Agenda Item No._____

File Code No. 660.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 9, 2008

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: 535 E. Montecito Street, Los Portales Specific Plan (SP-10)

RECOMMENDATION:

That Council review and consider the proposed Los Portales Specific Plan ("SP-10 Zone") and direct Staff to return to the Council on September 16 and 23, 2008, to introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting a Specific Plan for the Los Portales Specific Plan Area ("SP-10 Zone") for Property Located at 535 E. Montecito Street, Assessor Parcel Number 031-351-010.

DISCUSSION:

Project Description

The proposed project consists of 48 residential condominium units (40 below-market rate and 8 market rate). Bermant Homes, in conjunction with the Housing Authority and the Santa Barbara Foundation, has proposed a project that is unique, in that the below-market rate units are intended to provide housing opportunities for households that would not qualify for affordable housing under the City's Affordable Housing Policies. In addition, the proposed project would provide housing designated for employees of businesses on the South Coast, with special emphasis on the staff of non-profit organizations that provide important services to the South Coast region.

The 48 residential condominium units would be located in 6 three-story buildings. In total, 24 two-bedroom and 24 three-bedroom units would be provided, and 90,966 net square feet of building area (including garages) would be constructed. The size of the residential units would vary, ranging between 1,621 and 2,242 square feet (net area including the garage). Each of the six buildings would contain eight residential units, would be approximately 15,161 square feet (net) in area, and would provide eight two-car garages arranged in a tandem configuration. Two additional parking spaces would be provided on-site for guest parking, resulting in a total of 98 on-site parking spaces. Vehicle access to and from the site would be provided by two driveways on Calle Cesar Chavez and one driveway on East Montecito Street. A 14-foot-wide shared access easement is provided along the western perimeter of the project site. A complete

discussion of the proposed project is included in the attached Planning Commission Staff Report (see Attachment 2).

Specific Plan

The proposed project consists of the development of 40 below-market rate and 8 market rate residential condominium units in the M-1, Light Manufacturing zone, where residential units are normally not allowed; therefore, the proposal includes a request for approval of a Specific Plan to establish a zoning overlay to allow residential uses on the property. The proposed Draft Specific Plan (SP-10) is attached (see Attachment 1 – Draft Specific Plan Ordinance). The Draft Specific Plan Ordinance may be further refined when it returns to the Council for introduction on September 16th.

Background: On May 4, 2004, the City Council initiated a Zoning Ordinance Amendment/Specific Plan to allow an affordable housing project on the project site. At the time, the project was a four-story, mixed-use project including 90 affordable residential units and 8,000 square feet of commercial space. The units were proposed to be for sale to middle and upper middle income households (earning 120-200% of the Area Median Income (AMI)). At that time, the proposed pricing and buyer income restrictions were not described in specific terms, and the applicants expressed the desire to leave these flexible due to rising project costs.

Subsequently, the applicants clarified the proposal to include a mix of units meeting the City's affordability requirements and "inflation restricted units." The "inflation restricted units" would be targeted to families earning over 200% of AMI, although there would be no limit on household income. These units would have been priced below market at an average of approximately $635,000. The applicant stated that the City should select the prices for the affordable units that meet the City's policies, and that the applicant would then calculate the mix of affordable units and "inflation restricted units," based on the applicant's need to balance pricing with costs.

At the time, Staff expressed concern with creating units at income levels beyond existing affordable housing program criteria, and indicated a preference for a project that would include 66 affordable units for middle and upper-middle income households and 24 market-rate units. Staff supported the addition of market units to meet project development costs while maximizing the number of units at City-recognized affordable levels. A project comprised of 54 affordable units and 36 "inflation restricted units" was identified as an alternate approach. However, there was some concern on the part of City Council that, if residential units were to be allowed on M-1 zoned property, the project would need to be 100% affordable. There was also the recognition that this may be difficult to achieve and that some market rate units, rather than a government subsidy, would be required in order to fund the below-market rate units.

At the June 2006 environmental scoping hearing for the 90-unit mixed-use project, several Planning Commissioners and members of the public expressed concerns regarding the change in the proposed terms of affordability as well as the mass, bulk and scale of the project.

As a result of the issues raised by the Planning Commission and in other discussions with Staff and decision makers, the applicants developed an alternate project that consisted of a three-story, 48 condominium unit development without a commercial component. The specific terms of affordability for the 48-unit project were not defined; however, it was stated that if some market-rate units were included, the pricing of the remaining units could be targeted to meet the City's adopted affordability policies, or if no market rate units were included, the pricing of the units would have to be at higher "below market" prices.

On August 8, 2006, the Council considered several project alternatives and affordability provisions and provided the applicant and staff with feedback. Based on the comments received, the applicant withdrew the 90-unit mixed-use project and submitted the current application for the 48-unit residential project.

The Initial Study was subsequently updated to reflect the revised, 48 unit project and another scoping hearing was held before the Planning Commission in July 2007. With the reduction in the size of the project, the mass, bulk and scale were no longer a concern. A Draft Environmental Impact Report (EIR) was prepared and an environmental hearing on the Draft EIR was held.

Current Proposal: Given the current economic conditions, both staff and the applicant recognize that, in order to provide reasonably priced "below-market" rate units for the majority of the development, some market rate units would be necessary. It was determined that the appropriate mix of units would be 40 "below-market" rate units and 8 market rate units. Generally, the Specific Plan uses the R-3 Zone as the development standard for residential use on the property. However, the Specific Plan does not require front or interior setbacks, although the project does provide 15-foot front setbacks and an interior setback along the northerly property line due to the location of the driveway.

Although the applicant requested some changes to the staff recommendation regarding the maximum pricing and unit-mix scenario, as discussed in the attached Staff Report, the Planning Commission approved the staff recommendation with one exception. The applicant's request "to allow the average pricing charged to the initial buyers of the 40 Below-Market Price Units to continue to increase by up to 3% annually between Planning Commission approval and the sale of the units, in order to defray increased development costs which may occur" was allowed but was changed from 3% to 2.5% annually. Staff is not in support of allowing the 2.5 % annual increase because it may make the units less affordable and thus provide less public benefit.

The Planning Commission approved the proposed project with a vote of 5-1 with the following added conditions: 1) photovoltaics shall be provided in all market units and shall be stubbed in for all remaining units; 2) construction hours shall be extended as requested by the applicant (from 7 am to 6 pm and on weekends); 3) the ABR is to consider the expansion of a more open area at the corner of the property but the design shall not result in the loss of a unit ; 4) the Specific Plan shall state that at least one owner of each Below-Market Price Unit shall be employed in the city of Santa Barbara, rather than "employed on the South Coast of Santa Barbara County"; and 5) the Homeowner's Association shall include a budget to create a tot lot in the open space onsite.

Staff is not in full agreement with the Planning Commission action and would like the Council to consider the original recommendation to set the sales price at time of approval and, in regard to condition number 4 above, we suggest that the unit be targeted to an employee on the South Coast (Ventura County Line to Gaviota). Staff is concerned that limiting residents only to persons who work within the City limits does not reflect the City's regional perspective on the nature of the housing market. Hence, the attached Draft Specific Plan Ordinance has not yet been revised to address the changes requested by the Planning Commission.

Environmental Review

As required under the California Environmental Quality Act (CEQA), an Environmental Impact Report (EIR) was prepared to evaluate physical environmental effects resulting from the project and proposed Specific Plan (see Attachment 3 - Certified Final EIR).

The proposed Final EIR concluded that the proposed project would result in significant, unavoidable cumulative traffic impacts at the Gutierrez Street/Garden Street intersection and at the Garden Street/U.S. 101 northbound ramps intersection, as well as the significant unavoidable parking impacts.

On August 21, 2008, the Planning Commission certified the Final EIR for the project and made findings pursuant to the California Environmental Quality Act Guidelines Sections 15091 (Findings) and 15093 (Statement of Overriding Considerations) and approved the proposed project contingent upon adoption of the Specific Plan by the City Council.

SUSTAINABILITY IMPACT:

The Final Environmental Impact Report contains a sustainable development evaluation section that describes the project's consistency with a variety of programs and concepts that promote sustainable development.

NOTE: The Certified Final EIR is available for review in the City Clerk's Office at 735 Anacapa Street, or at the Community Development Department, 630 Garden Street. It is also available online at: http://www.santabarbaraca.gov/Resident/Environmental_Documents/535_East_Montecito/

ATTACHMENTS:
1. Draft Specific Plan Ordinance
2. Planning Commission Staff Report – August 21, 2008

PREPARED BY: Kathleen Kennedy, Associate Planner

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA, ADOPTING A SPECIFIC PLAN FOR THE LOS PORTALES SPECIFIC PLAN AREA ("SP-10 ZONE") FOR PROPERTY LOCATED AT 535 E. MONTECITO STREET, ASSESSOR PARCEL NUMBER 031-351-010.

WHEREAS, the City accepted an application from Bermant Development Company, in order to process a request for the following: 1) Modification to allow less than the required number of guest parking spaces; 2) Tentative Subdivision Map (TSM) to create a one-lot subdivision for 48 residential condominium units, including 40 price-restricted and eight market-rate units; and 3) Zoning Ordinance Amendment to adopt Specific Plan Number Ten (SP-10);

WHEREAS, the Planning Commission of the City of Santa Barbara held a concept review of a proposed 90-unit project on April 10, 2003;

WHEREAS, the applicant submitted a formal DART application for a 90-unit project to the City for review on March 31, 2004;

WHEREAS, the Architectural Board of Review held a concept review of the proposed 90-unit project on April 19, 2004, and provided comments to the Planning Commission;

WHEREAS, the City Council initiated the Specific Plan process for the subject parcel on May 4, 2004;

WHEREAS, the Planning Commission held a concept review of the proposed 90-unit project on May 6, 2004;

WHEREAS, the Architectural Board of Review held a concept review of the proposed 90-unit project on June 28 and September 13, 2004, and provided comments to the Planning Commission;

WHEREAS, the Planning Commission held a concept review of the proposed 90-unit project on November 11, 2004;

WHEREAS, the application for the proposed 90-unit project was deemed complete on March 17, 2006;

WHEREAS, the City Council held a concept review hearing to receive a status report on the proposed 90-unit project on May 23, 2006;

WHEREAS, the Planning Commission held an Environmental Impact Report (EIR) Scoping Hearing on the proposed 90-unit project on June 15, 2006;
WHEREAS, the City Council held a concept review hearing to review project alternatives to the proposed 90-unit project on August 8, 2006;

WHEREAS, the application for the 90-unit mixed-use project was withdrawn and a new project application consisting of 48 residential condominium units was submitted on September 5, 2006;

WHEREAS, the Architectural Board of Review held a concept review of the revised project on September 25, 2006, and provided comments to the Planning Commission;

WHEREAS, the application for the proposed 48-unit project was deemed complete on May 17, 2007;

WHEREAS, the Planning Commission held an Environmental Impact Report (EIR) Scoping Hearing on the 48-unit project on July 12, 2007;

WHEREAS, the Planning Commission held a public hearing to receive comments on the Draft Environmental Impact Report on June 5, 2008;

WHEREAS, in August 2008, the City of Santa Barbara completed a Final EIR for the project, consisting of the Draft EIR, Comments on the Draft EIR, responses to comments on the Draft EIR and minor revisions to the Draft EIR;

WHEREAS, on August 21, 2008, the Planning Commission held a public hearing and certified the Final EIR as a complete, accurate and good faith effort toward full disclosure and as being reflective of the independent judgment of the City of Santa Barbara under the California Environmental Quality Act; and

WHEREAS, the purpose of the Los Portales Specific Plan is to establish a zoning overlay to allow a below-market rate residential development in the M-1 zone. The boundaries of the real property included in the Los Portales Specific Plan are described in the attached Exhibit A and is incorporated herein by reference. This Los Portales Specific Plan is intended to set out development policies and actions for this real property which compose the Plan area.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION ONE: The City Council has considered the Los Portales Specific Plan Final Environmental Impact Report (EIR), certified by the Planning Commission on August 21, 2008, and makes the following findings and determinations pursuant to Public Resources Code Section 21081 and California Environmental Quality Act Guidelines Section 15090.

1. The Final Environmental Impact Report for the proposed project was presented to the Planning Commission of the City of Santa Barbara. The Planning Commission reviewed and considered the information contained in the Final Environmental Impact Report, along with public comment and responses to comments.

2. The Final Environmental Impact Report for the proposed project has been completed in compliance with the California Environmental Quality Act and Guidelines, reflects the Council of the City of Santa Barbara's independent judgment and analysis, and constitutes adequate environmental evaluation and documentation for the proposed project.

3. The location and custodian of documents and materials that constitute the record of proceedings upon which this decision is based is the City of Santa Barbara Community Development Department, Planning Division, 630 Garden Street, Santa Barbara, CA, which is also the Lead Agency.

4. A mitigation monitoring and reporting program (MMRP) is hereby adopted. Mitigation measures have been made enforceable through incorporation into the project description or are included as conditions of project approval.

5. Class I Impacts (Significant and Unavoidable). The project would result in the following significant and unavoidable impacts identified in the Final EIR. These findings are supported by substantial evidence in the record including the Final EIR.

    a. Cumulative Traffic Impacts. The proposed project would result in a significant and unavoidable cumulative traffic impact at the Gutierrez Street/Garden Street intersection and at the Garden Street/U.S. 101 northbound ramps intersection. The Gutierrez Street/Garden Street intersection is expected to operate at level of service "D" during the morning and evening peak hours under cumulative conditions, and the project would add 14 morning peak hour trips and 12 evening peak hour trips to the intersection. The U.S. 101 northbound ramps/Garden Street intersection is expected to operate level of service "D" during the evening peak hour under cumulative conditions and the proposed project would add 10 evening peak hour trips to the intersection. No feasible mitigation measures were identified that would mitigate these impacts to a less than significant level.

    b. Parking Impacts. The proposed project would provide two onsite guest parking spaces. Based on estimates of the project's demand for guest parking spaces, the project would need to use on-street parking for guest needs during the evening hours. Although recent parking surveys indicated that adequate on-street parking would be available to serve the project, it cannot be ensured that adequate

on-street parking would remain available over the life of the project. Therefore, the project would have the potential to result in a significant parking impact. No feasible mitigation measures were identified to fully avoid these impacts; however, the off-site parking alternative may be feasible if the applicant were to execute an off-site parking agreement with the adjacent property owner.

6. Class II Impacts (Potentially Significant and Mitigated). Project elements incorporated as part of the project description and mitigation measures applied as conditions of project approval would result in the avoidance or substantial lessening of the following environmental impacts to less than significant levels. These findings are supported by substantial evidence in the record including the Final EIR.

   a. Air Quality: The proposed project would result in dust emissions during construction activities. This impact would be reduced to a less than significant level with implementation of standard dust control mitigation measures.

   b. Biological Resources: The proposed project would result in the removal of skyline specimen trees located on the project site. This impact would be reduced to a less than significant level with the installation of replacement skyline trees.

   c. Geologic Hazards: The proposed project has the potential to be affected by ground shaking and other seismic hazards. This impact would be reduced to a less than significant level with the implementation of the recommendations in the Geotechnical Engineering Report, including the use of vibro-replacement stone columns, compaction grouting, deep compaction and/or use of geopiers, as well as compliance with building code requirements that would minimize potential hazards associated with ground shaking.

   d. Noise: Interior noise levels within units fronting or facing East Montecito Street, adjacent to Calle Cesar Chavez and adjacent to the western project boundary may exceed 45 dBA. This impact would be reduced to a less than significant level with the implementation of the requirement that forced air circulation must be provided for these units.

   e. Water Resources: The proposed project has the potential to result in significant short- and long-term water quality impacts. These impacts would be reduced to a less than significant level with the implementation of erosion control measures, compliance with standard City requirements, and the use of storm drain surface pollutant interceptors.

7. Class III Impacts (Less than Significant). The proposed project would result in a less than significant impact in the following environmental issue

areas identified in the Final EIR. Mitigation measures are incorporated as conditions of project approval to further reduce the level of impact, consistent with City policies. These findings are supported by substantial evidence in the record including the Final EIR.

a. Aesthetics: The proposed project could result in adverse but less than significant aesthetics and lighting impacts. The project would not change existing skyline views as seen from Highway 101 nor would it significantly obstruct or change scenic views of the mountains and hillside areas of the City but would add building mass in close proximity to the highway. The project is subject to review and approval by the Architectural Board of Review, which will result in further aesthetic improvements.

b. Air Quality: Project-related grading and construction activities would result in emissions of NOx and PM2.5 from construction equipment that would be well below the established threshold of significance. Standard dust control measures to further reduce potential impacts are included in the Conditions of Approval. Therefore, the proposed project is anticipated to have a less than significant long-term air quality impact.

c. Public Services: The proposed project would result in the short-term generation of construction and demolition waste, and long-term generation of waste from residential uses. The project specific impact is considered less than significant because the 196 tons per year threshold is not exceeded, however, an adverse cumulative impact would result because waste generation would exceed 40 tons per year.

   Project grading would require some export of non-structural fill. Construction-related waste generation would be short-term and less than significant. Application of recommended standard mitigation to reduce, re-use, and recycle construction waste to the extent feasible would minimize this effect.

d. Transportation/Circulation: The proposed project would result in a short-term increase in traffic due to construction-related activities. This would constitute a change to existing conditions but would be a less than significant effect, and would be further reduced by construction haul route and parking mitigation measures.

SECTION THREE: The City Council makes the following findings with respect to the adoption of the Los Portales Specific Plan:

1. The Los Portales Specific Plan meets all provisions of Article 8, Chapter 3 of Division I of Title 7 of the California Planning and Zoning Law (Government Code Sections 65450 through 65457).

2. The Los Portales Specific Plan is consistent with the General Plan and Local Coastal Plan in that adoption of the Los Portales Specific Plan will establish a zoning overlay district where specific development standards are established to regulate the development of below-market rate housing.

3. With respect to Section 1507 of the City Charter, build-out of the Los Portales Specific Plan would result in significant and unavoidable cumulative traffic impacts and guest parking impacts. The City Council has balanced the benefits of the project against the unavoidable traffic and parking impacts and has concluded that the benefits of the project outweigh the significant traffic and parking impacts sufficiently to make the adverse effects acceptable.

   Short-term impacts on air quality due to construction would be significant, but mitigable with the application of standard dust control measures. Long-term air quality impacts due to the land development would be less than significant. Impacts to biological resources would be reduced to a less than significant level with the installation of replacement skyline trees. Impacts related to ground shaking and other seismic hazards would be reduced to a less than significant level with the implementation of the recommendations in the Geotechnical Engineering Report. Interior noise impacts to specified units would be reduced to a less than significant level with the implementation of the requirement that forced air circulation must be provided for these units. Significant short- and long-term water quality impacts would be reduced to a less than significant level with the implementation of erosion control measures, compliance with standard City requirements, and the use of storm drain surface pollutant interceptor.

   The benefits of the project include the provision of below-market-rate housing for employees of businesses located on the South Coast of Santa Barbara County, with special emphasis on the employees of local non-profit organizations that provide important social and cultural services to the region.

4. The Specific Plan is consistent with the policies of the General Plan as follows:

   a. Land Use Element Policies 4.1 and 4.2 will be met because the Specific Plan provides for residential development, the highest priority for development in the City, and for consideration of residential development in the M-1 zone.

   b. Circulation Element Policy 7.4 will be met because the Specific Plan provides for tandem parking onsite as well as off-site parking for the guest parking spaces.

   c. Circulation Element Policy 13.1 will be met because the Specific Plan area is located near employment opportunities and other urban services.

d. Housing Element Policies 4.1 and 4.3 will be met because the Specific Plan will provide affordable residential units on an in-fill site.

e. Housing Element Policy 5.2 will be met because the Specific Plan will allow tandem parking spaces and a reduction in the number of guest parking spaces for an affordable housing project.

f. Housing Element Policy 6.3 will be met because the Specific Plan will provide housing opportunities for households that would not qualify for other housing programs intended to assist those with incomes below median income levels, and would provide housing designated for employees of businesses on the South Coast, with special emphasis on the staff of non-profit organizations that provide important services to the South Coast region.

g. Noise Element Policy 3.0 will be met because the type of development allowed by the Specific Plan area is consistent and compatible with surrounding development and mitigation measures will be implemented so that the interior noise level of all units are below the City threshold.

h. Seismic Safety-Safety Element goals will be met because the development allowed by the Specific Plan will include mitigation measures to reduce potential geologic and flood-related hazards.

SECTION THREE: The Zoning Map of the Santa Barbara Municipal Code is amended by establishing a Specific Plan (SP-10) zoning overlay on a property located at 535 E. Montecito Street (APN 031-351-010).

SECTION FOUR: Title 28 (Zoning Ordinance) of the Santa Barbara Municipal Code is hereby amended to add a new Chapter thereto, Chapter 28.52, (the "Los Portales Specific Plan" – known as the "SP-10 Zone") which reads as follows:

Chapter 28.52

LOS PORTALES SPECIFIC PLAN

Section 28.52.005. Legislative Intent.

It is the purpose of the Los Portales Specific Plan (SP-10) to establish a price-restricted multiple-family housing overlay zone on a property currently zoned M-1, Light Manufacturing. Although new residential development is generally prohibited in the M-1 Zone, it is the intent of this Special Plan to allow for residential development within the Specific Plan area that provides a level of affordability equal to or greater than the terms specified in this Chapter.

Section 28.52.030. Uses Permitted.

The following uses are permitted in the Special Plan Area:

A. Any use permitted in the M-1 Zone, subject to the restrictions and limitations contained in that zone.

B. Attached multiple-family dwellings subject to the following conditions:

1. Any residential use proposed within the Specific Plan Area shall be subject to the price, occupancy, and employment restrictions specified in Section 28.52.130, and

2. Any new residential condominium development shall comply with Municipal Code Title 27, Subdivisions; however, Section 27.13.040, which prohibits residential condominium development in M-1 zones, shall not apply in this Specific Plan area.

Section 28.52.050. Building Height.

No building shall exceed four (4) stories or a building height of sixty (60) feet.

Section 28.52.060. Front and Interior Setback Requirements.

No front or interior setbacks are required for projects that provide a residential component that satisfies the price, occupancy, and employment restrictions specified in Section 28.52.130. All other projects shall observe the setback requirements of the M-1 Zone.

Section 28.52.070. Distance Between Buildings on the Same Lot.

No separation is required; except, all main buildings used exclusively for residential purposes shall be no closer than ten feet (10') to any other main building on the same lot.

Section 28.52.080. Maximum Number of Dwelling Units Allowed.

No residential project developed pursuant to this Specific Plan shall exceed a residential density of twenty-nine (29) dwelling units per acre.

Section 28.52.081. Outdoor Living Space.

Outdoor living space shall be provided pursuant to Municipal Code Section 28.21.081.

Section 28.52.100. Parking.

Parking shall be provided as required in Chapter 28.90 of this Code; however, the following exceptions to those requirements shall be allowed for projects that provide a residential component that satisfies the price, occupancy, and employment restrictions specified in Section 28.52.130:

A. TANDEM PARKING. The required parking for residential units may be provided in a tandem configuration.

B. OFF-SITE GUEST PARKING. Required off-street guest parking spaces for a residential use may be provided on the same lot as the use served, or on another lot, subject to the same terms and conditions on which commercial off-site parking is allowed pursuant to Section 28.90.001.R.

Section 28.52.115. Architectural Control.

Development within the SP-10 Zone shall be subject to the review and approval of the Architectural Board of Review.

Section 28.52. 120. Exemption from SBMC Chapter 28.43.

Development within the SP-10 Zone shall be exempt from the Inclusionary Housing requirements of SBMC Chapter 28.43 – the "City of Santa Barbara Inclusionary Housing Ordinance."

Section 28.52.130. Price Restricted Housing Provision.

A. GENERAL REQUIREMENT. For all residential developments pursuant to this Specific Plan 10, at least eighty-three percent (83%) of the total units must be constructed and offered for sale as Below-Market Price Units restricted for owner-occupancy subject to the restrictions specified in this Section.

B. ROUNDING. In determining the number of Below-Market Price Units required by this Section, any decimal fraction less than 0.5 shall be rounded down to the nearest whole number, and any decimal fraction of 0.5 or more shall be rounded up to the nearest whole number.

C. RESTRICTIONS ON BELOW-MARKET PRICE UNITS. Below-Market Price Units are subject to the following restrictions:

1. Initial Sale Price. The mean average initial sale price of all Below-Market Price Units in the residential development shall not exceed $565,000. In addition, the initial sale price of any individual Below-Market Price Unit shall not exceed $645,000.

2. Resale Price. The resale price of Below-Market Price Units shall increase by no more than 2.5% annually, without compounding, measured from the date of initial purchase.

3. Owners of Below-Market Price Units must occupy their unit as their principal residence, as that term is defined for federal tax purposes by the United States Internal Revenue Service.

4. Owner Employment Requirement. At least one owner of each Below-Market Price Unit shall be employed on the South Coast of Santa Barbara County.

5. Duration of Restrictions. Below-Market Price Units produced under this Chapter must be legally restricted as to price, occupancy and employment as specified in this Section 28.52.130 in conformance with the City's Affordable Housing Policies and Procedures Manual and approved by the City Attorney.

6. Unrestricted Units. Units that are not designated as Below-Market Price Units may be sold without occupancy or employment restrictions and the sale price of unrestricted units is only limited in such a manner as to comply with the initial total sale price limit specified in subsection D below.

D. RESTRICTION ON INITIAL TOTAL SALE PRICE OF RESIDENTIAL DEVELOPMENT. The total initial sale price of all residential units within any residential development, including any market-rate units, shall not exceed the sum of:

1. the Development Costs; plus
2. a Developer's Fee, which shall not exceed $2,000,000.

As used in this section, the term "Development Costs" shall mean the total costs of buying and holding the land, plus all soft costs (including architecture, engineering, consultants, etc.), financing costs, all construction costs including contractor profit and overhead, and costs of marketing and sale. Development Costs shall be determined prior to the initiation of marketing through a cost certification process which shall be overseen by the Community Development Director.

E. CONSTRUCTION STANDARDS FOR BELOW-MARKET PRICE UNITS. Below-Market Price Units built under this Chapter must conform to the following standards:

1. Design. Except as otherwise provided in this Chapter, Below-Market Price Units must be dispersed evenly throughout a Residential Development and must be comparable in construction quality and exterior design to the Market-Rate Units constructed as part of the Development. Below-Market Price Units may be smaller in aggregate size and may have different interior finishes and features than Market-Rate Units so long as the interior features are durable, of good quality and consistent with contemporary standards for new housing.

2. Size. The average number of bedrooms in the Below-Market Price Units must equal or exceed the average number of bedrooms in the Market-Rate Units of the Development. Absent a waiver from the Community Development Director, two-bedroom Below-Market Price Units shall generally have at least one and one-half bathrooms, and three-bedroom Below-Market Price Units shall generally have at least two bathrooms. However, the required number of bathrooms per unit shall not be greater than the number of bathrooms per unit in the Market-Rate Units. The minimum Unit Size of each Below-Market Price Unit shall be in conformance with the City's Affordable Housing Policies and Procedures.

3. Timing of Construction. All Below-Market Price Units must be constructed and occupied concurrently with or prior to the construction and occupancy of Market-Rate Units of the Development. In phased developments, Below-Market Price Units may be constructed and occupied in proportion to the number of units in each phase of the Residential Development.

28.52.140 Below-Market Price Unit Plan Processing.

A. GENERALLY. The submittal of a Below-Market Price Unit Plan and recordation of an approved City affordability control covenant shall be a pre-condition on the City Council approval of any Final Subdivision Map, and no building permit shall be issued for any residential development to which this Chapter applies without full compliance with the provisions of this Section.

B. BELOW-MARKET PRICE UNIT PLAN. Every residential development to which this Chapter applies shall include a Below-Market Price Unit Plan as part of the application submittal for either development plan approval or subdivision approval. No application for a tentative map, subdivision map, or building permit for a development to which this Chapter applies shall be deemed complete until a Below-Market Price Unit Plan is submitted to and approved by the Community Development Director as being complete. At any time during the formal development review process, the Community Development Director may require from the Applicant additional information reasonably necessary to clarify and supplement the application or determine the consistency of the Project's proposed Below-Market Price Unit Plan with the requirements of this Chapter.

C. REQUIRED PLAN ELEMENTS. A Below-Market Price Unit Plan must include the following elements or submittal requirements:

1. The number, location, structure (attached, semi-attached, or detached), and size of the proposed Unrestricted Units and Below-Market Price Units and the basis for calculating the number of Below-Market Price Units;

2. A floor or site plan depicting the location of the Below-Market Price Units and the Unrestricted Units;

3. The methods to be used to advertise the availability of the Below-Market Price Units and select the eligible purchasers, including preference to be given, if any, to applicants who live or work on the Santa Barbara County South Coast in conformance with the City's Affordable Housing Policies and Procedures;

4. For phased development, a phasing plan that provides for the timely development of the number of Below-Market Price Units proportionate to each proposed phase of development;

5. A description of any modifications as listed in Section 28.92.110 that are requested of the City; and

6. Any other information reasonably requested by the Community Development Director to assist with evaluation of the Plan under the standards of this Chapter.

D. PRICE, OCCUPANCY, AND EMPLOYMENT CONTROL COVENANTS. Prior to issuance of a grading permit or building permit, whichever is requested first, a standard City control covenant must be approved and executed by the Community Development Director, executed by the Applicant/Owners, and recorded against the title of each Below-Market Price Unit. If subdivision into individual condominium units has not been finalized at the time of issuance of a grading permit or building permit, an overall interim control covenant shall be recorded against the development, and shall be replaced by separate recorded control covenants for each unit prior to issuance of a Certificate of Occupancy by the City for such condominium units.

28.52.150 Eligibility for Below-Market Price Units.

A. GENERAL ELIGIBILITY FOR INCLUSIONARY UNITS. No Household may purchase or occupy a Below-Market Price Unit unless the City has approved the Household's eligibility, and the Household and City have executed and recorded a control covenant in the chain of title of the Below-Market Price Unit. Such control covenant is in addition to the covenant required of the Applicant/Owner in Section 28.52.140 above. The eligibility of the purchasing household shall be established in accordance with the City's Affordable Housing Policies and Procedures and any additional eligibility requirements agreed upon in writing by the Applicant and the City.

B. OWNER OCCUPANCY. A Household which purchases a Below-Market Price Unit must occupy that unit as a principal residence, as that term is defined for federal tax purposes by the United States Internal Revenue Code.

C.. OWNER EMPLOYMENT REQUIREMENT. At least one owner of each Below-Market Price Unit shall be employed on the South Coast of Santa Barbara County.

28.52.160 Sale Price, Occupancy, and Employment; Long-Term Restriction.

A. INITIAL SALES PRICE. The initial sales price of a Below-Market Price Unit must be set in accordance with the requirements specified in this Chapter.

B. TRANSFERS AND CONVEYANCES. A renewal of the controls covenant will be entered into upon each change of ownership of a Below-Market Price Unit and upon any transfer or conveyance (whether voluntarily or by operation of law) of an owner-occupied Below-Market Price Unit as such covenants are required in accordance with the City's Affordable Housing Policies and Procedures and this Chapter.

C. RESALE PRICE. The maximum sales price and qualifications of purchasers permitted on resale of a Below-Market Price Unit shall be specified in the control covenant and this Chapter and shall be in conformance with the City's then approved and applicable Affordable Housing Policies and Procedures.

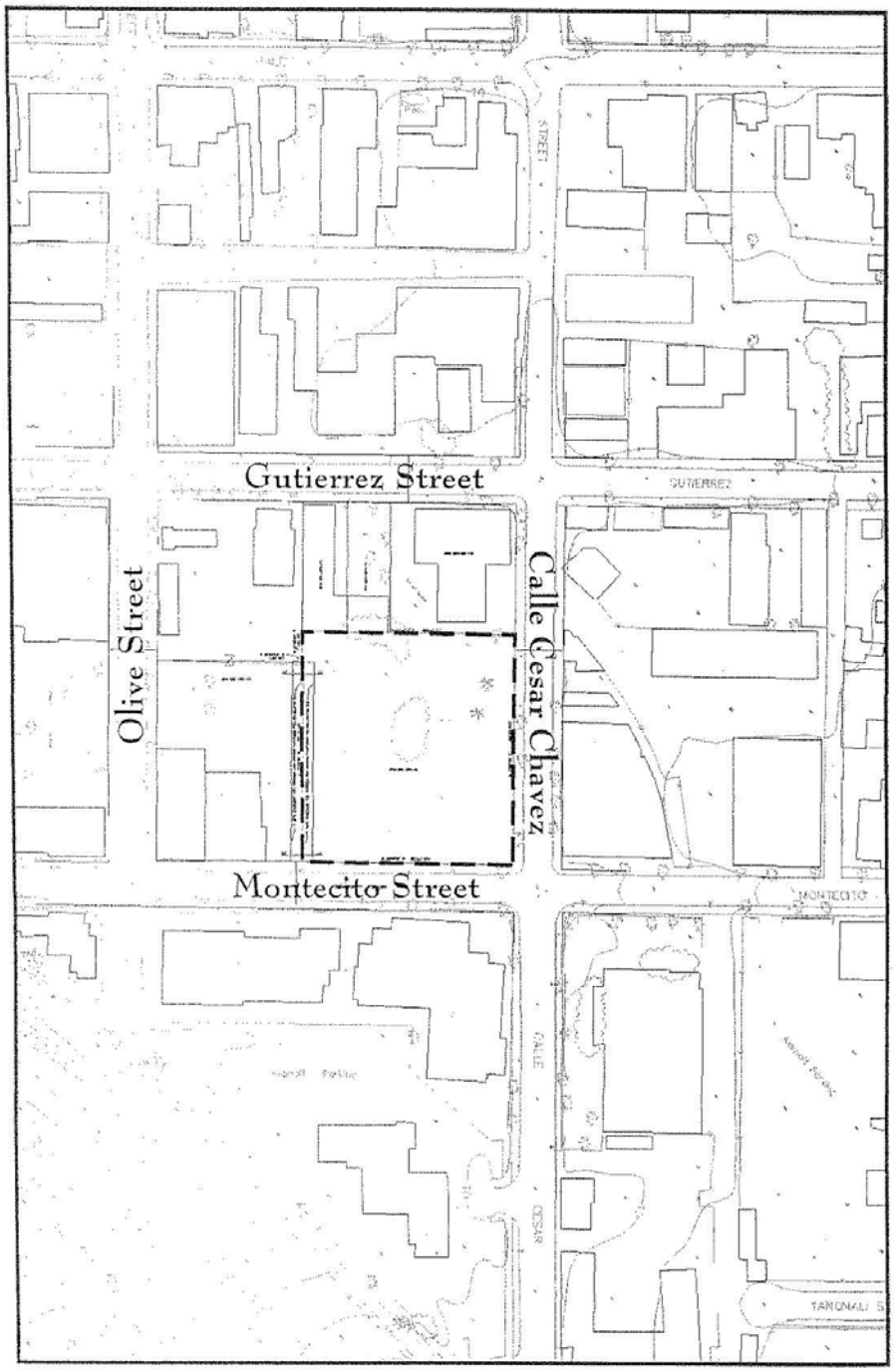
Section 28.52.170. Area Map.

The map attached hereto as Map A and labeled "Specific Plan Area" is hereby approved and incorporated in this Chapter by this reference.

SECTION FIVE: The Bermant Development Company shall execute an agreement, in a form acceptable to the City Attorney, accepting the requirements of this Specific Plan and agreeing to abide by the terms and conditions of the Los Portales Specific Plan and to fully defend and indemnify the City with respect to any litigation concerning the City's approval of the Specific Plan, which agreement shall be executed by Bermant Development Company prior to the effective date of this Ordinance.

Attachments:

Exhibit A: Los Portales Specific Plan Area Map



~~Exhibit 1~~ - Specific Plan Area

Los Portales

535 East Montecito Street

Santa Barbara, California

4/20/05

Peikert Group Architects, LLP

City of Santa Barbara
California

PLANNING COMMISSION
STAFF REPORT

REPORT DATE: August 14, 2008

AGENDA DATE: August 21, 2008

PROJECT ADDRESS: 535 E. Montecito Street (MST2006-00530)
"Los Portales" Project

TO: Planning Commission

FROM: Planning Division, (805) 564-5470
Jan Hubbell, AICP, Senior Planner
Kathleen Kennedy, Associate Planner

I. PROJECT DESCRIPTION

The proposed project consists of 48 residential condominium units in six three-story buildings. In total, 24 two-bedroom and 24 three-bedroom units would be provided, and 90,966 net square feet of building area (including garages) would be constructed. The size of the residential units would vary, ranging between 1,621 and 2,242 square feet (net area including the garage). Each of the six buildings would contain eight residential units, would be approximately 15,161 square feet (net) in area, and would provide eight two-car garages arranged in a tandem configuration. Two additional parking spaces would be provided on-site for guest parking, resulting in a total of 98 on-site parking spaces. Vehicle access to and from the site would be provided by two driveways on Calle Cesar Chavez and one driveway on East Montecito Street. Approximately forty (40) of the 48 units would be sold as below-market rate units. A 14-foot wide shared access easement is provided along the western perimeter of the project site. The access easement also provides vehicle access for the property to the west of the project site.

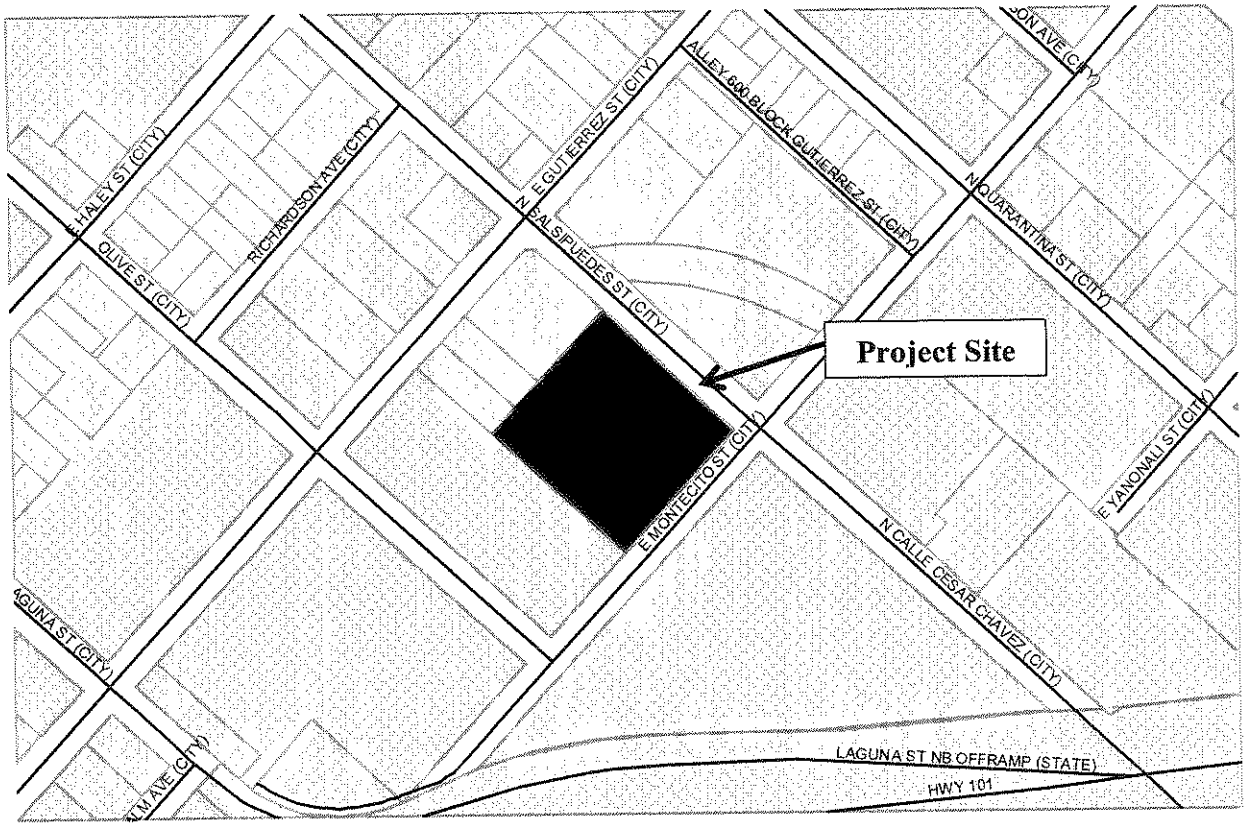
II. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

1. Certification of Final Environmental Impact Report pursuant to the California Environmental Quality Act Guidelines Section 15090, making the findings specified in Guidelines Section 15091;
2. Modification to allow less than the required number of guest parking spaces (SBMC§28.90.100.G and 28.92.110.A);
3. Tentative Subdivision Map (TSM) to create a one-lot subdivision for 48 residential condominium units (SBMC§ 27.07 and 27.13); and
4. Recommendation to the City Council to Adopt Specific Plan (SP-10 Zone) to establish a zoning overlay to allow a below-market rate residential development in the M-1 zone district and related Zoning Ordinance Amendment (SBMC§28.08.010 and 28.92).

III. RECOMMENDATION

With the approval of the modifications and contingent upon the adoption of the Specific Plan, the proposed project conforms to the City's Zoning and Building Ordinances and policies of the General Plan. In addition, the size and massing of the project are consistent with the surrounding neighborhood. Therefore, Staff recommends that the Planning Commission certify the Final Environmental Impact Report, approve the project making the findings specified in Section VI below and subject to the proposed Conditions of Approval contained in Exhibit A, and recommend that the City Council Adopt Specific Plan 10 (SP-10 Zone) and the related Zoning Ordinance Amendment.



Vicinity Map for 535 E. Montecito Street

IV. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

Applicant:	Peikert Group Architects	Property Owner:	Bermant Homes & Housing Authority of the City of Santa Barbara
Parcel Number:	031-351-010	Lot Area:	77,401 SF (gross); 73,302 SF (net)
General Plan:	Industrial	Zoning:	M-1, Light Manufacturing
Existing Use:	Vacant	Topography:	1.6 %
Adjacent Land Uses: North - Commercial and Light Industrial South - Offices		East - Light Industrial and Casa de la Raza West - Offices	

B. PROJECT STATISTICS

Unit Types	# of Units	# of Bedrooms in each unit	Unit Size (net)	Parking
Type A	24	3	Range from 2,046 to 2,242 sq. ft.	2-car garage (tandem)
Type B	24	2	Range from 1,621 to 1,676 sq. ft.	2-car garage (tandem)

The proposed project would consist of six three-story buildings. Each building would provide eight condominium residences for a total of 48 units, and each of the six buildings would include four two-bedroom units and four three-bedroom units. The ground level of each unit would include a two-car tandem parking garage, and the proposed three-bedroom units would have a ground-level bedroom and bathroom. The second level of each unit would provide a living room, half-bath and kitchen, and the third level of each unit would provide two bedrooms and two full bathrooms. The size of the residential units would vary, ranging between 1,621 and 2,242 square feet (net area including the garage). Each of the proposed buildings would have a floor area of approximately 16,327 square feet (gross), and the combined floor area of the six proposed buildings would be approximately 97,962 square feet (gross).

The proposed buildings would have Mediterranean-style architecture, including red tile roofs and a plaster finish. The maximum height of the buildings would be approximately 42 feet above finished grade, measured to the peak of the roof.

Vehicle access to the project site would be provided by a driveway accessed from Montecito Street, and two driveways accessed from Calle Cesar Chavez. The entrance to the Montecito Street driveway would be located in the southwest corner of the project site and would provide access to a 28-foot wide driveway. The driveway is coterminous with an existing reciprocal access easement shared with the landowner to the west. One-half of the driveway's width would be located on the project site. The Montecito Street driveway provides access to two of the proposed buildings on the western side of the site. The southern Calle Cesar Chavez

driveway would also provide access to two buildings located on the eastern side of the site. The northern Calle Cesar Chavez driveway would be located along the northern perimeter of the project site and would provide access to the two buildings on the northern portion of the site. Both of the Calle Cesar Chavez driveways would have a vehicle maneuvering width of 27 feet.

Pedestrian access to the project site would be provided by existing sidewalks located along Montecito Street and Calle Cesar Chavez. Pedestrian pathways would also extend north to south and east to west through the project site.

There would be several common open areas provided on the project site. The primary area would be located between the northern and central buildings and would extend from east to west. A second common area would be provided as a pedestrian paseo and would extend through the center of the site from the southern to northern boundaries. The other common open areas include the landscaped areas fronting Montecito Street and Calle Cesar Chavez. In total, 14,378 square feet of common open area would be provided. The common open areas include turf, walkways and landscaped areas.

The project site is located within the 100 year flood plain of the Laguna Channel and drainage from the site sheet flows to the south and the east. Due to the low-lying topography of the site and the limited capacity of the Laguna Channel, water ponds onsite and abutting streets act as overflow channels in major storm events. The proposed project's lowest finished floor would be raised above the Base Flood Elevation and the project would include the construction of curb drainage inlets to direct flows away from more impacted streets. The drainage report prepared for the site concluded that the increase in runoff from the site after development would not be considered substantial.

The objectives for the proposed project are as follows:

1. Implement a feasible development plan for the project site.
2. Develop residential units that can be sold at below-market prices to residents that cannot afford market rate units or qualify for an affordable unit under traditional housing programs. The sale price of the units would be determined, in part, by the total cost of developing the units. The initial sale price of the below-market units would be limited to an average of $565,000. In addition, the initial sale price of any individual below-market unit would be limited to no more than $645,000.
3. Minimize the potential for traffic- and parking-related impacts to the areas surrounding the project site.
4. Introduce housing opportunities in a largely commercial area of the City, which could allow employees to live near their place of work.

V. DISCUSSION

A. ZONING ORDINANCE CONSISTENCY

The project site and surrounding properties are in the M-1, Light Manufacturing zone which allows a variety of manufacturing, service and material assembly uses. The proposed project consists of residential units that are not allowed in the M-1 zone; therefore, the proposal includes a request for approval of a Specific Plan that would allow residential uses on the on the property. With the approval of the Specific Plan, the proposed project would be consistent with the Zoning Ordinance. The proposed requirements of the Specific Plan (SP-10) are attached (see Exhibit D – Draft Specific Plan).

The zoning requirements of the M-1 zone would continue to apply to any future commercial, manufacturing or light industrial land uses that may be developed on the project site. Section 28.72.001 of the Zoning Ordinance indicates that it is the intent of the M-1 zone "*to provide a desirable living environment by preserving and protecting surrounding residential land uses in terms of light, air and existing visual amenities.*" Based on the zoning requirements for the M-1 zone, the Zoning Ordinance anticipates that M-1 uses may be located adjacent to residential areas, and that the M-1 zoning requirements are capable of minimizing the potential for land use conflicts with neighboring residential areas.

Concern has been expressed regarding the use of a parcel with substantial potential for industrial use, for a use not normally allowed in the M-1 zone. As discussed under Policy Consistency below, Staff believes that there is policy basis to support project approval. Also, it is clear that the kinds of locally-focused small service businesses that used to be more common in the M-1 Zone are slowly moving elsewhere due to the high cost of the land; with the M-1 Zone transitioning to general office space, which is not a high priority for the City. Under these circumstances, below-market rate housing may be a better choice.

The primary objective of the proposed Specific Plan is to establish a zoning overlay to allow a below-market rate residential development in the M-1 zone district. In addition, the Specific Plan would include a provision that allows required guest parking spaces to be provided at an off-site location, subject to City approval of an off-site parking agreement. Under current zoning regulations, off-site parking for residential uses is not allowed. Parking for the proposed project is further discussed below.

Parking: Each of the proposed units would include a two-car garage, for a total of 96 enclosed parking spaces. The garage parking spaces would have a tandem parking configuration. Additional on-site parking would include a total of two guest parking spaces to be shared by all of the units. One guest space would be located near the northwest corner of the project site, and the second guest space would be located between the buildings on the northern portion of the site. In total, 98 parking spaces (96 dwelling unit spaces; 2 guest spaces) would be provided on the project site.

The Zoning Ordinance requires that two parking spaces be provided for each proposed residential unit (96 spaces) and that one guest parking space be provided for every four residential units (12 spaces). The total parking requirement for the project site is 108 spaces.

The proposed project includes a request for a Modification to reduce the number of on-site guest parking spaces from 12 to two, and to rely on on-street parking to meet peak guest parking demands. A survey of parking space availability within a two-block radius of the project site determined that adequate on-street parking would be available to meet the project's guest parking demand during evening hours when the demand for spaces would be highest. However, it cannot be assured that an adequate number of nearby on-street spaces would be consistently available over the life of the project. Therefore, the proposed Final Environmental Impact Report (EIR) determined that the project's reliance on on-street parking for guest parking purposes would result in a significant and unavoidable parking supply impact.

Section 8.5 of the proposed Final EIR evaluates an alternative that includes off-site guest parking. The objective of the off-site parking alternative is to provide at least 10 off-street guest parking spaces at a location accessible to the project site so that a modification of the project's guest parking requirement would not be required, and the project's significant and unavoidable parking impact would be avoided. An off-site parking alternative was not previously considered to be feasible because there had been no indication by the project applicant or nearby property owners that an off-site parking arrangement had been considered. However, at the June 5, 2008, Planning Commission hearing regarding the Draft EIR, the owner of property adjacent to the project site indicated that such an arrangement may be feasible, although an off-site parking agreement has not yet been submitted to the City for review and approval. If the Specific Plan were to indicate that off-site guest parking spaces may be used to serve the project site and if the applicant executes a City approved off-site parking agreement, a parking modification to allow a reduction in the number of required guest parking spaces would not be required. Based on these considerations, the use of off-site parking spaces may have the potential to be a feasible alternative that would reduce the parking impacts of the proposed project to less than significant or Class II.

Parking spaces that could be made available for use by the project are provided in a parking lot adjacent to the northwest corner of the project site. These parking spaces serve the commercial/office building located west of the project site, and access to the spaces would be provided by the shared access driveway that would serve both the project site and the adjacent office property.

The applicant has submitted a Parking Survey Report prepared by Associated Transportation Engineers, dated July 25, 2008, that concludes that the adjacent office use has a significant number of parking spaces available after 5 p.m., the time that the guest parking spaces are needed for the proposed project (see Exhibit E - Parking Survey). Given this information, the off-site parking alternative appears to be feasible at the suggested location.

Staff is in support of the parking modification given the special nature of the project. However, if the two parties involved reach agreement before the Planning Commission hearing, it will not be necessary to consider the modification.

B. BELOW-MARKET RATE HOUSING

Background: In May 2004, the City Council initiated a zoning ordinance amendment/Specific Plan to allow an affordable housing project on the project site within the M-1, Light

Manufacturing zone district. At the time, the project was described as a four-story, mixed-use project including 90 affordable residential units and 8,000 square feet of commercial space. The units were proposed to be for sale to middle and upper middle income households (earning 120-200% of the Area Median Income (AMI)). At that time, the proposed pricing and buyer income restrictions were not described in specific terms, and the applicants expressed the desire to leave these flexible due to rising project costs.

Subsequently, the applicants clarified the proposal to include a mix of units meeting the City's affordability requirements and "inflation restricted units." The "inflation restricted units" would be targeted to families earning over 200% of AMI, although there would be no limit on household income. These units would have been priced below market at an average of approximately $635,000. The applicant stated that the City should select the prices for the affordable units that meet the City's policies, and that the applicant would then calculate the mix of affordable units and "inflation restricted units," based on the applicant's need to balance pricing with costs.

At the time, Staff expressed concern with creating units at income levels beyond existing affordable housing program criteria, and indicated a preference for a project that would include 66 affordable units for middle and upper-middle income households and 24 market-rate units. Staff supported the addition of market units to meet project development costs while maximizing the number of units at City-recognized Affordable levels. A project comprised of 54 affordable units and 36 "inflation restricted units" was identified as an alternate approach. However, there was some concern on the part of City Council that, if residential units were to be allowed on M-1 zoned property, the project would need to be 100% affordable. There was also the recognition that this may be difficult to achieve and that some market rate units, rather than a government subsidy, would be required in order to fund the below-market rate units.

At the June 2006 environmental scoping hearing for the 90-unit mixed-use project, several Planning Commissioners and members of the public expressed concerns regarding the change in the proposed terms of affordability as well as the mass, bulk and scale of the project.

As a result of the issues raised by the Planning Commission and in other discussions with Staff and decision makers, the applicants developed an alternate project that consisted of a three-story, 48 condominium unit development without a commercial component. The specific terms of affordability for the 48-unit project were not defined; however, it was stated that if some market-rate units were included, the pricing of the remaining units could be targeted to meet the City's adopted affordability policies, or if no market rate units were included, the pricing of the units would have to be at higher "below market" prices.

The Initial Study was subsequently updated to reflect the revised, 48 unit project and another scoping hearing was held before the Planning Commission in July 2007. With the reduction in the size of the project, the mass, bulk and scale were no longer a concern.

Given the current economic conditions, both Staff and the applicant recognize that, in order to provide reasonable priced "below-market" rate units for the majority of the development, some market rate units would be necessary. Staff proposes the following maximum pricing and unit-mix scenario for consideration by the Planning Commission:

1. At least one owner would work on the South Coast of Santa Barbara County.
2. Forty (40) of the 48 units shall be sold as Below-Market Price units.
3. The remaining 8 units may be sold at market prices, without any limits on the incomes of the purchasers.
4. The total sale prices of the 48 dwelling units on the property, including the 8 market-rate units, shall not exceed the sum of the Development Costs plus a Developer's Fee (which shall not exceed $2,000,000). The term "Development Costs" shall mean the total costs of buying and holding the land, plus all soft costs (including architecture, engineering, consultants, etc.), financing costs, all construction costs including contractor profit and overhead, and costs of marketing and sale. Development Costs shall be determined prior to the initiation of marketing through a cost certification process to be overseen by the Community Development Director.
5. The average pricing of the 40 Below-Market Price Units on initial sale shall not exceed $565,000. No Below-Market Price Unit shall be priced at more than $645,000 on initial sale. Note: This average pricing of $565,000 is $20,000 higher than the average price proposed by the applicant in when the City Council reviewed this project in concept in August, 2006. At that time, the applicant was not proposing any market-rate units.
6. The Below-Market Price units shall be subject to recorded price control covenants in a form approved by the City Attorney and to be signed by the Developer and City that restrict the resale prices for at least 90 years. The annual price increase allowed shall be 2.5%. The owners must occupy their unit as their principal residence.

The applicant has reviewed Staff's proposal and has requested some revisions as follows:

1. Allow the <u>number of market rate units</u> to be further increased above 8 units to defray possible increased development costs, subject to the approval of the City Council.
2. Allow the maximum average pricing of the 40 Below-Market Price Units <u>to increase to $580,000</u>, rather than the $565,000 specified by Staff.
3. Allow the average pricing charged to the initial buyers of the 40 Below-Market Price Units to continue to increase by up to 3% annually between Planning Commission approval and the sale of the units, in order to defray increased development costs which may occur.
4. Allow the average pricing <u>to further increase</u> (above the $580,000 increased by 3% annually until sale) to defray increased development costs which may occur, subject to approval of the City Council.
5. Set the annual price increase allowed for the buyers of the Below Market Rate Units to be 3%, rather than the 2.5% suggested by Staff.

The applicant held two focus group meetings recently in order to obtain input on the proposed project from non-profit administrators and others in the local work force. Attached is

information presented to the attendees as well results from the questionnaire (see Exhibit G-Applicant Focus Groups).

Staff does **not support** the revisions requested by the applicant for the following reasons:

1. It is crucial that there be a substantial public benefit in exchange for the approval of a Specific Plan to allow residential uses where they would normally be prohibited. For example, the price restricted units would need to be substantially below market value. Staff is seriously concerned that a higher percentage of market rate units would not result in sufficient public benefit to justify the loss of the M-1 zoned land.
2. The applicant has requested that the method for determining the allowable price increase for the owners of the below-market units be changed from that specified in the City's affordable housing policies, which base the price increase on the percentage increase in Area Median Income ("AMI"). Staff understands that the applicant may find it easier to market these below-market units if a set price increase is allowed. Because these units do not conform to the City's affordability policies, Staff would support the applicant's request for some index other than AMI. However, the average increase in AMI over the past 10 years has been about 2.5%. A 3% annual increase in prices may make the units less affordable over time to the targeted income groups.
3. There is also a concern that the below-market rate units will not remain marketable over time if the market for condominiums remains slow. Unrestricted condominiums may be more appealing to potential buyers if the price difference between the two types of units is too small. This concern underscores Staff's reluctance to allow higher prices as requested by the applicant. At Council's concept review two years ago, staff supported including up to 12 units of market rate housing in order to bring the sale prices into the City's affordable upper-middle income sale price range. The current maximum sale price for an upper-middle income 2-bedroom unit is about $350,000 and for a 3-bedroom unit it is about $395,000. Two years ago, the sale of 12 market rate units was projected to be enough subsidy to bring the pricing down to these levels. However, the market value of the market-rate units has decreased substantially in the past 2 years, so the market rate units will no longer provide the same economic benefit to the below-market rate units. The applicant is requesting average unit pricing of $580,000, even with 8 market rate units. And, the applicant is requesting the flexibility to seek Council's approval for more market rate units and higher average pricing of the below-market units. Staff does not believe that the applicant's pricing provides sufficient public benefit or sufficient certainty to justify the approval of the Specific Plan.

C. COMPLIANCE WITH THE GENERAL PLAN

Section 6.0 of the Proposed Final Environmental Impact Report provides a detailed evaluation of the proposed project's compliance with applicable General Plan policies. Some of the main points are summarized below.

Land Use Element: The project site is located in the eastern portion of the City of Santa Barbara in the Lower East neighborhood, which is bounded on the north by Cota Street, on the

south by U. S. Highway 101, on the east by a line behind the Milpas Street commercial strip and on the west by Santa Barbara Street. This neighborhood is developed with light industrial and office-related uses, and single-family residential uses are located primarily in the northwestern and northeastern portions of the neighborhood.

The General Plan land use designation of the project site and surrounding properties is "Industrial." The project area is predominately built out with office, commercial retail and industrial uses. There are no residential uses located adjacent to or within one block of the project site. The Land Use Element indicates that additional residential development is not anticipated to occur in this neighborhood.

The proposed project would result in an increase in the number of residences provided in the Lower East neighborhood; however, as described in Section 6.3 of the Proposed Final EIR, other policies of the Land Use Element that are applicable on a City-wide basis encourage the development of residential uses in nonresidential zones.

Land uses adjacent to the proposed project site include offices to the west and south, commercial/light manufacturing to the north, and light industrial and the Casa de la Raza community center to the east. The offices and the Casa de la Raza center would not be expected to result in significant land use compatibility impacts with the residential uses that would be provided by the proposed project. The existing commercial/manufacturing and light industrial land uses adjacent to the project site are primarily service-related uses, such as automobile and retail businesses. These uses would not be expected to result in significant land use conflicts from impacts commonly associated with industrial uses, such as visual conditions, odors, hazardous materials and noise, and no potentially significant land use compatibility impacts were identified by the Initial Study prepared for the proposed project.

While staff has some concern about the loss of land for industrial uses, Land Use Element Policy 4.2 states that "Options for providing additional housing opportunities shall be explored where appropriate in nonresidential zones" and the implementation strategy for this policy specifically encourages residential development in the M-1 zone. Therefore, the proposed project is consistent with the requirements of Land Use Element Policy 4.2.

Circulation Element: Policy 7.4 and its implementation strategies promote flexibility in considering the parking requirements for new projects. The proposed project has proposed the use of tandem parking to minimize the area of the project site devoted to parking uses. Implementation strategy 7.4.2 may support a reduction in the number of required parking spaces because the project site is within three blocks of two MTD transit stops. Therefore, staff opinion is that the proposed project is consistent with the requirements of Circulation Element Policy 7.4 and its implementation strategies.

Policy 13.1 and its implementation strategy promote residential development near areas that provide employment opportunities and other urban services. The project site is located approximately three blocks from two MTD transit stops and is less than one-half mile from commercial services along Milpas Street and approximately one mile from the center of the downtown area. Therefore, the proposed project is consistent with the requirements of Circulation Element Policy 13.1 and its implementation strategy.

Housing Element: Policy 4.1 and its implementation strategies, and Policy 4.3 promote the development of affordable residential units on in-fill sites. The proposed project would be a private development on land owned by the Housing Authority, and an objective of the project is to provide housing that can be sold at a cost that is below-market rates. The project site is a vacant parcel surrounded by development, and would implement the infill development requirements of the above policies. Three bedroom units, as included in the proposed project, are encouraged. Policy 4.3 indicates that the City should concentrate efforts on the development of new mixed-use projects on vacant parcels with commercial or residential zoning. The proposed project would not be a mixed-use development and would not be located in a commercial or residential zone; however, the project would implement the primary requirement of this policy by providing new development on a vacant infill site. Therefore, the proposed project would be consistent with the requirements of Housing Element Policies 4.1 and 4.3 and their respective implementation strategies.

Policy 5.2 and its implementation strategies promote the flexibility of parking requirements for affordable housing projects. It is an objective of the proposed project to provide residential units that can be sold at below-market rates, and the project has proposed the use of tandem parking. The project also includes a modification request to reduce the required number of guest parking spaces provided on the project site. Although the project site is not located in the Downtown commercial area, the request to reduce the number of guest parking spaces would be consistent with the objective of Housing Element Policy 5.2 and its implementation strategies to facilitate the development of affordable housing projects.

Policy 6.3 promotes the development of housing for households or individuals that earn more than 120% of the AMI. The objective of the proposed project to sell units at below-market rates would be consistent with the objective of this policy and its associated implementation strategy.

Conclusion: The proposed project can be found to be consistent with applicable General Plan Policies as discussed above and in the Proposed Final EIR.

D. DESIGN REVIEW

The current proposal was reviewed by the Architectural Board of Review (ABR) on September 25, 2006. The Board was in support of the revised 48-unit project because it has overall less mass and more usable open space than the previous 90-unit mixed-use project. The Board had some concerns regarding the repetition of design and the need for additional landscaping, which can be addressed through further design review (see Exhibit D – ABR minutes).

E. ENVIRONMENTAL REVIEW

An Initial Study was prepared to evaluate the potential for the project to result in significant environmental impacts. The Initial Study determined that the project would have the potential to result in significant adverse traffic-generation and parking impacts. Based on this determination, an Environmental Impact Report (EIR) was required for the project. A Draft EIR was released by the City for a 45-day public review and comment period between May 1 and June 16, 2008, and an environmental hearing was held by the Planning Commission on

June 5, 2008 to receive public comment. A proposed Final EIR has been prepared that includes changes in response to comments received on the Draft EIR (see Exhibit H).

The proposed Final EIR concluded that the proposed project would result in significant, unavoidable cumulative traffic impacts at the Gutierrez Street/Garden Street intersection and at the Garden Street/U.S. 101 northbound ramps intersection as well as the significant unavoidable parking impacts previously discussed.

No feasible mitigation measures or alternatives were identified to fully avoid these impacts while still meeting the project objectives. A brief discussion of these impacts is provided below. All mitigation measures have been included as proposed conditions of approval (see Exhibit A – Conditions of Approval). Refer to the proposed Final EIR for the complete analysis.

The following have been identified as Significant Unavoidable Impacts (Class I) in the proposed Final EIR:

Cumulative Traffic Impacts. The proposed project would result in a significant and unavoidable cumulative traffic impact at the Gutierrez Street/Garden Street intersection and at the Garden Street/U.S. 101 northbound ramps intersection. The Gutierrez Street/Garden Street intersection is expected to operate at level of service "D" during the morning and evening peak hours under cumulative conditions, and the project would add 14 morning peak hour trips and 12 evening peak hour trips to the intersection. The U.S. 101 northbound ramps/Garden Street intersection is expected to operate at level of service "D" during the evening peak hour under cumulative conditions and the proposed project would add 10 evening peak hour trips to the intersection.

Gutierrez Street/Garden Street intersection. Three potential mitigation measures have been identified for the Gutierrez Street/Garden Street intersection, as discussed below.

The first potential mitigation considered involved widening the westbound approach of the intersection to accommodate an additional westbound lane and restriping the approach to consist of two exclusive left-turn lanes, one through lane and one shared through-right lane. While this improvement would mitigate the cumulative traffic impacts occurring at this intersection, it would require the project to reimburse the City for any expenses associated with acquiring additional right of way along the southern edge of Gutierrez Street. A sufficient nexus between the 12-14 peak hour vehicle trips the proposed project would contribute to the Gutierrez Street/Garden Street and the cost of making the described improvements cannot be made. Therefore, it would not be feasible to require the project to implement this mitigation measure.

The second potential mitigation measure identified for the Gutierrez Street/ Garden Street intersection would have required optimization of the intersection operations (e.g., traffic cycle length, signal phasing, lane striping, etc.) to improve its efficiency. The City's current traffic impact analysis guidelines state that the Intersection Capacity Utilization methodology is to be used to determine the level of service and volume to capacity ratios for intersections under City jurisdiction. Unfortunately, this methodology does not use traffic cycle lengths and signal timing to analyze traffic operations at intersections. While the identified improvements to the

operation of the traffic signal at this intersection could upgrade the intersection efficiency, they have not been fully studied, programmed or funded for implementation. In addition, after additional review by City Transportation staff, it was determined that the intersection improvements could adversely affect pedestrian circulation in the area even though traffic flow may be enhanced. Therefore, previously proposed mitigation measure TRF-1a, which would not have reduced the project's cumulative impacts to the Gutierrez Street/Garden Street intersection to a less than significant level, is no longer a required mitigation measure. Similar to conditions that would have existed with the implementation of previously proposed mitigation measure TRF-1a, the proposed project's cumulative traffic impact to the Gutierrez Street/ Garden Street intersection is significant and unavoidable.

The third potential mitigation measure identified for the Gutierrez Street/Garden Street intersection would be to convert the segment of Gutierrez Street from State Street to Garden Street from one-way to two way traffic, widening Garden Street north of the intersection to five lanes (three southbound and two northbound receiving lanes), and restriping the northbound Garden Street intersection approach lanes. While these changes would improve the operations of the Gutierrez Street/Garden Street intersection and mitigate the proposed project's cumulative traffic impacts to the intersection to a less than significant level, the improvements would require the acquisition of additional right-of way along Garden Street north of the Gutierrez Street intersection to accommodate two additional traffic lanes, which would be extremely expensive. A sufficient nexus cannot be made between the 12-14 peak hour trips the proposed project would contribute to the Gutierrez Street/Garden Street intersection and the cost of making the identified improvements. Therefore, it is not feasible to require the project to implement this mitigation option.

In conclusion, no feasible mitigation measures have been identified to reduce the project's cumulative traffic impact to a less than significant level. Therefore, the project's cumulative traffic impact to the Gutierrez Street/Garden Street intersection is significant and unavoidable (Class I).

Garden Street/U.S. 101 northbound ramps intersection. No potential mitigation measures have been identified for the Garden Street/U.S. 101 northbound ramps intersection. The right-of-way area at the U.S. 101 northbound ramps/Garden Street intersection is constrained by concrete embankments and sidewalks located adjacent to both sides of Garden Street, as well as the concrete abutments that support the freeway overpass. In addition to existing structural constraints, surrounding property would have to be obtained before physical modifications to the intersection could be made. A sufficient nexus does not exist between the 10 PM peak hour trips the Los Portales project would contribute to the U.S. 101 northbound ramps/Garden Street intersection and the substantial cost required to make intersection improvements. Due to the extremely limited right of way at the U.S. 101 northbound ramps/Garden Street intersection, and the substantial economic cost of making modifications to the intersection, no feasible, physical improvement mitigations could be identified. Any changes to the traffic signal cycle length or signal timing would have similar results as those discussed for the Gutierrez Street/Garden Street intersection. Based on these restrictions, this intersection is also expected to experience a significant cumulative traffic impact for which no feasible mitigation measures

can be identified. Therefore, the proposed project's cumulative impact to this intersection would be significant and unavoidable (Class I).

Parking Impacts. The proposed project would provide two on-site guest parking spaces. Based on estimates of the project's demand for guest parking spaces, the project would need to use on-street parking for guest needs during the evening hours. Although recent parking surveys indicated that adequate on-street parking would be available to serve the project, it cannot be ensured that adequate on-street parking would remain available over the life of the project. Therefore, the project would have the potential to result in a significant on-street parking impact. No feasible mitigation measures or alternatives were identified in the EIR to fully avoid these impacts; however, the off-site parking alternative may be feasible if the applicant were to execute an off-site parking agreement with the adjacent property. At this time, an off-site parking agreement has not yet been submitted to the City for review and approval, although the applicant and adjacent property owner are still discussing this possibility.

Other Impacts: The proposed project would also result in various significant, but mitigable impacts. Mitigation measures to avoid these impacts are described in the proposed Final EIR. Various adverse, but less than significant impacts would also occur as a result of the proposed project. Wherever feasible, additional recommended mitigation measures or required conditions of approval have been included to further avoid or reduce impacts.

EIR Certification and CEQA Findings. The California Environmental Quality Act (CEQA) requires that the Final EIR be certified by the Lead Agency (City) prior to actions approving the project. The City CEQA Guidelines provide for certification of EIRs by the Planning Commission, with this action appealable to the City Council. The required findings for EIR certification are included in Section VI below.

When the EIR identifies significant impacts, CEQA also requires that specified findings be made prior to approval of a project. For potentially significant but mitigable (Class II) impacts, findings are made that identify the impact and mitigation measures that would be applied to the project to reduce impacts to less than significant levels. In most cases, mitigation measures are applied as conditions of project permit approval. For significant and unavoidable (Class I) impacts, findings are made that there are no mitigation measures or alternatives to the project that can feasibly reduce project impacts to less than significant levels.

When a project would result in significant, unavoidable impacts, a Statement of Overriding Considerations is required to be adopted before the project is approved. This is a finding identifying benefits of the project that override the significant environmental impacts and thereby make the environmental impacts acceptable in this case. For the proposed project, a Statement of Overriding Considerations is included in Section VI below.

VI. RECOMMENDATION/ FINDINGS

Staff recommends that the Planning Commission approve the proposed project, with the maximum pricing and unit mix scenario prepared by Staff, because the project would include below-market rate housing for residents who would otherwise not be able to purchase a home within the City. The Specific Plan would allow below-market rate housing in an area of the

City that would be appropriate for residential uses due to its close proximity to employment opportunities and transit stops. In addition, the benefits of the proposed project would outweigh any remaining significant effects on the environment.

The Planning Commission finds the following:

A. **ENVIRONMENTAL FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE FINAL ENVIRONMENTAL IMPACT REPORT (PER PUBLIC RESOURCES CODE (PRC) SECTION 21081 AND CALIFORNIA CODE OF REGULATIONS (CCR) SECTION 15090)**

1. The Final Environmental Impact Report for the proposed project was presented to the Planning Commission of the City of Santa Barbara. The Planning Commission reviewed and considered the information contained in the Final Environmental Impact Report, along with public comment and responses to comments.

2. The Final Environmental Impact Report for the proposed project has been completed in compliance with the California Environmental Quality Act and Guidelines, reflects the City of Santa Barbara Planning Commission's independent judgment and analysis, and constitutes adequate environmental evaluation and documentation for the proposed project.

3. The location and custodian of documents and materials that constitute the record of proceedings upon which this decision is based is the City of Santa Barbara Community Development Department, Planning Division, 630 Garden Street, Santa Barbara, CA, which is also the Lead Agency.

4. A mitigation monitoring and reporting program (MMRP) is hereby adopted. Mitigation measures have been made enforceable through incorporation into the project description or are included as conditions of project approval.

5. **Class I Impacts (Significant and Unavoidable).** The project would result in the following significant and unavoidable impacts identified in the Final EIR. These findings are supported by substantial evidence in the record including the Final EIR.

   a. **Cumulative Traffic Impacts.** The proposed project would result in a significant and unavoidable cumulative traffic impact at the Gutierrez Street/Garden Street intersection and at the Garden Street/U.S. 101 northbound ramps intersection. The Gutierrez Street/Garden Street intersection is expected to operate at level of service "D" during the morning and evening peak hours under cumulative conditions, and the project would add 14 morning peak hour trips and 12 evening peak hour trips to the intersection. The U.S. 101 northbound ramps/Garden Street intersection is expected to operate level of service "D" during the evening peak hour under cumulative conditions and the proposed project would add 10 evening peak hour trips to the intersection. No feasible mitigation measures were identified that would mitigate these impacts to a less than significant level.

b. **Parking Impacts**. The proposed project would provide two onsite guest parking spaces. Based on estimates of the project's demand for guest parking spaces, the project would need to use on-street parking for guest needs during the evening hours. Although recent parking surveys indicated that adequate on-street parking would be available to serve the project, it cannot be ensured that adequate on-street parking would remain available over the life of the project. Therefore, the project would have the potential to result in a significant parking impact. No feasible mitigation measures were identified to fully avoid these impacts; however, the off-site parking alternative may be feasible if the applicant were to execute an off-site parking agreement with the adjacent property owner.

6. **Class II Impacts (Potentially Significant and Mitigated).** Project elements incorporated as part of the project description and mitigation measures applied as conditions of project approval would result in the avoidance or substantial lessening of the following environmental impacts to less than significant levels. These findings are supported by substantial evidence in the record including the Final EIR.

a. **Air Quality:** The proposed project would result in dust emissions during construction activities. This impact would be reduced to a less than significant level with implementation of standard dust control mitigation measures.

b. **Biological Resources:** The proposed project would result in the removal of skyline specimen trees located on the project site. This impact would be reduced to a less than significant level with the installation of replacement skyline trees.

c. **Geologic Hazards:** The proposed project has the potential to be affected by ground shaking and other seismic hazards. This impact would be reduced to a less than significant level with the implementation of the recommendations in the Geotechnical Engineering Report, including the use of vibro-replacement stone columns, compaction grouting, deep compaction and/or use of geopiers, as well as compliance with building code requirements that would minimize potential hazards associated with ground shaking.

d. **Noise:** Interior noise levels within units fronting or facing East Montecito Street, adjacent to Calle Cesar Chavez and adjacent to the western project boundary may exceed 45 dBA. This impact would be reduced to a less than significant level with the implementation of the requirement that forced air circulation must be provided for these units.

e. **Water Resources:** The proposed project has the potential to result in significant short- and long-term water quality impacts. These impacts would be reduced to a less than significant level with the implementation of erosion control measures, compliance with standard City requirements, and the use of storm drain surface pollutant interceptors.

7. **Class III Impacts (Less than Significant).** The proposed project would result in a less than significant impact in the following environmental issue areas identified in the Final EIR. Mitigation measures are incorporated as conditions of project approval to further reduce the level of impact, consistent with City policies. These findings are supported by substantial evidence in the record including the Final EIR.

   a. **Aesthetics:** The proposed project could result in adverse but less than significant aesthetics and lighting impacts. The project would not change existing skyline views as seen from Highway 101 nor would it significantly obstruct or change scenic views of the mountains and hillside areas of the City but would add building mass in close proximity to the highway. The project is subject to review and approval by the Architectural Board of Review, which will result in further aesthetic improvements.

   b. **Air Quality:** Project-related grading and construction activities would result in emissions of NOx and PM2.5 from construction equipment that would be well below the established threshold of significance. Standard dust control measures to further reduce potential impacts are included in the Conditions of Approval. Therefore, the proposed project is anticipated to have a less than significant long-term air quality impact.

   c. **Public Services:** The proposed project would result in the short-term generation of construction and demolition waste, and long-term generation of waste from residential uses. The project specific impact is considered less than significant because the 196 tons per year threshold is not exceeded, however, an adverse cumulative impact would result because waste generation would exceed 40 tons per year.

      Project grading would require some export of non-structural fill. Construction-related waste generation would be short-term and less than significant. Application of recommended standard mitigation to reduce, re-use, and recycle construction waste to the extent feasible would minimize this effect.

   d. **Transportation/Circulation:** The proposed project would result in a short-term increase in traffic due to construction-related activities. This would constitute a change to existing conditions but would be a less than significant effect, and would be further reduced by construction haul route and parking mitigation measures.

8. **Findings of Infeasibility of Alternatives (per PRC Section 21081 and CCR Section 15091).** The Planning Commission finds that specific economic, legal, social, technological, environmental, or other considerations, make infeasible the project alternatives identified in the Final Environmental Impact Report for the proposed project for the following reasons:

   Project Alternative 8.1.1 - No Project - No Development
   The project site would remain in a vacant condition, existing traffic conditions would continue to occur, and the cumulative traffic impacts of the proposed project would be

avoided. The No Project - No Development Scenario alternative is the environmentally superior alternative; however, this alternative would not attain any of the proposed projects' objectives.

Project Alternative 8.1.2 - No Project - Allowable Site Development
This scenario would result in the development of either a light industrial or manufacturing use on the project site. The establishment of a manufacturing use would result in a slight reduction in average daily trips and peak hour traffic when compared to the proposed project. However, both alternative uses would result in significant cumulative traffic impacts at the Garden Street/Gutierrez Street intersection and the U.S. 101 northbound ramps/Garden Street intersection. This alternative would not attain any of the proposed projects' objectives.

Project Alternative 8.1.3 - Reduced Project Size
The Reduced Project Size alternative would result in the development of fewer units at the project site. If only 19 units were provided, this alternative would not result in a significant cumulative traffic impact at the U.S. 101 northbound ramps/Garden Street intersection during the morning or evening peak hours, but a significant cumulative impact would continue to occur at the Garden Street/Gutierrez Street intersection. If only 13 units were provided, this alternative would not result in a significant cumulative impact at the Garden Street/Gutierrez Street intersection or the U.S. 101 northbound ramps/Garden Street intersection during the morning or evening peak traffic hours. The Reduced Project size alternative is the only alternative evaluated that might partially achieve the primary objective of the proposed project to develop residential units on the project site and reduce the project's cumulative traffic impacts to a less than significant level. Therefore, the Reduced Project Size alternative is environmentally superior to the proposed project; however, this alternative is not economically feasible nor would it result in any affordable housing units and would thus not meet the project objectives.

Project Alternative 8.1.4 - Purchase Parking

The Purchase Parking alternative would provide additional parking spaces on the project site, and could reduce the demand for on-site parking. However, this alternative would also have the potential to result in significant parking impacts in neighborhoods adjacent to the project site. The Purchase Parking alternative could reduce the number of peak hour vehicle trips generated by the project, which would minimize the project's cumulative impacts at the Garden Street/Gutierrez Street and U.S. 101 northbound ramps/Garden Street intersections. This alternative, however, would not be capable of reducing the project's cumulative traffic impacts to a less than significant level.

Project Alternative 8.1.5 - Project Redesign

The Project Redesign alternative would combine elements of the Purchase Parking and Reduced Project Size alternatives. The Project Redesign alternative identifies the maximum number of residential units that could be developed on the project site without resulting in a significant cumulative traffic impact based on varying levels of project occupant participation in a purchase parking program. The Project Redesign

alternative could feasibly reduce the project's cumulative traffic impacts to a less than significant level while allowing the development of more units on the project site than would be allowed by the Reduce Project Size alternative. However, if an assumed participation rate in a purchase parking program were not maintained over the life of the project, the units developed on the project site would have the potential to result in a significant cumulative traffic impact at the Garden Street/Gutierrez Street and U.S. 101 northbound ramps/Garden Street intersections. This alternative would also have the potential to result in parking impacts to areas surrounding the project site. Therefore, the Project Redesign alternative was not considered to be an environmentally superior alternative.

Project Alternative 8.1.6 - Off-site Parking

The Off-Site Parking alternative could reduce the significant parking impacts of the proposed project to a less than significant level; however, it has not been demonstrated at this time if the alternative would be feasible to implement. In addition, this alternative would not address the cumulative traffic impacts of the project and impacts to the U.S. 101 northbound ramps at Garden Street, and the Gutierrez Street/Garden Street intersection.

9. Statement of Overriding Considerations

After careful consideration of the environmental documents, staff reports, public testimony, and other evidence contained in the administrative record, the Planning Commission has balanced the benefits of the project against the unavoidable environmental impacts and has concluded that the benefits of the project outweigh the significant cumulative traffic and parking impacts sufficiently to make the adverse effects acceptable. The Planning Commission makes the following Statement of Overriding Considerations, which support approval of the project, notwithstanding that all identified environmental impacts are not fully mitigated to a level of insignificance. Remaining significant effects on the environment are deemed acceptable due to the following finding:

> The project would provide below-market rate housing units for homebuyers and would provide an important and needed housing type in the City that may not otherwise be provided.

10. Findings for the Fish & Game Code

An Environmental Impact Report has been prepared by the lead agency (City of Santa Barbara), which has evaluated the potential for the proposed project to result in adverse effects, either individually or cumulatively, on wildlife resources. For this purpose, wildlife is defined as "all wild animals, bird, plants, fish, amphibians, and related ecological communities, including the habitat upon which the wildlife depends for its continued viability." The proposed project has the potential for adverse effects on native specimen trees and associated wildlife during project construction. Mitigation measures have been applied such that potential impacts will largely be reduced to less than significant levels, and a Statement of Overriding Considerations has been made for

those impacts that can not be reduced to less than significant levels. The project does not qualify for a waiver and is subject to payment of the California Department of Fish and Game fee.

B. **FINDINGS FOR THE DEVELOPMENT PROJECT**

1. Modification (SBMC§28.90.100.G and 28.92.110.A)

Upon making the finding for the Statement of Overriding Considerations, the modification to allow less than the required number of guest parking spaces will not be inconsistent with the purposes and intent of the Zoning Ordinance and will not cause an increase in demand for parking or loading space in the immediate area.

2. Specific Plan No. 10

Following City Council approval of Specific Plan No. 10 and Zoning Ordinance amendments, the existing and future uses at the project site will be in compliance with the standards described in the Specific Plan and contained in the SP-10 zone.

3. Tentative Subdivision Map (SBMC §27.07.100)

With the approval of the modification and the adoption of the Specific Plan 10, the Tentative Subdivision Map is consistent with the General Plan and the Zoning Ordinance of the City of Santa Barbara. The site is physically suitable for the proposed development and the proposed use is consistent with the vision for this neighborhood of the General Plan. The design of the project will not cause substantial environmental damage, and associated improvements will not cause serious public health problems.

4. New Condominium Development (SBMC §27.13.080)

a. There is compliance with all provisions of the City's Condominium Ordinance.

b. The project complies with the physical standards for condominiums including laundry facilities, separate utility metering, adequate unit size and storage space, and the required outdoor living space.

c. The proposed development is consistent with the General Plan of the City of Santa Barbara.

d. The project can be found consistent with policies of the City's General Plan including the Housing Element, Conservation Element, and Land Use Element. The project will provide infill residential development that is compatible with the surrounding neighborhood.

e. The proposed development is consistent with the principles of sound community planning and, upon making the finding for the Statement of Overriding Considerations, will not have an adverse impact upon the neighborhood's aesthetics, parks, streets, traffic, parking and other community facilities and resources.

f. With the approval of the Specific Plan, the project is an infill residential project proposed in an area where residential development is a permitted use. The project is adequately served by public streets, will provide adequate parking to meet the demands of the project and will not result in traffic impacts, upon making the finding for the Statement of Overriding Considerations. The design has been reviewed by the City's design review board, which found the architecture and site design appropriate.

Exhibits:

A. Conditions of Approval
B. Site Plan
C. Applicant's letter dated July 29, 2008
D. Draft Specific Plan
E. Parking Survey prepared by ATE dated July 25, 2008
F. Applicant Focus Groups Material
G. ABR Minutes dated September 25, 2006
H. Proposed Final EIR Volumes I and II (previously distributed to the Planning Commission) are available at the Community Development Department at 630 Garden Street, the Main Library at the corner of Anapamu and Anacapa Streets, and online at: http://www.santabarbaraca.gov/Resident/Environmental_Documents/535_East_Montecito/

PLANNING COMMISSION CONDITIONS OF APPROVAL

535 E. MONTECITO STREET, LOS PORTALES PROJECT
MODIFICATION, TENTATIVE SUBDIVISION MAP, SPECIFIC PLAN
AUGUST 21, 2008

In consideration of the project approval granted by the Planning Commission 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. **Approval Contingent Upon Adoption of Specific Plan/Ordinance.** Approval of the subject project is contingent upon adoption of an Ordinance approving the Specific Plan by the City Council.

B. **Recorded Agreement.** Prior to the issuance of any Public Works permit or Building permit for the project on the Real Property, the Owner shall execute an "*Agreement Relating to Subdivision Map Conditions Imposed on Real Property*", which shall be 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. **Uninterrupted Water Flow.** The Owner shall provide for the uninterrupted flow of water through the Real Property including, but not limited to, swales, natural watercourses, conduits and any access road, as appropriate.

2. **Recreational Vehicle Storage Prohibition.** No recreational vehicles, boats, or trailers shall be stored on the Real Property.

3. **Landscape Plan Compliance.** The Owner shall comply with the Landscape Plan approved by the Architectural Board of Review (ABR). Such plan shall not be modified unless prior written approval is obtained from the ABR. The landscaping on the Real Property shall be provided and maintained in accordance with said landscape plan. If said landscaping is removed for any reason without approval by the ABR, the owner is responsible for its immediate replacement.

4. **Storm Water Pollution Control and Drainage Systems Maintenance.** Owner shall maintain the drainage system and storm water pollution control devices intended to intercept siltation and other potential pollutants (including, but not limited to, hydrocarbons, fecal bacteria, herbicides, fertilizers, etc.) in a functioning state (and in accordance with the Operations and Maintenance Procedure Plan approved by the Building Official). Should any of the project's surface or subsurface drainage structures or storm water pollution control methods fail to capture, infiltrate, and/or treat, 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 applicant 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.

EXHIBIT A

5. **Ownership Unit Price Restrictions.** The resale prices of the below-market priced units shall be controlled by means of a recorded price-control covenant executed by Owner and the City to assure continued affordability for at least ninety (90) years from the initial sale of the unit. No unit may be rented prior to its initial sale. The covenant shall include the following requirements:

   a. At least one owner of each below-market priced unit must work on the South Coast of Santa Barbara County at the time of purchase.

   b. Forty (40) of the 48 units shall be sold as Below-Market Price units.

   c. The remaining 8 units may be sold at market prices, without any limits on the incomes of the purchasers.

   d. The total sale prices of the 48 dwelling units on the property, including the 8 market-rate units, shall not exceed the sum of the Development Costs plus a Developer's Fee (which shall not exceed $2,000,000). The term "Development Costs" shall mean the total costs of buying and holding the land, plus all soft costs (including architecture, engineering, consultants, etc.), financing costs, all construction costs including contractor profit and overhead, and costs of marketing and sale. Development Costs shall be determined prior to the initiation of marketing through a cost certification process to be overseen by the Community Development Director.

   e. The average pricing of the 40 Below-Market Price Units on initial sale shall not exceed $565,000. No Below-Market Price Unit shall be priced at more than $645,000 on initial sale.

   f. The Below-Market Price units shall be subject to recorded price control covenants in a form approved by the City Attorney and to be signed by the Developer and City that restrict the resale prices for at least 90 years. The annual price increase allowed shall be 2.5%. The owners must occupy their unit as their principal residence.

6. **Approved Development.** The development of the Real Property approved by the Planning Commission on August 21, 2008 is limited to 48 residential condominium units in six, three-story buildings, subject to the price restrictions stated above, and the improvements shown on the Tentative Subdivision Map and project plans signed by the chairman of the Planning Commission on said date and on file at the City of Santa Barbara.

7. **Required Private Covenants.** The Owners shall record in the official records of Santa Barbara County either private covenants, a reciprocal easement agreement, or a similar agreement which, among other things, shall provide for all of the following:

   a. **Common Area Maintenance.** An express method for the appropriate and regular maintenance of the common areas, common access ways, common utilities and other similar shared or common facilities or improvements of

the development, which methodology shall also provide for an appropriate cost-sharing of such regular maintenance among the various owners of the condominium units.

b. **Garages Available for Parking.** A covenant that includes a requirement that all garages be kept open and available for the parking of vehicles owned by the residents of the property in the manner for which the garages were designed and permitted.

c. **Landscape Maintenance.** A covenant that provides that the landscaping shown on the approved Landscaping Plan shall be maintained and preserved at all times in accordance with the Plan.

d. **Trash and Recycling.** Trash holding areas shall include recycling containers with at least equal capacity as the trash containers, and trash/recycling areas shall be easily accessed by the consumer and the trash hauler. Green waste shall either have containers adequate for the landscaping or be hauled off site by the landscaping maintenance company. If no green waste containers are provided for common interest developments, include an item in the CC&Rs stating that the green waste will be hauled off site.

e. **Covenant Enforcement.** A covenant that permits each owner to contractually enforce the terms of the private covenants, reciprocal easement agreement, or similar agreement required by this condition.

8. **Off-Site Parking Agreement.** If feasible, submit an off-site parking agreement to provide off-site parking to meet the parking demand for guest parking, as determined by the Public Works Director. The agreement shall comply with the provisions of Subsection 28.90.001.18 of the Santa Barbara Municipal Code and is subject to review and approval by the City Attorney.

9. **Residential Permit Parking Program.** Residents shall not participate in the Residential Permit Parking Program.

C. **Public Works Submittal Prior to Final Map Approval.** The Owner shall submit the following, or evidence of completion of the following, to the Public Works Department for review and approval, prior to processing the approval of the Final Map and prior to the issuance of any permits for the project:

1. **Final Map.** The Owner shall submit to the Public Works Department for approval, a Final Map prepared by a licensed land surveyor or registered Civil Engineer. The Final Map shall conform to the requirements of the City Survey Control Ordinance.

2. **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 will prepare said agreement for the Owner's signature.

3. **Required Private Covenants.** The Owner shall submit a copy of the recorded private covenants, reciprocal easement agreement, or similar private agreements required for the project. If the private covenants have not yet been approved by the Department of Real Estate, a draft of such covenants shall be submitted.

4. **Drainage Calculations/Hydrology Report.** The Owner shall submit final revised drainage calculations/ hydrology report prepared by a registered civil engineer or licensed architect demonstrating that the new development will not increase runoff amounts above existing conditions for a 25-year storm event. The report shall be subject to the approval of the Building and Safety Official and the Public Works Director. Any increase in runoff shall be retained on-site.

5. **Drainage and Water Quality.** Project plans for grading, drainage, stormwater treatment methods, and project development, shall be subject to review and approval by 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, or groundwater pollutants would result from the project. The Owner shall maintain the drainage system and storm water pollution control methods in a functioning state.

6. **Calle Cesar Chavez Public Improvement Plans.** The Owner shall submit building plans for construction of improvements along the property frontage on Calle Cesar Chavez. As determined by the Public Works Department, the improvements shall include new and/or remove and replace to City standards, the following: sidewalk, driveway apron modified to meet Title 24 requirements, curbs, gutters, access ramp at intersection of Calle Cesar Chavez and East Montecito Street, slurry seal to the centerline of the street along entire subject property frontage and a minimum of 20 feet beyond the limit of all trenching, underground service utilities, construction of private water, storm drain and sewer systems and connection to City water and sewer systems, public drainage improvements with supporting drainage calculations and hydrology report for installation of on-site Engineered system, supply and install two City standard street lights and three pedestrian street lights, style to be determined by the Public Works Department and the Architectural Board of Review, consistent with the Street Lighting Design Guidelines, coordinate with City staff to retire light standard on existing utility pole, preserve and/or reset survey monuments and contractor stamps, supply and install directional/regulatory traffic control signs, storm drain stenciling, off-site biofilter/swale sized per drainage calculations, eleven new Magnolia street trees per approval of the City Arborist and provide adequate positive drainage from site. Any work in the public right-of-way requires a Public Works Permit.

7. **East Montecito Street Public Improvement Plans.** The Owner shall submit building plans for construction of improvements along the property frontage on East Montecito Street. As determined by the Public Works Department, the

improvements shall include new and/or remove and replace to City standards, the following: sidewalk, curbs, gutters, slurry seal to the centerline of the street along entire subject property frontage and a minimum of 20 feet beyond the limit of all trenching, underground service utilities, connection to City water and sewer mains, public drainage improvements with supporting drainage calculations and hydrology report for installation of on-site retention system, preserve and/or reset survey monuments and contractor stamps, supply and install directional/regulatory traffic control signs, storm drain stenciling, five new Jacaranda street trees per approval of the City Arborist and provide adequate positive drainage from site. Any work in the public right-of-way requires a Public Works Permit.

8. **Land Development Agreement.** The Owner shall submit an executed "*Agreement for Land Development Improvements,*" prepared by the Engineering Division, an Engineer's Estimate, signed, and stamped by a registered civil engineer, and securities for construction of improvements prior to execution of the agreement.

9. **Removal or Relocation of Public Facilities.** Removal or relocation of any public utilities or structures must be performed by the Owner or by the person or persons having ownership or control thereof.

10. **Off-Site Parking Agreement Required.** If feasible, submit an off-site parking agreement to provide off-site parking to meet the parking demand for guest parking, as determined by the Public Works Director. The agreement shall comply with the provisions of Subsection 28.90.001.18 of the Santa Barbara Municipal Code and is subject to review and approval by the City Attorney.

11. **Storm Drain System Stenciling and Signage.** Within the project area, the applicant shall implement stenciling of all storm drain inlets and catch basins, and posting of signs at all public access points along channels and creeks, with language in English and Spanish and graphic icons prohibiting dumping, per approved plans. The applicant shall submit project plans to the satisfaction of Public Works Engineering that identify storm drain inlet locations throughout the project area, and specified wording and design treatment for stenciling of storm drain inlets and signage for public access points that prohibit dumping. The owners association shall maintain ongoing legibility of the stenciling and signage for the life of the project, and shall inspect at least annually. (W-3)

12. **Trash Storage Area Design.** Project trash container areas shall incorporate approved long-term structural storm water best management practices (BMPs) to protect water quality: Trash containers shall have drainage from adjoining roofs and pavement diverted around the areas; and trash container areas shall be screened or walled to prevent off-site transport of trash. The applicant shall submit project plans to the satisfaction of Public Works Engineering and Solid Waste that incorporate long-term structural best management practices for trash storage areas to protect storm water quality. The owners association shall maintain these structural storm water quality protections in working order for the life of the project, and shall inspect at least annually. (W-4)

13. **Traffic Control Plan.** A traffic control plan shall be submitted, as specified in the City of Santa Barbara Traffic Control Guidelines. Traffic Control Plans are subject to approval by the Transportation Manager.

D. **California Department of Fish and Game Fees Required.** Pursuant to Section 21089(b) of the California Public Resources Code and Section 711.4 et. seq. of the California Fish and Game Code, the approval of this permit/project shall not be considered final unless the specified Department of Fish and Game fees are paid and filed with the California Department of Fish and Game within five days of the project approval. The fees required are $2,606.75 for projects with Environmental Impact Reports. Without the appropriate fee, the Notice of Determination cannot be filed and the project approval is not operative, vested, or final. The fee shall be delivered to the Planning Division immediately upon project approval in the form of a check payable to the California Department of Fish and Game.

E. **Design Review.** The following items are subject to the review and approval of the Architectural Board of Review (ABR). ABR shall not grant preliminary approval of the project until the following conditions have been satisfied.

1. **Design Review.** Prior to building permit issuance, proposed project grading and landform alteration, structural design, landscaping, and lighting is subject to preliminary and final review and approval by the Architectural Board of Review for consistency with design guidelines for views, visual aesthetics and compatibility, and lighting. (A-1)

2. **Lighting.** Lighting design shall conform with City Lighting Ordinance requirements, including shielding and direction to the ground to avoid off-site lighting and glare effects, and shall be approved by the Architectural Board of Review. (A-2)

3. **Skyline Tree Replacement.** The preliminary landscape plan, which includes replacement skyline trees, shall be submitted to the ABR for review and approval. The approved landscaping shall be maintained for the life of the project. (B-1)

4. **Screened Check Valve/Backflow.** The check valve or anti-backflow devices for fire sprinkler and/or irrigation systems shall be provided in a location screened from public view or included in the exterior wall of the building.

F. **Public Works Requirements Prior to Building Permit Issuance.** The Owner shall submit the following, or evidence of completion of the following to the Public Works Department for review and approval, prior to the issuance of a Building Permit for the project.

1. **Recordation of Final Map and Agreements.** After City Council approval, the Owner shall provide evidence of recordation to the Public Works Department.

2. **Approved Public Improvement Plans and Concurrent Issuance of Public Works Permit.** Upon acceptance of the approved public improvement plans, a Public Works permit shall be issued concurrently with a Building permit.

G. **Community Development Requirements Prior to Building or Public Works Permit Application/Issuance.** The following shall be finalized prior to, and/or submitted with, the application for any Building or Public Works permit:

1. **Project Environmental Coordinator Required.** Submit to the Planning Division a contract with a qualified representative for the Owner, subject to approval of the contract and the representative by the Planning Division, to act as the Project Environmental Coordinator (PEC). The PEC shall be responsible for assuring full compliance with the provisions of the Mitigation Monitoring and Reporting Program (MMRP) and Conditions of Approval to the City. The contract shall include the following, at a minimum:

   a. The frequency and/or schedule of the monitoring of the mitigation measures.

   b. A method for monitoring the mitigation measures.

   c. A list of reporting procedures, including the responsible party, and frequency.

   d. A list of other monitors to be hired, if applicable, and their qualifications.

   e. Submittal of biweekly reports during demolition, excavation, grading and footing installation and monthly reports on all other construction activity regarding MMRP and condition compliance by the PEC to the Community Development Department.

   The PEC shall have authority over all other monitors/specialists, the contractor, and all construction personnel for those actions that relate to the items listed in the MMRP and conditions of approval, including the authority to stop work, if necessary, to achieve compliance with mitigation measures.

2. **Construction Notice.** At least 30 days prior to commencement of construction, the contractor shall provide written notice to all property owners and building occupants within 450 feet of the project area. Notice to Casa de la Raza shall be provided 90 days prior to the commencement of construction. The notice shall contain a description of the proposed project, a construction schedule including days and hours of construction, the name and phone number of the Project Environmental Coordinator (PEC) who can answer questions, and provide additional information or address problems that may arise during construction. A 24-hour construction hot line shall be provided. Informational signs with the PEC's name and telephone number shall also be posted at the site. (N-1)

3. **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 copy of the notice to the Planning Division.

4. **Geotechnical Requirements.** Site preparation and project construction related to soil conditions and seismic hazards shall be in accordance with the recommendations contained in the Geotechnical Engineering Report prepared by

Fugro West, Inc., dated December 8, 2006. Compliance shall be demonstrated on plans submitted for grading and building permits. (G-1)

5. **Green Building Techniques Required.** Owner shall design the project to meet Santa Barbara Built Green Two-Star Standards and strive to meet the Three-Star Standards.

6. **Recorded Price-Control Covenant.** Submit to the Planning Division a copy of a price-control covenant that has been approved as to form and content by the City Attorney and Community Development Director, and recorded in the Office of the County Recorder, which includes the following:

   a. At least one owner of each below-market priced unit must work on the South Coast of Santa Barbara County at the time of purchase.

   b. Forty (40) of the 48 units shall be sold as Below-Market Price units.

   c. The remaining 8 units may be sold at market prices, without any limits on the incomes of the purchasers.

   d. The total sale prices of the 48 dwelling units on the property, including the 8 market-rate units, shall not exceed the sum of the Development Costs plus a Developer's Fee (which shall not exceed $2,000,000). The term "Development Costs" shall mean the total costs of buying and holding the land, plus all soft costs (including architecture, engineering, consultants, etc.), financing costs, all construction costs including contractor profit and overhead, and costs of marketing and sale. Development Costs shall be determined prior to the initiation of marketing through a cost certification process to be overseen by the Community Development Director.

   e. The average pricing of the 40 Below-Market Price Units on initial sale shall not exceed $565,000. No Below-Market Price Unit shall be priced at more than $645,000 on initial sale.

   f. The Below-Market Price units shall be subject to recorded price control covenants in a form approved by the City Attorney and to be signed by the Developer and City that restrict the resale prices for at least 90 years. The annual price increase allowed shall be 2.5%. The owners must occupy their unit as their principal residence.

7. **Letter of Commitment for Pre-Construction Conference.** The Owner shall submit to the Planning Division a letter of commitment that states that, prior to disturbing any part of the project site for any reason and after the Building permit has been issued, the General Contractor shall schedule a conference to review site conditions, construction schedule, construction conditions, and environmental monitoring requirements. The conference shall include representatives from the Public Works Department Engineering and Transportation Divisions, the assigned Building Inspector, the Planning Division, the Property Owner, the Architect, the

Landscape Architect, the Project Engineer, the Project Environmental Coordinator, the Contractor and each subcontractor.

H. **Building Permit Plan Requirements.** The following requirements/notes shall be incorporated into the construction plans submitted to the Building and Safety Division for Building permits.

1. **Design Review Requirements.** Plans shall show all design and landscape elements, as approved by the Architectural Board of Review.

2. **Pre-Construction Conference.** Not less than 10 days or more than 20 days prior to commencement of construction, a conference to review site conditions, construction schedule, construction conditions, and environmental monitoring requirements, shall be held by the General Contractor. The conference shall include representatives from the Public Works Department Engineering and Transportation Divisions, Building Division, Planning Division, the Property Owner, Architect, Landscape Architect, Project Engineer, Project Environmental Coordinator, Mitigation Monitors, Contractor and each Subcontractor.

3. **Mitigation Monitoring and Reporting Requirement.** Note on the plans that the Owner shall implement the Mitigation Monitoring and Reporting Program (MMRP) for the project's mitigation measures, as stated in the Environmental Impact Report for the project.

4. **Sound Barriers During Construction.** As part of the building plan submittal, prepare and submit a sound control plan including devices and techniques such as noise shields and blankets in order to reduce noise impacts to surrounding sensitive noise receptors during construction. (N-4)

5. **Noise Reduction**. As recommended in the Community Noise Analysis prepared by URS Corporation , dated February 2007, a ventilation system shall be installed for all units expected to be exposed to exterior noise levels above 60 dBA in the future (at least 2016). Ventilation systems shall be installed and operable prior to Certificate of Occupancy. (N-5)

6. **Construction Erosion/Sedimentation Control Plan**. Project grading and construction shall be conducted in accordance with an approved erosion control plan to protect water quality throughout the site preparation, earthwork, and construction process. Prior to the issuance of a demolition or building permit for the proposed project, the applicant or project developer shall prepare an erosion control plan that is consistent with the requirements outlined in the *Procedures for the Control of Runoff into Storm Drains and Watercourses* and the Building and Safety Division *Erosion/Sedimentation Control Policy* (2003). The erosion control/water quality protection plan shall specify how the required water quality protection procedures are to be designed, implemented and maintained over the duration of the development project. A copy of the plan shall be submitted to the Community Development and Public Works Departments for review and approval, and a copy of the approved plan shall be kept at the project site.

At a minimum, the erosion control/water quality protection plan prepared for the proposed project shall address the implementation, installation and/or maintenance of each of the following water resource protection strategies: Paving and Grinding, Sandbag Barriers, Spill Prevention/Control, Solid Waste Management, Storm Drain Inlet Protection, Stabilize Site Entrances and Exits, Illicit Connections and Illegal Discharges, Water Conservation, Stockpile Management, Liquid Wastes, Street Sweeping and Vacuuming, Concrete Waste Management, Sanitary/Septic Waste Management, Vehicle and Equipment Maintenance, Vehicle and Equipment Cleaning, Vehicle and Equipment Fueling. (W-1)

7. **Minimization of Storm Water Pollutants of Concern.** The applicant shall implement approved plans incorporating long-term storm water best management practices (BMPs) to minimize identified storm water pollutants of concern including automobile oil, grease and metals. The applicant shall submit project plans incorporating long-term BMPs to minimize storm water pollutants of concern to the extent feasible, and obtain approval from Public Works Engineering. The owners association shall maintain approved facilities in working order for the life of the project, and shall inspect annually and submit report to City annually. (W-2)

8. **Trash Enclosure Provision.** A trash enclosure with adequate area for recycling containers shall be provided on the Real Property and screened from view from surrounding properties and the street. 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. (PS-1)

9. **Utilities.** Provide individual water, electricity, and gas meters, and sewer lateral for each residential unit. Service lines for each unit shall be separate until a point five feet (5') outside the building.

10. **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.

11. **Conditions on Plans/Signatures.** The final Planning Commission Resolution shall be provided on a full size drawing sheet as part of the drawing sets. Each condition shall have a sheet and/or note reference to verify condition compliance. If the condition relates to a document submittal, indicate the status of the submittal (e.g., Final Map submitted to Public Works Department for review). A statement shall also be placed on the above sheet as follows: The undersigned have read and understand the above conditions, and agree to abide by any and all conditions which is 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.

I. **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.

1. **Construction Dust Control – Minimize Disturbed Area/Speed.** Minimize amount of disturbed area and reduce on site vehicle speeds to 15 miles per hour or less. (AQ-1)

2. **Construction Dust Control - Watering.** During site grading and transportation of fill materials, regular water sprinkling shall occur using recycled water whenever the Public Works Director determines that it is reasonably available. During clearing, grading, earth moving or excavation, sufficient quantities of water, through use of either water trucks or sprinkler systems, shall be applied to prevent dust from leaving the site. Each day, after construction activities cease, the entire area of disturbed soil shall be sufficiently moistened to create a crust. (AQ-2)

   Throughout construction, water trucks or sprinkler systems shall also be used to keep all areas of vehicle movement damp enough to prevent dust raised from leaving the site. At a minimum, this will include wetting down such areas in the late morning and after work is completed for the day. Increased watering frequency will be required whenever the wind speed exceeds 15 mph.

3. **Construction Dust Control – Tarping.** Trucks transporting fill material to and from the site shall be covered from the point of origin. (AQ-3)

4. **Construction Dust Control – Gravel Pads.** Gravel pads shall be installed at all access points to prevent tracking of mud on to public roads. (AQ-4)

5. **Construction Dust Control – Stockpiling.** If importation, exportation and stockpiling of fill material are involved, soil stockpiled for more than two days shall be covered, kept moist, or treated with soil binders to prevent dust generation. (AQ-5)

6. **Construction Dust Control – Disturbed Area Treatment.** After clearing, grading, earth moving or excavation is completed, the entire area of disturbed soil shall be treated to prevent wind pickup of soil. This may be accomplished by:

   a. Seeding and watering until grass cover is grown;

   b. Spreading soil binders;

c. Sufficiently wetting the area down to form a crust on the surface with repeated soakings as necessary to maintain the crust and prevent dust pickup by the wind;

d. Other methods approved in advance by the Air Pollution Control District. (AQ-6)

7. **Construction Dust Control – 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. (AQ-7)

8. **Construction Dust Control – PEC.** 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 construction 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 for the structure. (AQ-8)

9. **Diesel Engines.** Heavy-duty diesel-powered construction equipment manufactured after 1996 (with federally mandated "clean" diesel engines) shall be utilized wherever feasible. (AQ-9)

10. **Engine Size.** The engine size of construction equipment shall be the minimum practical size. (AQ-10)

11. **Equipment Use Management.** The number of construction equipment operating simultaneously shall be minimized through efficient management practices to ensure that the smallest practical number is operating at any one time. (AQ-11)

12. **Equipment Maintenance.** Construction equipment shall be maintained in tune per the manufacturer's specifications. (AQ-12)

13. **Engine Timing.** Construction equipment operating onsite shall be equipped with two to four degree engine timing retard or pre-combustion chamber engines. (AQ-13)

14. **Catalytic Converters.** Catalytic converters shall be installed on gasoline-powered equipment, if feasible. (AQ-14)

15. **Diesel Emission Reduction.** Diesel catalytic converters, diesel oxidation catalysts and diesel particulate filters as certified and/or verified by EPA or California shall be installed, if available. (AQ-15)

16. **Diesel Equipment Reduction.** Diesel powered equipment shall be replaced by electric equipment whenever feasible. (AQ-16)

17. **Low Sulfur Fuel.** To the maximum extent feasible, ultra low sulphur fuel or biodiesel shall be used for all construction equipment. (AQ-17)

18. **Engine Idling Limitations**. Idling of heavy-duty diesel trucks during loading and unloading shall be limited to five minutes; auxiliary power units shall be used whenever possible. (AQ-18)

19. **Demolition/Construction Materials Recycling.** Recycling and/or reuse of demolition/construction materials shall be carried out to the extent feasible, and containers shall be provided on site for that purpose, in order to minimize construction-generated waste conveyed to the landfill. Indicate on the plans the location of a container of sufficient size to handle the materials, subject to review and approval by the City Solid Waste Specialist, for collection of demolition/construction materials. A minimum of 90% of demolition and construction materials shall be recycled or reused. Evidence shall be submitted at each inspection to show that recycling and/or reuse goals are being met. (PS-2)

20. **Construction-Related Truck Trips.** Construction-related truck trips 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.). The purpose of this condition is to help reduce truck traffic on adjacent streets and roadways.

21. **Construction Related Traffic Routes.** The route of construction-related traffic shall be established to minimize trips through surrounding residential neighborhoods, subject to approval by the Public Works Director.

22. **Haul Routes.** The haul route(s) for all construction-related trucks, three tons or more, entering or exiting the site, shall be approved by the Public Works Director.

23. **Traffic Control Plan.** All elements of the approved Traffic Control Plan shall be carried out by the Contractor.

24. **Construction Hours.** Noise-generating construction activities (which may include preparation for construction work) shall be permitted weekdays between the hours of 8:00 a.m. and 5:00 p.m., excluding holidays observed by the City as legal holidays: New Year's Day (January 1st); Martin Luther King Jr.'s Birthday (3rd Monday in January); President's 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); Day Following Thanksgiving Day (Friday following Thanksgiving); 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.

    Occasional night work may be approved for the hours between 5 p.m. and 8 a.m. weekdays by the Chief of Building and Zoning per Section 9.13.015 of the Municipal Code). In the event of such night work approval, the applicant shall provide written notice to all property owners and occupants within 450 feet of the project property boundary and the City Planning and Building Divisions at least 48 hours prior to commencement of night work. Night work shall not be permitted on weekends and holidays. (N-2)

25. **Construction Parking/Storage/Staging.** Construction parking and storage shall be provided as follows:

    a. During construction, free parking spaces for construction workers and construction shall be provided on-site or off-site in a location subject to the approval of the Public Works Director. Construction workers are prohibited from parking within the public right-of-way, except as outlined in subparagraph b. below.

    b. Parking in the public right of way is permitted as posted by Municipal Code, as reasonably allowed for in the 2006 Greenbook (or latest reference), and with a Public Works permit in restricted parking zones. No more than three (3) individual parking permits *without extensions* may be issued for the life of the project.

    c. Storage or staging of construction materials and equipment within the public right-of-way shall not be permitted, unless approved by the Transportation Manager.

26. **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.

27. **Construction Best Management Practices (BMPs).** Construction activities shall address water quality through the use of BMPs, as approved by the Building and Safety Division.

28. **Mitigation Monitoring Compliance Reports.** The PEC shall submit biweekly reports during demolition, excavation, grading and footing installation and monthly reports on all other construction activity regarding MMRP and condition compliance by the PEC to the Community Development Department.

29. **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) and Project Environmental Coordinator's (PEC) name, contractor(s) and PEC's telephone number(s), work hours, site rules, and construction-related conditions, to assist Building Inspectors and Police Officers in the enforcement of the conditions of approval. The font size shall be a minimum of 0.5 inches in height.

30. **Construction Equipment Sound Control.** All construction equipment, including trucks, shall be professionally maintained and fitted with standard manufacturers' muffler and silencing devices. (N-3)

31. **Graffiti Abatement Required.** Owner and Contractor shall be responsible for removal of all graffiti as quickly as possible. Graffiti not removed within 24 hours of notice by the Building and Safety Division may result in a Stop Work order being issued, or may be removed by the City, at the Owner's expense, as provided in SBMC Chapter 9.66.

32. **Archaeological Resources Discovery Procedures and Mitigation.** Standard discovery measures shall be implemented per the City Master Environmental Assessment throughout grading and construction:

Prior to the start of any vegetation or paving removal, demolition, trenching or grading, contractors and construction personnel shall be alerted to the possibility of uncovering unanticipated subsurface archaeological features or artifacts.

If during any grading or construction on the site such archaeological resources are encountered or suspected, work shall be halted immediately, the City Environmental Analyst shall be notified and a City-approved archaeologist shall be employed to assess the nature, extent and significance of any discoveries and to develop appropriate management recommendations for archaeological resource treatment, including but not limited to redirection of grading and/or excavation activities. If the findings are potentially significant, further analysis and/or other mitigation shall be prepared and accepted by the Environmental Analyst and the Historic Landmarks Commission, and implemented by the project Work in the area may only proceed after the Environmental Analyst grants authorization.

If prehistoric or other Native American remains are encountered, a Native American representative shall be consulted, and the archaeologist and Native American representative shall monitor all further subsurface disturbances in the area of the find.

If the discovery consists of potentially human remains, the Santa Barbara County Coroner and the California Native American Heritage Commission must also be contacted. (CR-1)

J. **Prior to Certificate of Occupancy.** Prior to issuance of the Certificate of Occupancy, the Owner of the Real Property shall complete the following:

1. **Repair Damaged Public Improvements**. Repair any damaged public improvements (curbs, gutters, sidewalks, roadways, etc.) subject to the review and approval of the Public Works Department per SBMC §22.60.090. Where tree roots are the cause of the damage, the roots shall be pruned under the direction of a qualified arborist.

2. **Complete Public Improvements.** Public improvements, as shown in the improvement/building plans, including utility service undergrounding and installation of street trees.

3. **Fire Hydrant Replacement.** Replace existing nonconforming type fire hydrant(s) with commercial-type hydrant(s) described in Standard Detail 6-003.1 Paragraph 2 of the Public Works Department Standard Details.

4. **Manholes.** Raise all sewer and water manholes on easement to final finished grade.

5. **New Construction Photographs.** Photographs of the new construction, taken from the same locations as those taken of the story poles prior to project approval, shall be taken, attached to 8 ½ x 11" board and submitted to the Planning Division.

6. **Mitigation Monitoring Report.** Submit a final construction report for mitigation monitoring.

7. **Evidence of Private CC&Rs Recordation.** Evidence shall be provided that the private CC&Rs required in Section A have been recorded.

K. **Litigation Indemnification Agreement.** In the event the Planning Commission approval of the Project is appealed to the City Council, Applicant/Owner hereby agrees to defend the City, its officers, employees, agents, consultants and independent contractors ("City's Agents") from any third party legal challenge to the City Council's denial of the appeal and approval of the Project, including, but not limited to, challenges filed pursuant to the California Environmental Quality Act (collectively "Claims"). Applicant/Owner further agrees to indemnify and hold harmless the City and the City's Agents from any award of attorney fees or court costs made in connection with any Claim.

Applicant/Owner shall execute a written agreement, in a form approved by the City Attorney, evidencing the foregoing commitments of defense and indemnification within thirty (30) days of the City Council denial of the appeal and approval of the Project. These commitments of defense and indemnification are material conditions of the approval of the Project. If Applicant/Owner fails to execute the required defense and indemnification agreement within the time allotted, the Project approval shall become null and void absent subsequent acceptance of the agreement by the City, which acceptance shall be within the City's sole and absolute discretion. Nothing contained in this condition shall prevent the City or the City's Agents from independently defending any Claim. If the City or the City's Agents decide to independently defend a Claim, the City and the City's Agents shall bear their own attorney fees, expenses, and costs of that independent defense.

NOTICE OF APPROVAL TIME LIMITS:

The Planning Commission's action approving the Modification shall terminate two (2) years from the date of the approval, per Santa Barbara Municipal Code §28.87.360, unless:

1. An extension is granted by the Community Development Director prior to the expiration of the approval; or

2. A Building permit for the use authorized by the approval is issued within and the construction authorized by the permit is being diligently pursued to completion and issuance of a Certificate of Occupancy.

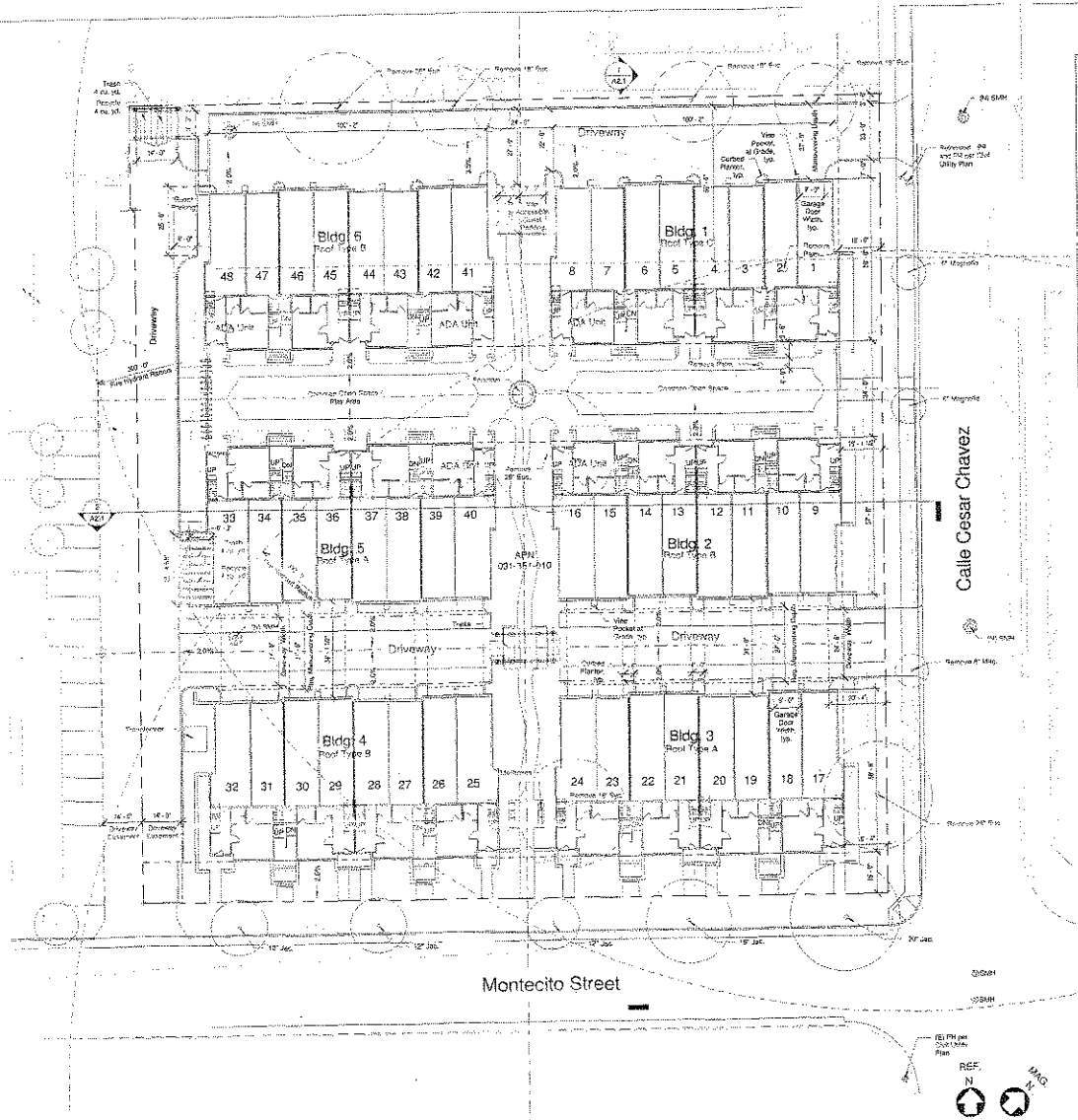
3. The approval has not been discontinued, abandoned or unused for a period of six months following the earlier of (a) an Issuance of a Certificate of Occupancy for the use, or (b) two (2) years from granting the approval.

If multiple discretionary applications are approved for the same project, the expiration date of all discretionary approvals shall correspond with the longest expiration date specified by any of the discretionary applications, unless such extension would conflict with state or federal law. The expiration date of all approvals shall be measured from date of the final action of the City on the application, unless otherwise specified by state or federal law.

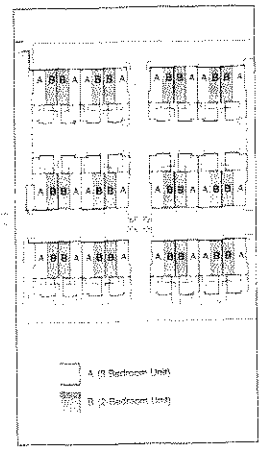
NOTICE OF TENTATIVE SUBDIVISION MAP TIME LIMITS:

The Planning Commission's action approving the Tentative Map shall expire two (2) years from the date of approval. The subdivider may request an extension of this time period in accordance with Santa Barbara Municipal Code §27.07.110.

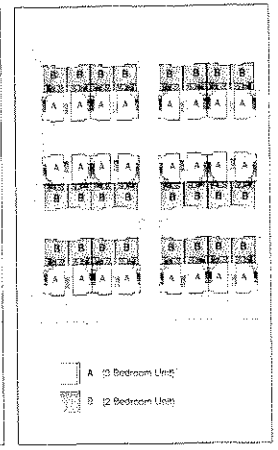
EXHIBIT B



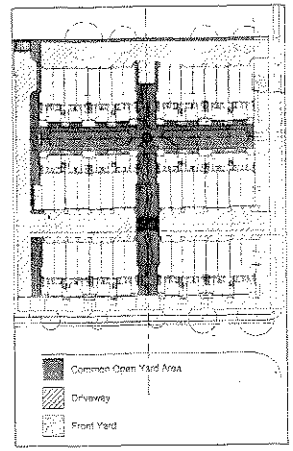
Site Plan
SCALE: 1"= 20'-0"



Unit Layout - Ground Level

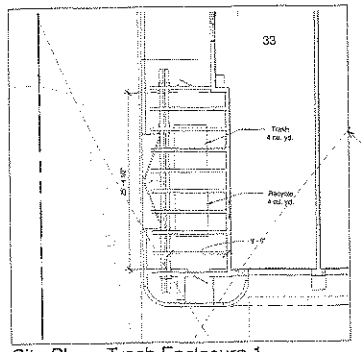


Unit Layout - Upper Level

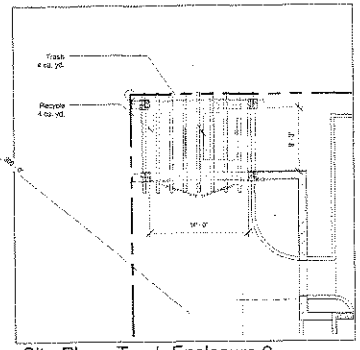


Common Open Yard Area

Area Schedule (Common Open Yard Area)	
Name	Area
Common Open Yard Area	13,704 SF
Common Open Yard Area	674 SF
	14378 SF
Driveway	7899 SF
Driveway	3748 SF
Driveway	6723 SF
	18370 SF
Front Yard	52 SF
Front Yard	2436 SF
Front Yard	4796 SF
	7284 SF



Site Plan - Trash Enclosure 1
SCALE: 1/8" = 1'-0"



Site Plan - Trash Enclosure 2
SCALE: 1/8" = 1'-0"

Los Portales - 48 Residential Units

535 East Montecito Street
Santa Barbara, California
March 1, 2007

SANTA BARBARA FOUNDATION

HASB

BERMANhomes

Peikert Group Architects, LLP
10 East Figueroa Street, Suite 1
Santa Barbara, CA 93101
Phone: 805.963.3283
Fax: 805.963.8184

A1.0

PEIKERT GROUP ARCHITECTS, LLP

RECEIVED
JUL 28 2008
CITY OF SANTA BARBARA
PLANNING DIVISION

July 29, 2008

Honorable Planning Commission
Planning Division
630 Garden Street
Santa Barbara, CA 93101

Subject: 535 East Montecito Street (MST#2006-00530)

Dear Commissioners:

On behalf of the Housing Authority of the City of Santa Barbara and Bermant Homes, we are pleased to representing the attached Planning Commission application for an affordable workforce housing project to be located at 535 East Montecito Street. We are requesting the approval of a Specific Plan and a Vesting Tentative Tract Map to allow for the development of 48 residential condominiums on-site.

Background

This project had a series of pre-application hearings before the City Council, the Planning Commission and the Architectural Board of Review. At the scoping hearing for the environmental impact report, issues were raised about the mass and height of the previously proposed 90 unit project and the potential parking impacts. Based on these concerns, the Housing Authority and Bermant Homes developed an alternative project. This new alternative was designed to address the concerns raised at the scoping hearing while still achieving a largely below market rate residential project. The proposed alternative consisted of 48 residential units that are evenly dispersed in six buildings. The two projects were presented to the City Council on August 8, 2006 for their review and direction.

The majority of the Council members preferred the 48 unit project over the 90 unit project and recommended that the Housing Authority and Bermant Homes pursue the reduced project. The basic concepts such as configuring the units in smaller individual buildings across the site, the reduction in the bulk and scale of the structures, the elimination of the parking structure, the provision of tandem parking, and offering the units to those making between 200%-280% of the area median income (AMI) received general support from the Council.

10 EAST FIGUEROA STREET, SUITE 1 ▪ SANTA BARBARA ▪ CALIFORNIA ▪ 93101 ▪ T 805 963 8282 ▪ F 805 963 8184

EXHIBIT C

The property at 535 East Montecito Street is a flat vacant lot, previously occupied by various commercial/light industrial buildings. The 1.78 acre site contains a number of mature trees and shrubs, and other ruderal vegetation.[1] The site is located at the northwest corner of Montecito Street and Calle Cesar Chavez, in the lower eastside neighborhood of Santa Barbara.

Between 1943 and 1960, the Johnston Fruit Company occupied the subject site and adjoining parcels, and the property was used to house agricultural labor personnel. Between 1960 and 1966, the United States Forest Service occupied the site, and one of the buildings was used for radio and automotive repair shops. Between 1966 and 1967, the building located at the southeast corner of the site was converted to a machine shop for the manufacturing of electronic equipment, operated by Sloan Instruments. In 1990, the site was occupied by several independent commercial/industrial businesses, including an automotive repair shop, cabinet refinishing shop, decorative welding shop, upholstery shop, a moving company, and an electronic business. Between 1992 and 1999, hazardous materials were remediated from the site, and extant buildings were demolished.

Project Justification

Over the last several years, Community Development Department staff has met with owners of the property to discuss possible development options for this vacant parcel. A prior approval from the late 1980s for an office/light industrial project expired several years ago, and more recent permitting considerations included a dormitory and lab space for Brooks Institute of Photography; office headquarters for Veneco, Inc.; and various other general office proposals. At present, the site has 29,000 sq. ft. of non-residential development credit, pursuant to Measure E.

In early 2003, staff met with a number of local housing developers interested in the property. BDC Homes and The Housing Authority of the City of Santa Barbara (HASB) began negotiations to purchase the property in March 2003, and HASB became the property owner in October 2003 with the intent to pursue an affordable workforce housing development of the site. The Santa Barbara Foundation provided low interest rate funding for the site acquisition. Initially, the HASB, in partnership with Bermant Homes and the Santa Barbara Foundation, proposed an all price restricted residential condominium project that targets a segment of the community ineligible for the City's defined affordable housing and yet unable to purchase a market rate home. However, since submittal of the application, project costs have risen due to the length of time needed to process the application and increases in construction costs. In an effort to keep the prices of the workforce units down and defray increased costs, the applicant is proposing to provide 40 units at rates affordable to households earning between 200-280% of the AMI and eight units at market rate. A primary project objective is to maximize the number of units affordable to the lower end of the 200-280% AMI range.

Consideration of a rezone was discussed with the Planning Commission on April 10, 2003 before HASB purchased the property. The Planning Commission was presented with an initial

[1] The City Arborist has confirmed that none of the existing trees on site are designated specimen or historic trees.

consideration of the Specific Plan Overlay concept to allow an affordable housing project in the M-1 zone. The Planning Commission was generally supportive of the concept of providing affordable housing on this particular site, but stated concerns regarding the loss of M-1 zoned parcels and the potential precedent for other housing in M-1 zones. As the subject property is currently zoned M-1, Light Manufacturing, new residential development requires rezoning the property.

Following that discussion, staff recommended that the next step be City Council consideration of a site-specific zoning amendment. In accordance with the Santa Barbara Municipal Code, either the Planning Commission or City Council may initiate a zoning amendment. Given the broad policy issues associated with allowing residential use in the M-1 zone, it was determined that City Council action would be the most appropriate.

As noted in the May 4, 2004 Council Agenda Report, staff believed that through the preparation and approval of a Specific Plan the City could aptly respond to specific General Plan goals and policies related to affordable housing development (Goal 4 and Policy 4.2) at this particular site, and make the necessary findings for an affordable housing project in the M-1 zone, consistent with the Santa Barbara General Plan.

State law states that no specific plan may be adopted or amended unless it is consistent with the general plan. There are a number of Goals, Policies, and Implementing Strategies contained in the Santa Barbara General Plan that we believe are relevant to the adoption of a specific plan for the project site; without exception, we believe the proposed project, including the draft Specific Plan, could be found to be consistent with the current General Plan. These include:

> *Land Use Element (Ensure Affordable Housing) Policy 4.1*
> Resident development shall be considered the highest priority of development in the future.
>
> *Land Use Element (Ensure Affordable Housing) Implementing Strategy 4.1.1*
> Study the concept of an affordable housing overlay zone.
>
> *Land Use Element (Ensure Affordable Housing) Policy 4.2*
> Options for providing additional housing opportunities shall be explored where appropriate in nonresidential zones.
>
> *Land Use Element (Ensure Affordable Housing) Implementing Strategy 4.2.3*
> Consider allowing residential uses in the M-1 zone and in other nonresidential zones where residential uses are currently not permitted.
>
> *Circulation Element (Parking Supply) Policy 7.2*
> The City shall improve ways to utilize existing parking and create new parking opportunities through partnerships and cooperation.

Circulation Element (Parking Requirements and Standards) Policy 7.4.2
Consider allowing on-site parking requirements to be reduced if amenities are provided that support the use of alternative transportation.

Circulation Element (General Plan Consistency) Policy 13.1.1
Encourage the development of projects that combine and locate residential uses near areas of employment and services.

Conservation Element (Visual Resources) Policy 3.0
New development shall not obstruct view corridors, including those of the ocean and lower elevations of the City viewed respectively from the shoreline and upper foothills, and the upper foothills and mountains viewed respectively from the beach and lower elevations of the City.

Conservation Element (Air Quality) Policy 1.0
Reduce single occupant automobile trips and increase the utilization of public transit.

Housing Element (Housing Opportunities) Goal 1
Ensure a full range of housing opportunities for all persons regardless of economic group, race, religion, sex, marital status, sexual orientation, ancestry, national origin or color. The City will base the enforcement of equal opportunity on provisions of State and Federal constitutions and fair housing laws, with emphasis on the protection of the housing rights of families with children. The City shall place special emphasis on providing housing opportunities for low income, moderate income and special needs households.

Housing Element (New Housing Development) Policy 4.1.6
Support the Housing Authority in efforts to develop and/or acquire three+ bedroom units.

Housing Element (New Housing Development) Policy 4.1.10
Support the development of infill residential projects in the City.

Housing Element (New Housing Development) Policy 4.3
Given the limited remaining land resources, the City shall concentrate efforts to develop housing on vacant infill sites and redevelopment of opportunity sites in commercial and residential zones with priority for commercial and mixed-use development.

Housing Element (New Housing Development) Policy 4.4.4
Continue to identify and pursue new strategies to encourage the development of mixed-use projects (Circ. Element 13.3.2)

Housing Element (Reduce Government Constraints) Policy 5.1
Assist affordable housing sponsors to produce affordable housing by reducing the time and cost associated with the development review process while maintaining the City's commitment to high quality planning, environmental protection and urban design.

Housing Element (Reduce Government Constraints) Policy 5.1.3
Continue to use the CEQA infill exemption for affordable housing projects as appropriate.

Housing Element (Reduce Governmental Constraints) Policy 5.2
Implement changes to development standards to be more flexible for housing projects, especially rental or affordable housing projects, where appropriate.

Housing Element (Reduce Governmental Constraints) Policy 5.2.2
Consistent with the Circulation Element Strategy 13.2.2 (b), consider amending the Zoning Ordinance to reduce parking requirements for properties near major transit corridors if it can be demonstrated that a negative impact will not occur.

Housing Element (Regional Cooperation & Jobs/Housing Balance) Policy 6.3
Provide incentives for the private sector development of new housing opportunities for households earning more than 120% of the Area Median Income.

Housing Element (Regional Cooperation & Jobs/Housing Balance) Policy 6.3.1
Encourage development of housing for first time homebuyers, including moderate and middle-income households.

Project Description

The Housing Authority of the City of Santa Barbara, in partnership with Bermant Homes and the Santa Barbara Foundation, proposes to construct 40 affordable ownership and eight market rate residential units. The project site is currently vacant and is 1.78 acres (77,399 square feet). There are seven existing eucalyptus trees, two existing palm trees, and one existing sycamore tree on-site that are proposed to be removed. The project also includes the removal of one magnolia tree that is in the right-of-way in order to provide access to the site. As noted on the landscape plan, a total of 123 new trees will be planted on-site and in the right-of-way to replace the existing trees. The surrounding uses to the north, south and west are office, industrial and commercial. The Casa de la Raza, a local community center, is located to the east of the site.

There are six multi-unit buildings dispersed on the project site. Each building is three stories and is 16,604 gross square feet. The total proposed on-site development is 99,624 gross square feet. The project includes 24 two-bedroom units and 24 three-bedroom units. The buildings will each contain 4 two-bedroom units and 4 three-bedroom units that are 1,816 gross square feet and 2,335 gross square feet (including the garages), respectively. The project involves

approximately 260 cubic yards of cut and 2,060 cubic yards of fill. The additional fill material will be imported to the site. The source of this material is yet to be determined.

As shown on the site plan, access to the site will be provided via two driveways off of Calle Caesar Chavez, one at the northeast corner of the site and one near the southeast corner. A third driveway is provided along the western boundary of the site, taking advantage of the existing 14 foot access easement provided on the parcel directly to the west. This driveway extends to the northern property boundary and provides resident access to two of the eight unit buildings as well as additional fire access to the on-site structures. Enhanced concrete paving will be used on the driveways in order to create a sense of courtyard living. The units will include a two car tandem parked garage for a total of 96 on-site parking spaces. The applicant is proposing to provide two guest parking spaces on-site. The remaining 10 required guest parking spaces would be provided through a long-term shared parking agreement on the neighboring property at 509 E. Montecito Street and 513 E. Gutierrez Street. Shared parking allows uses that demand parking at different times of the day to share parking. More specifically, the peak parking demand for the commercial uses on the neighboring site is during the weekdays between 8:00 a.m. and 5:00 p.m. and the project's peak demand for guest parking occurs during the evenings on the weekends when commercial use is low. A parking demand analysis was prepared by Associated Transportation Engineers (July 24, 2008) that confirms that the peak parking demand for the commercial uses and the project complement one another and therefore a shared parking agreement would not result in project related parking impacts

As noted above, units will be dispersed on the site in six buildings. Approximately 20% of the site will be designated as outdoor yard space to serve the residents. The outdoor paseo that extends from Montecito Street to the northern boundary of the site offers seating areas to allow residents to enjoy the outdoor landscaped areas. This paseo also provides access to the central fountain and the common lawn area. This area will have seating and unique play areas for children, in keeping with the family-oriented character of the development. Residential units will also include private French balconies and paseo patios; however, these would not be used as outdoor living areas because some areas would be exposed to marginally unacceptable noise levels.[2] All outdoor living space will therefore be provided as common open yard area.

Street improvements will be made along the frontage streets, including landscaping and light standards (to be determined in consultation with Public Works). Abundant ground level landscaping will be provided along the perimeter boundaries of the site.

The project is anticipated to take approximately 18 months to complete, including 3 months for grading and site preparation and 15 months for building construction. This schedule will be refined as plans for the project are further developed. However, we believe we could reduce the construction period by approximately two (2) months if noise generating construction is

[2] The *Community Noise Analysis for 535 East Montecito Street*, prepared by URS Corporation, states that "French Balconies" would be a design element used at certain street-facing balcony locations, where exterior noise levels would exceed the 60 dBA threshold.

permitted between the hours of 7:00 a.m. and 8:00 p.m., Monday through Saturday, and quiet construction is allowed at all other times, except Sundays and recognized holidays. This request is consistent with the recommendations in the Community Noise Analysis prepared by URS Corporation. A shorter construction period will result in reduced project costs and ultimately lower sale prices for the residential units.

Environmental Issues

During the 1990s, a series of environmental site assessments documented the extent of soil and groundwater contamination present at the site, and remediation activities were performed. Site closure occurred in 1999, with both the California Regional Water Quality Control Board Central Coast Region) and the County of Santa Barbara (Protection Services Division, Hazardous Materials Unit) verifying that site clean up was completed.[3]

The Historic Landmarks Commission approved a Phase I Archaeological Study in 1989. Its conclusion stated: "The probability of encountering intact significant historic or prehistoric cultural resources within this project parcel boundary is very remote. The fieldwork performed by the consultant failed to result in the identification of any cultural deposits of historic or prehistoric origin. Given the total absence of any cultural deposits and very low sensitivity of the parcel based on archival research, no mitigation is recommended. Monitoring during grading is not necessary."

The site has suffered flood damage during heavy storms and the abandoned buildings were subject to vandalism and other nuisances. All extant buildings were demolished in 1996, and the site has been vacant since that time.

As part of the previous project the issue of drainage and on-site detention was discussed extensively. The project site is located within the flood plain and floods during a 10 year event. Preliminary grading and drainage plans are provided as part of the application package. Regional flooding conditions are a result of inadequate downstream channel capacity. The project is designed to reduce impacts at existing known flooded intersections, particularly Gutierrez and Olive Streets. Accordingly, as part of the *Los Portales* project drainage inlets would be constructed on project frontage Montecito Street and Calle Caesar Chavez Street to receive street surface runoff; and transport runoff received from drainage inlets to the existing 24" RCP under Montecito Street and 15" RCP under Calle Caesar Chavez. The proposed building floor elevations will be raised above the based flood elevation. No on-site detention is proposed given that it would be difficult to achieve and is not anticipated to improve the regional drainage and flooding condition.

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[3] *Review of Environmental Conditions, 535 East Montecito Street, Santa Barbara, California*, Padre Associates, Inc., April 2003. Copies of this report and all related consultant reports and agency correspondence have been provided as part of the Planning Commission application.

Architectural Board of Review

On September 25, 2006 the Architectural Board of Review (ABR) provided conceptual review of the revised 48 unit project. The Board was supportive of the changes as the size, bulk and scale of the project had been substantially reduced and a significant amount of useable open space is provided on-site. They approved the concept 7-0 with recommended revisions.

Conclusion

The targeted income for households that would live in a majority of the units represents a range of professional workers in the community. The Housing Element states that "the middle-income workforce represents a large segment of the community that wishes to purchase a home in Santa Barbara" and the "housing needs for middle-income individuals and families is a major issue." *Los Portales* is a significant response to this recognized community need.

The Housing Authority Commission and its staff believe *Los Portales* is a well-planned project based on Smart Growth principles. It addresses identified needs of the community and responds to those needs through a cost-effective public/private partnership that places affordable home ownership ahead of profit.

The program criteria used at *Los Portales* – the number of units, their individual size, and their configuration – are essential to making this project work. This project also responds to the needs of young professional and family households by providing appropriately sized living space and accessible common open space.

We look forward to the next steps in the development review and approval process. We strongly believe that this important project meets both the architectural design traditions of Santa Barbara and its urgent housing needs. Once completed, this project will be a positive influence in the community.

Sincerely,

Lisa Plowman,
Planning Manager

cc: Mr. Robert Pearson, Housing Authority of the City of Santa Barbara
Mr. John Campanella, Bermant Homes
Mr. Andrew Bermant, Bermant Homes

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Chapter 28.52

SP-10 ZONE

Sections:

Section 28.52.005	Legislative Intent.
Section 28.52.030	Uses Permitted.
Section 28.52.050	Building Height.
Section 28.52.060	Front and Interior Setback Requirements.
Section 28.52.070	Distance Between Buildings on the Same Lot.
Section 28.52.080	Maximum Number of Dwelling Units Allowed.
Section 28.52.081	Outdoor Living Space.
Section 28.52.100	Parking.
Section 28.52.115	Architectural Control.
Section 28.52.120	Exemption from SBMC Chapter 28.43.
Section 28.52.130	Price Restricted Housing Provision.
Section 28.52.140	Below-Market Price Unit Plan Processing.
Section 28.52.150	Eligibility for Below-Market Price Units.
Section 28.52.160	Sale Price, Occupancy, and Employment; Long-Term Restriction.
Section 28.52.170	Area Map.

Section 28.52.005. Legislative Intent.

It is the purpose of the SP-10 Zone to establish a price restricted multiple-family housing overlay zone on a property currently zoned M-1, Light Manufacturing. Although new residential development is generally prohibited in the M-1 Zone, it is the intent of this Special Plan area to allow for residential development within the Specific Plan area that provides a level of affordability equal to or greater than the terms specified in this Chapter.

Section 28.52.030. Uses Permitted.

The following uses are permitted in the Special Plan Area:

A. Any use permitted in the M-1 Zone, subject to the restrictions and limitations contained in that zone.

B. Attached multiple-family dwellings subject to the following conditions:

1. Any residential use proposed within the Specific Plan Area shall be subject to the price, occupancy, and employment restrictions specified in Section 28.52.130, and

2. Any new residential condominium development shall comply with Municipal Code Title 27, Subdivisions; however, Section 27.13.040, which prohibits residential condominium development in M-1 zones, shall not apply in this Specific Plan area.

Section 28.52.050. Building Height.

Four (4) stories and not to exceed sixty (60) feet in building height.

Section 28.52.060. Front and Interior Setback Requirements.

No front or interior setbacks are required for projects that provide a residential component that satisfies the price, occupancy, and employment restrictions specified in Section 28.52.130. All other projects shall observe the setback requirements of the M-1 Zone.

EXHIBIT D

Section 28.52.070. Distance Between Buildings on the Same Lot.

No separation is required; except, all main buildings used exclusively for residential purposes shall be no closer than ten feet (10') to any other main building on the same lot.

Section 28.52.080. Maximum Number of Dwelling Units Allowed.

No residential project developed pursuant to this Specific Plan shall exceed a residential density of twenty-nine (29) dwelling units per acre.

Section 28.52.081. Outdoor Living Space.

Outdoor living space shall be provided pursuant to Municipal Code Section 28.21.081.

Section 28.52.100. Parking.

Parking shall be provided as required in Chapter 28.90 of this Code; however, the following exceptions to those requirements shall be allowed for projects that provide a residential component that satisfies the price, occupancy, and employment restrictions specified in Section 28.52.130:

A. **TANDEM PARKING.** The required parking for residential units may be provided in a tandem configuration.

B. **OFF-SITE GUEST PARKING.** Required off-street guest parking spaces for a residential use may be provided on the same lot as the use served, or on another lot, subject to the same terms and conditions on which commercial off-site parking is allowed pursuant to Section 28.90.001.R.

Section 28.52.115. Architectural Control.

Development within the SP-10 Zone shall be subject to the review and approval of the Architectural Board of Review.

Section 28.52. 120. Exemption from SBMC Chapter 28.43.

Development within the SP-10 Zone shall be exempt from the Inclusionary Housing requirements of SBMC Chapter 28.43 – the "City of Santa Barbara Inclusionary Housing Ordinance."

Section 28.52.130. Price Restricted Housing Provision.

A. **GENERAL REQUIREMENT.** For all residential developments pursuant to this Specific Plan 10, at least eighty-three percent (83%) of the total units must be constructed and offered for sale as Below-Market Price Units restricted for owner-occupancy subject to the restrictions specified in this Section.

B. **ROUNDING.** In determining the number of Below-Market Price Units required by this Section, any decimal fraction less than 0.5 shall be rounded down to the nearest whole number, and any decimal fraction of 0.5 or more shall be rounded up to the nearest whole number.

C. **RESTRICTIONS ON BELOW-MARKET PRICE UNITS.** Below-Market Price Units are subject to the following restrictions:

1. Initial Sale Price. The average initial sale price of all Below-Market Price Units in the residential development shall not exceed $565,000. In addition, the initial sale price of any individual Below-Market Price Unit shall not exceed $645,000.

2. Resale Price. The resale price of Below-Market Price Units shall increase by no more than 2.5% annually, without compounding, measured from the date of initial purchase.

3. Owners of Below-Market Price Units must occupy their unit as their principal residence, as that term is defined for federal tax purposes by the United States Internal Revenue Service.

4. Owner Employment Requirement. At least one owner of each Below-Market Price Unit shall be employed on the South Coast of Santa Barbara County.

5. Duration of Restrictions. Below-Market Price Units produced under this Chapter must be legally restricted as to price, occupancy and employment as specified in this Section 28.52.130 in conformance with the City's Affordable Housing Policies and Procedures Manual and approved by the City Attorney.

6. Unrestricted Units. Units that are not designated as Below-Market Price Units may be sold without occupancy or employment restrictions and the sale price of unrestricted units is only

limited in such a manner as to comply with the total sale price limit specified in subsection D below.

D. **RESTRICTION ON TOTAL SALE PRICE OF RESIDENTIAL DEVELOPMENT.** The total sale price of all residential units within any residential development, including any market-rate units, shall not exceed the sum of:

1. the Development Costs; plus

2. a Developer's Fee, which shall not exceed $2,000,000.

As used in this section, the term "Development Costs" shall mean the total costs of buying and holding the land, plus all soft costs (including architecture, engineering, consultants, etc.), financing costs, all construction costs including contractor profit and overhead, and costs of marketing and sale. Development Costs shall be determined prior to the initiation of marketing through a cost certification process to be overseen by the Community Development Director.

E. **CONSTRUCTION STANDARDS FOR BELOW-MARKET PRICE UNITS.** Below-Market Price Units built under this Chapter must conform to the following standards:

1. Design. Except as otherwise provided in this Chapter, Below-Market Price Units must be dispersed evenly throughout a Residential Development and must be comparable in construction quality and exterior design to the Market-Rate Units constructed as part of the Development. Below-Market Price Units may be smaller in aggregate size and may have different interior finishes and features than Market-Rate Units so long as the interior features are durable, of good quality and consistent with contemporary standards for new housing.

2. Size. The average number of bedrooms in the Below-Market Price Units must equal or exceed the average number of bedrooms in the Market-Rate Units of the Development. Absent a waiver from the Community Development Director, two-bedroom Below-Market Price Units shall generally have at least one and one-half bathrooms, and three-bedroom Below-Market Price Units shall generally have at least two bathrooms. However, the required number of bathrooms shall not be greater than the number of bathrooms in the Market-Rate Units. The minimum Unit Size of each Below-Market Price Unit shall be in conformance with the City's Affordable Housing Policies and Procedures.

3. Timing of Construction. All Below-Market Price Units must be constructed and occupied concurrently with or prior to the construction and occupancy of Market-Rate Units of the Development. In phased developments, Below-Market Price Units may be constructed and occupied in proportion to the number of units in each phase of the Residential Development.

28.52.140 Below-Market Price Unit Plan Processing.

A. **GENERALLY.** The submittal of a Below-Market Price Unit Plan and recordation of an approved City affordability control covenant shall be a pre-condition on the City approval of any Final Subdivision Map, and no building permit shall be issued for any Development to which this Chapter applies without full compliance with the provision of this Section.

B. **BELOW-MARKET PRICE UNIT PLAN.** Every residential development to which this Chapter applies shall include a Below-Market Price Unit Plan as part of the application submittal for either development plan approval or subdivision approval. No application for a tentative map, subdivision map, or building permit for a development to which this Chapter applies may be deemed complete until a Below-Market Price Unit Plan is submitted to and approved by the Community Development Director as being complete. At any time during the formal development review process, the Community Development Director may require from the Applicant additional information reasonably necessary to clarify and supplement the application or determine the consistency of the Project's proposed Below-Market Price Unit Plan with the requirements of this Chapter.

C. **REQUIRED PLAN ELEMENTS.** A Below-Market Price Unit Plan must include the following elements or submittal requirements:

1. The number, location, structure (attached, semi-attached, or detached), and size of the proposed Unrestricted Units and Below-Market Price Units and the basis for calculating the number of Below-Market Price Units;

2. A floor or site plan depicting the location of the Below-Market Price Units and the Unrestricted Units;

3. The methods to be used to advertise the availability of the Below-Market Price Units and select the eligible purchasers, including preference to be given, if any, to applicants who live or work in the City in conformance with the City's Affordable Housing Policies and Procedures;

4. For phased Development, a phasing plan that provides for the timely development of the number of Below-Market Price Units proportionate to each proposed phase of development;

5. A description of any modifications as listed in Section 28.92.110 that are requested of the

City; and

6. Any other information reasonably requested by the Community Development Director to assist with evaluation of the Plan under the standards of this Chapter.

D. **PRICE, OCCUPANCY, AND EMPLOYMENT CONTROL COVENANTS.** Prior to issuance of a grading permit or building permit, whichever is requested first, a standard City control covenant must be approved and executed by the Community Development Director, executed by the Applicant/Owners, and recorded against the title of each Below-Market Price Unit. If subdivision into individual condominium units has not been finalized at the time of issuance of a grading permit or building permit, an overall interim control covenant shall be recorded against the development, and shall be replaced by separate recorded control covenants for each unit prior to issuance of a Certificate of Occupancy by the City for such condominium units.

28.52.150 Eligibility for Below-Market Price Units.

A. **GENERAL ELIGIBILITY FOR INCLUSIONARY UNITS.** No Household may purchase or occupy a Below-Market Price Unit unless the City has approved the Household's eligibility, and the Household and City have executed and recorded a control covenant in the chain of title of the Below-Market Price Unit. Such control covenant is in addition to the covenant required of the Applicant/Owner in Section 28.52.140 above. The eligibility of the purchasing household shall be established in accordance with the City's Affordable Housing Policies and Procedures and any additional eligibility requirements agreed upon in writing by the Applicant and the City.

B. **OWNER OCCUPANCY.** A Household which purchases a Below-Market Price Unit must occupy that unit as a principal residence, as that term is defined for federal tax purposes by the United States Internal Revenue Code.

28.52.160 Sale Price, Occupancy, and Employment; Long-Term Restriction.

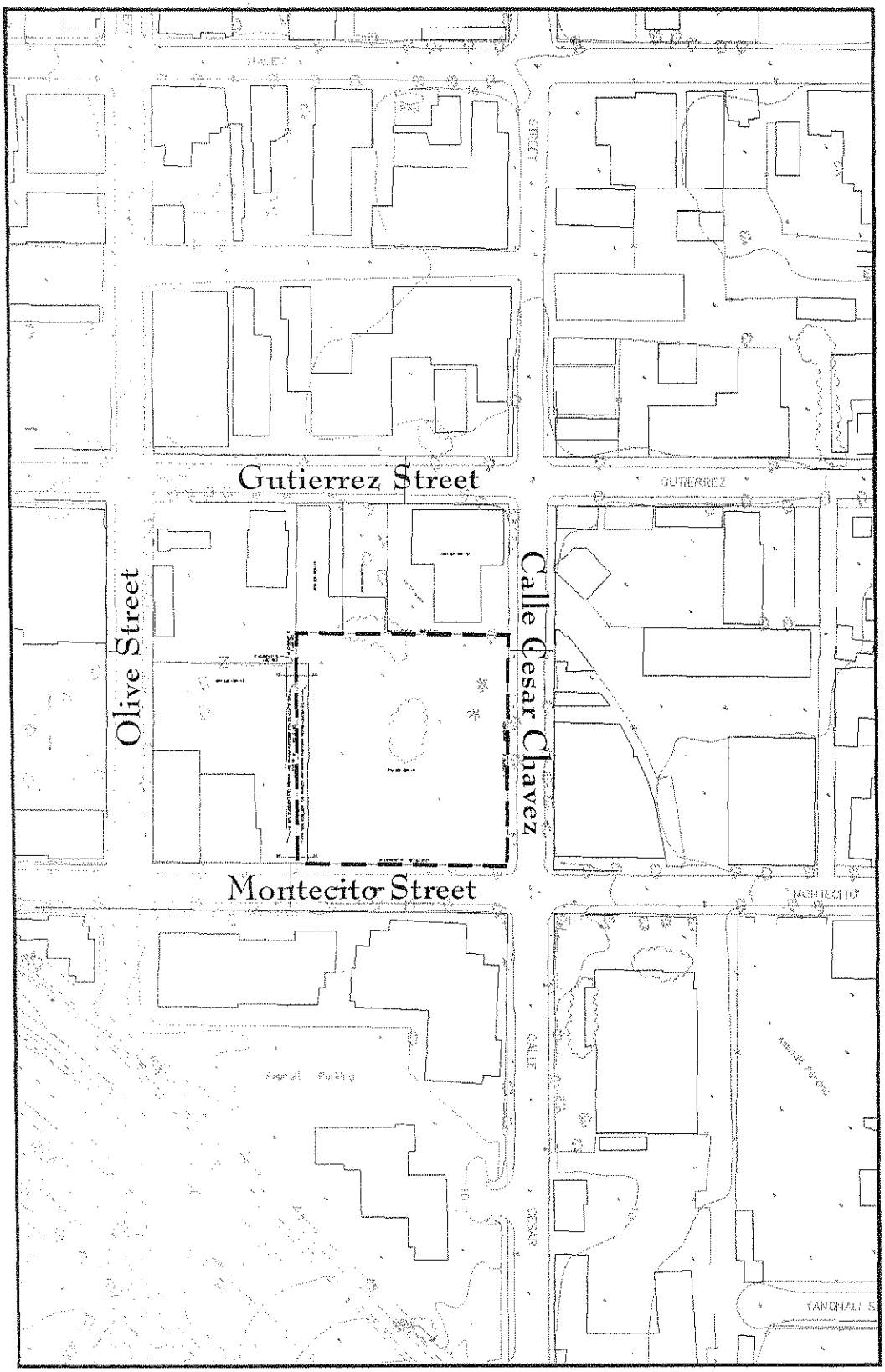
A. **INITIAL SALES PRICE.** The initial sales price of a Below-Market Price Unit must be set in accordance with the requirements specified in this Chapter.

B. **TRANSFERS AND CONVEYANCES.** A renewal of the controls covenant will be entered into upon each change of ownership of a Below-Market Price Unit and upon any transfer or conveyance (whether voluntarily or by operation of law) of an owner-occupied Below-Market Price Unit as such covenants are required in accordance with the City's Affordable Housing Policies and Procedures and this Chapter.

C. **RESALE PRICE.** The maximum sales price and qualifications of purchasers permitted on resale of a Below-Market Price Unit shall be specified in the control covenant and this Chapter and shall be in conformance with the City's then approved and applicable Affordable Housing Policies and Procedures.

Section 28.52.170. Area Map.

The map attached hereto as Map A and labeled "Specific Plan Area" is hereby approved and incorporated in this Chapter by this reference.



~~Exhibit 1~~ - Specific Plan Area

Los Portales

535 East Montecito Street

Santa Barbara, California

4/20/05

Peikert Group Architects, LLP

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Since 1978

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July 25, 2008 04072.01L03.WPD

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PARKING SURVEY FOR THE LOS PORTALES CONDOMINIUM PROJECT, CITY OF SANTA BARBARA

Associated Transportation Engineers (ATE) has prepared the following letter summarizing the results of the parking surveys conducted at the existing parking lot located adjacent to the Los Portales Condominium Project site.

Parking Surveys

The existing parking lot adjacent to the project site serves the office buildings located at 509 E. Montecito Street and 512 E. Gutierrez Street, and provides 107 parking spaces. Parking surveys were conducted at the parking lot on Wednesday, July 23, 2008 and Thursday, July 24, 2008 to determine if 10 spaces would be available after 5:00 P.M. to accommodate guest parking for the proposed condominiums. Parked vehicles were recorded every 15 minutes from 5:00 P.M. to 6:00 P.M. The results of the parking surveys (attached for reference) are presented in Table 1.

Table 1
Parking Survey

Time	Existing Capacity	Wednesday, July 23, 2008			Thursday, July 24, 2008		
		Parked Vehicles	% Occupied	Spaces Available	Parked Vehicles	% Occupied	Spaces Available
5:00 P.M.	107	42	39%	65	35	33%	72
5:15 P.M.	107	29	27%	78	26	24%	81
5:30 P.M.	107	22	21%	85	23	21%	84
5:45 P.M.	107	16	15%	91	17	16%	90
6:00 P.M.	107	11	10%	96	17	16%	90

The data presented in Table 1 indicates that the parking lot could adequately accommodate 10 guest parking spaces after 5:00 P.M.

This concludes our letter summarizing the parking surveys conducted for the Los Portales Condominium Project.

Associated Transportation Engineers,

Matthew Farrington
Transportation Planner

#04072.01 Los Portales - Adjacent Parking Lot Survey

Date: Wednesday, July 23, 2008

Time	Zone 1	Zone 2	Zone 3	Total 107	% Occupied	Spaces Available
Capacity	10	65	32			
5:00	2	27	13	42	39%	65
5:15	2	18	9	29	27%	78
5:30	1	15	6	22	21%	85
5:45	0	11	5	16	15%	91
6:00	0	8	3	11	10%	96

Date: Thursday, July 24, 2008

Time	Zone 1	Zone 2	Zone 3	Total 107	% Occupied	Spaces Available
Capacity	10	65	32			
5:00	3	29	3	35	33%	72
5:15	2	21	3	26	24%	81
5:30	3	17	3	23	21%	84
5:45	3	11	3	17	16%	90
6:00	3	11	3	17	16%	90

Kennedy, Kathleen

From: John Campanella [john@bdcdevelopment.com]
Sent: Friday, July 25, 2008 11:26 AM
To: Hubbell, Jan; Weiss, Bettie; Kennedy, Kathleen; Faulstich, Steven
Cc: Lisa Plowman; Susan Zamudio
Subject: FW: Los Portales - Focus Group Results
Attachments: Los Portales - Final Bar Graphs Showing Responses from Evaluation (4).pdf; Los Portales - Organizations Represented at Focus Groups (2).doc; Los Portales Powerpoint Presentation (white background).pdf; Los Portales-Creating Needed Ownership Housing in City.htm

All:

Background:

Focus groups were held on the proposed Los Portales project on July 21st and 22nd. Participants were primarily non-profit administrators as well as other local work force. (See list of organizations attached.)

Assistance in this effort came from the Non-Profit Support Center, Coastal Housing Coalition and the Santa Barbara Foundation. An experienced non-profit facilitator, Joan Young, coordinated the two sessions.

Approximately 35 people filled out questionnaires evaluating the concept of price restricted housing for non-profit and other local workers, site plan concepts, and product preferences at various price points.

Results:

Attached are graphic representations of the % of the respondents that ranked each question in importance
from 1 (strongly disagree) to 10 (strongly agree). The greater the % of higher numbers would indicate a favorable response.

The responses to whether such a price restricted program was beneficial had the most favorable responses,
many at the 10 maximum.

Also highly rated was the concept of restricting the degree of price appreciation to 3% annually.

A vast majority of the respondents said they would be able to walk, bike or bus to work. The location itself
scored lower, but still was acceptable to most people.

People preferred a mix of stacked flat units and three story town homes ("Plan B"). The products that were
acceptable to a majority of the respondents were for the lowest priced two bedroom flats with garages and three bedroom town homes with two car garages.

There were individual comments that the prices were high, especially for a single wage earner. (City staff
will be recommending to Planning Commission that some market rate units be included, to reduce the below-market rate price range. This will help reduce the lowest price product further. We also need to

EXHIBIT F

find
ways to get employer or other assistance for our lowest priced units to address the single wage earner.)

People preferred garages versus open parking, but half responded yes to the question that they would only
need one car.

Impressions of Joan Young, the Facilitator:

1. The project is much needed - there will be lots of demand for such home ownership options. Many people were disappointed that the project is 2 or more years away from completion - they are ready for something now!

2. Pricing is critical - people were more comfortable with a $500K max - I think that's why the 2 bedroom
flats scored highest. Each session asked questions about financing options. I believe this is the time to
involve the foundations and major donors to see what their input is about the financing piece.

3. I think that people will want to be part of a trailblazing project - especially if you add in green things like
"Flex or Zip cars" that might be owned by the non profits. These non-profit folks want to be part of a solution
- and reducing greenhouse gases, being more environmentally sound, etc. will appeal to their altruistic nature.

4. I would also add into your mix a smaller 2 bedroom flat & 1 car garage to accommodate single people like
Karen from the SB Museum of Art. She made a very good point that single people are more likely to leave
town to pursue other job opportunities than a married person with a family.

Looking Forward:

Overall our impression was that we were on the right track for seeking a price restricted project. We received
lots of input to consider in refining the program. A number of people volunteered to work on the technical
issues of the program in the future.

The biggest item will be the buyer financing and assistance to single income buyers. We need to coordinate
with the various organizations, unions, Coastal Housing Coalition, Housing Trust Fund, and employers that are
on parallel journeys trying to assist employees in obtaining housing.

To provide the impetus for lower priced housing in Santa Barbara, an actual project needs to be successfully
completed. Los Portales can provide a starting point.

We were very encouraged by the survey results and look forward to working with the community to bring
Los Portales to reality.

From: Susan Zamudio
Sent: Friday, July 11, 2008 12:28 PM
To: marti fallon
Cc: John Campanella
Subject: Los Portales-Creating Needed Ownership Housing in City

Los Portales Workforce Housing Opportunity in Santa Barbara
For Non Profit and Other Local Workers

We value your input to finalize our workforce program!

Dear Local Worker,

We would like to get your input on the design, various amenities, and pricing for the Los Portales condominium project being planned at Montecito Street and Calle Cesar Chavez in Santa Barbara.

The Los Portales community will provide price-restricted ownership housing for non-profit managers as well as other qualified local workers. Prices are anticipated to start in the high $400,000s for two-bedroom residences, to the $600,000s for four-bedroom residences. The residences will be inflation restricted to ensure continued affordability, and must be occupied by the owners as their primary residence. Loan qualifying family incomes would be $100,000 to $140,000 based on floor plan and loan amount.

In order to better target the needs of potential buyers, Bermant Homes and the Santa Barbara Foundation are requesting your input on final site and product design. Several site plans and a number of product designs and price points will be presented for your comments.

We want Los Portales to meet the needs of the community and your comments and suggestions are very much appreciated in finalizing our program.

You are invited to attend a focus group session at either of the times and locations listed below. The sessions will be professionally facilitated. Each session will last a little over an hour. Lunch will be provided during the noon session and snacks and refreshments will be provided for the evening session.

Monday, July 21, 2008 at 5:30pm at The Non-Profit Support Center, 5638 Hollister Ave Suite 200, Goleta
Parking spaces are available in the office lot; street parking is also available along Hollister, Kellogg or Kinman. If you should have any difficulty arriving to the location, please call 681-1040.

Tuesday, July 22, 2008 at 12:15pm at the Santa Barbara Foundation, 15 E. Carrillo St., Santa Barbara
A parking lot is located behind the Foundation building, between Figueroa and Carrillo Streets, with the entrance off of Anacapa Street. If you should have any difficulty arriving to the location, please call 963-1873.

Please call Susan Zamudio at 964-7200 or e-mail her at susanz@bdcdevelopment.com to confirm your attendance.

Thank you very much.

John Campanella

President, Bermant Homes

Los Portales Workforce Housing Opportunity in Santa Barbara For Non Profit and Other Local Workers

Project Description:

To find a solution to the lack of middle income home ownership opportunities in Santa Barbara, an alliance has been formed among the Santa Barbara Housing Authority, the Santa Barbara Foundation, and Bermant Development Company for land acquisition, financing, and site development for the Los Portales project.

The City of Santa Barbara will be approving a residential plan, specific to this site, which will provide price restricted housing within walking distance to office and industrial employment.

The Los Portales project would provide forty-eight condominium residences, containing two, three and four bedrooms. Common open space of lawns, landscaping and a pedestrian paseo would flow through the site in two directions. Prices are anticipated to start in the high $400,000s for two-bedroom residences, to the $600,000s for four-bedroom residences. The residences will be inflation restricted to 3% per year to ensure continued affordability, and must be occupied by the owners as their primary residence. Loan qualifying family incomes would be $100,000 to $140,000 based on floor plan and loan amount.

Community Benefits:

Los Portales creates needed housing within Santa Barbara to satisfy to households that are squeezed out of owning a home due to the market rate prices in our community. This will provide local workers with an alternative to commuting long distances.

Located on 2 acres at the corner of Montecito Street and Calle Cesar Chavez, the development is within walking distance to many employers including non-profits, MTD and the City of Santa Barbara.

Neighboring Services:

7 blocks to businesses on State Street
3 blocks to businesses on Milpas Street
3 blocks to Ortega Park
4 blocks to S.B. Junior High
½ mile to beach via Cesar Chavez
Home Improvement Center
OfficeMax
Smart & Final
101 Deli

Casa de la Raza
Our Lady of Guadalupe
Calvary Chapel
Arts Alive
S.B. Dance Academy
Montecito School of Ballet
Carr Winery
Whitcraft Winery
Jaffurs Wine Cellars

Sustainable Development Principles:

Los Portales is consistent with sustainable development principles which emphasize the conversion of existing urban lots and preserving open space, agricultural land, or areas with biological resources. The project has a compact design using less land. It has easy access to urban services and public transit.

The site to be developed is in an existing community, near existing infrastructure and public transit, does not contribute to urban sprawl, and makes use of a previously developed but now vacant site.

In the heart of our city, Los Portales would help reduce congestion on the 101 from long commutes from North County or Ventura.

Status:

Los Portales is under environmental review, and final project approval is expected in September 2008.

Los Portales Project Evaluation

Name: _____ (optional)

Organization Name: _____

Phone/Email Contact _____ **Focus Group Date:** _____

Rate the following statements in relation to your evaluation of the Los Portales presentation. Please rank answers from 1 (strongly disagree) to 10 (strongly agree) with 5 being neutral.

---

1. A project of this kind is needed in Santa Barbara 1 2 3 4 5 6 7 8 9 10
2. The location of the project is desirable 1 2 3 4 5 6 7 8 9 10
3. I would be able to walk, bike or bus to work 1 2 3 4 5 6 7 8 9 10
4. Pricing of the homes is appropriate to the project 1 2 3 4 5 6 7 8 9 10
5. Inflation/resale price restrictions are acceptable 1 2 3 4 5 6 7 8 9 10
6. I prefer Plan A (all flats with perimeter parking) 1 2 3 4 5 6 7 8 9 10
7. I prefer Plan B (mix of flats & townhomes with garages) 1 2 3 4 5 6 7 8 9 10
8. The 2 bedroom flat is desirable at $565,000 (Plan A) 1 2 3 4 5 6 7 8 9 10
9. The 3 bedroom flat is desirable at $595,000 (Plan A) 1 2 3 4 5 6 7 8 9 10
10. The 2 bedroom flat is desirable at $495,000 (Plan B) 1 2 3 4 5 6 7 8 9 10
11. The 2 bedroom townhome is desirable at $555,000 (Plan B) 1 2 3 4 5 6 7 8 9 10
12. The 3 bedroom townhome is desirable at $595-625,000 (Plan B) 1 2 3 4 5 6 7 8 9 10
13. The 4 bedroom townhome is desirable at $615-645,000 (Plan B) 1 2 3 4 5 6 7 8 9 10
14. Having up to 4 bedrooms is desirable 1 2 3 4 5 6 7 8 9 10
15. Two car garages are preferable 1 2 3 4 5 6 7 8 9 10
16. Tandem garage parking is preferable 1 2 3 4 5 6 7 8 9 10
17. Covered parking in a private parking lot is preferable 1 2 3 4 5 6 7 8 9 10
18. If you could live at Los Portales would be willing to have only one car? _____

Other Comments: _____

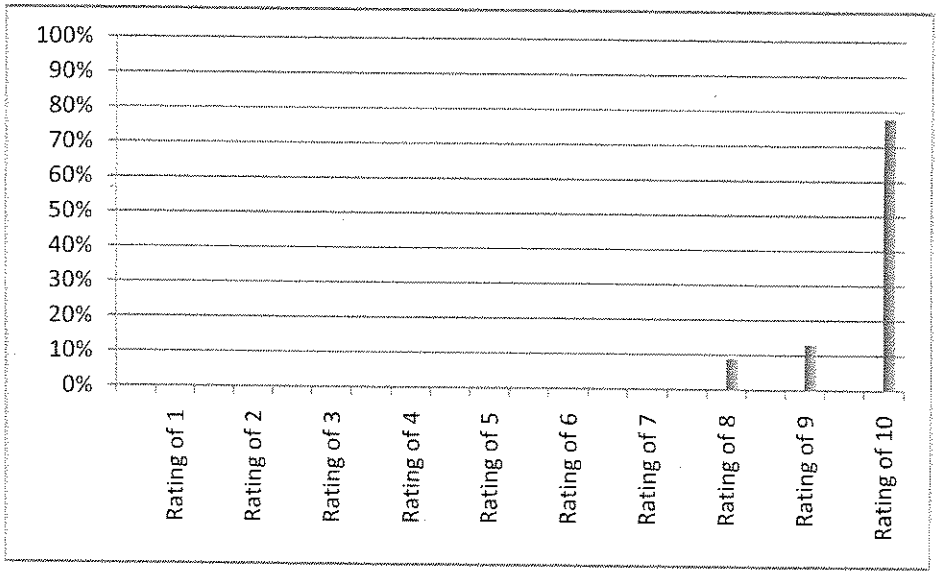
_____

_____

Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

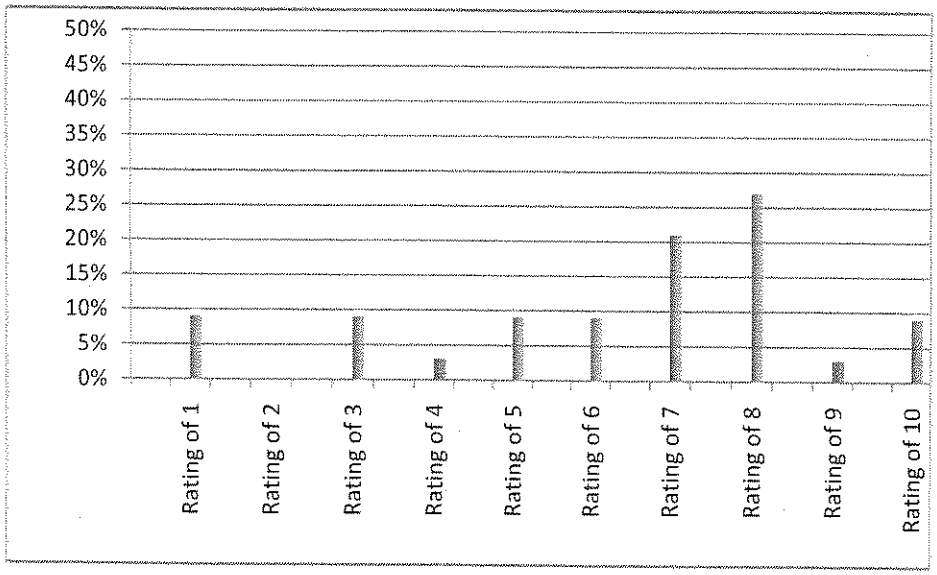
Question 1
A project of this kind is needed in Santa Barbara.



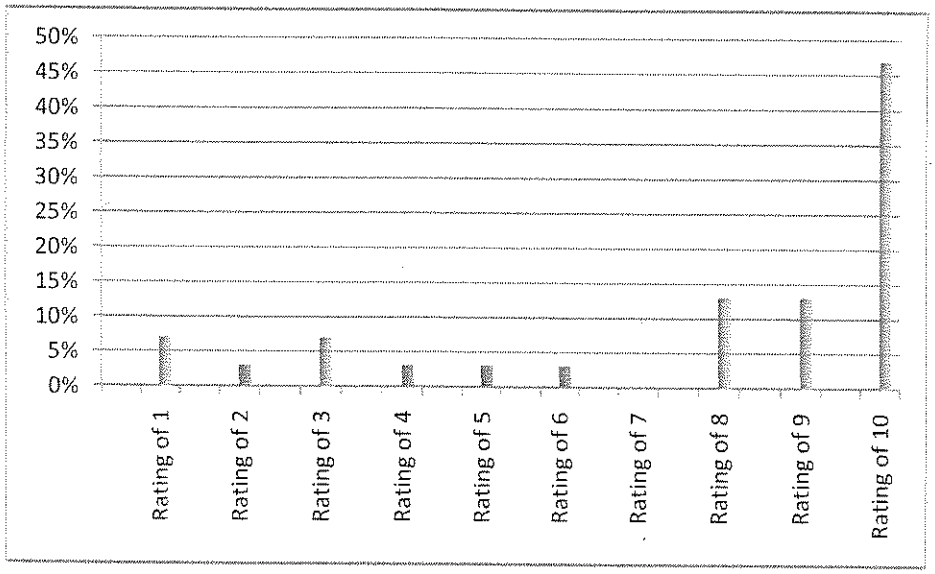
Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 2
The location of the project is desirable.



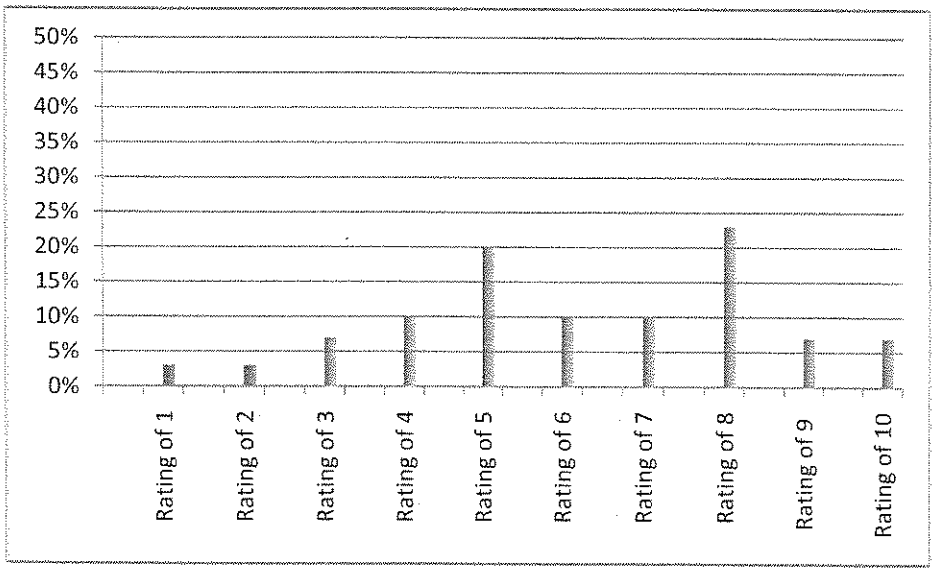
Question 3
I would be able to walk, bike or bus to work.



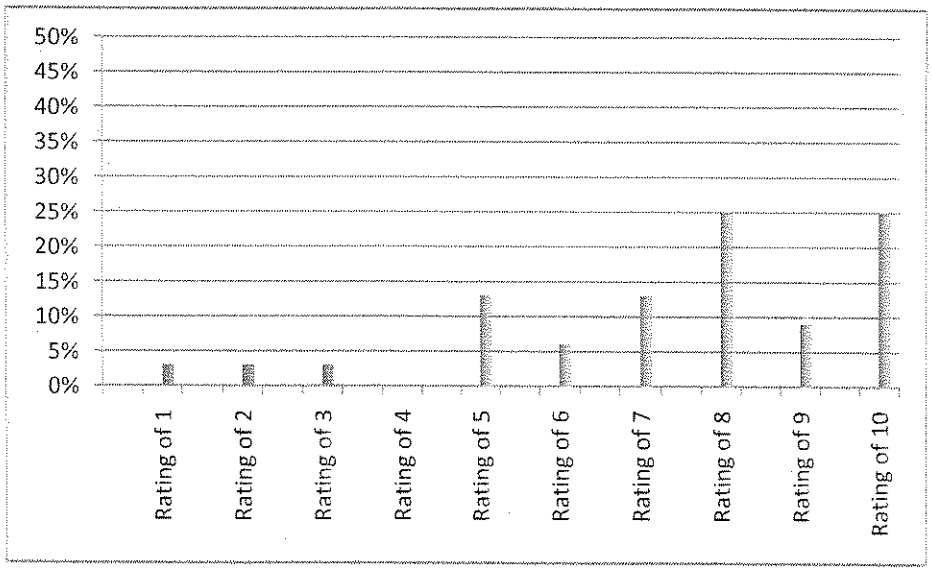
Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 4
Pricing of the homes is appropriate to the project.



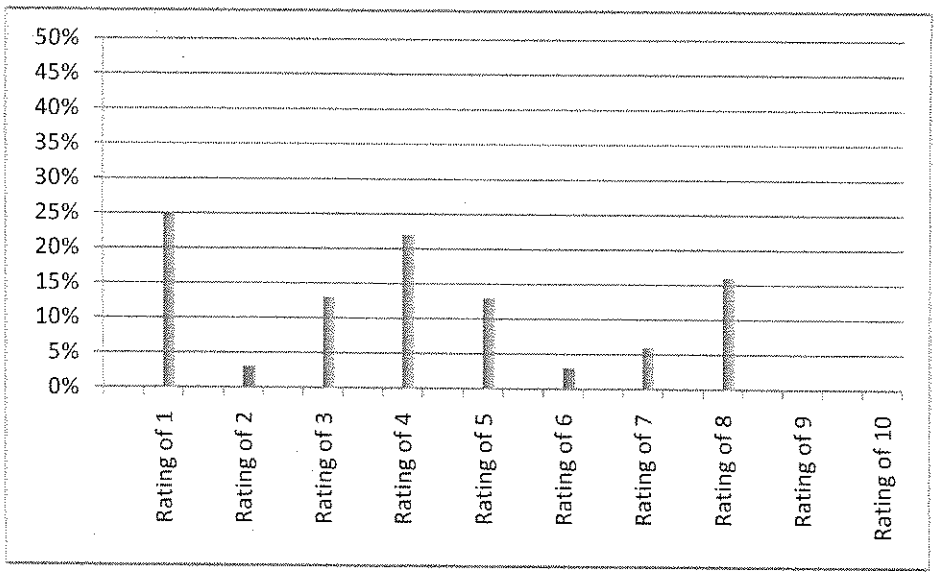
Question 5
Inflation/resale price restrictions are acceptable.



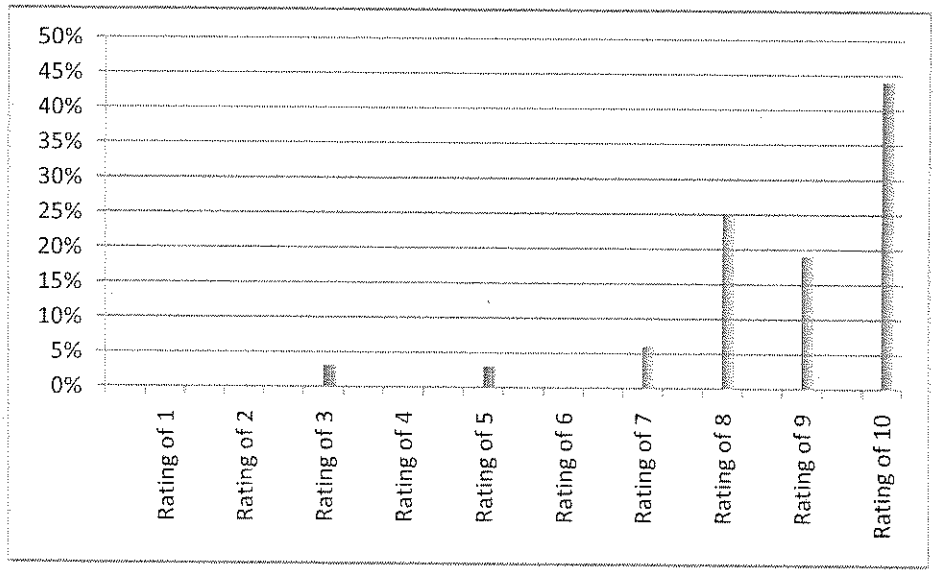
Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 6
I prefer Plan A (all flats with perimeter parking).



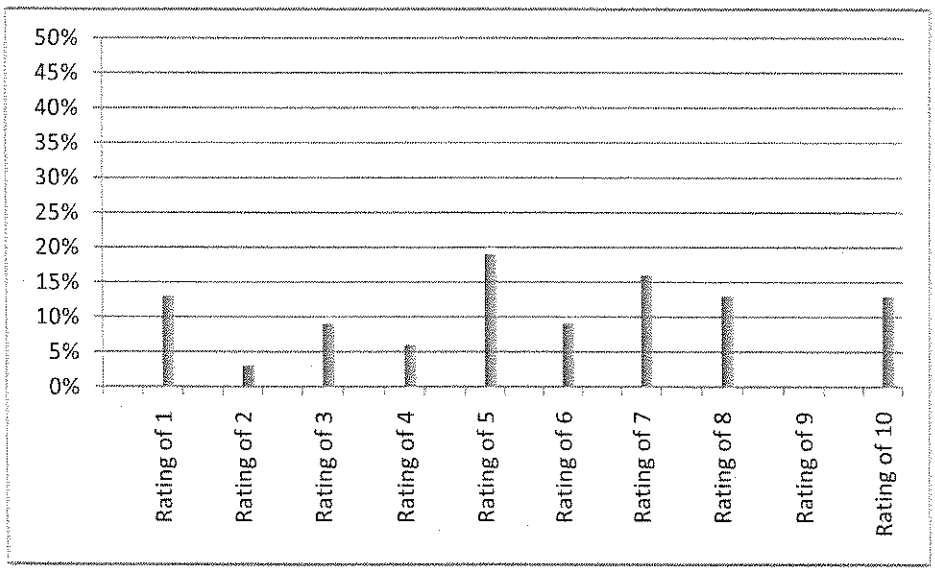
Question 7
I prefer Plan B (mix of flats and townhomes with garages).



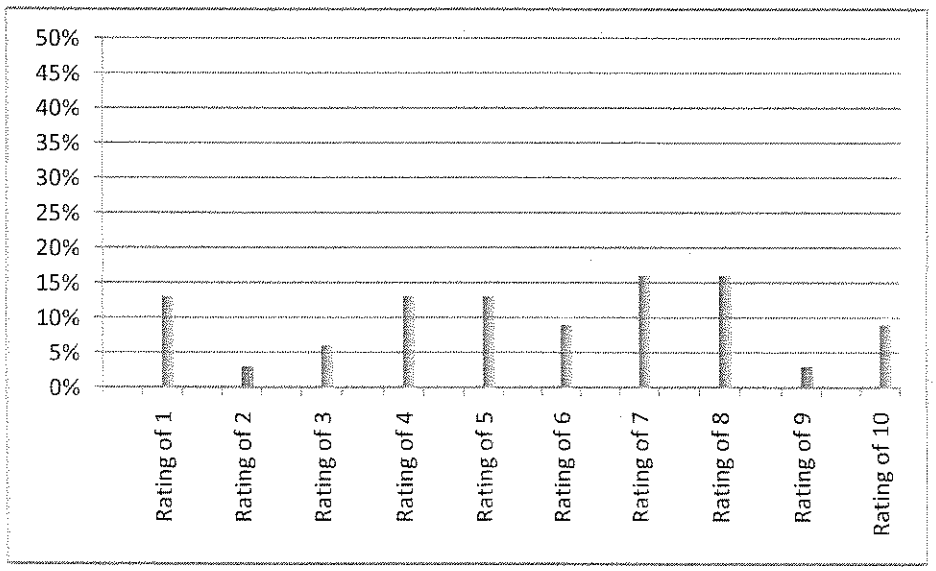
Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 8
The 2 bedroom flat is desirable at $565,000 (Plan A: all flats with perimeter parking).



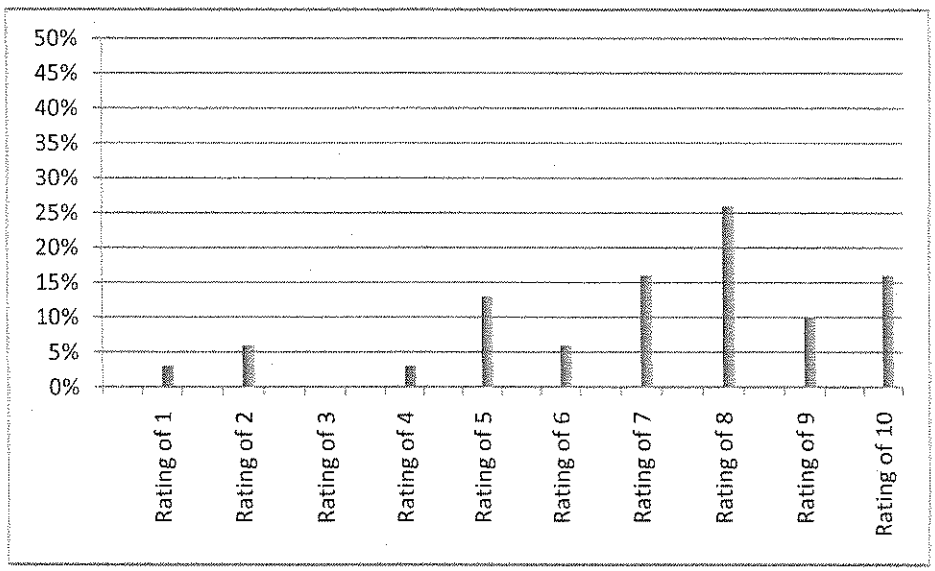
Question 9
The 3 bedroom flat is desirable at $595,000 (Plan A: all flats with perimeter parking).



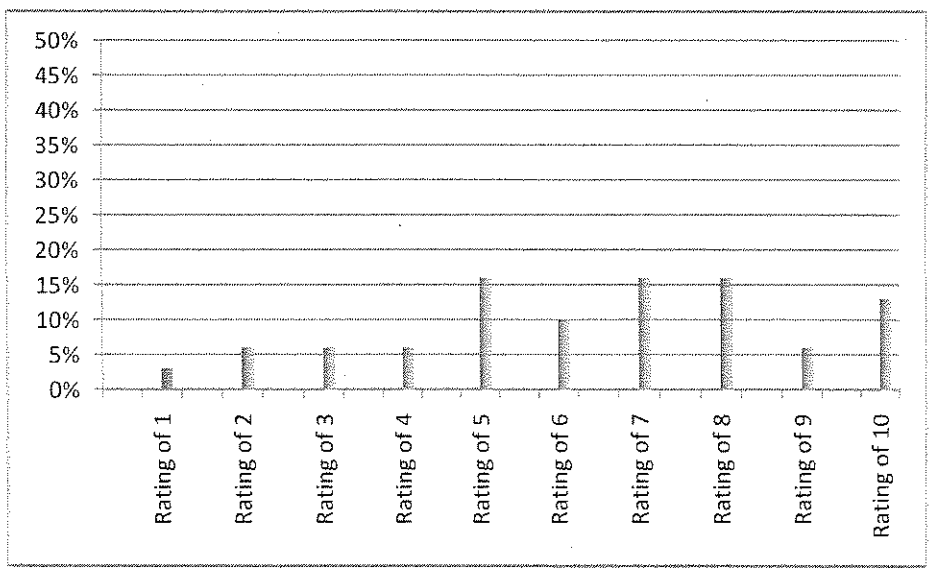
Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 10
The 2 bedroom flat is desirable at $495,000 (Plan B: mix of flats and townhomes with garages).



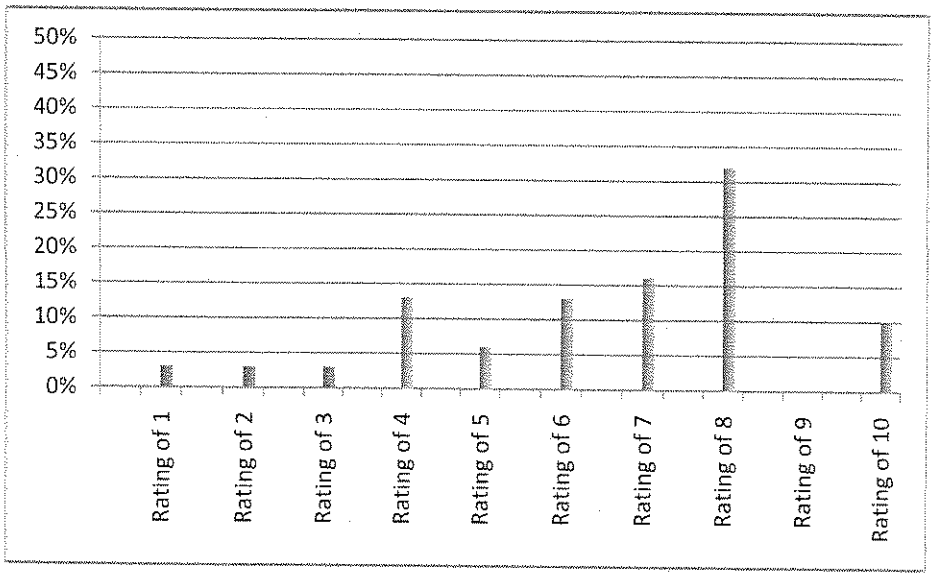
Question 11
The 2 bedroom townhome is desirable at $555,000 (Plan B: mix of flats and townhomes with garages).



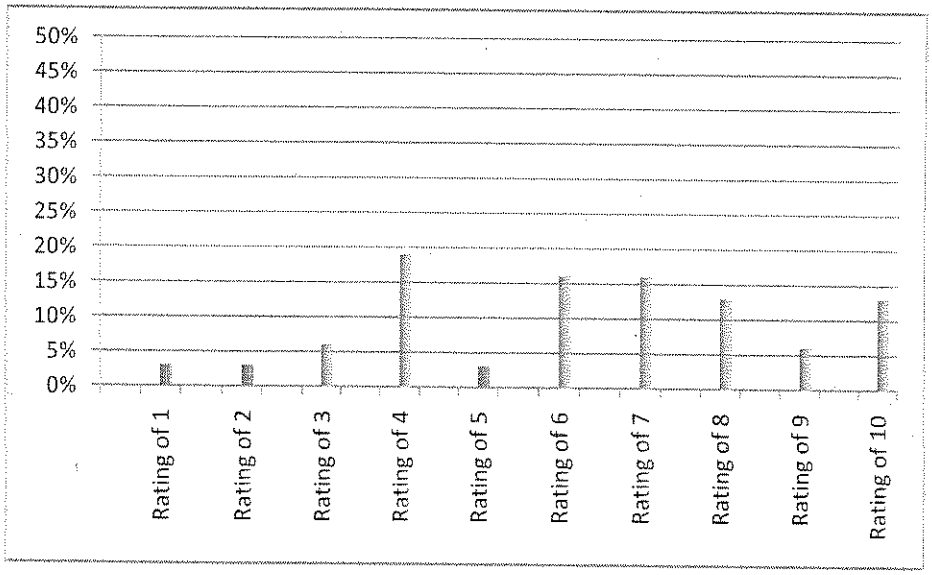
Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 12
The 3 bedroom townhome is desirable at $595-625,000 (Plan B: mix of flats and townhomes with garages).



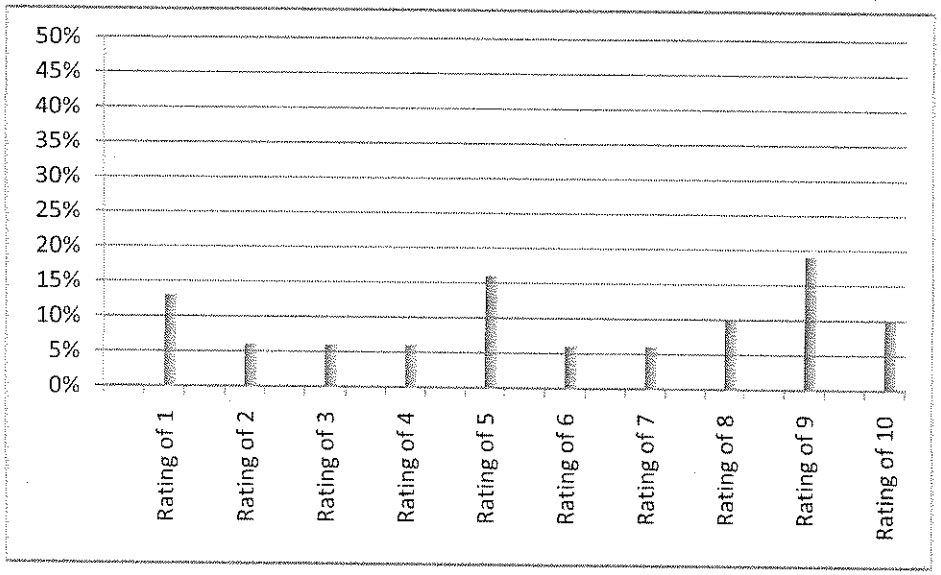
Question 13
The 4 bedroom townhome is desirable at $615-645,000 (Plan B: mix of flats and townhomes with garages).



Los Portales Evaluations Responses

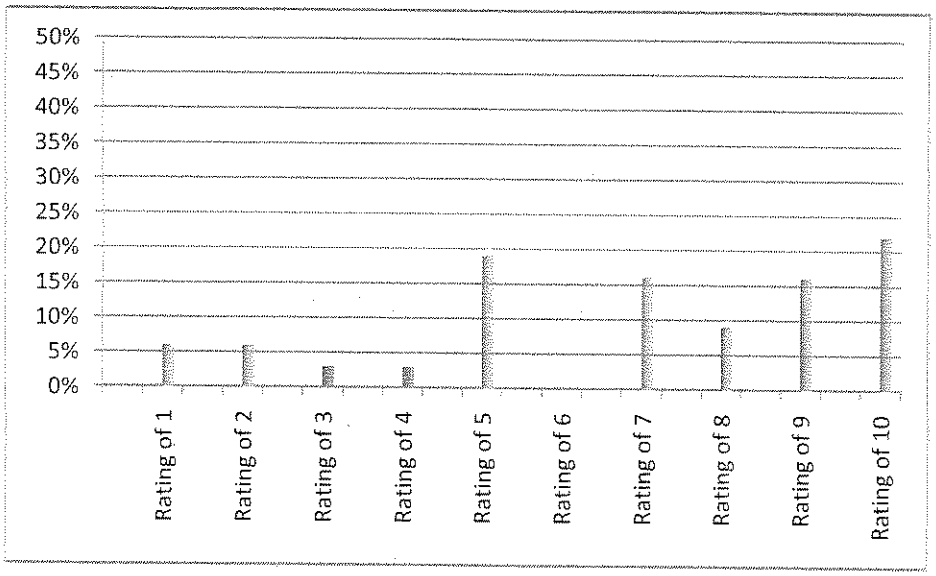
1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 14
Having up to 4 bedrooms is desirable.



Question 15

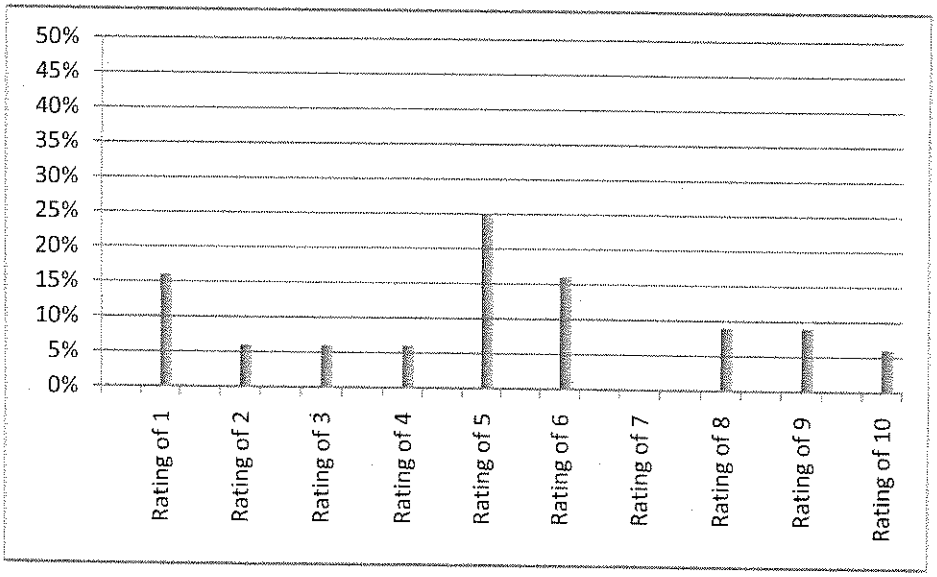
Two car garages are preferable.



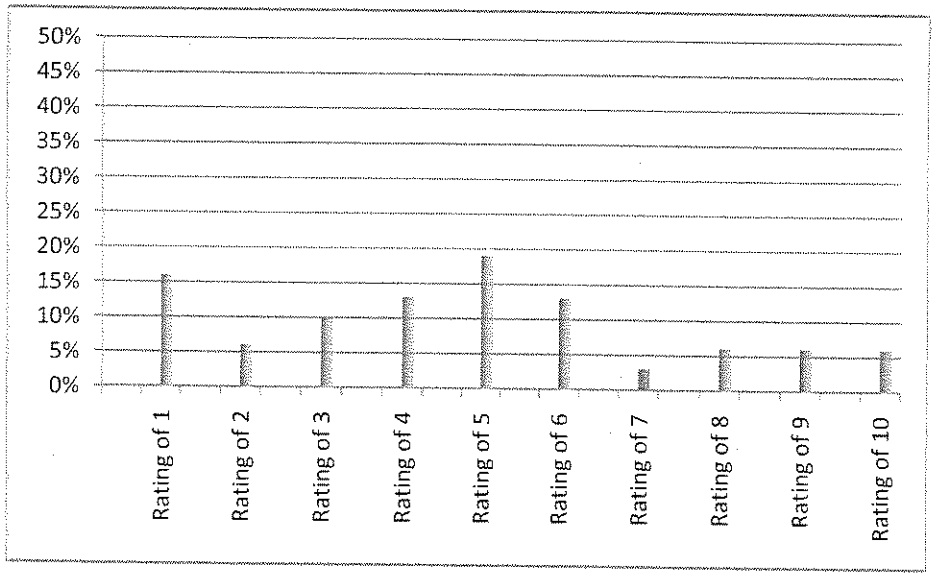
Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 16
Tandem garage parking is preferable.



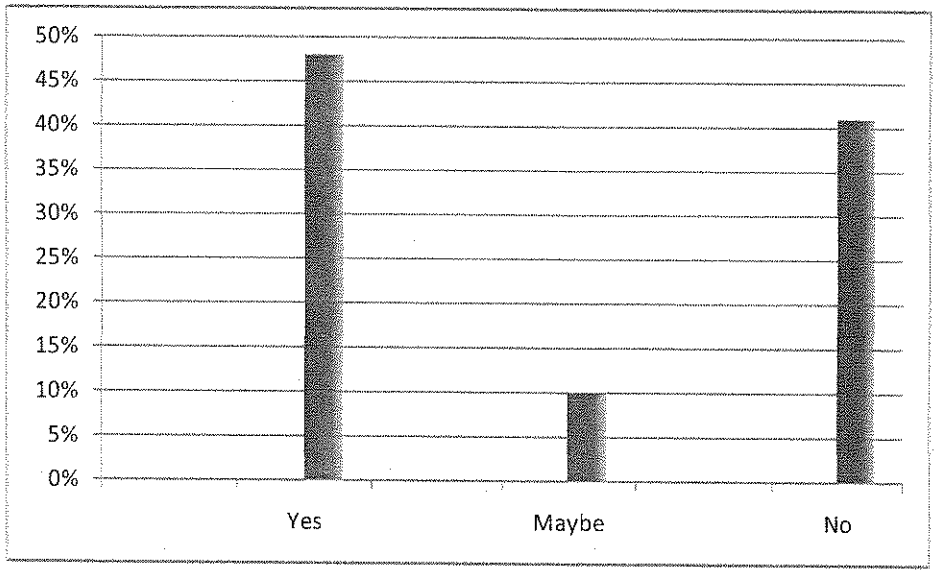
Question 17
Covered parking in a private parking lot is preferable.



Los Portales Evaluations Responses

1 = strongly disagree, 10 = strongly agree, and 5 = neutral

Question 18
If you could live at Los Portales would you be willing to have only one car?



In Attendance at Focus Groups July 21st and 22nd

Nuclear Age Peace Foundation
Family Service Agency
The Santa Barbara Theater
Music Academy of the West
United Way of Santa Barbara County
Environmental Defense Center
Santa Barbara Museum of Art
Bank of Santa Barbara
Santa Barbara Cottage Hospital
Tri Counties Regional Center
Gatekeeper Program
City of Santa Barbara Housing Authority
Hillside House
Santa Barbara Zoo
Santa Barbara Symphony
Coastal Housing Coalition
United Boys and Girls Clubs
Alki Chiropractic
Orfalea Foundation
Santa Barbara County Action Network
Cottage Health Systems
Santa Barbara Neighborhood Clinics
American Riviera Bank
Bank of Santa Barbara
Penfield & Smith

CONCEPT REVIEW - NEW ITEM: PUBLIC HEARING

1. 535 E MONTECITO ST M-1 Zone

(3:15) Assessor's Parcel Number: 031-351-010
Application Number: MST2006-00530
Owner: Housing Authority of the City of Santa Barbara
Architect: Peikert Group Architects, LLC

(This project has been revised since the last ABR hearing on September 13, 2004. The proposal is for the "Los Portales" development of 48 affordable residential condominium units on a 1.8 acre vacant lot. Each of the six three-story buildings would be 10,285 square feet consisting of four 2-bedroom units, four 3-bedroom units, and eight two-car garages for tandem parking. There would be 2,409 cubic yards of fill grading on the site. Planning Commission approval of a Tentative Subdivision Map and modification to provide less than the required amount of guest parking onsite and City Council approval of a Specific Plan are requested.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT AND PLANNING COMMISSION APPROVAL FOR A MODIFICATION AND A TENTATIVE SUBDIVISION MAP AND CITY COUNCIL APPROVAL FOR A SPECIFIC PLAN.)

(3:38)

Present: Piekert, Architect; Lisa Plowman Architect; John Campanella, BDC; Bob Pierson, Santa Barbara Housing Authority. Victoria Green, Project Planner, City of Santa Barbara, was available to answer questions and provide clarification.

Public comment opened at 3:58 p.m.

Louis Weider, representative from Olive Court Partners, neighboring commercial property, in favor.

Public comment closed at 3:59 p.m

Motion: **Continued indefinitely to the Planning Commission with the following comments:** **1)** The Board finds that the revised 48-unit proposal supportable as it contains smaller buildings, provides more usable ground level space, and has less overall mass than the previous proposal. **2)** The Board is concerned with the apparent repetition of one building style with only slight variations. **a.** Study adding more variations to Buildings A and B. **b.** Study refining the end elevations along Calle Ceasar Chavez. **c.** Study adding more variety at building corners. **d.** Simplify the architectural forms through differentiated plate heights and simpler gable forms. **3)** There is concern by some Board members that the stairwell entrances appear cave-like. Restudy and refine the human scale of the entrances. **4)** As to the street entries: **a.** the Board is comfortable with the conceptual east elevation entry arcade element form, and **b.** looks for the south entry portal to be moved closer to street to allow more usable open space within the project. **5)** As to the site planning: **a.** study partial usage of the access easement to the west to provide access to the first motor court, located between buildings 5 and 6, and **b.** to allow the central paseo (north to south) to connect to main paseo (east to west) thereby reducing the length of the motor-court between Montecito St. and the center buildings (bldgs 2 & 5). **6)** Use significant trees, especially along the street elevations to mitigate the 3-story facades, and include more landscape, especially at the driveway motor-courts,

even if a slight widening is needed for this to occur. **7)** Off-set the opposing windows to alleviate privacy concerns and reduce sound. **8)** If possible, provide some level of enhanced pavement at the motor-court, especially the shared motor-court, and to lesser extent the motor-court to the north. **9)** Make the space between the south buildings wider with additional landscape.

Action: Wienke/LeCron, 7/0/0. Sherry absent.

IN-PROGRESS REVIEW

2. 6100 HOLLISTER AVE

(4:45)

Assessor's Parcel Number: 073-080-065
Application Number: MST2005-00480
Owner: Karen Ramsdell/City of Santa Barbara
Business Name: Citrix Centre
Agent: Susan McLaughlin
Applicant: Andrew Bermant
Agent: Laurel Fisher Perez
Architect: Brian Poliquin

(Proposal to develop a mixed use industrial and commercial development, totalling 180,000 square feet located in sub-area #2 and sub-area #3 of the Santa Barbara Airport Area Specific Plan.)

(Final Review for Buildings C and D only is requested.)

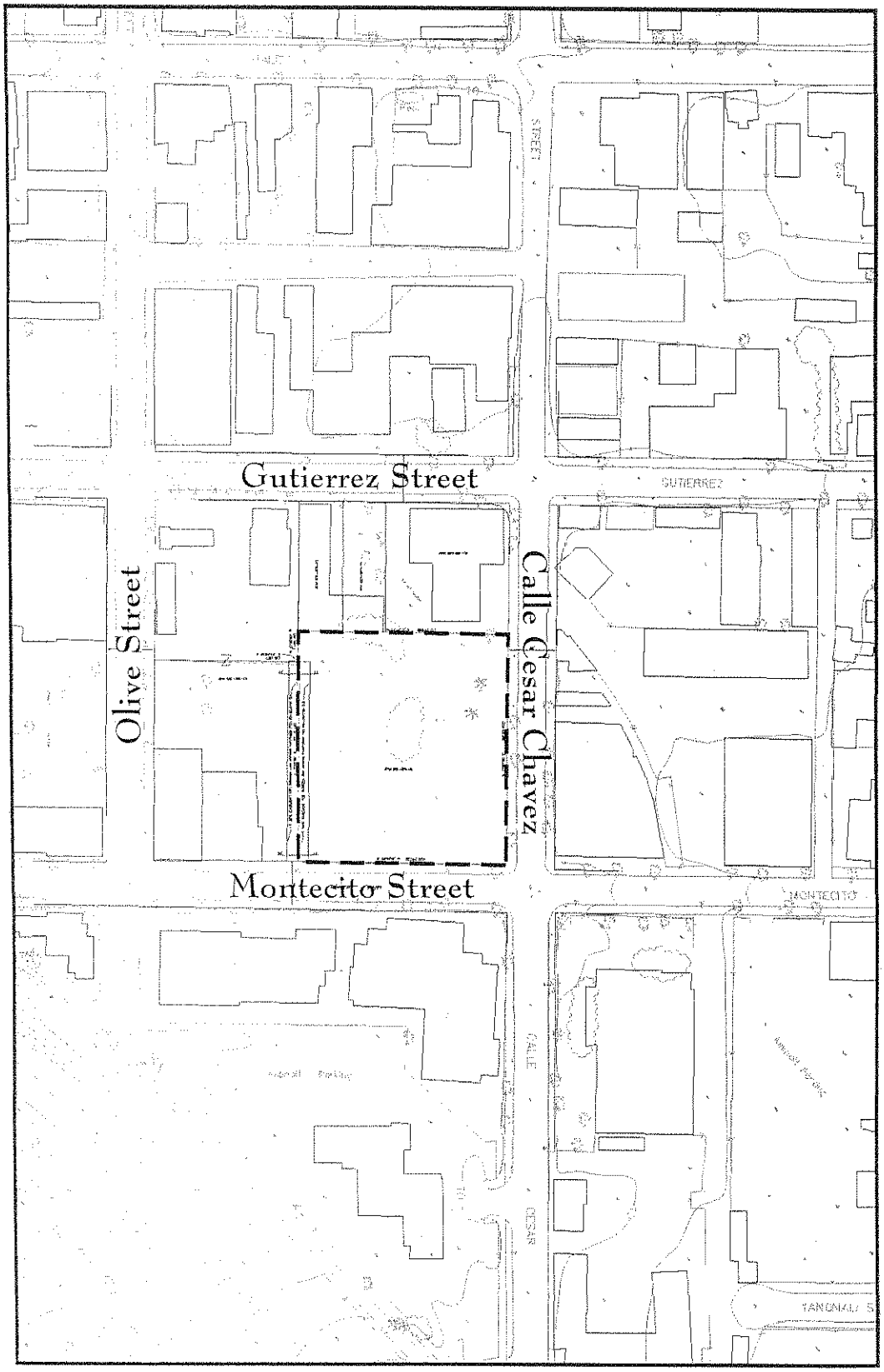
(PROJECT REQUIRES SUBSTANTIAL CONFORMANCE WITH PLANNING COMMISSION RESOLUTION NO. 029-99.)

(4:41)

Present: Brian Poliquin, Architect; Susan McLaughlin, Agent; Andrew Bermant, Applicant.

Public comment opened at 4:51 p.m., and as no one wished to speak, public comment closed at 4:51 p.m.

Motion: **Continued indefinitely to the Consent Calendar with the following comments:** **1)** The Board finds the site planning and circulation for the retail building at the west end to be pedestrian friendly. Refinement of the exterior elevation is most successful on the south, west, and portions of the north elevations that are more asymmetrical. **2)** Study ways to make the east elevation and linear portion of the south elevation less symmetrical and less repetitious. **3)** Eliminate some of the redundant elements, such as: **a.** the support brackets at the parapets; **b.** the modulated plaster joints; **c.** repetitive wrought iron detailing below the hip roof elements. **4)** Simplify the wainscot to have either stone or built out plaster sills below the windows, but not the continuity of both elements abutting. **5)** Allow the plaster walls to extend to the ground plane. **6)** Provide more detailing of the wrought iron elements of the cantilevered tower balconies. **7)** The revised tower is pleasing, and the Board understands the tower will be moved abutting the northerly structure. **8)** The Board is concerned that the use of stone elements as illustrated is excessive and possibly too repetitive. There is concern that the size or pattern of the stone is too varied. Provide simplification of usage. **9)** There is concern



~~Exhibit 1~~ - Specific Plan Area

Los Portales

535 East Montecito Street

Santa Barbara, California

4/20/05

Peikert Group
Architects, LLP
10 East Figueroa Street, Suite 1
Santa Barbara, CA 93101
Phone 805 963 8283
Fax 805 963 8184