lauro Reservoir. The Plant receives water from the City's Gibraltar Reservoir that is delivered to Santa Barbara via the City's Mission Tunnel. In 1985, the Plant began producing electrical power which was sold to Southern California Edison. The Plant was idled in 1998, when it was determined that the project operation and maintenance costs, along with regulatory burdens, exceeded the income from power sales.

Staff is in the process of re-commissioning the Plant. On July 2, 2013, Council introduced and subsequently adopted a City Ordinance Authorizing the City's Execution and Delivery of a California Renewable Energy Small Tariff Agreement with Southern California Edison, Inc., (SCE) to enable the City to sell its hydroelectric power to SCE.

SCE's electrical interconnection equipment at the Plant has been idle since 1998. The equipment needs to be upgraded to modern standards prior to the Plant being restarted. SCE has provided the City with a detailed list of the required improvements and a cost estimate of \$106,628 for labor and materials and other costs associated with re-commissioning the plant. Staff is requesting authorization of an additional \$10,663, or 10%, to cover any unforeseen costs.

BUDGET/FINANCIAL INFORMATION:

There are sufficient appropriated funds in the Water Fund to cover these costs.

SUSTAINABILITY IMPACT:

Re-commissioning the Plant will result in the production of clean and renewable hydroelectric power. It has been estimated by Brown & Caldwell Engineers, Inc., that the Plant can initially produce 1600 megawatt hours (MWh) of power annually. Because of siltation at Gibraltar Dam, the amount of power generation will decline over time and eventually will reach a steady annual production of 975 MWh, which is enough power to meet the electrical demand of approximately 200 single family homes.

PREPARED BY: Catherine Taylor, Water System Manager/CT/mh

SUBMITTED BY: Rebecca Bjork, Acting Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: Extension of Banking Services Agreement

RECOMMENDATION:

That Council authorize the Finance Director to negotiate and execute a second amendment to banking services agreement, in a form acceptable to the City Attorney, with Union Bank, to provide banking services on the same terms and conditions as Agreement No. 22,312 and the First Amendment dated December 14, 2011, for an additional two months through February 28, 2014.

DISCUSSION:

Banking services for the City are currently provided by Union Bank. Previously, the City had a long term banking relationship with Santa Barbara Bank and Trust (SBB&T) which officially became part of Union Bank on December 1, 2012. Since that time, Union Bank has honored the City's existing two year contract which is scheduled to expire on December 31, 2013.

Union Bank is recommending an extension of the current contract with essentially the same terms and conditions for a period of two months through February 28, 2014. The extension will allow the Bank to further analyze the banking services that best match the City's needs. Union Bank had originally planned on providing the City with a banking proposal in October of 2013 but their ability to provide the City with comprehensive analysis of banking services has been delayed primarily as a result the City's current financial software implementation. The new software has had an impact on various banking and cash management processes which in turn affects bank services and fees. The implementation to the new financial management software is expected to be finalized on January 6, 2013.

Union Bank anticipates providing the City with a proposal of fees at the end of January 2014 that best matches the city's needs while considering greater efficiencies and cost savings opportunities provided by the new financial management software. Staff would

anticipate bringing forward a recommendation on the banking services agreement in late February 2014 for City Council consideration.

ADDITIONAL BACKGROUND

The City's banking requirements are extensive and affect customer service, cash processes, and accounting functions in all City departments. The City maintains twelve bank accounts with over \$500 million deposits processed annually. Each month, over 28,600 items are deposited; 12,500 lockbox utility payments are processed; 3,100 payroll direct deposits are made to employees; 1,500 accounts payable checks are cleared; and 11,500 utility and waterfront accounts are charged through "auto-pay" services. Union Bank is also the depository for credit card transactions for the fifteen merchant accounts used at various City locations and provides electronic data transfer of the daily checks issued and cleared which is loaded both from and to the City's financial management system each morning. In addition, the City uses armored transport services at six City locations.

Banking services may be paid by the City in one of two ways: hard dollar costs or utilizing a compensating balance. A hard dollar cost arrangement is one in which the City is directly charged for actual banking services, either as a debit to the City's bank account or payment by City check. A compensating balance is one in which the City deposits and maintains an agreed upon amount in the bank and the City earns no interest on this deposit; the bank is then compensated by their ability to invest these funds and retain the interest earnings. The agreement with Union Bank is on a compensating balance basis, and staff recommends continuing this same arrangement, which is generally the least costly option to the City. The current compensating balance requirement is \$4.3 million.

Aside from the City's demand deposit relationship with Union Bank, the City also has a trustee relationship with the bank. Union Bank serves as the City's custodian for its fixed income securities in the City's investment portfolio. In January 2006, the bank offered to provide these services at no additional cost to the City insofar as the City maintains its depository arrangement with Union Bank. Since the City is also satisfied with the bank's trustee performance, this no-cost arrangement is an added benefit to continuing the banking services agreement.

BUDGET/FINANCIAL INFORMATION

No appropriation is required because all hard costs would continue to be waived by Union Bank through February 28, 2014 insofar as the minimum compensating balance is maintained. However, since the City does not earn interest on the \$4.3 million compensating balance, there is an imputed cost to the banking services agreement, estimated at \$13,330 each year based on the current yield on a comparable two-year Treasury note investment.

Council Agenda Report
Extension Of Banking Services Agreement
December 10, 2013
Page 3

PREPARED BY: Genie Wilson, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Entrada De Santa Barbara Owner Participation Agreement, Substantial Encroachment And Land Development Agreements

RECOMMENDATION: That Council:

- A. Authorize the City Administrator to execute an Amendment to the April 2004 Owner Participation Agreement with 35 State Street Hotel Partners, LLC, in a form of agreement approved by the City Attorney;
- B. Authorize the Public Works Director to execute a standard City Land Development Agreement (and related subsidiary agreements), in a form of agreement approved by the City Attorney, for the remaining public improvements associated with the Entrada Project; and
- C. Authorize the Public Works Director to execute a standard City Substantial Encroachment Agreement for the Entrada Project's Hotel Arcade on East Mason Street.

DISCUSSION:

BACKGROUND

On August 21, 2001, Council approved the Entrada de Santa Barbara Project (Project) with the former Project owner/developer, S.B. Beach Properties, L.P, after an appeal of the Planning Commission's approval of the Project. The current property owner is 35 State Street Hotel Partners, LLC (Owner). The Project involves development of portions of three City blocks north of Cabrillo Boulevard, including 123 hotel rooms, 19,926 square feet of commercial floor area, a 2,400 square foot Visitor Information Center (VIC) and a 264-space parking structure, as well as public improvements along State and Mason Streets and Helena Avenue.

The Project has received several Substantial Conformance Determinations (SCDs) in the manner allowed for such determinations by the Planning Commission's Guidelines.

The latest SCD was on June 27, 2013. In accordance with the latest SCD, the Owner is required to submit all architectural and engineering plans and reports necessary to obtain City building permit(s) for the entire on-site Project by May 15, 2014. The Owner must also obtain issuance of City building permits for the entire onsite Project within seven months of the submittal for building permits. Further, the Owner is required to obtain a City Public Works construction permit for the remaining offsite public improvements by September 1, 2015. Under the June 2013 SCD, the entire Project, including public improvements, must be completed by June 30, 2016.

On August 22, 2013, the Owner completed construction of the Stage 1 public improvements along the west side of State Street between Cabrillo Boulevard and the Union Pacific Railroad tracks south of Yanonali Street, and along West Mason Street between State Street and Kimberly Avenue.

OWNER PARTICIPATION AGREEMENT AMENDMENTS:

On April 13, 2004, the City executed an Owner Participation Agreement (OPA) with the former owner of the Entrada Project in order to document the somewhat minor role the former City Redevelopment Agency (RDA) was to play in the development of the Entrada Project. The original OPA was a three-way agreement between the City, the RDA of the City of Santa Barbara, and the property owner. Subsequently, the RDA was dissolved by the State of California and the City is its successor agency. It is necessary to amend and clarify the OPA to reflect the City and the Owner as parties to the agreement and to reflect the current Project conditions as they have evolved through the City's SCD process and to reflect the realities imposed on the OPA as a result of the dissolution of the RDA by the State under ABIX26. Consequently, the OPA amendments include the following Project aspects:

1. The Owner will construct on the subject real property a commercial Visitor Information Center (VIC) structure of approximately 2,400 square feet with public restrooms.
2. The Owner will construct a parking facility available for use by the public in accordance with Project approvals.
3. The construction of certain public street right of way improvements along the property frontages between 36 State Street and the State Street Mission Creek bridge, generally consisting of curb, gutter, sidewalk and utility improvements (including street furniture and street landscaping) along the east side of State Street as depicted on the City-approved Public Works C-1 drawings for the Project. The Successor Agency to the RDA will reimburse Owner for pro-rated costs based on the overall cost of such State Street sidewalk improvements made by the Owner in connection with this Project for those portions of the sidewalk outside of the Entrada area (i.e., between Area B and Mission Creek on the east side of State Street.) This reimbursement amount was recognized by the RDA Oversight Board as an enforceable obligation of the former RDA and has

been approved by the State Department of Finance as a "Recognized Enforceable Obligation of the Agency."

A transfer of fee title to an approximate 800 square foot portion of City-owned real property along the Area C State Street Right of Way for its incorporation into the Project and a related monetary credit in the amount of \$60,000 to the City for the cost of the sidewalk improvements along State Street (Item 3 above).

SUBSTANTIAL ENCROACHMENT AGREEMENT

A Substantial Encroachment Agreement is necessary for the hotel arcade encroachment on East Mason Street. Said encroachment would be constructed as part of the approved Project as reflected on approved Public Works C-1 construction drawings. Further, Minor Encroachment Permits will be required for the private communication lines for the Entrada Project within the State and Mason Street rights of way and for the private storm clarifiers. These encroachments are shown on the approved C-1 construction drawings. Minor Encroachment Permit approval is ministerial and will be authorized by the Public Works Director.

LAND DEVELOPMENT AGREEMENT ("PUBLIC IMPROVEMENTS AGREEMENT")

The public improvements on the west side of State Street and West Mason Street have been constructed. The east side of State Street and the East Mason Street and Helena Avenue public improvements (including the undergrounding of the adjacent overhead utilities) must be constructed by June 30, 2016. It is necessary to execute a standard Land Development Agreement with the Owner of the Project, and obtain new public improvement securities in the name of the Owner, for the benefit of the City. Staff recommends Council authorize the Public Works Director to execute the Land Development Agreement. This will also include amendments to other related Project agreements in order to reflect changes to the Project since it was originally approved. For example, since the original Project was proposed as a vacation timeshare arrangement, certain amendments to the existing Project agreements are appropriate to reflect that the Project is now a "hotel project."

BUDGET/FINANCIAL INFORMATION:

The City and the Successor Agency will be required to reimburse the Owner for the reasonable pro rata cost to construct a portion of the east side State Street public improvements outside the boundaries of the Entrada Area D as identified in Item 3 above. The construction cost estimate for this work is estimated to be approximately \$280,000. To cover these costs, the Successor Agency to the RDA has an existing "enforceable obligation" under the original 2004 OPA which will allow it to obtain funds up to \$335,000 as part of a Recognized Obligation Payment Schedule previously approved by the state Department of Finance. Further, the \$60,000 credit to the City identified in Item 4 above can be applied to the cost of said public improvements. Consequently, no additional City funds are anticipated.

Council Agenda Report

Entrada De Santa Barbara Owner Participation Agreement, Substantial Encroachment
And Land Development Agreements

December 10, 2013

Page 4

PREPARED BY: John Ewasiuk, Principal Civil Engineer/kts

SUBMITTED BY: Rebecca Bjork, Acting Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Contract For Design Of Lift Station Improvement Project

RECOMMENDATION:

That Council authorize the Public Works Director to execute a City Professional Services contract with MNS Engineers in the amount of \$188,350 for design services for the Lift Station Improvement Project, and authorize the Public Works Director to approve expenditures of up to \$18,835 for extra services of MNS Engineers that may result from necessary changes in the scope of work.

DISCUSSION:

BACKGROUND

In 2012, Brown and Caldwell (BC) prepared a Lift Station and Force Main Condition Assessment Report (Report) for the City's seven wastewater collection system lift stations. This Report identified recommended improvements to lift stations and force mains, prioritized the improvements, and made repair recommendations.

Based on the BC Report, staff proposes to install new redundant parallel force mains at the La Colina, Via Lucero, and El Camino De La Luz lift stations. Currently, these force mains pose a high risk of failure due to their age and materials. Following installation of these new redundant parallel force mains, the City can assess and rehabilitate the original force main if needed.

In addition, the Braemar Lift Station is the most critical Lift Station in the City due to its high flows and proximity to Arroyo Burro Creek. The force main is relatively new and constructed of a non-corrosive material; however, staff proposes to replace the existing abandoned force main using a pipe-bursting method. This will allow for redundancy at the Braemar Lift Station.

DESIGN PHASE CONSULTANT ENGINEERING SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with MNS Engineers (MNS) in the amount of \$188,350 for final design services, with \$18,835 for potential extra services, for a total amount of \$207,185.

MNS was selected through a Request for Proposal process to provide wastewater design services for a two-year time and materials contract. The cost of services for this project is outside the range reported to Council for the time and materials contract; therefore, a separate contract is proposed for this work.

COMMUNITY OUTREACH

It is anticipated that there will be two methods used for Community Outreach during the design and construction phases. Mailers will be sent out two to three months ahead of construction to alert residents of the pending work. During construction, door hangers will be used to communicate with those directly impacted by the work.

FUNDING

The following summarizes all estimated total Project costs:

ESTIMATED TOTAL PROJECT COST

Design (by Contract)	\$207,185
Other Design Costs - City staff (if contract), Environmental (Assessments, etc.)	\$95,426
Subtotal	\$302,611
Estimated Construction Contract w/Change Order Allowance	\$1,049,686
Estimated Construction Management/Inspection (by Contract or City)	\$143,139
Subtotal	\$1,192,825
TOTAL PROJECT COST	\$1,495,436

There are sufficient appropriated funds in the Wastewater Fund to cover these design costs. The project will be constructed in phases to match current and future year budgeted appropriations.

The Board of Water Commissioners is scheduled to hear this item at its December 9, 2013 meeting.

PREPARED BY: Lisa Arroyo, Supervising Civil Engineer/sk

SUBMITTED BY: Rebecca Bjork, Acting Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Wastewater Division, Public Works Department

SUBJECT: Agreement For Fats, Oils, And Grease Inspection Services For Food Services Establishments

RECOMMENDATION:

That Council authorize the Public Works Director to execute a one year City professional services agreement with Wallace Group for fats, oils, and grease inspection services for the City's food service establishments in an amount not to exceed \$149,575, and authorize the Public Works Director to approve expenditures of up to \$14,958 for extra services that may result from necessary changes in the scope of work.

DISCUSSION:

BACKGROUND

The City of Santa Barbara (City) has roughly 400 food service establishments (FSE) that conduct business. These establishments produce fats, oils, and grease (FOG) which can obstruct flow in pipes and eventually lead to sanitary sewer overflows. In the past years, multiple sanitary sewer overflows have occurred due to FOG buildup from local food service establishments.

To reduce these occurrences, the City has established a FOG Management Program. Within this Program, a City employee conducts routine FOG inspections that involve educating FSE employees about kitchen best management practices and inspecting grease removal devices. The current City FOG inspection employee is retiring at the end of the calendar year 2013.

In an effort to develop a more effective FOG Management Program, staff recommends hiring a professional consultant to perform routine FOG inspections, currently performed by a City employee, and to further develop the existing FOG management program.

PROJECT DESCRIPTION

The work consists of inspecting FSEs and developing and maintaining the City's current FOG Management Program. Wallace will provide these services for a one-year contract period, after which it is anticipated that the existing FOG vacancy will be filled and City staff will resume FOG inspection services.

A Request for Proposals (RFP) was issued to five firms, and the City received three proposals. From the proposals received, staff selected Wallace Group because they best met the requirements of the RFP and provided competitive pricing.

BUDGET/FINANCIAL INFORMATION:

This project was anticipated, and there are adequate appropriated funds in the Wastewater Fund for this work.

The Board of Water Commissioners is scheduled to hear this item at their December 9, 2013 meeting.

PREPARED BY: Chris Toth, Wastewater System Manager/KT/mh

SUBMITTED BY: Rebecca Bjork, Acting Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Facilities Division, Public Works Department

SUBJECT: Professional Services Agreement For Final Design Of Santa Barbara Police Department Vehicle Access Security Gate Project

RECOMMENDATION:

That Council authorize the Public Works Director to execute a Professional Services Agreement with Kruger, Bensen, Ziemer Architects, Inc., in the amount of \$25,750 for the final design of the Vehicle Access Security Gate Project at the Santa Barbara Police Department at 215 East Figueroa Street, and authorize the Public Works Director to approve expenditures of up to \$2,575 for extra services that may result from necessary changes in the scope of work.

DISCUSSION:

BACKGROUND:

The Santa Barbara Police Department has secured funds in the amount of \$215,000 through a U.S Homeland Security Grant, which is administered by Santa Barbara County, for the purpose of a Vehicle Access Security Gate Project at 215 East Figueroa Street. The intention of the gate is to improve security and reduce casual access to the facility. The City must meet the requirement that the \$215,000 of grant funds be fully expended and the Project construction completed by April 2015.

On February 12, 2013, Council accepted \$215,000 from the County of Santa Barbara and recommended to increase appropriations and estimated revenues for \$215,000 to the Miscellaneous Grants Fund for Fiscal Year 2013 for the project.

PROJECT DESCRIPTION:

The complete project is to consist of the design and construction of three mechanized vehicle access/egress gates and two locking pedestrian gates. Two vehicle access/egress gates will be located at the east and west Figueroa Street entrance/exit, and one vehicle access gate will be located at the Anapamu Street entrance/exit. There will be one pedestrian gate access off Anapamu Street, as well as one pedestrian gate at the east entrance of Figueroa Street.

DESIGN PHASE ARCHITECT SELECTION:

City Staff has undergone a thorough process of selecting a firm to complete the final design for this project. A competitive request for proposal was issued September 5, 2013, and the City received three separate submissions on October 1, 2013. The Facilities Engineers and Police Department staff reviewed each proposal and held in-person interviews with each design firm to further review their submittals. After review, City staff unanimously selected Kruger, Bensen, Ziemer Architects, Inc., (KBZ) as the best firm for the final design. KBZ offered both the lowest price (\$25,750) and the best total value. The City has had successful experience with the KBZ on a similar project which entailed a mechanized gate installation at Fire Station #1. KBZ is familiar with the City permit process and the Historic Land Commission approval process, which will be required for the proposed project. KBZ's detailed cost breakdown is considered fair and reasonable and reflects architectural cost breakdowns for similar projects.

BUDGET/FINANCIAL INFORMATION:

Funding for these design services and the project construction will be provided from the \$215,000 secured through the U.S. Homeland Security Grant. The security gates will be specifically designed and budgeted based on the available grant funds. The detailed construction budget will be determined by the contracted architect during the final design process. The following summarizes all estimated total project costs:

Final Design (Contract)	\$25,750
Design Extra Services	\$2,575
Subtotal	\$28,325
Estimated Construction Cost (Contract)	\$170,000
Estimated Construction Management (City)	\$11,000
Building Permit	\$1,500
Subtotal	\$182,500
Total Project Cost	\$210,825

There are sufficient appropriated funds in the Miscellaneous Grants Fund for this project to cover these design costs and future construction costs.

PREPARED BY: Jim Dewey, Facilities & Energy Manager/mw/mh

SUBMITTED BY: Rebecca Bjork, Acting Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Facilities Division, Public Works Department

SUBJECT: Professional Services Agreement For Santa Barbara Police Department HVAC Design

RECOMMENDATION:

That Council authorize the Public Works Director to execute a standard City Professional Services contract with Mechanical Engineering Consultants for \$150,000 for the design of a new heating, ventilation and air conditioning system for the Police Department building.

DISCUSSION:

The City of Santa Barbara Police Department (PD) building is over 50 years old. Therefore, most of the heating, ventilation and air conditioning (HVAC) system, including the boiler, chiller, cooling and air handling systems are over 50 years old as well and are in need of replacement.

Staff sent out a request for proposals (RFP) for design services for replacement of these systems using the most economical and energy efficient design possible and received seven responses. After thorough examination and interviews, staff selected Mechanical Engineering Consultants (MEC) as the most qualified candidate for the project.

MEC was previously hired in 2009 to design the HVAC system for the proposed new Police Department building. As part of that process they completed a thorough investigation of the existing systems and prepared design documents for the complete renovation of the mechanical systems in the building. Staff is proposing to use the same team of design professionals for this project given their significant knowledge of the building and its HVAC needs.

As part of their scope for the project, MEC will provide architectural, structural, electrical, plumbing and HVAC design services. They will also provide a scope of the requirements for commissioning the system to make sure it is working efficiently. They will deliver to the City a complete design for the replacement of HVAC equipment, and construction documents.

BUDGET/FINANCIAL INFORMATION:

MEC's proposal costs are \$146,300 and staff is requesting \$3,700 for change order allowance for any unforeseen additional costs. There are sufficient appropriated funds in the Facilities Capital Fund to cover these design costs. Once the project design is completed and more information is known about the scope of the construction project, funds from the Facilities Capital Fund and the Facilities Maintenance Fund reserve will be used to fund the construction along with possible outside funding sources, such as utility incentive and one-time funding.

SUSTAINABILITY IMPACT:

Staff anticipates significant energy and cost savings to result from upgrading the 50-year old outdated system to a new, state-of-the-art variable HVAC system.

PREPARED BY: Jim Dewey, Facilities & Energy Manager/AP/mh

SUBMITTED BY: Rebecca Bjork, Acting Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Administration Division, Fire Department

SUBJECT: Declaration Of Fire Engine As Surplus, And Donation Of Said Fire Engine

RECOMMENDATION:

That Council authorize the General Services Manager to prepare all documentation required to donate one (1) surplus 1983 Mack fire engine, Vehicle No. 1264, to Allan Hancock College Regional Fire Academy.

DISCUSSION:

The activation of the Fire Department's new WestMark fire engine this October caused the retirement (surplus) of one (1) 1983 Mack Fire Engine, vehicle number 1264. This 30-year old fire engine was retired because it is no longer cost-effective to operate or maintain and is not in condition to meet the Department's emergency response readiness requirements. Also, the new WestMark fire engine, which will be placed into service this January, eliminates the need for the old Mack fire engine.

The Allan Hancock Regional Fire Academy staff has occasionally approached the City Fire Department with the idea of donating surplus fire engines and miscellaneous equipment to the Academy, thus enhancing the Fire Technology program.

The Fire Department recruits heavily from the Allan Hancock Regional Fire Academy program. Moreover, the Allan Hancock Regional Fire Academy and the Santa Barbara Fire Department have enjoyed a longtime partnership in developing quality firefighter candidates with the relationship being mutually beneficial. As such, staff recommends that the 1983 Mack fire engine be donated to the Academy. The Mack fire engine will be used by the Academy in the Regional Fire Technology Program.

Municipal Code Section 4.52.160 on Surplus Property provides authority to the General Services Manager to dispose of surplus property through auction. When surplus property is donated, City Council authority is required.

Council Agenda Report
Declaration Of Fire Engine As Surplus, And Donation Of Said Fire Engine
December 10, 2013
Page 2

PREPARED BY: James M. Bryden, Operations Division Chief

SUBMITTED BY: Patrick McElroy, Fire Chief

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA SANTA BARBARA FINANCING AUTHORITY

AGENDA REPORT

AGENDA DATE: December 10, 2013
TO: Mayor and Councilmembers; Chairperson and Boardmembers
FROM: Administration Division, Finance Department
SUBJECT: 2014 Waterfront Refunding Revenue Bonds

RECOMMENDATION:

- A. That the Board adopt, by reading of title only, A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Execution and Delivery by the Authority of an Installment Sale Agreement, a Trust Agreement and a Letter Agreement for Purchase in Connection With the Execution and Delivery of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014, Authorizing the Execution and Delivery of Such Bonds in an Aggregate Amount Not to Exceed \$14,000,000, and Authorizing Related Actions;
- B. That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Execution and Delivery by the City of an Installment Sale Agreement and a Letter Agreement for Purchase, and Approving the Execution of a Trust Agreement by the Authority in Connection with the Execution and Delivery of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014, and Authorizing Related Actions; and
- C. That Council approve and authorize the City Administrator to execute a Commitment Letter between the City and Compass Bank.

EXECUTIVE SUMMARY:

While the decline in interest rates has had a material impact on the City's earnings on its investment portfolio, the current interest rate environment offers the City an opportunity to refinance existing long-term debt sold prior to the recession, thereby reducing its interest costs. Refinancing existing debt would generate substantial savings over the remaining life of the debt.

Staff has recently completed a refinancing of the 2002 Water Refunding Certificates of Participation (COPs), as well as one of the Water department's State Revolving Fund loans under the Safe Drinking Water program. That refunding resulted in combined present value savings of over \$2.2 million (or over 8.5% of the refunded amount) over the

remaining life of the obligations, or cash flow savings of over \$180,000 per year. Staff is now proposing refinancing the 2002 Waterfront COPs.

In addition, staff is recommending a private placement of the bonds, which would substantially reduce the time and effort typically associated with a traditional refinancing transaction as well as reducing transaction and interest costs.

DISCUSSION:

Proposed Financing Structure

To facilitate the refinancing of the 2002 Waterfront Refunding COPs, the Santa Barbara Financing Authority will issue the 2014 Waterfront Refunding Revenue Bonds, which will be secured by installment payments to be made by the City's Waterfront Fund to the Santa Barbara Financing Authority pursuant to an Installment Sale Agreement.

The detailed financing structure is as follows:

- a. The original debt issued in the 1980's, which was refinanced in 1992 and again in 2002 with the issuance of the 2002 Waterfront Refunding COPs, was used to finance improvements to Waterfront facilities.
- b. The City of Santa Barbara (Waterfront Fund) will sell those improvements, hereafter referred to as the "Project", to the Santa Barbara Financing Authority (Authority) for an amount not to exceed \$14 million. The proceeds of this sale will be used by the City to prepay the 2002 Waterfront Refunding COPs.
- c. The Authority will concurrently sell back to the City the Project pursuant to an Installment Sale Agreement. In accordance with that Agreement, the Waterfront Fund will make semi-annual installment payments to the Authority in amounts corresponding to the debt service requirements on the new 2014 Waterfront Refunding Revenue Bonds.
- d. The Authority will make the debt service payments funded from the installment payments received from the City to the purchaser of the bonds, in this case, as discussed below, a bank.

This type of financing structure is very common, particularly for enterprise-type operations. A similar financing structure was used in connection with the recent sale of the 2013 Water Refunding COPs.

Authorizing Documents

Authority Resolution

The accompanying resolution to be adopted by the Board of the Santa Barbara Financing Authority will accomplish the following:

- Approve and authorize the execution of the Installment Sale Agreement between the City and the Authority. The Installment Sale Agreement provides for installment payments to be made by the Waterfront Fund from its operating revenues to the Santa Barbara Financing Authority in amounts corresponding to the debt service requirements of the 2014 Refunding Bonds.
- Approve and authorize the execution of the Trust Agreement between the Authority and U.S. Bank National Association. The trustee will hold and invest the debt service reserve fund to be established in connection with this transaction and required by the investor; and will perform administrative and fiduciary duties.
- Approve and authorize the issuance of Bonds by the Authority in amount not to exceed \$14,000,000.
- Approve and authorize the execution of the Letter Agreement for Purchase between the Authority and Compass Mortgage Bank.

City Ordinance

The accompanying ordinance, subject to adoption on December 17, 2013 by the City Council of the City of Santa Barbara, will accomplish the following:

- Approve and authorize the execution of the Installment Sale Agreement between the City (Waterfront Fund) and the Santa Barbara Financing Authority.
- Approve the execution of the Trust Agreement by the Financing Authority and authorizing the Authority to deliver the bonds.
- Approve and authorize the execution of the Letter Agreement for Purchase.

Letter of Commitment

The Letter of Commitment provides assurances to Compass Bank that the City will follow through with the proposed sale of the Authority's Bonds to Compass Bank. If approved, the City also agrees to pay legal costs associated with the transaction incurred by Compass Bank, estimated to be \$15,000.

Proposed Private Placement Strategy

Normally, when a government agency sells bonds, COPs or other types of long-term indebtedness, the underlying debt instruments are sold to an investment bank and are subsequently made available and sold to private individuals and institutional investors. This type of sale is defined as “public offerings.”

Alternatively, staff is proposing the issuance of refunding revenue bonds that would be sold in their entirety to a qualified institutional buyer. This type of approach is referred to as a “private placement” since the underlying debt instruments would not be available for purchase by general investors. In the past several years, such direct lending to municipalities has increased as banks seek new ways to put their capital to work.

While not as common, there is nothing substantively different between a private placement issuance versus a traditional public issuance of bonds or other securities from a legal perspective. However, one of the benefits of a private placement is that it requires significantly less time and effort by City staff to prepare disclosure documents that meet federal securities laws.

Specifically, with a public offering, the City would be required to prepare an “official statement.” The official statement, which is prepared by disclosure counsel, contains a large amount of information about the City and the specific fund issuing the debt (in this case, the Waterfront Fund). The information that goes into the official statement is compiled and/or prepared by City staff and is intended to present a clear picture of the City’s and Waterfront Fund’s financial condition so that prospective investors can make an informed investment decision.

With a private placement offering, the City would not have to prepare an official statement. This is expected to save the City approximately \$45,000 in consultant fees as well as save City staff many hours of work that would otherwise be necessary to prepare an official statement.

Similarly, unlike a public offering, a private placement wouldn’t require obtaining a rating on the refunding obligations. Even a single rating would cost \$15,000-\$18,000 at a minimum, as well as further staff time and effort.

Another potential advantage of a private placement is that banks will sometimes accept credit structures that would not be welcomed in the public bond markets. The current Waterfront COPs are an obligation of the Waterfront Fund. In the current market, a refunding COP offered publically would have to be secured by a lease and leaseback of an unrelated City facility, and secured by the General Fund (although it would be paid back from Waterfront revenues). This restructuring, required by changes in the bond market, would add additional complexity to a refunding.

From a cost perspective, while transaction costs are typically lower with a private placement, the interest rates are typically higher than securities sold in “public offerings”, reflecting the fact that private placement investments lack the liquidity in the secondary market that bonds offer. However, some banks are now offering aggressive interest rates that rival the interest rates on publicly offered bonds. The bid received by the City from Compass Bank (Compass) comes with a lower interest rate than what would likely be secured through a public offering transaction.

Potential Risks Associated With a Private Placement

There is some risk associated with a private placement that differs from the typical risk assumed through a public COP offering. The bid received from Compass includes a provision indicating that in the event that the bonds become taxable (lose their tax exempt status) for reasons other than a change in federal tax law, the tax exempt rate would be subject to “gross-up” so that the investor’s after-tax return would not be affected by the loss of tax exemption. This would only occur in the unlikely event that the City violated its tax covenants. In that event, like a public offering, the City would have to remedy the issue and in the context of a private offering, the City would be subject to increased interest rates.

Another minor risk associated with the Compass offer is the requirement that the City pay the bank’s legal fees in an amount not to exceed \$15,000 whether or not the transaction is executed.

Staff and the City’s financial and legal advisors do not believe either of the concerns outlined above pose significant risks.

Selection Process

Compass Mortgage Bank was selected through a formal request for bids (RFB) process. The RFB was sent to thirteen qualified institutional banks and three brokers, and only two proposals were received. Given that Compass’ bid represented the lowest cost of funds and is within a reasonable range of what would be expected through a publicly offered deal (and likely lower), the bid is considered responsive and responsible.

As typical in such circumstances, the interest rate in Compass’ bid is indicative and subject to change pursuant to an index-based formula specified in their submittal. The City has the option to lock in the interest rate (subject to a breakage fee) and will consider this option based on discussions with the City’s financial advisors..

Based on the bid received from Compass and current market conditions, the Waterfront Fund would realize annual savings of approximately \$80,000, which equates to approximately \$1.2 million in total savings over the remaining fourteen years of the bonds and represents approximately \$1 million in savings in today's dollars (i.e., on a present value basis).

Next Steps

Staff is working with the State Department of Boating and Waterways to seek their consent to retain a subordinate position of their loans which financed certain Waterfront improvements. Once the State's consent is obtained, a minor amendment of the loan documents will be circulated.

The proposed ordinance will require a second reading on December 17 related to Installment Sale Agreement, which will become effective thirty days later, on January 17, 2014. Shortly thereafter, the transaction will be fully executed and will close.

BUDGETARY/FISCAL IMPACT

The proposed refunding of the 2002 waterfront COPs would generate overall savings to the Waterfront Fund of approximately \$1.2 million and annual debt service savings of approximately \$80,000 through the remaining term of the bonds which have a final maturity date in Fiscal Year 2028.

NOTE: Due to their size, a copy of the following documents will be made available to the public for review in the City Clerk's Office and to the City Council in the Council reading file:

1. Trust Agreement
2. Installment Sale Agreement
3. Letter Agreement for Purchase

ATTACHMENT: Letter of Commitment Dated December 2, 2013 from Compass Bank

PREPARED BY: Robert Samario, Finance Director
Sarah Knecht, Assistant City Attorney

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

December 2, 2013

David Brodsky, Managing Director
KNN Public Finance
1300 Clay Street, Suite 1000
Oakland, CA 94612

Nedko Nedev
KNN Public Finance
1300 Clay Street, Suite 1000
Oakland, CA 94612

Dear Mr. Brodsky and Mr. Nedev:

Compass Bank, an Alabama banking corporation (the "Bank" or "Lender"), has reviewed the information provided for the City of Santa Barbara ("Borrower") in connection with the proposed refunding of the 2002 Waterfront Revenue Refunding Certificates of Participation. Based on the review to date and subject to the timely receipt of a signed copy of this letter as indicated below, and satisfying the conditions outlined herein, the Bank is pleased to commit to provide up to a \$13,500,000 non-bank qualified, tax-exempt financing (the "Financing" or "Obligation") as outlined in this correspondence (this "Commitment Letter").

This Commitment Letter is being provided to the Borrower on a confidential basis. Except as required by law, neither this Commitment Letter nor its contents may be disclosed, except to individuals who are officers, employees or advisors of the Borrower who have a need to know of such matters and then only on the condition that such matters remain confidential.

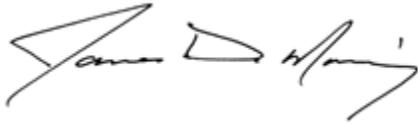
The Borrower hereby represents and covenants (and it is a condition to the Bank's commitment hereunder) that all financial information and projections, and all other information and general economic or specific industry information (the "Information") that has been or will be made available to the Bank by Borrower and its representatives is or will be, when furnished, complete and correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made. The Borrower agrees that if at any time prior to the closing of the Financing any of the representations in the preceding sentences would be incorrect if the Information were being furnished, and such representations were being made, at such time, then the Borrower will promptly supplement the Information, as the case may be, so that such representations will be correct at such time. The Borrower understands and acknowledges that in arranging the Financing the Bank may use and rely on the Information without independent verification thereof. Notwithstanding anything herein to the contrary, the Bank's obligation to provide the Financing shall be subject to the condition that from the date hereof to the date of closing the Financing, there shall not have occurred any: (i) material adverse change in the financial condition, operations or general affairs of the Borrower; (ii) event, court decision, proposed law or rule which may have the effect of changing the status of the Financing or the interest thereon or the transaction contemplated herein; or (iii) international or national crisis, suspension of stock exchange trading or banking moratorium materially affecting, in our opinion, the Bank's ability to close the Financing transaction.

By signing below, the Borrower acknowledges and agrees to the terms and conditions of this Commitment Letter and agrees to pay upon demand to the Bank all fees and expenses (including but not limited to all costs and fees of external legal counsel) in connection with this Commitment Letter and the negotiation, documentation and closing thereof of this Financing.

To accept this Commitment Letter, please execute it in the space provided below and return it to us by no later than 4:00pm, Pacific Time, on December 16, 2013. If this Commitment Letter is not accepted in the manner aforesaid, it shall expire and be of no further force and effect as of that date and time. If this Commitment Letter is accepted in the manner aforesaid, the closing and funding of the Financing must occur on or before January 31, 2014. These deadlines may be extended upon Bank's written approval.

We appreciate the opportunity to provide you this Commitment Letter and look forward to working with you to expeditiously close this transaction. Please do not hesitate to contact us if you have any questions or if we may be of further assistance to you at this time.

Sincerely,



James Manning
Senior Vice President

ACCEPTED and AGREED TO on _____, 2013:

City of Santa Barbara

By: _____

Name: _____

Title: _____

Borrower:	City of Santa Barbara, California (the "Borrower").
Lender:	Compass Bank through Compass Mortgage Corporation (the "Lender" or the "Bank"). James Manning, Senior Vice President Government & Institutional Banking 2850 E. Camelback Rd., Ste. 140 Phoenix, AZ 85016 Ph: (602) 778-0795 james.manning@bbvacompass.com
Obligation Type:	Tax Exempt Non-Bank Qualified Agreement
Obligation Amount:	Up to \$13,500,000 (the "Obligation" or "Financing").
Purpose:	Refund the existing Series 2002 Waterfront Revenue Refunding Certificates of Participation
Maturity:	10/01/27 or approximately 14 years from closing.
Repayment:	The Obligation will amortize over 14 years consistent with the attached sample schedule, calling for semiannual principal and interest payments due on each 04/01 and 10/01 over the Obligation's tenor.
Interest Rate:	Tax Exempt Fixed Rate of 3.42% fixed for the full tenor of the Obligation.** This rate is <u>indicative and subject to change daily</u> depending on market conditions. Upon formal acceptance of this commitment letter and at the Borrower's option, subject to break-funding, fixed rate may be locked up to 60 days prior to closing. ** Indexed to 199 bps over 65% of the prevailing 7-year LIBOR swap rate. Based on the current rate of 2.21% for the swap index as of 12/2/13, the interest rate on funded balances today would be 3.42%.
Upfront Origination Fee:	None.
Targeted Closing:	January 23, 2014 or as requested by the Borrower.
Prepayment:	Obligation is not subject to optional redemption (at the proposed rate) prior to the 10th anniversary of loan closing, after which time the Borrower may prepay the loan without penalty. However, a par call option to prepay without penalty after the 5th or 7th anniversaries of loan closing is available at a 26 bps or 24 bps premium to the proposed interest rate, respectively. The par call option must be selected prior to rate lock.
Security:	Parity 1st-position Net Revenue Pledge on the Borrower's waterfront enterprise system revenues.
Covenants:	<ul style="list-style-type: none">• Parity Debt Test of 1.50x;• Net Revenue Rate and Coverage Covenant of 1.25x; and• ½ debt service reserve fund fully funded at closing based on ½ of the lesser of 1) 10% of par amount, 2) maximum annual debt service, or 3) 125% of average annual debt service.
Representations/	The documents will contain those representations and warranties and covenants customarily

**Warranties/
Covenants:**

found in transactions of this nature, and others appropriate to the transaction, including but not limited to:

- Standard representations including but not limited to: no adverse litigation and District has not defaulted or non-appropriated on past obligations.
- Default rate of 5.00% over the Obligation's proposed rate. Default rate to apply if payment is not made within 10 days of due date in addition to other events of default.
- No material adverse change in financial condition since fiscal year ended 6/30/12.
- Notices of (i) any default on any obligation, (ii) material litigation, (iii) material governmental proceedings and (iv) material adverse effect.
- Maintenance of standard levels of insurance naming the Bank as additional insured including a satisfactory business interruption insurance policy of not less than 12 months.
- Bank will sign a traveling "Big Boy" letter in form acceptable to Bank's counsel.
- Additional representations and warranties, and other affirmative and negative covenants that Bank considers customary and reasonably appropriate for the Credit Facility.

This Obligation is being purchased by BBVA Compass under the following conditions: (i) not being registered or otherwise qualified for sale under the "Blue Sky" laws; (ii) the Lender will hold as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Obligation; (iv) no official Statement or similar offering document has been prepared in connection with the private placement of this Obligation; (v) the Obligation will not close through the DTC or any similar repository and will not be in book entry form. Obligation must be able to be classified as a loan or held-to-maturity security in order to be acceptable to the Lender.

**Note, all of the foregoing are subject to Lender's receipt and satisfactory review.*

Financial Reporting:

- Annual audited financial statements due within 210 days of fiscal year end.
- Annual approved operating budget due within 30 days of fiscal year end.
- Annual Certification of Borrower due within 210 days of FYE that District has met the 1.25x rate coverage covenant.
- Borrower shall furnish at Lender's request such additional information that Lender may from time to time reasonably request.

Annual disclosure information may be provided via EMMA.

**Tax Exempt Status /
Yield Adjustment
Event:**

The quoted tax exempt interest rate will be subject to gross-up upon an event of taxability.

Closing Costs:

Borrower will pay all reasonable, out-of-pocket costs and expenses incurred by Lender in connection with due diligence and the preparation of documentation, regardless of whether or not the Obligation is closed, including but not limited to, financial advisory fees if applicable, bond counsel, Lender's counsel and CDIAC fees. Lender's Counsel limited to \$15,000.

Conditions Precedent:

Prior to the consummation of the Credit Facility, the following conditions precedent shall have occurred, all of which shall be in form and substance satisfactory to the Lender and its counsel.

- Opinion addressed to the Bank, from counsel to Borrower reasonably acceptable to the Bank, setting forth such opinions as the Bank may require, including opinions concerning the legal status of Borrower, the due authorization, execution and delivery of the Obligation documents, the enforceability of the private placement documents, no conflict with law, no litigation, and the receipt of all necessary governmental approvals.
- Tax Opinion addressed to the Bank from counsel reasonably acceptable to the Bank that interest payable with respect to the debt service payments is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Service

Code and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for purposes of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings.

- Properly executed documents in form and substance satisfactory to Bank and/or Bank's counsel evidencing or supporting the Obligation. In terms of service level commitment, Lender's counsel will respond with initial comments within 7 business days of receiving draft legal documents from bond counsel, and within 5 business days of receiving any subsequent iteration of the legal documents.
- Additional conditions precedent that Bank considers customary and reasonably appropriate for the Credit Facility, including further information disclosures.

Ancillary Business:

The structure, pricing, and terms contained herein are conditioned upon the establishment of a banking relationship that includes the opportunity to reasonably bid on ancillary financial services in good faith.

Governing Law:

This transaction shall be governed by and construed in accordance with the laws of the State of California.

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/01/2014	145,000.00	3.42%	79,416.97	224,416.97	
06/30/2014					804,775.11
10/01/2014	372,616.23	3.42%	207,741.90	580,358.13	
04/01/2015	372,616.22	3.42%	201,370.17	573,986.39	
06/30/2015					1,152,146.09
10/01/2015	383,161.28	3.42%	194,998.43	578,159.71	
04/01/2016	383,161.28	3.42%	188,446.37	571,607.65	
06/30/2016					1,153,440.82
10/01/2016	399,938.86	3.42%	181,894.31	581,833.17	
04/01/2017	399,938.86	3.42%	175,055.36	574,994.22	
06/30/2017					1,152,808.72
10/01/2017	409,598.10	3.42%	168,216.40	577,814.50	
04/01/2018	409,598.11	3.42%	161,212.28	570,810.39	
06/30/2018					1,148,057.60
10/01/2018	423,039.07	3.42%	154,208.15	577,247.22	
04/01/2019	423,039.08	3.42%	146,974.18	570,013.26	
06/30/2019					1,147,689.17
10/01/2019	437,935.70	3.42%	139,740.21	577,675.91	
04/01/2020	437,935.69	3.42%	132,251.51	570,187.20	
06/30/2020					1,147,174.07
10/01/2020	452,224.06	3.42%	124,762.81	576,986.87	
04/01/2021	452,224.06	3.42%	117,029.78	569,253.84	
06/30/2021					1,144,433.91
10/01/2021	465,883.32	3.42%	109,296.75	575,180.07	
04/01/2022	465,883.31	3.42%	101,330.14	567,213.45	
06/30/2022					1,141,667.47
10/01/2022	481,090.48	3.42%	93,363.54	574,454.02	
04/01/2023	481,090.48	3.42%	85,136.89	566,227.37	
06/30/2023					1,139,860.66
10/01/2023	496,723.04	3.42%	76,910.24	573,633.28	
04/01/2024	496,723.04	3.42%	68,416.28	565,139.32	
06/30/2024					1,137,913.74
10/01/2024	512,852.10	3.42%	59,922.32	572,774.42	
04/01/2025	512,852.10	3.42%	51,152.55	564,004.65	
06/30/2025					1,134,791.29
10/01/2025	528,403.87	3.42%	42,382.77	570,786.64	
04/01/2026	528,403.87	3.42%	33,347.07	561,750.94	
06/30/2026					1,129,420.85
10/01/2026	543,358.55	3.42%	24,311.36	567,669.91	
04/01/2027	543,358.54	3.42%	15,019.93	558,378.47	
06/30/2027					558,378.47
10/01/2027	335,000.00	3.42%	5,728.50	340,728.50	
06/30/2028					899,106.97
Total	\$12,293,649.30		\$3,139,637.18	\$15,433,286.48	

Break-Funding Fee Calculation

If Borrower elects to not go through with the Financing after rate lock other than due to a Force Majeure Event (as defined below), Borrower shall pay to Bank a break-funding fee equal to the Annual Yield Differential (as defined below) multiplied by the Percent Being Prepaid (as defined below), multiplied by the Average Remaining Outstanding Principal Amount (as defined below) multiplied by the number of days the Financing was to be outstanding (the "Maturity Date"), divided by 360.

The "Annual Yield Differential" is the difference (but not less than zero) between the U.S. Treasury yield (from the Federal Reserve daily H.15 report) on the maturity closest to the final maturity of the note at time of rate lock, and the U.S Treasury yield (from the Federal Reserve daily H.15 report) on the maturity closest to the final maturity of the note at the date of notification of election to not enter into the Financing. The Average Remaining Outstanding Principal Amount of the loan is defined as the simple average of the original principal loan balance and the loan balance due at the maturity date. The Percent Being Prepaid shall be determined by dividing the principal amount being prepaid by the existing principal loan amount.

If treasury rates are equal or higher, the customer will incur no charge. The Federal Reserve H.15 report for treasury rates can be accessed from the Fed's website currently @ <http://www.federalreserve.gov/releases/h15/current/default.htm>.

Loan amount at origination: \$5.0 million
Final maturity: 15 years
Amount Remaining at Maturity: \$0.0
15-year US Treasury Rate at time of rate lock: 2.50%

Scenario: 15 days prior to closing and funding, the customer elects to not enter into the financing after previously locking the rate. 15-year Treasury rate at the time of notification is 2.45%.

Prepayment Fee Calculation:

Annual Yield Differential = 5 bps (2.50% - 2.45%)

Percent Being Prepaid = 100%

Average Remaining Outstanding Principal Amount = \$2.5 million (average of existing \$5.0 million and \$0 at maturity)

Days to Maturity / 360 = 15.21 ((15 x 365)/360)

Break Funding Fee = .05% * 100% * \$2.5 million * 15.21 = \$19,010.42

"Force Majeure Event" means acts of God; acts of public enemies; orders of any kind of the government of the United States of America or the State of California or any political subdivision thereof, or any of their departments, agencies or officials; any outbreak of civil or military insurrections, riots or epidemics; landslides; lightning; earthquake; fire; hurricanes; tornadoes; floods; or any other cause or event not insurable or reasonably within the control of Borrower which makes Borrower unable to consummate the Financing or perform its obligations thereunder.

ORDINANCE NO. ____

An Ordinance of the Council of the City of Santa Barbara Authorizing the Execution and Delivery by the City of an Installment Sale Agreement and a Letter Agreement for Purchase, and Approving the Execution of a Trust Agreement by the Authority in Connection with the Execution and Delivery of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014, and Authorizing Related Actions

WHEREAS, the City of Santa Barbara (the “City”) and the former Redevelopment Agency of the City of Santa Barbara (the “Agency”), which Agency was on February 1, 2012, succeeded to by the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, have heretofore entered into a Joint Exercise of Powers Agreement, dated as of April 1, 2002 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the Santa Barbara Financing Authority (the “Authority”);

WHEREAS, in order to refinance the acquisition, construction and installation of certain improvements (the “Project”) to the City’s waterfront enterprise, the City caused to be executed and delivered the City of Santa Barbara Waterfront Revenue Refunding Certificates of Participation, Series 2002 (the “Prior Certificates”);

WHEREAS, the Prior Certificates evidence undivided proportionate interests of the owners thereof in installment payments (the “Prior Installment Payments”) to be made by the City pursuant to an Installment Purchase Agreement, dated as of July 1, 2002, by and between the City and the Authority;

WHEREAS, in order to achieve certain savings, the City desires to refinance the Project by exercising its option to prepay the Prior Installment Payments, which prepayment will be applied to the redemption of the Prior Certificates;

WHEREAS, in order to refinance the Project, the City will sell the Project to the Authority and then purchase the Project from the Authority pursuant to a 2014 Waterfront Installment Sale Agreement (the “Installment Sale Agreement”);

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance the Project through the execution and delivery, pursuant to a Trust Agreement (the “Trust Agreement”), between U.S. Bank National Association, as trustee (the “Trustee”) and the Authority, of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014 (the “Bonds”), which Bonds are to be secured by installment payments (the “Installment Payments”) payable by the City under the Installment Sale Agreement;

WHEREAS, the City has received certain loans from the State of California Department of Boating and Waterways (the “Department”) pursuant to Section 70.2 et seq. of the Harbors and Navigation Code (the “Department Loans”);

WHEREAS, the Department Loans are currently subordinate in payment to the Prior Certificates;

WHEREAS, the City has requested the Department to continue the subordination of the payment of the Department Loans to the payment of the Bonds;

WHEREAS, all rights to receive the Installment Payments, and the interest thereon, will be assigned without recourse by the Authority to the Trustee pursuant to the Trust Agreement;

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee will execute and deliver the Bonds;

WHEREAS, the City desires to enter into a Letter Agreement for Purchase (the "Purchase Agreement") for the Bonds with the Authority and Compass Mortgage Corporation (the "Purchaser"); and

WHEREAS, the City Council of the City (the "City Council") has been presented with the form of each of the Installment Sale Agreement, the Trust Agreement and the Purchase Agreement, and the City Council has examined and approved each such document and desires to authorize and direct the execution of such documents.

NOW, THEREFORE, the Council of the City of Santa Barbara does ordain as follows:

Section 1. All of the recitals herein contained are true and correct and the City Council so finds.

Section 2. The form of Installment Sale Agreement, presented in connection with and prior to this meeting and on file with the City Clerk, is hereby approved, and the City Administrator of the City, the Finance Director of the City, the City Attorney or his or her designee (each, an "Authorized Officer"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute, acknowledge and deliver the Installment Sale Agreement in substantially the form presented in connection with and prior to this meeting with such changes therein as the Authorized Officers executing the same may require or approve in consultation with the City Attorney and Bond Counsel, which approval shall be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Installment Payments shall not exceed \$14,000,000, the final Installment Payment shall be payable no later than October 1, 2027 and there shall be net present value savings with respect to the refinancing of the Prior Certificates of at least 3%.

Section 3. The form of Trust Agreement, presented in connection with and prior to this meeting and on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to approve the execution and delivery of the Trust Agreement by the Authority and the Trustee in substantially the form presented in connection with and prior to this meeting with such changes therein as the Authorized Officers approving the same may require or approve in consultation with the City Attorney and Bond Counsel.

Section 4. The form of Purchase Agreement, presented in connection with and prior to this meeting and on file with the City Clerk, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the City, to execute, acknowledge and deliver the Purchase Agreement in substantially the form presented in connection with and prior to this meeting, with such changes therein as the Authorized Officers executing the same may require or approve in consultation with the City Attorney and Bond Counsel, which approval to be conclusively evidenced by the execution and delivery thereof.

Section 5. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Ordinance, including, without limitation, the execution of an escrow agreement in connection with the prepayment of the Prior Certificates and the execution of such amendments to the documentation of the Department Loans as may be required to continue their subordination to the Bonds.

Section 6. All actions heretofore taken by the officers, employees and agents of the City with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 7. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Council hereby orders that, in lieu of the publication of this Ordinance once in the official newspaper of the City within 15 days after its adoption, this Ordinance shall be published by title only once in the official newspaper of the City within 15 days after its adoption, provided that the full text shall be available to the public at the City Clerk's Office, and such publication by title only shall so state. This Ordinance shall become effective 30 days from and after the date of its adoption.

PASSED AND ADOPTED by the City Council of the City of Santa Barbara at a regular meeting of said City Council on December 17, 2013, by the following vote of said City Council:

Ayes:

Noes:

Absent:

Abstain:

Mayor

ATTEST:

City Clerk Services Manager

CERTIFICATE OF CITY CLERK

I, Gwendolynn B. Peirce, City Clerk Services Manager of the City of Santa Barbara, do hereby certify as follows:

That the foregoing is a full, true and correct copy of Ordinance No. _____, which was duly introduced at a regular meeting of the City Council of the City of Santa Barbara duly and regularly and legally held at the regular meeting place thereof on December 10, 2013, of which meeting all of the members of the City Council of said City had due notice and at which a quorum was present, and which was thereafter duly adopted at a regular meeting of the City Council of the City Council of the City of Santa Barbara duly and regularly and legally held at the regular meeting place thereof on December 17, 2013, of which meeting all of the members of the City Council of said City had due notice and at which a quorum was present.

That an agenda of each of said meetings was posted at least 72 hours before said meeting at 735 Anacapa Street, Santa Barbara, California, a location freely accessible to members of the public, and a brief description of said Ordinance appeared on said agenda.

That I have carefully compared the foregoing copy with the original minutes of said December 17, 2013 meeting on file and of record in my office; that said copy is a full, true and correct copy of the original Ordinance adopted at said meeting and entered in said minutes; and that said Ordinance has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2013

Gwendolynn B. Peirce
City Clerk Services Manager

[SEAL]

Resolution No. ____

A Resolution of the Board of Directors of the Santa Barbara Financing Authority Authorizing the Execution and Delivery by the Authority of an Installment Sale Agreement, a Trust Agreement and a Letter Agreement for Purchase in Connection With the Execution and Delivery of Santa Barbara Financing Authority Waterfront Refunding Revenue Bonds, Series 2014, Authorizing the Execution and Delivery of Such Bonds in an Aggregate Amount Not to Exceed \$14,000,000, and Authorizing Related Actions

WHEREAS, the City of Santa Barbara (the “City”) and the former Redevelopment Agency of the City of Santa Barbara (the “Agency”), which Agency was on February 1, 2012, succeeded to by the Successor Agency to the Redevelopment Agency of the City of Santa Barbara, have heretofore entered into a Joint Exercise of Powers Agreement, dated as of April 1, 2002 (the “Joint Powers Agreement”), which Joint Powers Agreement creates and establishes the Santa Barbara Financing Authority (the “Authority”);

WHEREAS, in order to finance and refinance the acquisition, construction and installation of certain improvements (the “Project”) to its waterfront enterprise, the City caused to be executed and delivered the City of Santa Barbara Waterfront Revenue Refunding Certificates of Participation, Series 2002 (the “Prior Certificates”);

WHEREAS, the Prior Certificates evidence undivided proportionate interests of the owners thereof in installment payments (the “Prior Installment Payments”) to be made by the City pursuant to the an Installment Sale Agreement, dated as of July 1, 2002, by and between the City and the Authority;

WHEREAS, in order to achieve certain savings, the City desires to refinance the 2002 Project by exercising its option to prepay the Prior Installment Payments, which prepayment will be applied to the redemption of the Prior Certificates;

WHEREAS, in order to refinance the Project, the City will sell the Project to the Authority and then purchase Project from the Authority pursuant to an Installment Sale Agreement (the “Installment Sale Agreement”);

WHEREAS, the City and the Authority have determined that it would be in the best interests of the City and the Authority to provide the funds necessary to refinance the Project through the execution and delivery, pursuant to a Trust Agreement (the “Trust Agreement”), between U.S. Bank National Association, as trustee (the “Trustee”) and the Authority, of Santa Barbara Financing Authority Waterfront Refunding Bonds, Series 2014 (the “Bonds”), secured by the installment payments (the “Installment Payments”) payable by the City under the Installment Sale Agreement;

WHEREAS, all rights to receive the Installment Payments, and the interest thereon, will be assigned without recourse by the Authority to the Trustee pursuant to the Trust Agreement;

WHEREAS, in consideration of such assignment and the execution of the Trust Agreement, the Trustee will execute and deliver the Bonds;

WHEREAS, the Authority desires to enter into a Letter Agreement for Purchase (the “Purchase Agreement”) for the Bonds with the City and Compass Mortgage Corporation (the “Purchaser”); and

WHEREAS, the Board of Directors of the Authority (the “Board”) has been presented with the form of each document referred to herein relating to the refinancing contemplated hereby, and the Board has examined and approved each document and desires to authorize and direct the execution of such documents and the consummation of such refinancing;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Santa Barbara Financing Authority, as follows:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. The form of Installment Sale Agreement, presented in connection with and prior to this meeting and on file with the Secretary of the Authority, is hereby approved, and the Executive Director of the Authority, the Treasurer of the Authority and the Secretary of the Authority (the “Authorized Officers”) are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute, acknowledge and deliver the Installment Sale Agreement in substantially the form presented in connection with and prior to this meeting with such changes therein as the Authorized Officer executing the same may require or approve in consultation with the Authority Counsel and Bond Counsel, which approval shall be conclusively evidenced by the execution and delivery thereof; provided, however, that the aggregate amount of the Installment Payments shall not exceed \$14,000,000, the final Installment Payment shall be payable no later than October 1, 2027, and there shall be net present value savings with respect to the refinancing of the Prior Certificates of at least 3%.

Section 3. The form of Trust Agreement, presented in connection with and prior to this meeting and on file with the Secretary of the Authority, is hereby approved, and the Authorized Officers are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute, acknowledge and deliver the Trust Agreement in substantially the form presented in connection with and prior to this meeting, with such changes therein as the Authorized Officer executing the same may require or approve in consultation with the Authority Counsel and Bond Counsel, which approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The execution and delivery of Bonds evidencing principal in an aggregate amount not to exceed \$14,000,000, payable in the years and in the amounts, and evidencing interest as specified in the Trust Agreement as finally executed, are hereby authorized and approved.

Section 5. The form of Purchase Agreement, presented in connection with and prior to this meeting and on file with the Secretary, is hereby approved, and the Authorized Officers are

each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute, acknowledge and deliver the Purchase Agreement in substantially the form presented in connection with and prior to this meeting, with such changes therein as the Authorized Officers executing the same may require or approve in consultation with Authority Counsel and Bond Counsel, which approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. The officers of the Authority are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 7. All actions heretofore taken by the officers and agents of the Authority with respect to the transactions set forth above are hereby approved, confirmed and ratified.

Section 8. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Santa Barbara Financing Authority at a regular meeting of said Board on December 10, 2013, by the following vote of said Board:

Ayes:

Noes:

Absent:

Abstain:

Chairperson of the Board of Directors

ATTEST:

Secretary

CERTIFICATE OF SECRETARY

I, the undersigned Secretary of the Santa Barbara Financing Authority, do hereby certify as follows:

That the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of the Santa Barbara Financing Authority duly held on December 10, 2013, of which meeting all of the members of the Board of Directors of said Authority had due notice and at which a quorum was present.

That an agenda of said meeting was posted at least 72 hours before said meeting at 740 Anacapa Street, Santa Barbara, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

That I have carefully compared the foregoing copy with the original minutes of said meeting on file and of record in my office; that said copy is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes; and that said Resolution has not been amended, modified, rescinded or revoked in any manner since the date of its adoption, and the same is now in full force and effect.

Dated: _____, 2013

Secretary



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Administration, Housing & Human Services Division, Community Development Department

SUBJECT: Freedom Warming Centers Funding Request

RECOMMENDATION: That Council:

- A. Consider the request from The Unitarian Society to support the Freedom Warming Centers' pilot emergency overflow site;
- B. If approved, authorize the Assistant City Administrator to execute an agreement with The Unitarian Society for up to \$15,000 for the operation of the pilot emergency overflow site from December 15, 2013, through March 31, 2014, subject to City Attorney approval as to form; and
- C. Appropriate \$15,000 from the Overnight Accommodation reserve funds held within the General Fund.

DISCUSSION:

On November 18, 2013, the City received a \$15,000 funding request from the Unitarian Society of Santa Barbara, fiscal agent for the Freedom Warming Centers, for the development and operation of an emergency overflow site during their 2013-14 operating period (see Attachment 1).

The purpose of the Warming Centers is to ensure that homeless individuals have emergency temporary shelter in order to avoid hypothermia and death on nights of inclement weather. The program received a City Human Services grant of \$10,000 for Fiscal Year 2014 for this effort. However, it is expected that Casa Esperanza's recent change to a sobriety-based emergency winter shelter will result in an increase in the number of people accessing the Warming Centers this winter. In addition, other homeless shelter providers have reported that they are already at capacity, which may also impact the number of people accessing the Warming Centers.

Due to this anticipated increase, the Central Coast Collaborative on Homelessness (C3H) formed a task force to help develop an emergency response plan for the safe operation of Warming Centers this winter. As a result of these meetings a protocol was developed which includes the addition of an emergency overflow site.

Churches countywide volunteer to host a warming center site. Five churches in the City of Santa Barbara have agreed to participate this winter. Each church is scheduled in weekly blocks from November 15, 2013 through March 31, 2014 and is activated only on nights of inclement weather. The goal is to have one church scheduled each week in each geographic area (Santa Barbara, Carpinteria, Goleta/IV, Lompoc and Santa Maria). If Warming Center staff make the determination that a church will reach its capacity (40 – 85 people based on the size of the church), they will initiate the opening of the overflow location and follow their notification procedures (see Attachment 2). There will also be trained volunteers available to contact guests waiting for beds and encourage appropriate guests to transfer to Casa Esperanza's sober Shelter Program.

The pilot overflow site will be located at the Presidio Springs community room, which the Housing Authority of the City of Santa Barbara has agreed to let the Warming Centers use at no charge. The overflow site will require additional funding totaling \$40,861 to staff the site and provide supplies, transportation and insurance. The Unitarian Society is requesting assistance from the City in the amount of \$15,000 to help fund this effort. They will also be asking the County of Santa Barbara and other funding entities for contributions.

BUDGET/FINANCIAL INFORMATION:

In Fiscal Year 2006, the City received \$1.1 million for an overnight accommodation mitigation fee from an applicant for the issuance of a Coastal Development Permit (the Entrada Project). The City is to use these funds and any interest earned, at its discretion, to mitigate the loss of the low-cost lodging that was provided by the former Californian Hotel. To date, opportunities for new development or rehabilitation of such lodging have not materialized. Since 2009, the City has been using the interest earned on these funds for overnight accommodations such as: hotel vouchers for people on the waiting list for Transition House; start up support for the Warming Centers in 2009; Restorative Policing beds at The Salvation Army; and police referral beds at Casa Esperanza. As of June 30, 2013, the fund has almost \$20,000 of accumulated interest income available, which can be appropriated for this request.

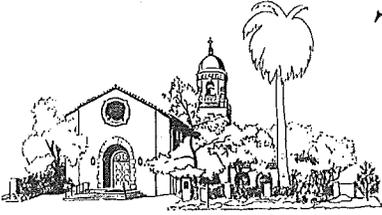
The amount of funding required for the emergency overflow site depends upon the number of days the warming centers are activated and the number of people who access the open site each night; therefore staff recommends that Council approve up to \$15,000 of the interest earned on the overnight accommodation fund to support this effort.

ATTACHMENT(S): 1. Funding Request Letter from the Unitarian Society of Santa Barbara
2. Warming Centers Overflow Site Protocol and Communication Plan

PREPARED BY: Sue Gray, Community Development Business Manager

SUBMITTED BY: Paul Casey, Assistant City Administrator

APPROVED BY: City Administrator's Office



The Unitarian Society of Santa Barbara

Rev. Aaron McEmrys, Parish Minister
 Rev. Julia Hamilton, Assistant Minister
 Rev. John Alexie Crane, Minister Emeritus
 Nancy Edmundson, Director of Administration
 LeeAnn Williams, Director of Lifespan Religious Education

November 18, 2013

Sue Gray
 Community Development Business Manager
 City of Santa Barbara
 630 Garden Street
 Santa Barbara, CA 93101

Dear Sue,

As you may know, the Freedom Warming Centers have grown from a small grass roots effort begun in 2009 to an efficient and vital program serving thousands of our neighbors without homes throughout all of Santa Barbara County.

The mission of Freedom Warming Centers is to relieve suffering and save lives for our neighbors without homes by providing shelter on nights of inclement weather conditions.

In May 2013, the *Santa Barbara Homeless Death Review* reported a 25% decrease in homeless deaths. In the *Santa Barbara Independent* (May 9, 2013) Dr. David Lennon reported, "To that end, 190 previously homeless people are now in housing through multi-agency programs focused on the homeless population. Also helping are programs like the homeless warming centers that pop up around the county whenever inclement or cold weather strikes, getting the homeless out of the wet and cold, even if temporarily."

The winter of 2012-2013 the Freedom Warming Centers provided shelter countywide to **4,184** (duplicated and unduplicated clients) including emancipated foster youth, those with mental illness, the physically disabled, those with chronic terminal illness, unemployed, underemployed, safe parking program participants, dual diagnosed and substance abusers, those just released from jail, senior citizens, and veterans for **48** nights. We accepted couples, families and their pets. We saw an overall increase of 32% in the number of individuals served compared to last year; and added 13 additional nights.

This summer and fall conversations between the Freedom Warming Center administration and C3H were held due to concerns related to the change in Casa Esperanza sobriety policy and other service providers who find their shelters already at capacity. These conversations have legitimized a need for an emergency overflow plan to permit Warming Center beds and sites to maintain a safe environment for our guests, staff, volunteers and neighborhoods.

The result of this conversation is that we have secured an emergency overflow site at Presidio Springs through the Santa Barbara Housing Authority.

We are asking that the City of Santa Barbara consider a grant in the amount of \$15,000 for the 2013-2014 winter season to support the costs of an overflow site for when our church sites have reached capacity. Your contribution will be used exclusively for our work in the City of Santa Barbara and assist us with three main objectives:

- Fund the pilot emergency overflow site at Presidio Springs.
- Save the lives and reduce suffering of the unsheltered homeless who find themselves turned away when church sites have reached capacity, and reduce their impact on emergency services and businesses in the downtown corridor.
- Assist us in securing additional funding from the County of Santa Barbara to fund this overflow site

Our estimated budget for the overflow site is:

Overflow Site Budget	
2013-2014 Santa Barbara	
Program Coordination	\$ 3,000
1 Staff Lead 50 nights	\$ 10,200
2 On Call Staff 40 nights	\$ 15,360
Supplies	\$ 2,000
Transportation	\$ 5,600
Insurance & Admin Fee	\$ 4,701
	\$ 40,861

Thank you for your consideration of funding this critical need for our community.

Sincerely,



Nancy Edmundson
Fiscal Agent, Freedom Warming Centers



Maria W. Long
Director Freedom Warming Centers

Warming Center Overflow Site Protocol and Communication Plan

1. On nights where large guest numbers are projected either due to severe weather or prior guest participation, an extra lead staff member will be activated to the primary SB downtown site with anticipation of activation at Presidio Springs (overflow site). Two additional staff will be on call until 10 pm.
2. On any night of activation the Warming Center Director (WCD) will be on site or be in direct communication with the site lead staff at the downtown SB WC location.
3. When WCD determines the SB site is at 90% capacity the overflow site will be activated.
4. At this time a specific notification will be sent to OEM, Cottage Hospital, SB Sheriff, SB City Police to inform them that the overflow site is activated. WC referrals from Cottage Hospital, Sherriff or Police will call the WCD directly to determine appropriate referral which may include:
 - a. Casa Esperanza Medical Bed
 - b. Reserved Vulnerability Bed at first activated site
 - c. Directly to Presidio Springs for overflow bed.
5. When Presidio Spring is activated the extra lead staff member will break away to the overflow site, and Rock Star Cab Company will be called to begin transportation of guests to Presidio Springs; and the two on call staff will report to duty at Presidio Springs.
6. Rock Star Cab will begin pick up from Presidio Springs beginning at 5:30 a.m.

Plan to Refer those Eligible to Casa Esperanza

- WCD is working with C3H and Common Ground Volunteers to pilot a program where highly trained volunteers will access appropriate guests waiting for WC beds between 5 pm and 6:30 pm.
- Volunteers will encourage appropriate guests to transfer to Casa Esperanza Shelter Program. (Please note this pilot program is dependent upon C3H and Common Ground recruiting and scheduling appropriate volunteers.)
- Up until 7 pm Casa Esperanza will accept any referrals of guests deemed appropriate by Common Ground Volunteers.
- WCD will arrange Rock Star Cab Transportation of these individuals to Casa Esperanza.
- After 7 pm Casa Esperanza will accept referrals only through SB Police and Cottage Hospital.
- In addition all 20 on-call Warming Center staff have been trained to access and encourage appropriate referrals to a variety of services.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Proposed City Landmark Designation Of The Hodges House And Property Improvements At 2112 Santa Barbara Street

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Designating the Hodges House and Property Improvements at 2112 Santa Barbara Street as a City Landmark.

DISCUSSION:

Historic research in the form of a Historic Structures/Site Report, prepared by Post/Hazeltine Associates dated March 5, 2013, determined that the Hodges House and Property Improvements qualify for historic designation as a City Landmark under City of Santa Barbara Master Environmental Assessment (MEA) criteria. The report was accepted by the Historic Landmarks Commission (HLC) on March 27, 2013, and summarized in a staff report on November 6, 2013, updated on December 10, 2013 (Attachment 1).

Santa Barbara Municipal Code Section 22.22.050 grants the HLC the authority to adopt resolutions to forward recommendations to the City Council regarding City Landmark designations. Designation as a City Landmark confers honor and recognition on structures contributing to the City's unique historical and architectural traditions. A designation action is required in order to execute a Mills Act contract that may result in a property tax reduction. The property owners are seeking a Mills Act contract agreement and have also submitted a statement of support for the City Landmark designation on October 15, 2013.

The Italian Mediterranean style house was designed by the noted architectural firm of Soule, Murphy and Hastings in 1921 for Walter Hodges, a leading early twentieth century industrialist who was vice president of the Santa Fe Railroad from 1909 to 1930. The landscaped garden represents a rare surviving and substantially intact example of the work of Ralph Tallant Stevens, one of the region's leading landscape architects. Most City Landmark designations have a boundary of five feet around the historically significant structure, however the HLC determined through evidence provided in the staff report that

Council Agenda Report

Proposed City Landmark Designation Of The Hodges House and Property Improvements at
2112 Santa Barbara Street

December 10, 2013

Page 2

the majority of property improvements, including the house and most of the site landscaping, are intact and historically significant and qualify under Santa Barbara Municipal Code Section 22.22.040 as a City Landmark (Attachment 1). The proposed boundary of the City Landmark is the entire property, including large specimen trees, with the exception of the non-contributing elements as per exhibit A-1 through A-4 of the staff report.

The property owners plan to invest considerable expense to restore the property to its original residential use from its recent institutional use (former Fielding Institute). The architects designing the restoration are basing the project on the original 1921 plans. The restoration will include conversion of the accessory commercial building into an additional dwelling unit and restoring the original garage use. The restoration project will include a voluntary lot merger and removal of the paved parking area by returning the space to a landscaped garden area. The restoration when complete will enhance the historic integrity of the property. The HLC has reviewed the proposed restoration of the house and landscape elements to ensure that it will be completed according to the Secretary of Interior's Standards for the Treatment of Historic Properties.

On November 6, 2013, the HLC held a public hearing to consider information presented regarding the historic significance of the Hodges House and Property Improvements. The HLC discussed including the historically significant property improvements in the designation. The HLC voted 6 to 0 to adopt resolution number 2013-6 to recommend to the City Council that it designate the Hodges House and Property Improvements as a City Landmark.

Under the City List of Activities Determined to Qualify for a Categorical Exemption (City Council Resolution Dated November 10, 1998), staff has determined that designation of the Hodges House and Property Improvements as a City Landmark is eligible for a Categorical Exemption as per the provisions of Article 19, Section 15308 of the California Environmental Quality Act Guidelines.

SIGNIFICANCE CRITERIA:

The HLC found that the Hodges House and Property Improvements meet the following City Landmark criteria listed in Section 22.22.040, subsection A through K, of the Municipal Code:

- Criterion A. Its character, interest or value as a significant part of the heritage of the City, the State or the Nation;
- Criterion C. Its identification with a person or persons who significantly contributed to the culture and development of the City, State, or the Nation;
- Criterion D. Its exemplification of a particular architectural style or way of life important to the City, the State, or the Nation;
- Criterion E. Its exemplification of the best remaining architectural type in a neighborhood.

Council Agenda Report

Proposed City Landmark Designation Of The Hodges House and Property Improvements at
2112 Santa Barbara Street

December 10, 2013

Page 3

- Criterion F. Its identification as the creation, design, or work of a person or persons whose effort significantly influenced the heritage of the City, the State, or the Nation;
- Criterion G. Its embodiment of elements demonstrating outstanding attention to architectural design, detail, materials and craftsmanship;
- Criterion I. Its unique location or singular physical characteristic representing an established and familiar visual feature of a neighborhood.

RECOMMENDATION:

Staff and the HLC recommend that there is sufficient evidence on record that supports the City Landmark designation of the Hodges House and Property Improvements located at 2112 Santa Barbara, and that Council adopt a resolution designating the Hodges House and Property Improvements as a City Landmark.

ATTACHMENT: HLC Resolution No. 2013-6 and Staff Report updated December 10, 2013 for Historic Landmarks Designation of the Hodges Property

PREPARED BY: Nicole Hernandez, Urban Historian

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office



**CITY OF SANTA BARBARA
HISTORIC LANDMARKS COMMISSION**

**RESOLUTION RECOMMENDING THAT CITY COUNCIL
HOLD A PUBLIC HEARING
TO CONSIDER LANDMARK DESIGNATION OF
THE HODGES HOUSE AT
2112 SANTA BARBARA STREET, SANTA BARBARA, CALIFORNIA
APN 025-252-006 and 007**

RESOLUTION 2013-6

NOVEMBER 6, 2013

WHEREAS, Section 22.22.050 of the Municipal Code of the City of Santa Barbara grants the Historic Landmarks Commission the authority to initiate a designation process to recommend to the City Council the designation as a City Landmark of any structure, natural feature, site or area having historic, architectural, archaeological, cultural or aesthetic significance; and

WHEREAS, the property owner submitted a statement of support of the City Landmark designation on October 15, 2013; and

WHEREAS, on October 23, 2013, the Historic Landmarks Commission adopted Resolution of Intention 2013-5 to hold a public hearing to begin the landmark designation process for the Hodges House located at 2112 Santa Barbara Street, Assessor's Parcel No. 025-252-007; and

WHEREAS, the Historic Structure Report accepted on March 27, 2013, by the Historic Landmark Commission has determined that the property listed in the title of this document qualifies for historic designation under City of Santa Barbara Master Environmental Assessment (MEA) criteria; and

WHEREAS, the Historic Structure Report of 2013 found the house at 2112 Santa Barbara Street designed by the noted architectural firm of Soule, Murphy and Hastings in 1921 in the Mediterranean style and the landscape designed by noted landscape architect Ralph Tallant Stevens is significant for its historical and architectural influence on the heritage of the City; and

WHEREAS, the proposed boundary of the City Landmark designation is the entire parcel, including large specimen trees noted on the landscape plan in the designation file, with the exception of the non-contributing elements as per exhibit A; and

WHEREAS, the owners' plans for restoration of the estate to its original use and configuration, based on the original 1921 plans, will enhance the historic integrity of the property; and

WHEREAS, the Historic Landmarks Commission has reviewed the proposed restoration of the property and landscape elements to ensure that it will be completed according to *The Secretary of Interior's Standards for the Treatment of Historic Properties*; and

WHEREAS, under the provisions of Article 19, Section 15308 of the California Environmental Quality Act Guidelines and the City List of Activities Determined to Qualify for a Categorical Exemption (City council Resolution Dated November 10, 1998), staff has determined that designation of the Hodges House as a City Landmark is eligible for a Categorical Exemption; and

WHEREAS, Section 22.22.050 of the Municipal Code of the City of Santa Barbara states that the City Council may designate as a Landmark any structure, natural feature, site or area having historic, architectural, archeological, cultural, or aesthetic significance by adopting a resolution of designation within 90 days following receipt of a recommendation from the Historic Landmark Commission, and;

WHEREAS, in summary, the Historic Landmark Commission finds that the Hodges House located at 2112 Santa Barbara Street, Assessor's Parcel No. 025-252-007, meets the following City Landmark criteria (A through K) listed in section 22.22.040 of the Municipal Code:

- A. Its character, interest or value as a significant part of the heritage of the City, the State or the Nation;
- C. Its identification with a person or persons who significantly contributed to the culture and development of the City, the State, or the Nation;
- D. Its exemplification of a particular architectural style or way of life important to the City, the State, or the Nation;
- E. Its exemplification of the best remaining architectural type in a neighborhood.
- F. Its identification as the creation, design, or work of a person or persons whose effort significantly influenced the heritage of the City, the State, or the Nation;
- G. Its embodiment of elements demonstrating outstanding attention to architectural design, detail, materials and craftsmanship;
- I. Its unique location or singular physical characteristic representing an established and familiar visual feature of a neighborhood;

NOW, THEREFORE, BE IT RESOLVED that on November 6, 2013, the Historic Landmarks Commission of the City of Santa Barbara hereby recommends to the City Council that it designate the Hodges House located at 2112 Santa Barbara Street, Assessor's Parcel No. 025-252-007 as a City Landmark and makes findings based on the historic and cultural significance of facts presented in the Staff Report.

**CITY OF SANTA BARBARA
HISTORIC LANDMARKS COMMISSION**

Adopted: November 6, 2013

**HISTORIC LANDMARKS COMMISSION
LANDMARK DESIGNATION
STAFF REPORT**

**HODGES HOUSE AND PROPERTY IMPROVEMENTS
2112 SANTA BARBARA STREET
SANTA BARBARA, CALIFORNIA
APN 025-252-007
NOVEMBER 6, 2013
UPDATED, DECEMBER 10, 2013**

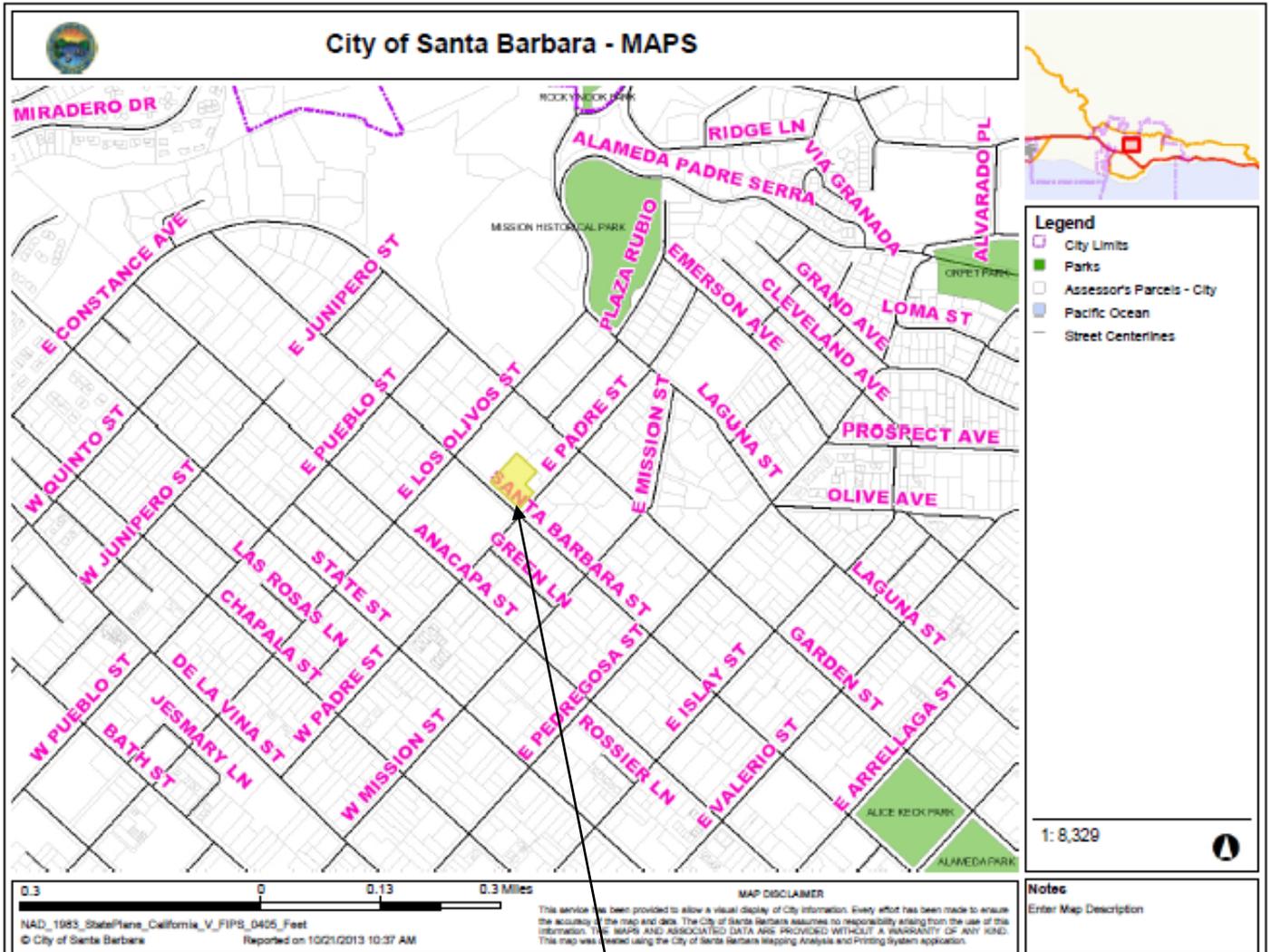
Background:

The Italian Mediterranean style house at 2112 Santa Barbara Street was constructed in 1921 for Walter Hodges, a leading figure associated with the Santa Fe Railroad. It has been on the Santa Barbara Potential Historic Resources list since 1986. Historic research in the form of a Historic Structures Report prepared by Post/Hazeltine Associates dated March 5, 2013 and approved by the Historic Landmarks Commission on March 27, 2013 has determined that the Hodges House and Property Improvements located at 2112 Santa Barbara Street, Assessor's Parcel Number 025-252-007, qualifies for historic designation as a City



Above: 2013 Photograph of west elevation of the Italian Mediterranean, stucco Hodges House constructed in 1921 with sandstone walls outlining the landscaping.

Landmark under City of Santa Barbara Master Environmental Assessment criteria. The current owners, SB Restore, LLC, have been working with the Historic Landmarks Commission (HLC) to restore the property according to the Standards for Rehabilitation established by the Secretary of the Interior. The proposed boundary of the City Landmark designation is the entire parcel, including large specimen trees noted on the landscape plan in the designation file, with the exception of the non-contributing elements as per exhibit A-1 through A-4 of the Resolution of Designation. The house was designed by the noted architectural firm of Soule, Murphy and Hastings and the landscape was designed by noted landscape architect, Ralph Tallant Stevens. The property consists of the main building, a garage and servants quarters and designed landscape. This staff report summarizes the extensive historic research and analysis of the Historic Structures Report.



Vicinity Map, City of Santa Barbara Mapping Analysis and Printing System, 2013, Hodges House

Historic Context:

The Italian Mediterranean style, two-story building, and its detached garage and servants quarters cottage were designed by the noted architectural firm of Soule, Murphy and Hastings. The house was constructed of hollow, clay tile clad in plaster with a hipped, terra cotta tile roof. The Italianate style landscaping for the property was designed by noted landscape architect Ralph Tallant Stevens. The house and the designed landscape represent rare surviving examples of an Italian Mediterranean style house and Italianate style garden.



Above: 2013 Photograph of west elevation of the Hodges House.

The house was the residence of Walter Hodges, Vice President of the Santa Fe Railroad during the early twentieth century who is considered a significant historical figure. Hodges and his family lived in the house for 21 years, from the time of construction until 1942, during which no alterations were made to the house. The house remained a residence until 1951 when the Congregation of B'nai B'rith purchased the property and converted the house from residential to non-residential use. It was owned by the Church of the Summit Lighthouse from 1973 until 1983 when it was sold to the Fielding Institute, a post secondary educational institution who sold it to the current owners in 2012. The current owners intend to restore the property to its original residential use.

There have been only a few exterior alterations made to the main house since its construction, including the removal of the two pergolas on the second floor in the 1940s and the addition of an exterior exit stairway on the rear elevation. The original garage located off the east end of the house was designed as a three-bay garage with an attached cottage used as a servants quarters. The garage and servants quarters were converted into an activity room and office by removing the original doors and adding windows and awnings. Almost all of the designed landscape's original hardscape features, including the sandstone retaining wall and curbing, masonry walls and the form and plan of the rear garden, including the wall fountain and walkways have remained in place. The most notable alteration since 1922 when the original landscape was completed has been the construction of a paved parking lot off the southwest corner of the house. Despite these changes, the Historic Structures Report found that the property at 2112 Santa Barbara Street has retained its integrity of location, design, setting, materials, workmanship, feeling and association. The current owners' plans for restoration of the property based on the original 1921 plans, will enhance the historic integrity of the property.

The 1921, Italian Mediterranean style house and Italianate style designed landscape contribute to a substantially intact streetscape. The surrounding streetscape has retained most of the inventory of historic houses as well as curbs, sidewalks and retaining walls. The well-preserved streetscape on the east side of Santa Barbara Street is illustrative of the development of Santa Barbara's upper class neighborhoods during the first three decades of the twentieth century that were connected by streetcar lines and a network of paved streets to the downtown. Largely built-out by the early 1930s, the streetscape surrounding the Hodges House and Property Improvements has preserved sufficient integrity to convey its historic appearance.

Italian Mediterranean Style

The Period Revival movement encompassed a diverse range of architectural influences, such as Tudor, French Norman, Spanish, Italian Renaissance, Italian Mediterranean, American colonial and Spanish Colonial styles. An important part of Santa Barbara's architecture, the Italian Mediterranean pre-dates the Spanish Colonial Revival and was key to Santa Barbara's spirit as the new American Riviera. Having both the climate and geography similar to the coastal hill-towns of the Italian Riviera, Santa Barbara embraced the Italian Villa as architecture and garden design well suited to the Santa Barbara lifestyle. As Interpreted by early twentieth century architects, such as Soule, Murphy and Hastings, the Italian Mediterranean style drew heavily from the architectural heritage of Renaissance Spain and Italy. Stylistic characteristics include: an overall symmetry to the massing and façade of the building; arched openings and symmetrically aligned windows; the low pitched, hipped roof, covered in terra cotta tiles; deep, overhanging boxed-in eaves; and stucco siding.

Architectural Firm of Soule, Murphy and Hastings (1921-1926)

The house was designed by the firm of Soule, Murphy and Hastings, one of the Santa Barbara region's most noted architectural firms in the early twentieth century. Windsor Soule, the principal of the firm, first came to Santa Barbara in 1912 as an associate of the architect Russell Ray who had already had an established practice. In 1916 they hired John Frederic Murphy to join the firm. Russell Ray left the firm in 1917 to fight in World War 1. Leaving just Soule and Murphy. In 1921 they brought in Henry Hastings. All of three partners of the firm became significant architects in their own right. Moreover, the firm played an important role in developing a regional architectural style for California inspired by the state's colonial period missions

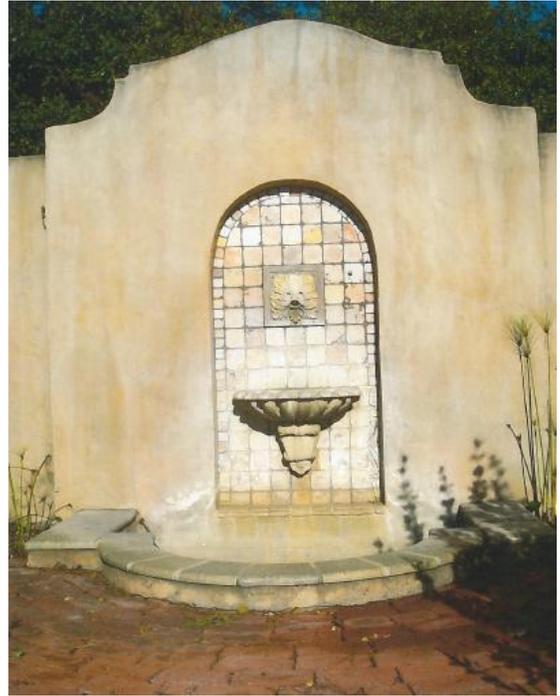


Above: 2013 Photograph of east elevation and rear yard of the Hodges House designed by the architectural firm of Soule, Murphy and Hastings.

and Spanish and Italian Mediterranean antecedents. Because the firm made such significant contributions to the architectural heritage of Santa Barbara, their legacy lies in the firm's concerted effort to make Mediterranean and Spanish Colonial Revival the city's dominant architectural styles at a time when these regional styles were achieving great popularity.

Landscape Architect, Ralph Tallant Stevens

Ralph Tallant Stevens (1882-1958) was a visionary landscape architect who employed indigenous, native flora set within a naturalistic setting then integrated it with more traditional plantings laid out in a forma scheme. His work in Santa Barbara included the landscape designs for portions of Franceschi Park, Alameda Park, Oak Park, the Bird Refuge, and Plaza del Mar, as well as the plantings along Cabrillo Boulevard and many residential commissions. At 2112 Santa Barbara, a series of parterres outlined with boxed hedges planted with roses and other flowering annuals and perennials were located on a second cross axis near the south end of the south vista. Hardscape features included axially-aligned brick pathways, pergolas and a wall fountain. The design vocabulary of these landscapes was generally drawn from classical, European antecedents.



Above: 2013 Photograph of detail of wall fountain that was part of the Ralph Tallant Stevens designed landscape completed in 1922.

Significance:

The City of Santa Barbara establishes historic significance as provided by the Municipal Code, Section 22.22.040. Any historic building that meets one or more of the eleven criteria (Criteria A through K) established for a City Landmark or a City Structure of Merit can be considered significant. The Hodges House and Property Improvements meets the following criteria:

Criterion A, its character, interest or value as a significant part of the heritage of the City, the State or the Nation;

The house, garage and servants' quarters represent examples of the work of Soule, Murphy and Hastings, one of the leading interpreters of the Period Revival movement in the Santa Barbara region between 1921 and 1926. The landscaped garden represents a rare surviving and substantially intact example of the work of Ralph Tallant Stevens, one of the region's leading landscape architects. Moreover, the property served as the residence of Walter Hodges, a leading early twentieth century industrialist from 1909 until his retirement in 1930. Therefore the property at 2112 Santa Barbara Street is eligible for listing as a City of Santa Barbara Landmark under criterion A.

Criterion C: Its identification with a person or persons who significantly contributed to the culture and development of the City, the State, or the Nation.

The property served as the residence of Walter Hodges, a leading early twentieth century industrialist who was vice president of the Santa Fe Railroad (Atchison, Topeka, Santa Fe Railroad) between 1909 and 1930. Hodges played a leading role in the expansion of the railroad's *California Limited* and *Santa Fe De Lux* routes, which used the Southern Pacific's coastal rail line to extend its passenger service from Los Angeles to San Francisco. As a popular resort destination for the affluent, Santa Barbara was an important component of the railroads California passenger service during first four decades of twentieth century. Hodges also made important contributions to the development of real estate holdings during the early twentieth century, most notably, Rancho Santa Fe, a planned community in Southern California. Because Hodges played an important role in the development of California during the early twentieth century, the property at 2112 Santa Barbara, which was his residence for 21 years, is eligible for listing as a City of Santa Barbara Landmark under criterion C.

Criterion D: its exemplification of a particular architectural style or way of life important to the City, the State, or the Nation;

The Italian Mediterranean style house, garage and servants quarters represent examples of the work of Soule, Murphy and Hastings, one of the leading interpreters of the Period Revival movement in the Santa Barbara region between 1921 and 1926. The house is an almost intact example of the Italian Mediterranean style. The landscaped garden represents a rare surviving and substantially intact example of the work of Ralph Tallant



Above: 2013 Photograph of west elevation of the Hodges House.

Stevens, one of the region's leading landscape architect. The garden, which drew inspiration from the gardens of the Italian Renaissance, was a type of landscape scheme that enjoyed a widespread resurgence in popularity in the designs of large, early twentieth century estates. Therefore, the property is eligible for listing as a City of Santa Barbara Landmark under criterion D.

Criterion E, Its exemplification of the best remaining architectural type in a neighborhood.

The Italian Mediterranean style house, the garage and servants' quarters, and the substantially intact Italianate style garden represent the neighborhood's best surviving example of an early twentieth century Italian Mediterranean style estate. Therefore, the property is eligible for listing as a City of Santa Barbara Landmark under criterion E.

Criterion F, its identification as the creation, design, or work of a person or persons whose effort significantly influenced the heritage of the City, the State, or the Nation;

The Italian Mediterranean style house, garage and servant's quarters represent examples of the work of Soule, Murphy and Hastings, one of the leading interpreters of the Period Revival movement in the Santa Barbara region between 1921 and 1926. Although, the Italianate style garden enjoyed widespread popularity in large estates in the early twentieth century, the landscape design of the Hodges House and Property Improvements represents a rare surviving example of a design by Ralph Tallant Stevens, one of the region's leading landscape architects. Therefore, the property is eligible for listing as a City of Santa Barbara Landmark under criterion F.



Criterion G, its embodiment of elements demonstrating outstanding attention to architectural design, detail, materials and craftsmanship;

The house demonstrates outstanding attention to architectural detail in the Italian Mediterranean style design as well as the details, materials and craftsmanship of the wood entrance door and intricately designed door surround, wood casement windows, terra cotta roof tiles, and iron balconies. Because the buildings and surrounding garden continue to convey the outstanding attention to design, detail, materials and craftsmanship found in estate architecture and landscape design in the Santa Barbara region during the 1920s, the property is eligible for listing as a City of Santa Barbara Landmark under criterion G.



Above: 2013 Photographs demonstrating the outstanding attention to architectural detail and craftsmanship in the front elevation windows and doors.

Criterion I, Its unique location or singular physical characteristic representing an established and familiar visual feature of a neighborhood.

Set at the corner of Santa Barbara Street and East Padre Street, the buildings and the sandstone walls along the street edge have formed an established and familiar visual feature of the neighborhood for 92 years. Therefore, the property is eligible for listing as a City of Santa Barbara Landmark under criterion I.

Historical Integrity:

In addition to determining significance, there are essential physical features that must be considered to evaluate the integrity of a significant building. The house, the garage and servants quarters and the remaining features of the original landscaping and hardscape, including the sandstone retaining walls and curbs, have maintained sufficient integrity to convey its original appearance. The Historic Structures Report found that the property at 2112 Santa Barbara Street has retained its integrity of location, design, setting, materials, workmanship, feeling and association.

Recommendation:

Staff Recommends that the HLC adopt a resolution to recommend to City Council that the Hodges House and Property Improvements be designated as a City Landmark. Staff recommends the proposed boundary of the City Landmark designation be the entire parcel, including large specimen trees noted on landscape plan in the designation file, with the exception of the non-contributing elements as per exhibits A-1 through A-4 of the Resolution of Designation.

Works Cited:

Post/Hazeltine Associates. *Historic Structures Report*. March 5, 2013. The report is on file with the City Planning Division.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA DESIGNATING THE HODGES HOUSE
AND PROPERTY IMPROVEMENTS AT 2112 SANTA
BARBARA STREET AS A CITY LANDMARK

WHEREAS, Section 22.22.050 of the Municipal Code of the City of Santa Barbara grants the Historic Landmarks Commission the authority to initiate a designation process to recommend to the City Council the designation as a City Landmark of any structure, natural feature, site or area having historic, architectural, archaeological, cultural or aesthetic significance;

WHEREAS, the Historic Structures/Sites Report accepted on March 27, 2013, by the Historic Landmarks Commission, has determined that the property listed in the title of this document qualifies for historic designation under City of Santa Barbara Master Environmental Assessment (MEA) criteria;

WHEREAS, the Historic Structures/Sites Report of 2013 found the property at 2112 Santa Barbara Street designed by the noted architectural firm of Soule, Murphy and Hastings in 1921 in the Mediterranean style and the landscape, designed by noted landscape architect Ralph Tallant Stevens, is significant for its historical and architectural influence on the heritage of the City;

WHEREAS, the owners' plans for restoration of the property to its original use and configuration, that are based on the original 1921 plans, will enhance the historic integrity of the property;

WHEREAS, the Historic Landmarks Commission has reviewed the proposed restoration of the property and landscape elements to ensure that it will be completed according to *The Secretary of Interior's Standards for the Treatment of Historic Properties*;

WHEREAS, the property owners are seeking a Mills Act contract agreement and have also submitted a statement of support for the City Landmark designation on October 15, 2013;

WHEREAS, the proposed boundary of the City Landmark designation is the entire property, including large specimen trees noted on the landscape plan in the designation file, with the exception of the non-contributing elements as per Exhibit A-1 through A-4;

WHEREAS, under the provisions of Article 19, Section 15308 of the California Environmental Quality Act Guidelines and the City List of Activities Determined to Qualify for a Categorical Exemption (City Council Resolution Dated November 10, 1998), staff has determined that designation of the Hodges House and Property

Improvements as a City Landmark is categorically exempt in accordance with the California Environmental Quality Act Guidelines, section 15308;

WHEREAS, on October 23, 2013, the Historic Landmarks Commission adopted Resolution of Intention 2013-5 to hold a public hearing to begin the City Landmark designation process for the Hodges House and Property Improvements located at 2112 Santa Barbara Street, Assessor's Parcel No. 025-252-006 and 007;

WHEREAS, the Historic Landmarks Commission held a public hearing on November 6, 2013, during which hearing public comments were invited on the proposed City Landmark designation and the Historic Landmarks Commission clarified the proposed property improvements that should be included in the designation and adopted Resolution No. 2013-6 to recommend to the City Council designation as a City Landmark the Hodges House and Property Improvements located at 2112 Santa Barbara Street, APN 025-252-007; and

WHEREAS, Section 22.22.050 of the Municipal Code of the City of Santa Barbara states that the City Council may designate as a City Landmark any structure, natural feature, site or area having historic, architectural, archeological, cultural, or aesthetic significance by adopting a resolution of designation within 90 days following receipt of a recommendation from the Historic Landmarks Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT:

1. The Hodges House and Property Improvements at 2112 Santa Barbara Street, Assessor's Parcel No. 025-252-006 and 007, is designated as a City Landmark based on the historic and cultural significance of facts presented in the City Landmark Designation Staff Report dated November 6, 2013. The contributing elements identified in Exhibits A-1 through A-4 to this Resolution constitute the landmark designation. The non-contributing elements identified in Exhibits A-1 through A-4 to this Resolution are not part of the landmark designation.
2. The City Council finds that the subject property meets the following City Landmark criteria (A through K) listed in section 22.22.040 of the Municipal Code:
 - A. Its character, interest or value as a significant part of the heritage of the City, the State or the Nation;
 - C. Its identification with a person or persons who significantly contributed to the culture and development of the City, the State, or the Nation;
 - D. Its exemplification of a particular architectural style or way of life important to the City, the State, or the Nation;
 - E. Its exemplification of the best remaining architectural type in a neighborhood.
 - F. Its identification as the creation, design, or work of a person or persons whose effort significantly influenced the heritage of the City, the State, or the Nation;

- G. Its embodiment of elements demonstrating outstanding attention to architectural design, detail, materials and craftsmanship; and
 - I. Its unique location or singular physical characteristic representing an established and familiar visual feature of a neighborhood.
3. The contributing elements of the landmark site are subject to the repair and maintenance requirements specified in Section 22.22.070 of the Santa Barbara Municipal Code. The non-contributing elements of the landmark site are not subject to the repair and maintenance requirements specified in Section 22.22.070 of the Santa Barbara Municipal Code.

The demolition, relocation, or exterior alteration of any element of the landmark site (contributing or non-contributing) shall be subject to review of the Historic Landmarks Commission pursuant to Section 22.22.080 of the Santa Barbara Municipal Code. However, since the non-contributing elements are not part of the landmark designation, the demolition, relocation, or exterior alteration of non-contributing elements shall not require the Historic Landmarks Commission to make the findings specified in Subsection 22.22.080.A of the Santa Barbara Municipal Code. Instead, a proposed demolition, relocation, or exterior alteration of a non-contributing element shall be evaluated only for its compatibility with the contributing elements of the landmark site.

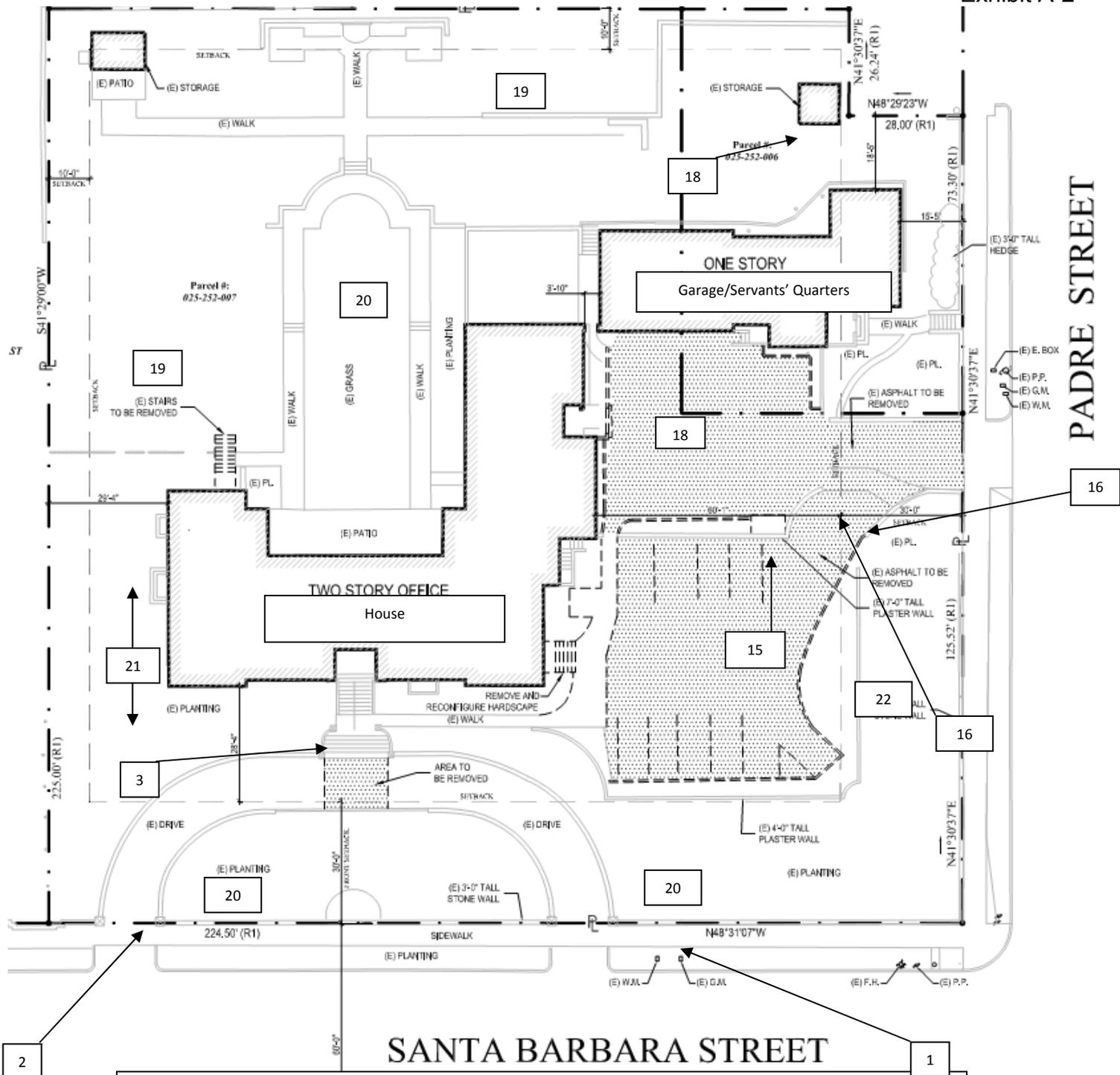
4. The City Clerk shall cause this resolution, upon adoption, to be recorded in the Office of the recorder of the County of Santa Barbara pursuant to Santa Barbara Municipal Code Section 22.22.055.

Exhibits:

A-1 through A-4: Site Plans of Contributing and Non-Contributing Elements of 2112 Santa Barbara Street.



- Site Plan 1:**
Existing Conditions (before Approved Alterations) Contributors to the Landmark Designation (Designed Landscape) (1 of 3)
- 1- Stone retaining walls on Santa Barbara St.
 - 2- Driveway and its retaining walls on Santa Barbara St.
 - 3- Placement of the steps leading to the front door (but not the materials or precise configuration).
 - 4- Stone retaining walls on E. Padre St.
 - 5- Gate pier and retaining walls on driveway leading into motor court.
 - 6- Configuration of the motor court (excluding alterations after the period of significance).
 - 7- Wall partially surrounding motor court.
 - 8- Gate in the west wall segment of wall surrounding the motor court.
 - 9- Sandstone steps leading up from E. Padre Street to former garage building.
 - 10- Sandstone piers along north property line.
 - 11- Patio off east elevation, location.
 - 12- Formal Garden including brick pathways, retaining walls, hedges, wall fountain and pergolas off of the house's north elevation and the overall layout of open space and hedged garden beds.
 - 13- Designed Landscape off west elevation, overall layout of landscape spaces in relation to the house, retaining walls and driveway but not the individual plantings.
 - 14- Designed Landscape off south elevation, overall layout of landscape spaces in relation to the house, retaining walls and motor court, large specimen trees but not the smaller plantings or existing parking area off the south side of the motor court.

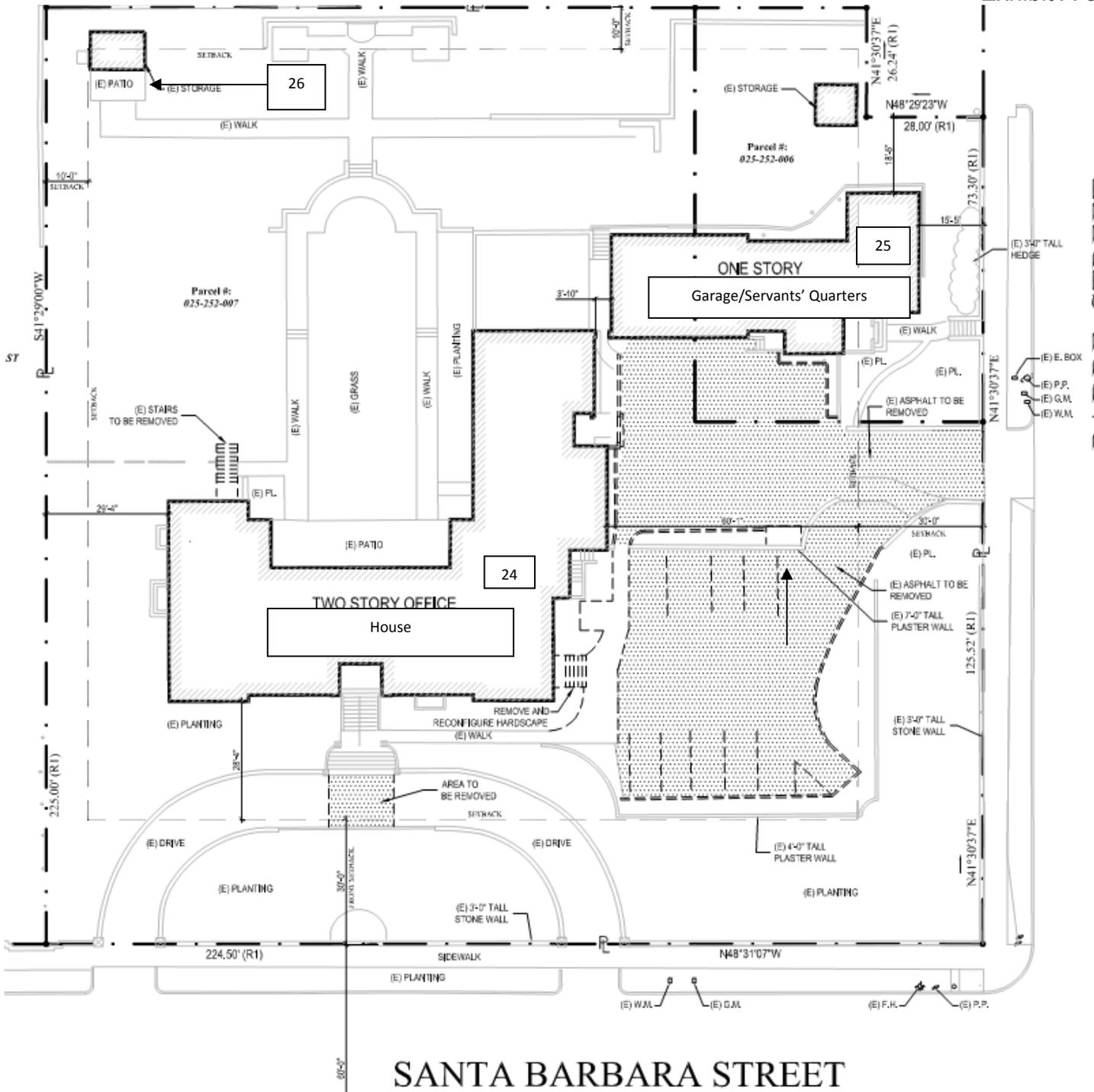


Site Plan 2

Existing Conditions (before Approved Alterations) Non-Contributors to the Landmark Designation(Designed Landscape):

- 15-Paved parking area off east elevation of house.
- 16-Driveway linking paved parking area to East Padre St.
- 17-Paving of Motor Court.
- 18-Shed
- 19- Elements of the landscaped area off the east side of the house, confined to the following: Shrubs and bedding plants (with the exception of large specimen trees, hedges and hedging material around beds at north end of designed landscape).
- 20- Landscaped area off the west side of house: smaller plantings (with the exception of large specimen trees).
- 21-Landscaped area off the north side of house: smaller plantings (with the exception of large specimen trees).
- 22-Landscaped area off the south side of house: smaller plantings (with the exception of large specimen trees).

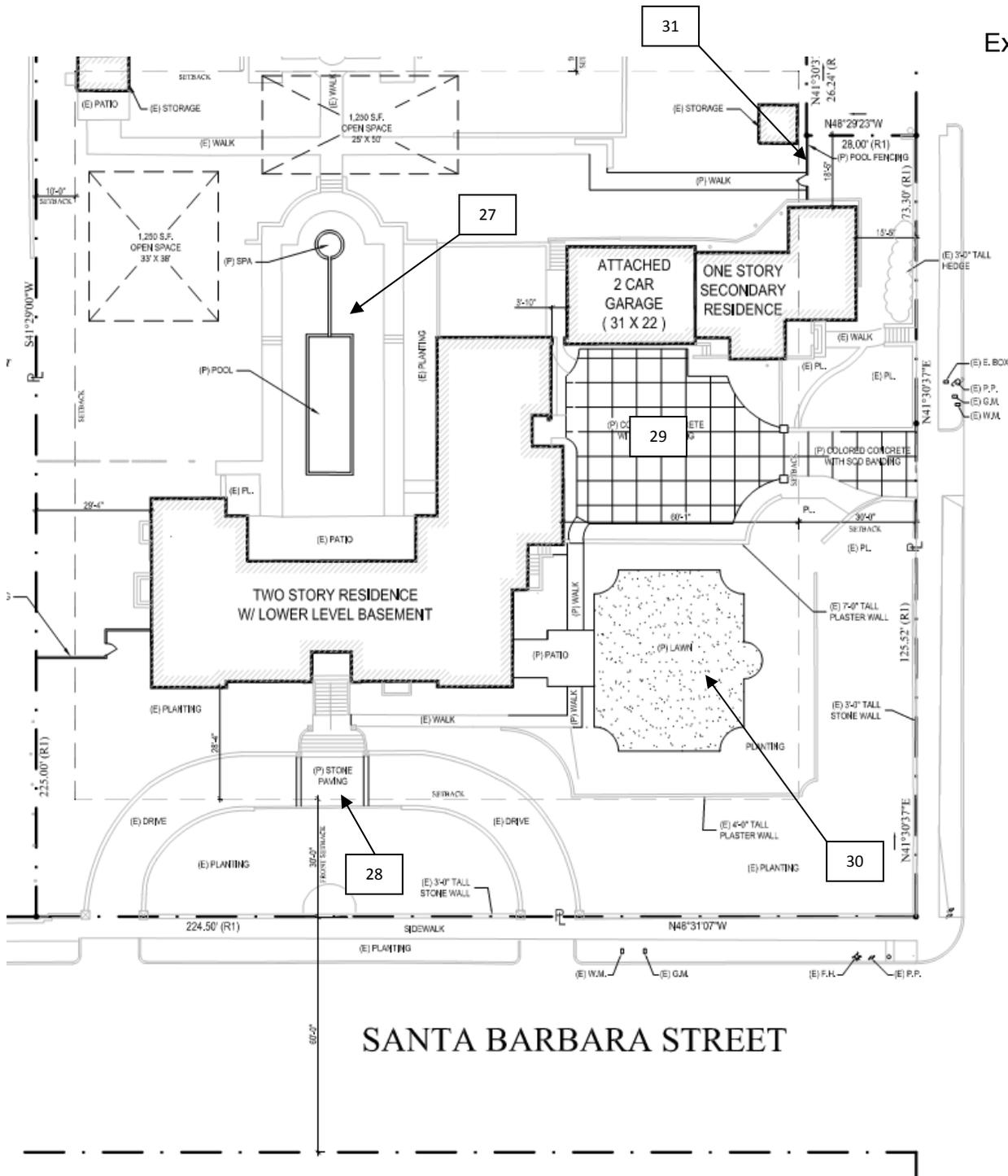
(continued: see next page)



Site Plan 3:
Existing Conditions (before Approved Alterations) Contributing Buildings to the Landmark Designation (Designed Landscape):

24- House.
 25- Garage bldg.
 26-Storage Bldg.

(continued: see next page)



Site Plan 4:
Non-Contributing Elements of the approved Plans (After Implementation of the Approved Alterations) Non Contributing Buildings to the Landmark Designation (Designed Landscape):

- 27- Lap pool, rill and spa.
- 28- Stone paving off west elevation.
- 29- New paving material for motor court and driveway.
- 30- New garden area.
- 31- Pool Fence.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and City Council

FROM: Planning Division, Comm. Dev. Department

SUBJECT: Mills Act Historic Property Contract For 2112 Santa Barbara Street – Assessor’s Parcel Nos. 025-252-006 And -007

RECOMMENDATION:

That Council consider approval of an exception to the Mills Act contract limits outlined in Santa Barbara Municipal Code Section 22.22.160.C.4(m) for historic property at 2112 Santa Barbara Street, subject to completion of City Landmark Designation, and authorize the Community Development Director to execute a historic property contract.

EXECUTIVE SUMMARY:

The subject property owner is seeking the approval of a Mills Act contract which allows a tax abatement incentive program for historically significant properties. The City established its program in 2009. To approve the requested contract, Council must grant an exception to exceed the property appraisal valuation cap of 1.5 million dollars.

The Mills Act is a state law enacted in 1972, which allows owners of designated historic properties to enter into a contractual recorded agreement with the municipality within which the historic property is located to preserve, maintain, and rehabilitate the structure. The contracts approved with the City require the property owner to propose and itemize a ten-year rehabilitation plan to improve, maintain and repair their properties.

The Mills Act incentive program established set limits on the maximum number of contracts allowed per year (8), set a maximum threshold on property assesses valuation in order to qualify and placed a limit on the overall expected revenue loss. The Ordinance, however, included provisions to allow City Council the ability to approve exceptions to exceed these limits.

At the time of the adoption, Council agreed that the proposed Mills Act Program had been crafted with sufficient mechanisms in place to limit the total city tax revenue loss but requested staff to return to provide periodic updates on the status of the program. Staff has therefore, included a brief status update as part of this Mills Act contract request.

Staff believes that little financial impact will result with the execution of this historic property contract. Both staff and the HLC recommend approval of an exception to exceed the property valuation cap limits for this property and request Council authorize execution of the historic property contract (see Attachment 1).

DISCUSSION:

Background:

Following is a brief description of the Mills Act and local program specifics.

State Mills Act

The Mills Act is a state law enacted in 1972, which enables owners of designated historic structures to enter into an agreement (contract) with the City to preserve, maintain and possibly rehabilitate the structure. Such agreements provide a reduction of property taxes in exchange for the continued preservation of the property. Many communities are currently participating in this type of Mills Act program.

The Mills Act requires the County Tax Assessor to re-evaluate the property to determine the value of the historic property based upon its current net operating income, rather than upon the traditional assessed valuation method established by Proposition 13. Property valuation is determined by the “income” method set out in Revenue and Tax Code Section 439.21.9. The result is typically a substantial reduction in property taxes for post-Proposition 13 qualified historic properties. The money saved on taxes will be available for use in maintaining and restoring the property. The agreement runs for ten years and can renew annually, thus extending the agreement term unless a notice of cancellation is filed by the owner or the City.

The property value and property taxes are recalculated by the County Tax Assessor and do not involve City staff. The loss of tax revenue is shared among applicable agencies that receive the property taxes.

Eligibility and Program Guidelines for Mills Act Contract Applications

Staff developed Administrative Rules and Guidelines for all Mills Act contract applications (included in and approved by Council Resolution). To enter into a Mills Act contract, a property owner’s structure must already be designated a City Landmark, Structure of Merit or as a contributing resource to a Historic District. An individual property may also not exceed \$1.5 million in total tax assessed value to qualify for the tax abatement program. The assessed valuation cap limit was intended to maximize benefits to as many properties as possible given the proposed cap in total program revenue loss. If no caps were in

place, larger higher-assessed properties could significantly impact the overall program cap limits.

Ordinance amendments to Municipal Code Chapter 22.22 (Historic Structures Ordinance) were adopted to authorize and implement the Mills Act program including a provision that allows Council to grant exceptions.

SBMC Section 22.22.135 C-4m reads as follows:

“Historic Property Contracts that exceed the limits identified in this Section shall only be approved and executed after and upon the express approval of the City Council.”

Mills Act Program Update

Mills Act rehabilitation work and contracts are monitored by the City’s Urban Historian with requirements that periodic reports be provided to the City Council regarding the status and progress of all ongoing repair work. Since inception of the program, only two contracts have been approved with two currently pending. Any contract may be cancelled by either party (as provided in the Mills Act) and the City may terminate for failure to make progress or complete scheduled repairs as per the approved rehabilitation plan. No problems have arisen so far with the executed contracts.

In 2008, the City evaluated the potential effects of implementing the Mills Act. The Finance Committee discussed the scope and quantity of Mills Act contracts and agreed that a simple program be established with an appraised valuation cap, a limit of eight contracts per year, with a total maximum revenue loss cap for incentive program not to exceed \$300,000 to lessen the financial impact in reduced city tax revenue. The Finance Committee also expressed concerns regarding possible long-term impacts to staff resources as a result of the cumulative number of contracts requiring administration year after year. For this reason, a re-evaluation of the program after several years was recommended

In 2009, Council agreed that the proposed Mills Act program had been crafted with sufficient mechanisms in place to limit total city tax revenue loss and that limits on the number of contracts or a cap on the amount of total tax revenue loss. The Ordinance Committee agreed with staff that all reference to caps should not be included in the municipal code itself, but rather in the administrative guidelines approved by Council Resolution in order to allow the Council to more readily modify the program caps in the future, if deemed necessary.

BUDGET/FINANCIAL INFORMATION:

Staff originally estimated the initial years of the total annual city tax revenue loss to be in the \$6,000 to \$15,000 range. Staff believes this estimate is still accurate. The revenue loss is variable and is expected to incrementally grow since it is based on the number of actual contracts executed, the amount of assessed property values, and the percentage of actual tax revenue the City actually receives from the Tax Assessor’s Office from each property.

Significant budget or staffing impacts have not occurred to date due to the limited amount of contracts. The Community Development Department budget provides for sufficient staff time to accommodate the proposed program administration. However, since the number of contracts is expected to increase over time, staff recommends that Staff continue to periodically return to provide Council with a status report which would include an update on program costs and planning staffing hours utilized to support the Mills Act Program.

The planned rehabilitation project at 2112 Santa Barbara Street is an excellent candidate project for a Mills Act contract as it restores this historic estate to its original appearance and use. Only two contracts have been executed since adoption of the program. Staff believes that little financial impact will result with the execution of this contract. Both staff and the HLC recommend approval (see Attachment 2) of an exception for this property and request Council authorize execution of the historic property contract.

- ATTACHMENTS:**
1. Proposed Mills Act Contract Draft
 2. HLC Minutes dated 10/23/2013

PREPARED BY: Jaime Limón, Design Review Supervisor

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

RECORDING REQUESTED BY,)
AND WHEN RECORDED MAIL TO:)
City of Santa Barbara)
Community Development Department)
630 Garden Street)
P.O. Drawer 1990)
Santa Barbara, CA 93102
Attn: Community Development Director

SEND ANOTHER COPY TO:

(Space Above for Recorder's Office)

HISTORIC PROPERTY PRESERVATION AGREEMENT
(“MILLS ACT CONTRACT”)

between

THE CITY OF SANTA BARBARA
a municipal corporation

and

Restore, LLC- Trustee Andreana Weiner
715 State St., SB, CA 93101.

Owner of the property located at

2112 Santa Barbara Street

APN's: 25-252-006 and 25-252-007

HISTORIC PROPERTY PRESERVATION AGREEMENT

("MILLS ACT CONTRACT")

THIS AGREEMENT is made this December 10, 2013, by and between the City of Santa Barbara, a municipal corporation ("City") and Restore, LLC- Trustee Andreana Weiner (hereinafter collectively referred to as "Owner").

RECITALS

1. California Government Code section 50280, et. seq. allow cities the discretion to enter into contracts with the owners of qualified historic properties, as that term is defined in Government Code section 50280.1, for the purpose of providing for the use, maintenance, protection, and rehabilitation of such historic property so as to retain its characteristics as property of historic significance.

2. Owner holds fee title in and to that certain real property, together with associated structures and improvements thereon, generally located at the street address 2112 Santa Barbara Street Santa Barbara, California ("Historic Property"). A legal description of the Historic Property is attached hereto as Exhibit "A," and incorporated herein by this reference.

3. On December 10, 2013, the City Council designated the Historic Property as an historic resource pursuant to the terms and provisions of Title 22 of the Santa Barbara Municipal Code.

4. City and Owner desire to enter into this Agreement for the purpose of protecting and preserving the characteristics of historical significance of the Historic Property that help preserve and maintain the community's unique civic identity and character.

5. Owner, in consideration for abiding by the terms of this Agreement, shall be entitled to qualify for a reassessment of valuation of the Historic Property, pursuant to the provisions of Chapter 3, Part 2, of Division 1 of the California Revenue and Taxation Code, and any corresponding adjustment in property taxes resulting therefrom.

TERMS

NOW, THEREFORE, the City and Owner in consideration of mutual covenants and conditions set forth herein, do hereby agree as follows:

1. Preservation of Historical Property. During the term of this Agreement, the Historic Property shall be subject to the following conditions, requirements, and restrictions:

A. The Rehabilitation Plan. Owner has proposed a specific list of projects, acceptable to City, that are to be undertaken and completed for the rehabilitation, repair, maintenance, or rehabilitation of the Historic Property during the term of this agreement (hereinafter the “Rehabilitation Plan.”) The proposed Rehabilitation Plan is listed in Exhibit “B,” which exhibit is incorporated herein by this reference. Owner shall conduct at least one of the projects listed in the Rehabilitation Plan during each year of this agreement. All such projects shall be undertaken and completed in accordance with the Secretary of Interior Standards for Rehabilitation and the City of Santa Barbara design guidelines.

The projects in the Rehabilitation Plan are listed in chronological order by the contract year(s) in which the projects are expected to commence. In addition, the project list provides an estimated cost of completion for each project. The project commencement dates and cost estimates are provided for purposes of illustration. A project does not have to be completed within a single contract year, nor do all of the listed projects have to be completed during the term of the agreement. However, during each year of this contract, Owner is required to spend an amount at least equal to the annual property tax savings realized by Owner on one or more of the projects listed in the Rehabilitation Plan. Without altering Owner’s obligation to invest the annual tax savings in the rehabilitation, repair, maintenance, or rehabilitation of the Historic Property, the Rehabilitation Plan may be amended or altered from time

to time by written agreement executed by the City Community Development Director or the Director's designee and Owner.

B. Maintenance Plan. In addition to the Rehabilitation Plan described in Subsection 1(A) above, Owner shall preserve and maintain the characteristics of the cultural and historical significance of the Historic Property. Attached hereto as Exhibit "C," and incorporated herein by this reference, is a listing of character defining features and the minimum standards and conditions for maintenance, use, protection, and preservation of the Historic Property, which shall apply to the Historic Property and with which Owner shall comply throughout the term of this Agreement. In addition, Owner shall comply with the terms of the City's Historic Structures Ordinance (Chapter 22.22 of the Santa Barbara Municipal Code), and shall obtain any applicable permits necessary to protect, preserve, restore, and rehabilitate the Historic Property so as to maintain its historical and cultural significance. At a minimum, during the term of this agreement Owner shall maintain the exterior of the Historic Property in a condition that is at least equal to the condition documented in Exhibit "D." The condition of the exterior of the Historic Property on the effective date of this Agreement is documented in photographs attached as Exhibit "D" and incorporated herein by this reference.

C. Public View of the Historic Property. Owner shall not construct, install, allow, or maintain any wall, fence, or landscaping along the right of way frontages of the Historic Property so as to prevent the viewing of the Historic Property from the public right-of-way.

2. Periodic Examinations. Upon reasonable advance notice, Owner shall allow reasonable periodic examinations of the interior and exterior of the Historic Property by representatives of the County Assessor, the State Department of Parks and Recreation, the State Board of Equalization and City, as may be necessary to determine Owner's compliance with the terms and provisions of this

Agreement.

3. Provision of Information of Compliance. Owner hereby agrees to furnish City with any and all information requested by City, which City deems necessary or advisable to determine eligibility of the Historic Property and compliance with the terms and provisions of this Agreement. Owner shall provide the City with photographs and receipts documenting the progress and expenditures on the required Rehabilitation Plan project(s) during each year of the agreement.

4. Effective Date and Term of Agreement. This Agreement shall be effective and commence on December 10, 2013, (“Effective Date”) and shall remain in effect for a term of ten (10) years thereafter.

5. Yearly Renewal. Each year upon the anniversary of the Effective Date (“Renewal Date”), an additional one (1) year shall automatically be added to the remaining term of the Agreement unless a notice of nonrenewal is delivered as provided in Section 3 of this Agreement.

6. Nonrenewal. If either the Owner or City desires in any year not to renew this Agreement, Owner or City shall serve a written notice of nonrenewal upon the party in advance of the Renewal Date (“Notice of Nonrenewal”). The Notice of Nonrenewal shall be effective only if served by Owner upon City at least ninety (90) days prior to the Renewal Date, or if served by City upon Owner, the Notice of Nonrenewal shall be effective only if served upon Owner at least sixty (60) days prior to the Renewal Date. If either City or Owner serves a Notice of Nonrenewal in any year, this Agreement shall remain in effect for the balance of the term then remaining.

7. Owner Protest of City Nonrenewal. Within fifteen (15) days of Owner’s receipt of the Notice of Nonrenewal from City, Owner may file with City a written protest of the Notice of Nonrenewal. Upon receipt of the written protest, the City Council shall set a hearing prior to the

expiration of the Renewal Date of this Agreement. Owner may furnish the City Council with any information which Owner deems relevant and shall furnish the City Council with any information it may require. The City Council may, at any time prior to the annual Renewal Date, withdraw its Notice of Nonrenewal.

8. Breach of Agreement; Remedies.

A. Notice of Breach; Opportunity to Cure. If Owner breaches any provision of this Agreement, City may give written notice to Owner by registered or certified mail detailing Owner's violations. If such violation is not corrected to the reasonable satisfaction of City within thirty (30) days after the date of notice of violation, or within such a reasonable time as may be required to cure the violation (provided the acts to cure the violation are commenced within thirty (30) days and thereafter diligently pursued to completion), the City may, without further notice, declare Owner to be in breach of this Agreement. Upon City's declaration of Owner's breach, City may pursue any remedy available under local, state, or federal law, including those specifically provided for in this section.

B. Remedy - Cancellation. City may cancel this Agreement if City determines, following a duly noticed public hearing in accordance with Government Code section 50285, that Owner breached any of the conditions of the Agreement, Owner allowed the Historic Property to deteriorate to the point that it no longer meets the standards for a qualified historic property, or Owner failed to maintain and preserve the Historic Property in accordance with the terms of this Agreement. If this Agreement is cancelled, under this paragraph, Owner shall pay a cancellation fee to the Office of the Auditor for the County of Santa Barbara as required by Government Code section 50286.

C. Alternative Remedies. As an alternative to cancellation of this Agreement for Owner's breach of any condition, City may bring an action in court necessary to enforce this Agreement

including, but not limited to, an action to enforce this Agreement by specific performance, injunction, or receivership.

9. Destruction of Property; Eminent Domain; Cancellation. If the Historic Property is destroyed by earthquake, fire, flood, or other natural disaster such that in the opinion of the City Building Official more than seventy-five percent (75%) of its market value immediately prior to the damage is lost, this Agreement shall be cancelled because the historic value of the structure will have been destroyed. If the Historic Property is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the City Council to frustrate the purpose of this Agreement, this Agreement shall be cancelled. No cancellation fee pursuant to Government Code section 50286 shall be imposed if the Agreement is cancelled pursuant to this Section.

10. Waiver. City does not waive any claim of default by Owner if City does not enforce or cancel this Agreement. All other remedies at law or in equity which are not otherwise provided for in this Agreement or in City's regulations governing historic properties are available to the City to pursue in the event that there is a breach of this Agreement. No waiver by City of any breach or default under this Agreement shall be deemed to be a waiver of any other subsequent breach thereof or default hereunder.

11. Binding Effect of Agreement. Owner hereby subjects the Historic Property to the covenants, conditions, and restrictions set forth in this Agreement. City and Owner hereby declare their specific intent that the covenants, conditions, and restrictions set forth herein shall be deemed covenants running with the land and shall inure to and be binding upon Owner's successors and assigns in title or interest to the Historic Property. Each and every contract, deed or other instrument herein after

executed, covering or conveying the Historic Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

12. Covenants Run with the Land. City and Owner hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth herein touch and concern the land in that it restricts development of the Historic Property. City and Owner hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the land by enhancing and maintaining the cultural and historical characteristics and significance of the Historic Property for the benefit of the public and the Owner.

13. Notice. Any notice required to be given by the terms of this Agreement shall be provided at the address of the respective parties as specified below or at any other address as may be later specified by the parties hereto:

City: City of Santa Barbara
Planning Division
630 Garden Street
Santa Barbara, CA 93101

Owner: Restore, LLC- Trustee Andreana Weiner
715 State Street
Santa Barbara, CA 93101

14. Effect of Agreement. None of the terms, provisions or conditions of this Agreement shall be deemed to create a partnership between the parties hereto and any of their heirs, successors or assigns, nor shall such terms, provisions or conditions cause the parties to be considered joint venturers or members of any joint enterprise.

15. Indemnity of City. Owner shall defend, indemnify, and hold harmless City and its elected

officials, officers, agents and employees from any actual or alleged claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state or local governmental agency, arising out of or incident to (i) the direct or indirect use operation, or maintenance of the Historic Property by Owner or any contractor, subcontractor, employee, agent, lessee, licensee, invitee, or any other person; (ii) Owner's activities in connection with the Historic Property; and (iii) any restrictions on the use or development of the Historic Property, from application or enforcement of Title 22 of the City's Municipal Code, or from the enforcement of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys' fees, and related costs or expenses, and the reimbursement of City, its elected officials, employees, and/or agents for all legal expenses and costs incurred by each of them. Owner's obligation to indemnify shall survive the termination, cancellation, or expiration of this Agreement and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, employees, or agents.

16. Binding Upon Successors. All of the agreements, rights, covenants, reservations and restrictions contained in this Agreement shall be binding upon and shall inure to the benefit of the parties herein, their heirs, successors, legal representatives, assigns and all persons acquiring any part or portion of the Historic Property, whether by operation of law or in any manner whatsoever.

17. Legal Costs. In the event legal proceedings are brought by any party or parties to enforce or restrain a violation of any of the covenants, conditions or restrictions contained herein, or to determine the rights and duties of any party hereunder, the prevailing party in such proceeding may recover all reasonable attorneys' fees to be fixed by the court, in addition to court costs and other relief ordered by the court.

18. Severability. In the event that any of the provisions of this Agreement are held to be unenforceable or invalid by any court of competent jurisdiction, or by subsequent preemptive legislation, the validity and enforceability of the remaining provisions, or portions thereof, shall not be effected thereby.

19. Recordation. No later than twenty (20) days after the Effective Date, City shall cause this Agreement to be recorded in the office of the County Recorder of the County of Santa Barbara. Owner shall provide written notice of the contract to the State Office of Historic Preservation within six (6) months of entering into the contract.

20. Amendments. This Agreement may be amended, in whole or in part, only by written recorded instrument executed by the parties hereto.

21. Governing Law and Venue. This Agreement shall be construed and governed in accordance with the laws of the State of California. Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in a court of competent jurisdiction in the County of Santa Barbara, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

Ⓢ "Y Ⓢ/P GUUY J GTGQH "j g'r ctvku'j cxg"gz gewgf "j ku'O km'Ce v'Eqptcev'ht "4334"
Santa Barbara Street as of the date and year first written above.

CITY OF SANTA BARBARA
a Municipal Corporation

OWNER

James L. Armstrong
City Administrator

(Name as it appears on title)

ATTEST:

(Name as it appears on title)

City Clerk Services Manager

APPROVED AS TO CONTENT:

Paul Casey
Community Development Director

APPROVED AS TO FORM:

Stephen P. Wiley
City Attorney

By _____
Assistant City Attorney

STATE OF CALIFORNIA)
)ss
COUNTY OF SANTA BARBARA)

On _____, before me, _____, the undersigned, a notary public in and for said State, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Notary Signature

Title No. 13-425102291-A-RR
 Locate No. CAFNT0942-0942-0051-0425102291

LEGAL DESCRIPTION

EXHIBIT "A"

Parcel One:

All that certain land situated in the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

That portion of the parcel of land described in the deed from Robert Taylor Hodges to Leo M. Sanders, et ux., dated October 20, 1943 recorded in Book 595, Page 23 of Official Records of Santa Barbara County, State of California, described as follows:

Beginning at a cross cut on a stone post on the Northwesterly line of Padre Street distant North 41°30' East, 125.52 feet from the Northeasterly line of the extension of Santa Barbara Street;

thence along the Northwesterly line of Padre Street North 41°30' East, 73.30 feet to a cross cut on top of a concrete curb wall, said point being the most Southerly corner of the excepted parcel of land described in said deed to Sanders and 198.82 feet Northeasterly from the Northeasterly line of Santa Barbara Street;

thence leaving said line of Padre Street North 48°30' West, 28 feet;

thence North 41°30' East, 26.24 feet to an old 1/2 inch survey pipe set at the most Northerly corner of said excepted parcel and on the Northeasterly line of Sanders Tract;

thence along the Northeasterly line of said Sanders Tract North 48°30' West, 41.07 feet to a 3/4 inch survey pipe;

thence South 41°30' West, 99.54 feet to a spike and tag set in a driveway;

thence South 48°30' East, 69.07 feet to the point of beginning.

Assessor's Parcel No. 025-252-06

Parcel Two:

All that certain land situated in the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

Beginning at a point on the Northeasterly line of Santa Barbara Street being Northwesterly 570 feet from the West corner of Block No. 2 in said City of Santa Barbara, being at the intersection of the Northeasterly line of Santa Barbara Street with the Northwesterly line of Padre Street, and also being the most Southerly corner of the tract of land described in the deed to Leo M. Sanders et ux. dated October 20, 1943 and recorded in Book 595, Page 23 of Official Records;

thence North 41°30' East along the Northwesterly line of Padre Street, 125.52 feet to a cross cut on a stone post;

thence North 48°30' West, 69.07 feet to a spike and tag set in a driveway;

thence North 41°30' East, 99.54 feet to a 3/4 inch survey pipe set in the Northeasterly line of said Sanders Tract;

thence North 48°30' West along said line, 155.93 feet to the most Northerly corner of said Sanders Tract;

thence South 41°30' West along the Northwesterly line of said Sanders Tract, 225 feet to the Northeasterly line of the extension of Santa Barbara Street;

thence South 48°30' East along said street line, 225 feet to the point of beginning.

Assessor's Parcel No. 025-252-07

EXHIBIT "A" (continued)

Title No. 13-**425102291**-A-RR
Locate No. CAFNT0942-0942-0051-0425102291

APN: 025-252-06,07

**MILLS ACT PROGRAM TEN-YEAR
REHABILITATION/RESORATION/
REPAIR PLAN**

2112 Santa Barbara Street
City of Santa Barbara

Year	Proposed Projects	Estimated Cost
Years 1 thru 5	Restoration of an existing 6,167 square foot, two-story building to a single-family residence interior improvements and exterior alterations to remove awnings, skylights, staircases, and an accessible ramp. Interior and exterior renovations, plastering and painting. New site work improvements. Install new electrical, plumbing, HVAC, Garage doors, chimney rebuild, patio repairs, alarm and security systems. Restoration of Accessory Structures.	\$490,000
Year 6	Annual Maintenance- Roof repair	\$30,000
Year 7	Annual Maintenance- Masonry	\$25,000
Year 8	Annual Maintenance- Stonework	\$25,000
Year 9	Annual Maintenance- Window repair and replacement	\$40,000
Year 10	Annual Maintenance and repair of Architectural trim	\$50,000

To be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit B.

Projects may be interior or exterior, but must utilize all of your tax savings. All projects that affect the exterior of the residence are subject to Historic Landmarks Commission/Staff review and approval before work begins. Work must meet all City requirements and the *Secretary of the Interior's Standards for the Treatment of Historic Properties*. Restoration Plan may be amended or altered by mutual agreement. Retain copies of all receipts and permits for submittal with the required annual reports.

Exhibit "C"

Property Maintenance Minimum Standards

During the term of this Agreement, Owners shall maintain the Historic Property in compliance with all regulations of the state Health and Safety Code including compliance with the adopted Uniform Housing Code as referenced in Chapter 22.04 of the Santa Barbara Municipal Code. In addition, during the term of this Agreement, Owner shall:

1. Comply with Santa Barbara Municipal Code Section 22.22.070, Duty to Repair and Maintain Structures of Merit consistent with maintenance plan for preservation of character defining features.
2. Not store non-operational vehicles on the Historic Property in locations that are visible from the public right of way;
3. Not maintain stagnant or standing water on the Historic Property;
4. Not suffer or maintain overgrown or decaying landscaping on the Historic Property. All landscape features should be maintained including, but not limited to grass, trees, and any planting.



EXISTING WEST ELEVATION (facing Santa Barbara Street)

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**



EXISTING WEST ELEVATION (facing Santa Barbara Street)

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**



EXISTING SOUTH ELEVATION (facing East Padre Street)

2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105



EXISTING SOUTH ELEVATION (facing East Padre Street)

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**



EXISTING SOUTH ELEVATION (from paved parking area)

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**



**EXISTING ELEVATION (from paved parking area)
RESTORE GARAGE. REMOVE CANOPY STRUCTURE, RAMP, AND WALL**

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**

**HARRISON
DESIGN
ASSOCIATES**
ARCHITECTS
ATLANTA SANTA BARBARA



**EXISTING ELEVATION (from paved parking area)
RESTORE GARAGE AND COTTAGE. REMOVE CANOPY STRUCTURE, RAMP, AND WALL**

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**

**HARRISON
DESIGN
ASSOCIATES**
ARCHITECTS
ATLANTA SANTA BARBARA



EXISTING EAST ELEVATION (Rear)

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**



**EXISTING EAST ELEVATION
LOCATION OF PROPOSED SPA, POOL, AND RUNNEL**

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**

**HARRISON
DESIGN
ASSOCIATES**
ARCHITECTS
ATLANTA SANTA BARBARA



REMOVE EXTERIOR REAR STAIRWAY CONSTRUCTED IN 1951

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**

**HARRISON
DESIGN
ASSOCIATES**
ARCHITECTS
ATLANTA SANTA BARBARA



EXISTING ROOFTOP ACCESS
(Remove stairs to rear yard area)

2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105



EXISTING MOTORCOURT (Access from East Padre Street)

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**



**REMOVE PAVED PARKING LOT @ CORNER OF E. PADRE SANTA BARBARA ST.
RESTORE LANDSCAPE IN FRONT YARD AREA**

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**

**HARRISON
DESIGN
ASSOCIATES**
ARCHITECTS
ATLANTA SANTA BARBARA



EXISTING GARDENS

**2112 SANTA BARBARA STREET
SANTA BARBARA, CA 93105**

HISTORIC LANDMARKS COMMISSION MINUTES**OCTOBER 23, 2013****MISCELLANEOUS ACTION ITEM**

2. **2112 SANTA BARBARA ST** E-1 Zone
 (1:50) Assessor's Parcel Number: 025-252-007
 Application Number: MST2013-00430
 Owner: Santa Barbara Restore, LLC
 Architect: Harrison Design

(The Commission is requested to recommend that the City Council authorize the execution of a Mills Act contract. The Historic Landmarks approved a project in August of 2013 consisting of the rehabilitation and restoration of a 6,167 square foot residence, 1,809 square foot accessory unit, and site improvements. *This structure is eligible for listing on the National Register and the California Register of Historical Properties and is eligible for City Landmark status: "Hodges House."*)

(Requires a recommendation to City Council for approval of an exception to exceed contract limits.)

Actual time: 1:57 p.m.

Staff comments: Jaime Limón, Design Review Supervisor, stated that City Council approved the Mills Act Historical Property Contract (reduced property tax incentive) Program and placed maximum limits to 8 contracts per year and only for properties with a total assessed cap value of 1.5 million dollars. Since 2009 when this provision was initiated, it was thought that applicants would not qualify for the program if they did not meet the property value maximum requirement. However, there is an allowed exception that grants the City Council authorization to approve a contract that exceeds the property value limit. The Commission is being requested to recommend such action.

Public comment opened at 1:59 p.m. and, as no one wished to speak, it was closed.

Motion: To recommend that the City Council authorize the execution of a Mills Act contract for the structure known as the "Hodges House" located at 2112 Santa Barbara Street and approve an exception to exceed contract limits.

Action: Winick/Orías, 6/0/0. (Boucher/Drury/Shallanberger absent.) Motion carried.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: General Plan Safety Element Update

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the 2013 Safety Element Update to the General Plan and Making Environmental Findings Pursuant to the California Environmental Quality Act.

EXECUTIVE SUMMARY

On November 12, 2013, the City Council held a public hearing on the adoption of the 2013 Safety Element Update (SEU). Prior to the meeting, the Council received comment letters from two law firms: Richard Watson Gershon and Hollister & Brace. Both letters were dated November 8, 2013. Attorney Richard Monk attended the meeting and addressed the Council regarding the concerns expressed in the two letters.

The Council Agenda Report provides responses to the two letters from November 8, 2013. The Council Resolution to adopt the Safety Element has been updated to reflect the responses.

DISCUSSION:

Both of the letters received on November 8, 2013 stated that the law firms represent Emprise Trust, the owner of a parcel at 1925 El Camino de la Luz in the City of Santa Barbara. The Emprise Trust is proposing to develop the parcel with a new 3,101 square foot (net), 3-story, single family residence with an attached two-car garage. The project is in the appealable jurisdiction of the Coastal Zone. The project site was subject to a landslide in 1978 which destroyed a home which existed on the site. The Emprise Trust submitted a City Pre-Application Review Team (PRT) application on June 10, 2013. The City issued a PRT comment letter on August 9, 2013.

Given the volume and detail of the comments in the two letters, Staff recommended, and Council concurred, that the item be continued to the December 10, 2013 Council meeting so that a comprehensive staff response could be prepared in response to the

points made in the letters. The staff comments have been summarized into the following topic areas:

- California Coastal Act and the California Code of Regulations
- Coastal Bluff Description and Illustration
- Policy Consistency
- Sequence of Updating Local Coastal Program (LCP) Hazards Section and General Plan Safety Element
- Discouraging Development on Landslide Impacted Parcels (Proposed Policy S17)
- Grading on Slopes Greater than 30% (Proposed Policy S18)
- Other El Camino de la Luz and Site Specific Suggested Revisions

At the November 12, 2013 Council meeting, questions were also raised as to the Safety Element policy direction regarding Wildfire Defensible Space and Seismic Policy Related to Soft-Story Construction. This Council Agenda Report provides the City's responses to comments and the recommended changes to the Safety Element and the adopting Council Resolution.

California Coastal Act and the Coastal Commission Code of Regulations

Both comment letters from Emprise Trust object to the Safety Element Appendix B. Appendix B is a 2003 Coastal Commission Staff Memorandum prepared by a Coastal Commission staff geologist on the subject of the technicalities of "establishing development setbacks from coastal bluffs." Both letters request that the Commission's 2003 memo and references to it, be removed from the City Safety Element and replaced with a reference to the California Code of Regulations. Staff disagrees with this request since there is no apparent conflict between Commission Regulations and the 2003 Coastal Commission staff memo.

The California Coastal Act was approved by the voters of the State in 1976 and the requirements of the Act were codified into the State Public Resources Code, Division 20. In addition, the California Code of Regulations for the Coastal Commission includes detailed provisions for the implementation of the Coastal Act. The Emprise Trust comment letters specifically refer to California Code of Regulations Section 13577(h) which describes the "Criteria for Permit and Appeal Jurisdiction Boundary Determinations." Subsection (h) contains a "coastal bluff" definition as well as criteria for determining the bluff edge or upper termination of a bluff and is provided as Attachment 1.

As acknowledged in the comment letters, even within the required context of Commission regulation §13577(h), applying the coastal bluff definition and bluff edge criteria is very complex. In 2003, a Coastal Commission Staff Geologist prepared a memorandum regarding "establishing development setbacks from coastal bluffs as required by the Coast Act and regulation §13577(h)." The memo is provided as an

attachment to the Safety Element to clarify the analytical and technical procedures undertaken by Coastal Commission staff in evaluating proposed development setbacks.

The Commission memo specifically states:

“This methodology does not represent a formal policy or position of the Coastal Commission. In fact, there may be other appropriate methodologies to establish development setbacks, and the Commission has the discretion to base a decision on any method that it finds technically and legally valid. Further, as new techniques and information become available, these methodologies may change. Nevertheless, the type of analysis outlined here represents the current analytical process carried out by Coastal Commission staff in evaluating proposals for new development on the California coast, and in recommending action upon those proposals to the Commission. The Commission then makes its decision on a case-by-case basis, based up the site specific evidence related to the particular development proposal.”

This Coastal Commission Staff memorandum and attached manuscript are included as Appendix B to the Safety Element. This Coastal Commission Staff memorandum is also included as a resource for siting development to avoid hazards in the California Coastal Commission LCP Update Guide Section 8 Coastal Hazards Pages 6-8 (Attachment 2). The memorandum is expressly referenced in the City Safety Element Policy S25 (shown below). The comment letters from Emprise Trust object to an “un-adopted” Coastal Commission Staff memorandum being included in a City policy. Staff disagrees because this memorandum describes how the Commission and Commission staff evaluate new development in terms of its proximity to a coastal bluff. Applicable projects are obviously subject to Coastal Act and California Code of Regulations requirements. The Safety Element policy provides further guidance on analysis methods for applying the Coastal Act and Code provisions for City projects. The City’s policy would establish that the analysis include the most recent methodology used by Coastal Commission staff. This guidance is clearly within the purview of City Council’s legislative discretion. As can be seen from the quote above, the memorandum is intended to help implement the Coastal Act Section 30253 [and Commission Regulation section 13577(h)] that states “New development shall minimize risks to life and property in areas of high geologic, flood and fire hazard “

Consequently, Staff proposes the following clarifying change to Policy S25 to incorporate reference to the Coastal Act and Regulations in determining the location of the bluff edge and development setbacks from the bluff edge.

S25. **Structural Setback from the Bluff Edge for Slope Stability.** Bluff edge setbacks shall be adequate to address long-term erosion and slope stability issues. The required development setback from the bluff edge shall be determined in accordance with the Coastal Act, associated California Code of Regulations provisions, Coastal Commission guidelines, and by an

analysis that includes the most recent methodology used by California Coastal Commission staff. The California Coastal Commission memorandum entitled Establishing development setbacks from coastal bluffs (2003) is provided in Appendix B of the Safety Element Technical Background Report. Factors to be considered include determining bluff edge, slope stability/ factor of safety and long-term bluff retreat both generally and on a case by case basis. Modifications to the prescribed setback calculation methodology and setbacks may be approved by the City to reflect site-specific geological conditions.

Coastal Bluff Description and Illustration

The November 8, 2013 Emprise Trust comment letters disagree with the City's description and terms for coastal bluff areas on page 27 of the Safety Element. In particular, the letters request that the following paragraph be deleted from the Safety Element. Staff disagrees and does not recommend any significant changes to this portion of the proposed Safety Element. The paragraph accurately represents how the Safety Element describes coastal bluff areas with one exception. To further clarify terms, staff recommends that the following changes as shown below to Safety Element page 27:

“Coastal bluff retreat is an erosion- and landslide-related hazard that affects the bluffs located along the City's coast. In the Safety Element, the terms “sea cliff,” “cliff,” and “bluff” are used to describe the topographic feature located between the beach and the adjacent upland area. Typically, however, “cliff” or “bluff face” is used to describe the vertical or sloping area, and “bluff top” is used to describe the upland area landward of the coastal bluff edge. The “bluff edge” is the location from which bluff top setbacks are measured. The sloping cliff and adjacent upland area are collectively referred to as the “coastal bluff.”

The Emprise Trust comment letters also request that a diagram illustrating parts of a coastal bluff that was provided as Exhibit F to the September 2013 City Planning Commission Staff Report be removed from the record. The comment letters assert that the coastal bluff top area landward of the bluff edge should not be considered part of the coastal bluff. Staff disagrees. The Exhibit diagram is a simplified illustration of a typical bluff and is not a part of the Safety Element. The Safety Element provides a description on page 27. The Coastal Commission Regulation states in Section 13577(h): “Coastal Bluffs. Measure 300 feet landward and seaward from the bluff line or edge. ...”

Policy Consistency

Both Emprise Trust comment letters also argue that adopting the Safety Element will create policy inconsistencies within the General Plan and between the General Plan and our certified Local Coastal Program (LCP). Again, Staff disagrees because, other than claiming an “inconsistency” in a conclusionary and unsupported manner, no specific reference to any language inconsistency is actually identified in these letters.

For example, with respect to creating internal inconsistencies within the General Plan, the comment letters highlight General Plan Environmental Resources Element Policy ER24.3 adopted in 2011. This policy states:

“Site-Specific Coastal Bluff Analysis. Any mapped illustration, description of, or reference to, a “coastal bluff” in the Plan Santa Barbara planning, background, or environmental documents should trigger the requirement for professional site-specific coastal bluff location analysis as part of the application for development on a parcel, rather than to be a conclusive determination that a “coastal bluff” now exists, or at any time during the historic record has existed, on that parcel.”

This policy was included in the 2011 General Plan in response to a request from an Emprise Trust representative who made this request in 2011 prior to the Council’s final approval of the General Plan. Staff readily agrees that “professional site-specific coastal bluff location analysis” should be done as part of the development on any coastal bluff parcel, and this has, in fact, long been City policy and practice. The proposed 2013 Safety Element is consistent with ER24.3 and also emphasizes the necessity for site-specific analysis on a case by case basis. Safety Element Appendix B provides additional information regarding methodologies for performing the site-specific analysis for each application. Clearly, there is no inconsistency between the ER24.3 and the Safety Element as the letters claim.

Similarly, the Emprise Trust comment letters assert that the City’s Safety Element will create inconsistencies between the City General Plan and the City’s Certified LCP Hazards policies. The City’s certified LCP includes these policies:

Policy 8.1 addresses drainage systems and states:

“All new development of bluff top land shall be required to have drainage systems carrying run-off away from the bluff to the nearest public street or, in areas where the landform makes landward conveyance of drainage impossible, and where additional fill or grading is inappropriate or cannot accomplish landward drainage, private bluff drainage systems are permitted if they are:

- (1) sized to accommodate run-off from all similarly drained parcels bordering the subject parcel’s property lines;
- (2) the owner of the subject property allows for the permanent drainage of those parcels through his/her property;
- (3) the drainage system is designed to be minimally visible on the bluff face.”

Policy 8.2 describes development limitation on the bluff face and states:

“With the exception of drainage systems identified in Policy 8.1, no development shall be permitted on the bluff face except for engineered staircases or accessways to provide public beach access and pipelines for scientific research

or coastal dependent industry. To the maximum extent feasible, these structures shall be designed to minimize alteration of the bluff and beach (emphasis added).

These certified LCP policies, supplemented by site-specific technical and scientific analysis, studies and evidence will continue to be the standard for review of any Coastal Development Permits in the City until a new LCP is certified. Policy 8.2 addresses development on the bluff face and not the upland coastal bluff top area. Again, as staff sees it, nothing in the 2013 Safety Element is “inconsistent” with the existing, certified LCP policies. In fact, Safety Element Policy S26 and S30 are substantially similar to LCP Policy 8.1 and 8.2 respectively.

Prepare LCP Hazard Section Update Prior to Adopting General Plan Safety Element

At the Council meeting on November 12, 2013, attorney Richard Monk addressed the City Council and requested that the coastal bluff discussion and policies be removed from the proposed City General Plan Safety Element. He asked that the coastal bluff policies be incorporated into an updated LCP Hazards Section Amendment and subsequently certified by the Coastal Commission prior to putting them in the Safety Element.

As described in the Council Agenda Report for the November 12, 2013 Council meeting, the original work plan was to update the LCP Hazards Section concurrently with the Safety Element Update. Given the Safety Element grant deadline, that proved to be infeasible based on Coastal Commission staff’s extensive preliminary comments. However, it is very common for a city to process sequential Coastal Act plan amendments in order to ultimately provide for policy consistency.

A comprehensive update of the City’s LCP is an active Planning Division project albeit in the very early stages. The Safety Element coastal bluff policies will be processed as part of the comprehensive LCP Amendment and certification process. The Coastal Commission may request modifications to the coastal bluff policies at that time. If this proves to be the case, once the comprehensive LCP Update process is certified, the City will concurrently process any necessary amendments to the Safety Element and other General Plan elements to maintain policy consistency between the General Plan and certified LCP.

Discouraging Development of Landslide Impacted Parcels (SEU Policy S17)

Page 15 of the Hollister & Brace letter asserts that “carefully designed and implemented development of a landslide-impacted parcel” may provide many public benefits and should be encouraged, not discouraged. The letter requests adding text to SEU Policy 17 on slope failure to encourage, rather than discourage this type of development.

Safety Element policy S17 states:

S17 Slope Failure. Discourage new development in areas where substantial slope movement has occurred in recent or historic times. New development in areas with high or moderate slope failure risk shall incorporate design and construction techniques that lessen slope failure risk to the extent feasible. Addressing slope stability issues may include measures such as avoidance of the hazardous area; removal of unstable material; engineered grading; drainage control; use of deep-rooted, drought-tolerant vegetation; use of use of slope retaining walls, and foundation support incorporating reinforced concrete piers.

Staff does not agree with the proposed replacement language stating that carefully designed development and improvements should be encouraged on landslide-impacted parcels as is suggested on page 15 of the Hollister & Brace letter.

Grading on Slopes Greater Than 30% Should Not Be Permitted (SEU Policy S18)

Pages 15-16 of the Hollister and Brace letter requests that Policy S18 be qualified with respect to permitting grading on steep slopes. SEU Policy S18 states:

“To minimize the potential for hazards such as severe erosion and landslides, grading on slopes greater that 30% should not be permitted.”

This policy is very consistent with the longstanding City Visual Resources Policy 2.1 in the General Plan Conservation Element. The City has extensive experience implementing policies of this type regarding grading on steep slopes. The policy states that grading “should” not be permitted rather than “shall” not be permitted. This allows flexibility based on site specific constraints and conditions.

In addition, in staff’s opinion, Safety Element Policy S18 is fully consistent with the requirements of the Coastal Act Section 30253, which states that:

“New development shall:

(1) Minimize risks to life and property in areas of high geologic, flood, and fire hazard.

(2) Assure stability and structural integrity, and neither create nor contribute significantly to erosion, geologic instability, or destruction of the site or surrounding area or in any way require the construction of protective devices that would substantially alter natural conditions along bluff and cliffs.”

Other El Camino de la Luz and Site Specific Concerns

Sections II and III (pages 2-16) of the Hollister & Brace letter also present background information and analysis regarding the specific 1925 El Camino de la Luz development proposal which has been submitted to the City and the City's Pre-Application Review Team (PRT) letter (August 9, 2013). The Hollister & Brace letter concludes (page 16) by stating that there is no evidence to support the Safety Element Update's characterization of the coastal bluff, the staff PRT letter determination of the subject parcel's bluff edge location, or the conclusion that the Emprise Trust application is inconsistent with existing LCP policy 8.2.

The residential project proposed at 1925 El Camino de la Luz is in the early stages of the City's development, design, environmental review and coastal development permit (CDP) process. When a formal application is submitted for the El Camino de la Luz project, Staff will be further reviewing the bluff edge and setback location.

Page 1 PRT letter (Top of Bluff / Bluff Edge Determination) states that both City and California Coastal Commission staff believe that the bluff edge is located further inland than the one shown on the applicant's site plan. The PRT letter states: "In order to fully understand how the proposed determination of bluff edge was made, please describe, specifically, how it meets the California Code of Regulations definition of bluff edge."

Page 2 of the PRT letter states: "Given staff's position that the actual bluff edge is located inland of the proposed residence location, the project as proposed would be in conflict with the City's Local Coastal Plan (LCP) Policy 8.2."

To repeat, these issues will be resolved during the development / environmental review and Coastal Development Permit (CDP) process. This process includes public hearings, detailed environmental review of the project under CEQA and the Coastal Act, and Planning Commission review and approval or denial of the project. The property is located in the appealable jurisdiction of the City's Coastal Zone so these issues may ultimately be determined by the California Coastal Commission either way. In short, these project-specific issues are outside the scope of the General Plan Safety Element Update.

Wildland Interface / High Fire Hazard Area and Defensible Space Requirements

During the City Council discussion of the Safety Element on November 12, 2013, Councilmember White questioned whether the 150 foot maximum defensible space requirements in the extreme foothill areas are enough. Since the meeting, Fire Department Staff has provided additional information. Fire Department Staff agrees that defensible space is an important component, but in the balance of fire safety, topographical, biological and geological concerns we believe that we have a workable standard that is more stringent than most of the state.

Staff recommends adding the following additional text to the Safety Element Technical Appendix A, Defensible Space Requirements (page 157) to provide additional important information about defensible space requirements.

The City of Santa Barbara takes a comprehensive approach to wildland mitigation measures in the wildland urban interface areas, particularly in the Foothill and Extreme Foothill zones, through a combination of public education, road clearance, vegetation management projects and defensible space.

State law, under Public Resources Code (PRC) section 4291, requires homeowners in high fire hazard areas to thin flammable vegetation up to 100 feet around structures in two zones to provide “defensible space.” The City adopts and amends the California Fire Code by local ordinance and in that document establishes greater distance for defensible space than the PRC. The adopting ordinance is based upon local climatic, topographical and geological findings that allow for more stringent requirements than are applied at the state level. Chapter 49 of that code contains 37 local amendments, 11 of which amend the defensible space Chapter 4907.

Section 4907.2 addresses distance requirements, including 150 feet throughout the extreme Foothill Zone. Additional clearance requirements may extend the required clearance up to 300 feet, depending on slope, under Section 4907.7. This gives the Fire Code Official discretion based on individual circumstances. In addition, sections are added that address chimney clearance, overhanging trees, vines and climbing ornamentals, roof debris and fire safe landscaping. Vegetated roofs – also known as “green roofs”, are not allowed in the high fire hazard areas of the City, and that section was added based on defensible space concerns. These extraordinary measures, based in part on the Santa Barbara Wildland Fire Plan, balance the fire safety aspects of the wildland urban interface with the protection of biological resources and geological concerns such as erosion control.

Seismic Policies

At the November 12, 2013 meeting, Council also questioned whether the Safety Element was creating new policy with respect to soft-story construction and seismic safety. The topic has been in the news recently as the City of Los Angeles is considering taking new steps to address this seismic safety issue. Soft-story construction refers to multi-story wooden buildings built over carports or garages with few internal walls. This type of construction has a high risk of collapsing during a large earthquake event, as was seen in the Loma Prieta earthquake in Northern California and in the 1994 Northridge earthquake.

Retrofitting these buildings is costly and controversial. However, an important first step is to conduct an inventory of these buildings in the City. In particular, it is important to

know how many residential units are vulnerable. Housing Element Goal 2 calls for the conservation and improvement of the City's housing stock. The Housing Element identifies over 27 strategies to conserve and improve existing housing stock.

Staff recommends that an Implementation Action (S12.2) be added to under SEU S12 Ground Shaking on page 58 of the Safety Element.

Conduct a citywide inventory of soft-story buildings. These are buildings that were constructed prior to modern seismic safety building codes and that have inadequate seismic support on the ground floor.

ENVIRONMENTAL REVIEW

Staff reviewed the proposed Safety Element revisions discussed above, and concluded that the EIR Addendum (Appendix C of the Safety Element dated April 20, 2013) remains adequate for the revised project.

SUSTAINABILITY IMPACT:

The Safety Element Update furthers the City's Sustainability goals by emphasizing community resilience and the importance of preparing for disasters and emergencies at the local level.

ATTACHMENTS:

1. California Code of Regulations Section 13577(h)
2. Local Coastal Program Update Guide Part I – Section 8.
Coastal Hazards – Pages 6-8

PREPARED BY: Elizabeth Limón, Project Planner

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

APPROVED BY: City Administrator's Office

California Code of Regulations Section 13577(h)***13577. Criteria for Permit and Appeal Jurisdiction Boundary Determinations.***

(h) Coastal Bluffs. Measure 300 feet both landward and seaward from the bluff line or edge. Coastal bluff shall mean:

(1) those bluffs, the toe of which is now or was historically (generally within the last 200 years) subject to marine erosion; and

(2) those bluffs, the toe of which is not now or was not historically subject to marine erosion, but the toe of which lies within an area otherwise identified in Public Resources Code Section 30603(a)(1) or (a)(2).

Bluff line or edge shall be defined as the upper termination of a bluff, cliff, or seacliff. In cases where the top edge of the cliff is rounded away from the face of the cliff as a result of erosional processes related to the presence of the steep cliff face, the bluff line or edge shall be defined as that point nearest the cliff beyond which the downward gradient of the surface increases more or less continuously until it reaches the general gradient of the cliff. In a case where there is a steplike feature at the top of the cliff face, the landward edge of the topmost riser shall be taken to be the cliff edge. The termini of the bluff line, or edge along the seaward face of the bluff, shall be defined as a point reached by bisecting the angle formed by a line coinciding with the general trend of the bluff line along the seaward face of the bluff, and a line coinciding with the general trend of the bluff line along the inland facing portion of the bluff. Five hundred feet shall be the minimum length of bluff line or edge to be used in making these determinations.

requirement to minimize hazards. You should consider policies where each new parcel would have at least the minimum developable area, consistent with the zone district, outside of any high hazard area. A sample policy, such as one from the adopted suggested modifications of the Solana Beach LUP, could be:

- **Revised Findings on City of Solana Beach LCP Land Use Plan**, pg. 29, at: <http://documents.coastal.ca.gov/reports/2012/6/Th24a-6-2012.pdf>

Policy 4.10 Land divisions, including lot line adjustments, shall be prohibited unless all proposed parcels can be demonstrated to be safe from flooding, erosion, fire and geologic hazards and will provide a safe, legal, all-weather access road(s), which can be constructed consistent with all policies of the LCP.

◆ **Siting Development to Avoid Hazards/Setbacks**

A critical element of every LCP is the designation of appropriate review and setback criteria for bluff, cliff, and beach level development. Siting criteria help to carry out Coastal Act requirements in Section 30253. You should consider LUP policies that avoid locating new development in hazardous areas where feasible. Where locating development to completely avoid hazardous areas is not feasible, policies should provide siting standards to minimize the exposure of new development to geologic, flood and fire hazards. These policies should include any additional exposure to flooding and erosion due to sea level rise.

Your LCP should require a setback that assures that the structure will be stable for its economic life without the need for shoreline protective devices that alter the natural landform. The Commission in recent actions has generally defined the economic life of a structure as 75 to 100 years. This lifespan could potentially vary, though, if the development included specific provisions for its removal from the hazard zone at the end of the specified economic life or when it became endangered. For development along coastal bluffs or cliffs, both slope stability and erosion should be part of the analysis.

The relative stability of a slope can be calculated quantitatively by a slope stability analysis, in which the forces tending to resist a potential landslide are divided by the forces tending to drive a potential landslide. The industry standard for a “stable” site is that this quotient, called a factor of safety, be at least 1.5 in the static condition, and 1.1 to 1.2 under seismic conditions. The factor of safety generally increases with distance from the bluff edge, so the point at which the factor of safety reaches 1.5 constitutes a minimum setback for existing conditions and without considering erosion.

Most coastal bluffs are steadily retreating due to erosion, impacts from storm waves and effects from sea level rise. In order to assure that the site will still

have a 1.5 factor of safety at the end of its economic life, the amount of bluff retreat expected over its life must be added to the initial setback.

Sea level rise should be incorporated into the erosion rate used in the factor of safety analysis. It is clear that future erosion rates are likely to be higher than historic rates; but, there is no fully accepted approach for estimating future bluff erosion with sea level rise. One approach used in the past has been to use the high range of historic erosion rates to represent future erosion rates. A more process-based method is to correlate future erosion rates with the increased frequency of wave impacts. This approach was used in the Pacific Institute study of sea level rise and is documented as part of their report:

- **The Impacts of Sea-Level Rise on the California Coast, at:**
http://www.pacinst.org/reports/sea_level_rise

Your LCP should require a site analysis for bluff-top development to determine the present-day setback needed to minimize hazards. The factor of safety against sliding that is typically used to show that a development is stable is 1.5. To find the total setback needed, add to that figure the predicted bluff retreat for the expected life of the project, such as 100 years of bluff erosion. The Coastal Commission's staff geologist presented a memo on the topic to the Coastal Commission:

- **Establishing development setbacks from coastal bluffs, at:**
<http://www.coastal.ca.gov/W-11.5-2mm3.pdf>

For examples of LUP policies on bluff setbacks, see the suggested modifications to the City of Solana Beach LUP, the City of Laguna Beach LUP and from the San Luis Obispo County LUP for the Estero Area:

- **Laguna Beach General Plan Land Use Element, beginning on p. 7-20, at:** <http://documents.coastal.ca.gov/reports/2012/5/W13a-5-2012-a1.pdf>
- **San Luis Obispo County Local Coastal Program Major Amendment No. 2-04 (Part 2) Estero Area Plan, at:**
<http://documents.coastal.ca.gov/reports/2008/7/Th16a-7-2008.pdf>
- **County of San Luis Obispo Estero Area Plan, Ch. 7 Planning Area Standards, at:**
<http://www.slocounty.ca.gov/Assets/PL/Area+Plans/Estero+Area+Plan.pdf>
- **Revised Findings on City of Solana Beach LCP Land Use Plan, suggested modifications on Hazards beginning on p. 22, at:**
<http://documents.coastal.ca.gov/reports/2012/6/Th24a-6-2012.pdf>

The examples from the City of Solana Beach and the City of Laguna Beach include bluff setback policies that address sea level rise. For example this one from the City of Solana Beach:

Policy 4.27: ...The predicted bluff retreat shall be evaluated considering not only historical bluff retreat data, but also

acceleration of bluff retreat made possible by continued and accelerated sea level rise, future increase in storm or El Niño events, the presence of clean sands and their potential effect on the pattern of erosion at the site, and any known site-specific conditions...

It is also important to include setback policies that distinguish accessory structures, to allow their easy removal or relocation.

Additional guidance specific to evaluating sea level rise may be considered by the Commission in the near future.

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADOPTING THE 2013 SAFETY ELEMENT UPDATE TO THE GENERAL PLAN AND MAKING ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, Government Code Section 65300 requires that the City of Santa Barbara adopt a comprehensive, long-term General Plan for the physical development of the City, including a Safety Element;

WHEREAS, the City's Safety Element of the General Plan has not been comprehensively updated since the original adoption in 1979;

WHEREAS, in 2010-2011, the City applied for and received Disaster Recovery Initiative (DRI) funds to prepare the Safety Element Update;

WHEREAS, on July 7, 2011, the City Planning Commission reviewed the scope of work for the Safety Element Update;

WHEREAS, on May 22, 2012, the City Council directed staff to enter into a contract with Rodriguez Consulting Inc., to assist the City in preparing the Safety Element Update;

WHEREAS, on May 6, 2013, a draft Safety Element was released for a 30-day public review period ending June 6, 2013;

WHEREAS, on May 23, 2013, the City Planning Commission held a duly noticed public hearing on the draft Safety Element, received public comment and commented on the draft element;

WHEREAS, on September 12, 2013, a revised Safety Element was released for public review;

WHEREAS, on September 19, 2013, the Planning Commission held a duly noticed public hearing to review comments and responses, the revised Safety Element and errata sheet, made two additions to the Errata Sheet, and unanimously recommended that City Council adopt the 2013 Safety Element Update;

WHEREAS, a Final Program Environmental Impact Report (EIR) was certified for the 2011 General Plan Update, and EIR Addenda were prepared and considered by City Council as part of adoption of the final 2011 General Plan (12-1-11), Climate Action Plan (9-18-12), and Historic Resources Element (10-2-12);

WHEREAS, an EIR Addendum dated April 30, 2013 for the 2013 Safety Element Update has been prepared and documents that the update would result in no substantial changes in environmental impacts previously identified in the Program EIR for the 2011 General Plan Update;

WHEREAS, on November 12, 2013 the City Council held a duly noticed public hearing to consider adopting the Safety Element Update;

WHEREAS, two comment letters were received for the meeting and Council directed Staff to continue the item to the December 10, 2013 Council meeting to give staff time to consider the comment letters;

WHEREAS, based upon the comment letters and public testimony, staff responses provided in the Council Agenda Report and the discussion at the Council meetings of November 12, 2013 and December 10, 2013, the following revisions have been incorporated into the proposed Safety Element:

1. Add the following clarifying language to SEU Policy S25 on page 60 (as shown below in underline):

S25. Structural Setback from the Bluff Edge for Slope Stability. Bluff edge setbacks shall be adequate to address long-term erosion and slope stability issues. The required development setback from the bluff edge shall be determined in accordance with the Coastal Act, the associated California Code of Regulations provisions [such as Regulation §13577(h)], (The “Coastal Commission Guidelines,”) and by an analysis that includes the most recent methodology used by California Coastal Commission staff. For example, the California Coastal Commission memorandum entitled Establishing development setbacks from coastal bluffs (2003) is provided in Appendix B of the Safety Element Technical Background Report is provided for informational purposes only. Factors to be considered include determining bluff edge, slope stability/ factor of safety and long-term bluff retreat both generally and on a case by case basis. Modifications to the prescribed setback calculation methodology and setbacks may be approved by the City to reflect site-specific geological conditions.

and

2. Add the following clarifying language to the SEU Coastal Bluff Retreat description on page 27 (as shown below in underline):

Coastal bluff retreat is an erosion- and landslide-related hazard that affects the bluffs located along the City’s coast. In the Safety Element, the terms “sea cliff,” “cliff,” and “bluff” are used to describe the topographic feature located between the beach and the adjacent upland area. Typically, however, “cliff” or “bluff face” is used to describe the vertical or sloping area, and “bluff top” is used to describe the upland area landward of the coastal bluff edge. The “bluff edge” is the location from which bluff top setbacks

are measured. The sloping cliff and adjacent upland area are collectively referred to as the “coastal bluff.”

3. Add the following additional text to the Safety Element Technical Appendix A, Defensible Space Requirements (page 157) to provide additional important information about the City’s defensible space requirements (as shown below in underline):

The City of Santa Barbara takes a comprehensive approach to wildland mitigation measures in the wildland urban interface areas, particularly in the Foothill and Extreme Foothill zones, through a combination of public education, road clearance, vegetation management projects and defensible space.

State law, under Public Resources Code (PRC) section 4291, requires homeowners in high fire hazard areas to thin flammable vegetation up to 100 feet around structures in two zones to provide “defensible space.” The City adopts and amends the California Fire Code by local ordinance and in that document establishes greater distance for defensible space than the PRC. The adopting ordinance is based upon local climatic, topographical and geological findings that allow for more stringent requirements than are applied at the state level. Chapter 49 of that code contains 37 local amendments, 11 of which amend the defensible space Chapter 4907.

Section 4907.2 addresses distance requirements, including 150 feet throughout the extreme Foothill Zone. Additional clearance requirements may extend the required clearance up to 300 feet, depending on slope, under Section 4907.7. This gives the Fire Code Official discretion based on individual circumstances. In addition, sections are added that address chimney clearance, overhanging trees, vines and climbing ornamentals, roof debris and fire safe landscaping. Vegetated roofs – also known as “green roofs”, are not allowed in the high fire hazard areas of the City, and that section was added based on defensible space concerns. These extraordinary measures, based in part on the Santa Barbara Wildland Fire Plan, balance the fire safety aspects of the wildland urban interface with the protection of biological resources and geological concerns such as erosion control.

4. Add a new Implementation Action (S12.2) under SEU Policy S12 Ground Shaking on page 58 of the Safety Element (as shown below in underline):

S12.2 Conduct a citywide inventory of soft-story buildings. These are buildings that were constructed prior to modern seismic safety building codes and that have inadequate seismic support on the ground floor.

WHEREAS, the City Planner is the custodian of the records of proceedings for the 2011 General Plan Update, Final Program EIR for the General Plan Update and EIR Addenda, and the 2013 General Plan Safety Element Update. The documents and other materials which constitute the records of proceedings for these City actions are located at the City of Santa Barbara Community Development Department, Planning Division, 630 Garden Street, Santa Barbara, California. Copies of these documents

are available for public review during normal business hours upon request at the City Planning Division office.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

I. Adoption of 2013 Safety Element Update and Findings

The City Council hereby adopts the 2013 General Plan Safety Element Update (Exhibit A), including the revisions discussed above, making the following findings:

A. Charter Finding

The 2013 General Plan Map amendments meet the intent of Charter Section 1507, "living within our resource limits". The adoption of the 2013 Safety Element Update will not cause public services or resource capacities to be exceeded.

B. California Environmental Quality Act (CEQA) Findings:

1. CEQA Findings for City Council Consideration of Certified Final General Plan Program Environmental Impact Report (EIR) and EIR Addendum pursuant to CCR §§15090 and 15162.

The FEIR Addendum dated April 30, 2013 for the 2013 General Plan Safety Element Update together with the certified FEIR for the 2011 General Plan, were presented to the City Council, and the City Council has reviewed and considered the information contained therein prior to adopting the Safety Element Update. This CEQA documentation for the Safety Element Update constitutes adequate environmental review under CEQA and reflects the Lead Agency's independent judgment and analysis.

2. CEQA Findings for Use of Certified Final General Plan Program Environmental Impact Report (EIR) and EIR Addendum, pursuant to CEQA Guidelines §§ 15162, and 15164.

The 2013 General Plan Safety Element Update is consistent with and implements the 2011 General Plan policies, and is within the comprehensive scope of analysis of the Program EIR and Addenda for the 2011 General Plan update and 2012 Climate Plan.

The EIR Addendum dated April 30, 2013 documents that the 2013 Safety Element Update would not result in new environmental issues, circumstances, or information, additional significant environmental impacts beyond those identified in the General Plan Program EIR, a substantial increase in the severity of impacts identified in the EIR, or new mitigation measures. None of the conditions described in CEQA Guidelines Section 15162 calling for preparation of a subsequent EIR is applicable.

3. Council Resolutions 11-079 and 12-065 Findings per PRC Section 21081 and CCR 15091 Apply to this Action.

Findings regarding Class I significant impacts, Class 2 mitigated impacts, overriding considerations, and infeasibility of some mitigation measures and alternatives all remain applicable for adoption of the 2013 General Plan Safety Element Update and are incorporated herein by reference.

4. Findings for the Fish & Game Code pursuant to PRC Section 21089 (b) and Fish & Game Code Sections 711.4 and 753.5.

The General Plan Program EIR evaluated the potential for the 2011 General Plan to result in adverse impacts on wildlife resources. For this purpose, wildlife is defined as “all wild animals, birds, plants, fish, amphibians, and related ecological communities, including habitat upon which the wildlife depends for its continued viability.” The General Plan has the potential to result in adverse but not significant effects on upland, creek/riparian, and coastal habitats and associated species. Mitigation measures have been incorporated into the General Plan such that potential impacts will be less than significant.

As documented in the EIR Addendum dated April 30, 2013, the 2013 General Plan Safety Element Update will implement the 2011 General Plan policies and would not result in additional environmental effects beyond those identified in the EIR... Pursuant to the Fish and Game Code Section 753.5 (e) (3), only one fee is required when an existing certified EIR is used for multiple project approvals that would result in no additional effect to fish and wildlife. Because the City paid the fee for the 2011 General Plan, no fee is required with the current implementing amendment for adoption of the Safety Element Update.

II. This Resolution shall become effective upon Council adoption.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 2013

TO: Mayor and Councilmembers

FROM: Mayor and Council Ad Hoc Recruitment Committee

SUBJECT: Public Employment/Public Employee Appointment

RECOMMENDATION:

Continuation of the December 5, 2013, closed session, pursuant to Section 54957 of the Government Code, regarding the appointment of an Interim City Attorney. The Council will announce in open session the selection of the Interim City Attorney.

Position Title: Interim City Attorney

SCHEDULING: Anytime

REPORT: The Council will announce the selection of the Interim City Attorney.

PREPARED BY: Helene Schneider, Mayor

SUBMITTED BY: Marcelo A. Lopez, Assistant City Administrator

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: December 10, 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 General Bargaining Unit, Treatment and Patrol Bargaining Units, Hourly Bargaining Unit, Police Management Association, and regarding salaries and fringe benefits for certain unrepresented management and confidential employees.

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