



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: May 3, 2016

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Appeal Of Planning Commission Approval And Introduction Of An Ordinance And Adoption Of Resolution For 251 S. Hope Avenue Project

RECOMMENDATION: That Council:

- A. Deny the appeal of Santa Barbara Urban Creeks Council of the application of RRM Design Group, architect for the Housing Authority of the City of Santa Barbara, and uphold the Planning Commission's approval of the project and Zoning Modifications, with the proposed revised condition;
- B. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 28.12 (Zone Map) of Title 28 of the Municipal Code Pertaining to Zoning of Assessor's Parcel Number 051-240-008; and
- C. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting an Amendment to Specific Plan No. 4 (Rancho Arroyo), for Specific Plan Area A-2, Assessor's Parcel Number 051-240-008, Subject to Environmental Findings and Findings of Consistency with the General Plan; and
- D. Determine that the project is exempt from further environmental review pursuant to CEQA Guidelines Section 15183 (Projects Consistent with the General Plan); and
- E. Direct Staff to return to Council with Decision and Findings reflecting the outcome of the appeal.

EXECUTIVE SUMMARY:

On February 18, 2016, the Planning Commission granted approval of the 90-unit affordable senior housing project and forwarded recommendations to the City Council for approval of the Amendment to the Rancho Arroyo Specific Plan and the Zone Change. These amendments would allow for multi-family housing on the project site.

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On February 25, 2016, the Santa Barbara Urban Creeks Council appealed the project approval because there is a concern that the restoration of Arroyo Burro, included in the General Plan as a priority project, would not be feasible without a 50-foot setback from the top of bank (see Attachment 1- Appeal Letter). The appellants, however, have stated that they are not opposed to the affordable housing project being developed on the project site.

The distance from the top of creek bank to the proposed development varies. The shortest distance to the building is approximately 41'-3" and the greatest distance is approximately 44'-8". The distance to the edge of the parking lot is 25 feet. The approved project includes a condition that the applicant provide a conservation easement over a portion of the property in order to allow for future restoration of the creek. As a result of the appeal, the applicant has offered to expand the conservation easement in the future if needed to implement the City creek restoration project. The distance between the theoretical top of bank and the approved conservation easement boundary line varies from approximately 28 feet to 50 feet. The distance between the theoretical top of creek bank and the expanded conservation easement boundary line varies from approximately 37 feet to 53 feet (see Attachment 2 - Conservation Easement Exhibits A and B).

At the request of the appellants, Public Works Traffic Engineering staff analyzed other options that could potentially allow the building to be moved closer to the street and provide a greater creek setback (e.g., eliminating the center left turn lane or narrowing travel lanes). However, it was determined that none of the options identified are supportable for safety reasons.

Staff supports the project with the revised condition that the applicant offers to dedicate additional land within the creek setback, which could increase the feasibility of a future creek enhancement project. Therefore, staff recommends that Council deny the appeal, uphold the Planning Commission approval with the revised condition, and approve the Amendment to the Rancho Arroyo Specific Plan and the Zone Change.

DISCUSSION:

Project Description

The project consists of a proposal by the Housing Authority of the City of Santa Barbara for a new, four-story affordable housing development for very-low and low income senior residents on a vacant 1.76 acre lot adjacent to Arroyo Burro. The General Plan land use designation is Commercial/ Medium High Density Residential (15-27 du/acre) and would allow 47 units. The proposal would be developed under the City's Average Unit-Size Density (AUD) Incentive Program and the City's Density Bonus Program with a proposed density of 51 dwelling units per acre. The property is subject to the Rancho Arroyo Specific Plan, which is entirely built-out except for this parcel.

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The project includes 89 studio apartments, one-bedroom manager's unit, kitchen, dining facilities, storage, and common areas (lobby/reception area, conference room, offices, gift shop, salon, and gym). The total building area is 52,858 square feet (gross) and has a maximum height of 43'-6" (excluding the elevator tower). The average unit size is 332.5 square feet.

Arroyo Burro roughly defines the common property line between the subject site and the La Cumbre Plaza property. The eastern half of Arroyo Burro is within the project site and the western half is on the adjacent La Cumbre Plaza property. The creek channel in this area has a concrete bottom and concrete banks on both sides. The project includes a Creekside Native Habitat Enhancement Plan (see Exhibit F of PC Staff Report), which includes the removal of non-native plants, protection of existing oak trees, and installation of new native plants between the concrete channel and the proposed building.

The Rancho Arroyo Specific Plan requires that a trail be constructed within the existing 25-foot wide easement along the creek as part of the development on the lot. Therefore, a new ten foot wide trail for the benefit of the public would be constructed and connect to the existing informal trail on the property to the south. A complete project description is included in the Planning Commission Staff Report (see Attachments 3 and 4 - PC Staff Report/Minutes/Resolution).

Discretionary Applications

The approval by the Planning Commission on February 18, 2016 included the following discretionary applications:

- A Front Setback Modification to allow portions of the building to encroach into the required front setback. *The required setback is 10 feet for ground and second stories and 20 feet for third and above stories. The proposal provides a minimum five-foot setback along the property frontage, with portions of the first and second floors encroaching into the 10-foot setback and portions of the third floor encroaching into the 20-foot setback.*
- An Interior Setback Modification to allow uncovered parking to encroach into the required interior setback. *The required setback is six feet and the proposal provides five feet.*
- A Lot Area Modification to allow additional units on the 1.76 acre site. *Under the Medium High Residential (15-27 du/acre) land use designation a total of 47 residential units are allowed. The proposal includes 89 affordable residential units and one manager's unit (51 du/acre).*
- A Parking Modification to allow less than the required number of spaces. *The proposal includes 34 vehicle and 5 bicycle parking spaces instead of the 90 vehicle and 90 bicycle parking spaces specified for AUD projects.*

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The approval also included the following recommendations to City Council:

- An Amendment to the Rancho Arroyo Specific Plan (SP-4) to allow Community Benefit Housing and Recreation/Open Space as the only uses in Area A-2 (instead of automobile dealerships); and
- A Zone Change for the Rancho Arroyo Specific Plan Area A-2 from E-3/PD/SP-4/SD-2 (One-Family Residence, Planned Development, Rancho Arroyo Specific Plan and Upper State Street Area Overlay) Zones to R-3/SP-4/SD-2 (Limited Multiple-Family Residence Zone, Rancho Arroyo Specific Plan and Upper State Street Area Overlay) Zones.

City Council Review

On October 8, 2013, during review of a proposed Alzheimer's/Senior Care Facility project on the subject property, Council initiated an Amendment to the Rancho Arroyo Specific Plan Area A-2 to expand the list of allowed uses to include a State-Licensed Senior Residential Care Facility with a Conditional Use Permit, Community Benefit Housing, and Recreation/Open Space. Council also initiated a Zone Change for the subject property from E-3 (One Family Residence Zone) to R-3 (Limited Multiple Family Residence Zone).

Planning Commission Review

The Housing Authority purchased the property in April of 2014 for the purpose of constructing a housing development for very-low and low income senior residents. Prior to approval, the proposed project was reviewed by the Planning Commission conceptually on two occasions.

On October 9, 2014, the Planning Commission supported a creek setback of approximately 25 feet from the theoretical* top of bank (pending the outcome of a City funded study regarding the feasibility of removing the concrete channel and restoring the creek without increasing flood risk). Commissioners also supported a reduction in the front setback, sidewalk and parkway if it allowed for a greater creek setback.

On February 5, 2015, the Planning Commission held a second concept review in order to provide feedback on four project design alternatives. All Commissioners supported a creek setback greater than 25 feet, with the majority supporting a setback closer to 50 feet. Many Commissioners supported a front setback modification to allow the building to be moved closer to the street and a reduction in the sidewalk width in order to accommodate a greater creek setback. A majority of the Commission supported a three

* Because the slope of the existing concrete bank exceeds a 1.5 (horizontal):1(vertical) slope, a "theoretical" top of bank is determined by starting at the toe of the bank and sloping at an angle (1.5:1) to intersect with the plane of the upper generally level ground (as described in SBMC §28.87.250, Development Along Creeks). The creek setback is then measured from this theoretical top of bank location. Although this is the Ordinance requirement for Mission Creek, it is also used as a guideline for other creeks in the City.

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story project and two Commissioners stated that they could support a fourth story. Planning staff was instructed to discuss the potential to narrow the southbound travel lane, median and/or sidewalk of Hope Avenue with Public Works staff.

Planning Commission Approval

On February 18, 2016, the project was approved by the Planning Commission after careful consideration of important policies relative to the provision of affordable senior housing and restoration of this section of the creek.

Although the City creek restoration project has not yet been designed, the following information (e.g., right of way options, Questa Memorandum, Waterways Memorandum, creek policies) was taken into consideration in the evaluation of the proposal by staff and the Planning Commission.

Rather than requiring the standard parkway and wider sidewalk for the project frontage, Public Works staff supported the sidewalk width remaining at six feet with new curb extensions to provide areas for landscaping. The curb extensions do not result in narrowing the travel lane as staff did not support narrowing of travel lanes or eliminating the center turn lane of Hope Avenue for safety reasons. This design, as well as the front setback modification to allow a minimum five-foot setback along the property frontage, allows the building to be closer to the street and provides a greater creek setback. A reduction in setbacks to increase a creek buffer is supportable in most cases.

Although Creeks Division staff recommended a minimum 50-foot creek setback for this project and stated that it is highly unlikely that naturalization of this portion of the creek channel would occur as a City capital project without a 50-foot creek setback, the project was approved with a setback of less than 50 feet. Commissioners expressed concerns that a City restoration project would not be pursued with a less than 50-foot creek setback and were supportive of any restoration.

The distance from the theoretical top of creek bank to the proposed development varies. The shortest distance to the building is approximately 41'-3" and the greatest distance is approximately 44'-8". The distance to the edge of the parking lot is 25 feet. Site improvements located within the creek setback include a walkway, common patio for the residents, and a portion of the parking lot. The Planning Commission approval included the following condition (Condition E.2.b of the PC Resolution) that the applicant dedicate a conservation easement to the City to allow for a potential future restoration of Arroyo Burro. The easement area would not encroach into the walkway, common patio or parking lot. The conservation easement is also shown on Exhibit A of this report (see Attachment 2 - Conservation Easement Exhibit A)

Conservation Easement. The applicant shall dedicate and record a permanent conservation easement, in a form acceptable to the City Attorney, for the benefit of the City of Santa Barbara. The conservation easement shall be generally 60

to 80 feet wide measured easterly from the western property line (as depicted on Exhibit K to the Planning Commission Staff Report, dated February 11, 2016), in order to allow for future restoration of Arroyo Burro Creek. The conservation easement depicted on Exhibit K shall be shown on plans submitted for building permit, and dedicated before issuance of the first project building permit.

Questa Memorandum. At the February 18, 2016 hearing, the Planning Commission reviewed the City funded study (Technical Memorandum, Questa Engineering Corporation, November 4, 2014), which concludes that removing the concrete lining and restoring the creek would be feasible with the installation of structural flood control features (e.g., floodwalls, overflow weirs) along the eastern (project) side of the creek to maintain or improve current levels of flood protection. The study includes cross sections of the existing creek channel at four locations. It also includes conceptual cross sections for the northern part of the creek channel. The cross sections show the existing conditions with a proposed change to a 15 foot wide channel and 1.5:1 slope (option A); a 10 foot wide channel and vertical rock structure with 1.5:1 slope (option B1); and a 15 foot wide channel and 2:1 slope (option B2). The different slope angles, channel widths and rock toe wall were presented as potential options for future restoration of the creek. The study does not include a minimum creek setback recommendation.

It is important to note that the applicant shows implementation of Option B1 (on sheet A1b of the project plans) throughout this entire reach of Arroyo Burro, which Creeks Division staff has stated would not necessarily be used uniformly along this reach, as it is anticipated that different configurations (i.e., slopes, widths) would be necessary at different locations along the creek to respond to existing conditions. The study is included in the attached Planning Commission staff report.

Waterways Memorandum. Prior to the February 18, 2016 Planning Commission hearing the applicant submitted a report prepared by Waterways Consulting, Inc., which evaluated the benefits of a creek setback greater than 25 feet and commented on the Questa Memorandum. The study concludes that the risk of damage on the floodplain due to erosion can be assumed to be the same with either a 25 or 50-foot setback and that a setback greater than 25 feet would provide little or no hydraulic benefit downstream. The study also concludes that there is a potential benefit to increasing the setback as it allows for additional area to restore a riparian buffer. However, the study asserts, due to the urban nature of the creek in this reach and proposed project components (e.g., trails, stormwater management, and passive recreation), it is unlikely that widening the setback to 50 feet will result in significant ecological benefits to the creek at this location. The study provides two creek enhancement alternatives. Alternative 1 involves removal of a portion of the concrete channel bottom and the installation of a bench and low flow channel. It does not include removal of the concrete banks. Alternative 2 includes removal of the concrete channel bottom and the concrete bank on the project side only. Two creek bank slope options are proposed resulting in either a 50-foot or 39-foot distance between a new top of bank location and the

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proposed building. The study did not find any issues with the concepts proposed in the Questa Memorandum (see Attachment 5 – Waterways Memorandum).

Creek Policies. The Zoning Ordinance does not include limitations on development within 25 feet of the top of bank of Arroyo Burro as it does for Mission Creek; however, the Environmental Resources Element of the General Plan provides policies for protection and restoration of creeks and their riparian corridors to improve biological values, water quality, open space and flood control in conjunction with climate change adaptation. The General Plan includes ER21.4, a possible implementation action to consider, that calls for the removal of existing concrete channels and for restoring or daylighting at least 0.5 miles of surface water drainages by 2030. The General Plan specifically identifies the segment of Arroyo Burro on the subject property as a priority area for restoration.

The General Plan includes another possible implementation action (ER21.1) to be considered that calls for establishing updated creek setback and restoration standards of greater than 25 feet from top of bank for new structures adjacent to creeks. In the establishment of standards, it says to consider surrounding jurisdictions' setbacks (Goleta, Carpinteria, and Santa Barbara County), and the Santa Barbara County Flood Control District's general recommendation of setbacks for new development of at least 50 feet from top of bank. Santa Barbara County allows for a reduction of up to 25 feet where hard bank protection is present, and for new development closer than 50 feet to the top of bank, creek bank stabilization through planting of native trees and shrubs on and above creek banks is recommended. While the City's creek setback and restoration standards have not yet been developed, the proposed project does provide a creek setback that would allow for substantial new creekside native plantings.

Removal of the concrete lined channel and restoration of this reach of Arroyo Burro Creek by the applicant is not feasible as a part of this project in that it would result in a loss of affordable senior units and be cost prohibitive. However, the applicant is proposing a Creekside Native Habitat Enhancement Plan, which includes the removal of non-native plants, protection of existing oak trees, and installation of new native plants between the concrete channel and the proposed building.

Appeal and Post-Planning Commission Hearing Efforts

On February 25, 2016, the Santa Barbara Urban Creeks Council appealed the project approval because there is a concern that the restoration of Arroyo Burro would not occur since Creeks Division staff initially sought a minimum 50-foot creek setback for this project and stated that it is highly unlikely that naturalization of this portion of the creek channel would occur as a City capital project without a 50-foot or larger creek setback.

Right of Way Options. As a result of the appeal, Public Works Traffic Engineering staff further analyzed other options that could potentially allow the building to be moved closer to the street and provide a greater creek setback. The appellant proposed a shift

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in lane alignment but it was too abrupt for the roadway design speed and, therefore determined to not be feasible. Another option involved narrowing the travel lanes (56' street width instead of 60'); however, narrowing lanes through curves in the road is not supportable for safety reasons. A third option that eliminates the center left turn lane was also determined to not be supportable for safety reasons.

Expanded Conservation Easement Area. As a result of the appeal, the applicant has offered to dedicate additional land in the future if needed by the City to implement a creek restoration project. The conservation easement area would be expanded to include land closer to the building. The distance between the theoretical top of creek bank and the expanded conservation easement boundary line varies from approximately 37 feet to 53 feet and could potentially result in the removal of the project walkway, common patio for the residents, and a portion of the parking lot (see Attachment 2 - Conservation Easement Exhibit B)

As proposed, the following sentences are recommended to be added to Condition E.2.b:

The applicant shall provide an irrevocable offer to dedicate to the City of Santa Barbara, additional land area as shown on Exhibit B in order to allow for future restoration of Arroyo Burro. The additional land shall be accepted and added to the conservation easement area if the City deems it necessary in order to complete the restoration project.

Potential Feasibility of Future Creek Restoration. In response to the applicant's offer to expand the conservation easement area, Creeks Division staff further clarified their position and elaborated on the feasibility of a future creek restoration project at this location. Staff recognizes that the proposed project will provide improvements to the portion of the riparian corridor between the existing creek top of bank and the site improvements. Furthermore, opportunities to naturalize the creek channel in this area are limited due to the critical role that the existing concrete flood control channel plays in the protection of surrounding land. Future naturalization of the channel will depend on the opportunity to redesign the channel bed and banks to maintain the flood control capacity of the creek, while also improving water quality, riparian habitat and protecting adjacent development from bank erosion and sloughing. Greater setbacks increase the feasibility, since channel naturalization will increase the potential for future bank erosion and require a more gradual bank configuration that will result in the loss of useable land. On major creeks with natural creek banks, the designation of a minimum 50-foot setback for all development is a flood control standard.

In order to maintain the proposed approximately 42-foot creek setback for the proposed building, the restored creek bank slopes would need to be steeper than 1.5:1. Historically, the City has not designed or built a creek restoration project with 1.5:1 (or steeper) slopes. The Creeks Division has utilized 2:1 slopes, or less steep slopes, based on the recommendations of consulting engineers. If the site has erosive soils,

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naturalized creeks banks should be designed with less steep slopes. Although the City has not done a geotechnical analysis of soil conditions on the project site, the Arroyo Burro watershed is known to have soils with moderate, high and very high erosion potential.

Assuming the top of bank remains in its current location on the La Cumbre Plaza side, a future restoration project with 2:1 sloped banks would shift the creek top of bank approximately 25 (or more) feet towards the proposed development. That would reduce the proposed 42-foot setback to 17 feet. Even if the existing eastern toe of bank remained in its current location (by reducing the La Cumbre Plaza road/parking lot on the west side), a 2:1 slope would move the top of bank approximately 15 feet towards the proposed building, leaving a 27 foot setback. Thus, in order to naturalize this portion of Arroyo Burro, the proposed 42-foot setback from the building would be reduced to 17 to 27 feet and no setback would remain for the proposed parking lot.

An expanded conservation easement, offered if deemed necessary, that allows for future use of the approximately 42-foot setback area from the top of bank may increase the feasibility of a future creek channel naturalization project. Ultimately, however, any future City decision to undertake a full-scale restoration project will depend on a number of factors including, but not limited to, engineering design considerations discussed above, project costs, safety, permitting, and available space.

Environmental Review

The proposed project and amendments to the specific plan and zoning are within the scope of the 2011 General Plan and the Program environmental impact report (EIR) analysis for the General Plan. The project and designations are consistent with the development density designated and analyzed by the Program EIR. Potential minor project environmental effects are addressed with existing development standards and regulations (e.g., design review, construction regulations, storm water management Tier 3 provisions, noise regulations and conditions, etc.). Based on City Staff analysis, no further environmental document is required for this project pursuant to the California Environmental Quality Act (Public Resources Code §21083.3 and Code of Regulations §15183- Projects Consistent with the General Plan). City Council environmental findings adopted for the 2011 General Plan regarding traffic remain applicable for this project. A decision-maker finding that the project qualifies for the §15183 CEQA determination is required.

Staff Recommendations

Appeal. Staff recommended approval of the project to the Planning Commission with the condition that a conservation easement be required. The project will provide much needed senior affordable housing along with a creekside native habitat enhancement plan consistent with General Plan policies. The applicant's current offer to dedicate additional land to the conservation easement may increase the feasibility of a future creek channel naturalization project. Therefore, staff recommends that Council deny the appeal, uphold the Planning Commission's approval of the project with the revised

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condition that the applicant provide an offer to dedicate additional land in the future if the City seeks to restore the creek and direct staff to return to Council with Decision and Findings reflecting the outcome of the appeal.

Should the City Council instead decide to uphold the appeal and deny the project, staff recommends that Council proceed with the proposed Amendment to the Specific Plan and Zone Change so that in the future a revised housing or mixed use project may be proposed on the site.

Amendment to the Rancho Arroyo Specific Plan. As discussed above, the proposal includes a request for an Amendment to the Rancho Arroyo Specific Plan to allow Community Benefit Housing and Recreation/Open Space as the only uses in Area A-2. According to SBMC §28.08.010, a specific plan may only be approved or amended in the same manner that the General Plan may be approved or amended pursuant to Section 1507 of the City Charter, and requires five affirmative votes of the City Council. Section 1507 also states that land development shall not exceed its public services and physical and natural resources. On October 8, 2013, the City Council initiated the amendment to the Specific Plan. The Planning Commission stated that affordable housing was the best use of the parcel and supported the Specific Plan Amendment. On February 18, 2016 the Planning Commission made a recommendation to the City Council for the Specific Plan Amendment. Staff recommends that Council approve the Amendment to the Rancho Arroyo Specific Plan. The Resolution is attached (see Attachment 6).

Zone Change Amendment for Rancho Arroyo Specific Plan Area A-2. The proposal includes a request for a zone change from E-3/PD/SP-4/SD-2 (One-Family Residence, Planned Development, Rancho Arroyo Specific Plan and Upper State Street Area Overlay) Zones to R-3/SP-4/SD-2 (Limited Multiple-Family Residence Zone, Rancho Arroyo Specific Plan and Upper State Street Area Overlay) Zones. On October 8, 2013, the City Council initiated the zone change to R-3 (Limited Multiple-Family Residence Zone). The Planning Commissioners stated that affordable housing was the best use of the parcel and supported the Zone Change. On February 18, 2016 the Planning Commission made a recommendation to the City Council for the Zone Change. Staff recommends that Council approve Zone Change. The Ordinance is attached (see Attachment 7).

NOTE: The project plans were separately delivered to the City Council for its review and are available for public review in the City Clerk's Office.

- ATTACHMENTS:**
1. Santa Barbara Urban Creeks Council Letters (February 25, March 14, 2016)
 2. Conservation Easement Exhibits A & B
 3. Planning Commission Staff Report (February 18, 2016)
 4. Planning Commission Minutes/ Resolution
 5. Waterways Memorandum (February 10, 2016)

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SUBMITTED BY: George Buell, Community Development Director

APPROVED BY: City Administrator's Office

