

**CITY OF SANTA BARBARA
CITY COUNCIL
REDEVELOPMENT AGENCY**

Marty Blum
Mayor/Chair
Dale Francisco
Mayor Pro Tempore/Vice Chair
Das Williams
Ordinance Committee Chair
Roger L. Horton
Finance Committee Chair
Iya G. Falcone
Grant House
Helene Schneider



James L. Armstrong
*City Administrator/
Executive Director*

Stephen P. Wiley
City Attorney/Agency Counsel

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

**FEBRUARY 24, 2009
AGENDA**

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

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

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

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

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

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

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

ORDER OF BUSINESS

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

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

1. Subject: Redevelopment Agency Fiscal Year 2009 Interim Financial Statements For The Six Months Ended December 31, 2008

Recommendation: That the Finance Committee recommend that Redevelopment Agency Board accept the Redevelopment Agency Fiscal Year 2009 Interim Financial Statements for the Six Months Ended December 31, 2008.

(See Council/Redevelopment Agency Agenda Item No. 13)

2. Subject: Airport Terminal Project Financing Update

Recommendation: That the Finance Committee:

- A. Hear an update on the Airport Terminal Project financing; and
- B. Recommend to Council that the City proceed with the award of bids on the project prior to sale of the project bonds.

3. Subject: January 2009 Investment Report

Recommendation: That the Finance Committee recommend that Council accept the January 2009 Investment Report.

(See Council/Redevelopment Agency Agenda Item No. 2)

**REGULAR CITY COUNCIL MEETING – 2:00 P.M.
REGULAR REDEVELOPMENT AGENCY MEETING – 2:00 P.M.**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

CITY COUNCIL

1. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of February 3, 2009.

2. Subject: January 2009 Investment Report (260.02)

Recommendation: That Council accept the January 2009 Investment Report.

3. Subject: Adoption Of Ordinance For Airport Zoning Map Revision - 1600 Cecil Cook Place (640.09)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Title 29 of the Santa Barbara Municipal Code to Rezone 9.04 Acres of Airport Approach and Operations Zone (A-A-O) to Aviation Facilities Zone (A-F) in the Coastal Zone at the Santa Barbara Municipal Airport.

4. Subject: Adoption Of Ordinance For 535 E. Montecito Street, Los Portales Specific Plan (SP-10) (660.04)

Recommendation: That Council 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's Parcel Number 031-351-010.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

5. Subject: Adoption Of Ordinance To Approve Property Transfer For Highway 101 Operational Improvements Project (670.07)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the City Administrator to Execute the Property Transfer Agreement with the State of California Department of Transportation, and Subsequently, Subject to Review and Approval by the City Attorney, to Execute Any Deeds to Provide for the Transfer of Certain Properties Owned in Fee by the City of Santa Barbara Required for the State Highway Route 101 Milpas Street to Hot Springs Road Operational Improvements Project, and Accepting the Ownership in Fee of Certain Non-Freeway Properties to be Relinquished by the State of California Department of Transportation, Underlying and Adjacent to the Roundabout at Milpas Street, Now Existing Adjacent to State Highway.

6. Subject: Adoption Of Ordinance For Ten-Year License Agreement With The Santa Barbara Youth Sailing Foundation (330.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Ten-Year License Agreement With the Santa Barbara Youth Sailing Foundation, Effective March 26, 2009, for a 2,500 Square-Foot Water Space in Marina 1, at an Initial Rent of \$595 Per Month.

7. Subject: Amendment To The Position And Salary Control Resolution For Fiscal Year 2009, Eliminating The Assistant Community Development Director Position (410.06)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 08-061, the Position and Salary Control Resolution for Fiscal Year 2009, Affecting the Housing and Redevelopment Division of the Community Development Department Effective March 7, 2009.

8. Subject: Renewable Energy Secure Communities (RESCO) Grant Application (540.13)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the City Administrator to Submit a Renewable Energy Secure Communities (RESCO) Grant Application to the California Energy Commission (CEC) for \$2 Million to Initiate the Design and Installation of Renewable Energy Projects for Municipal Facilities.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

9. Subject: Acceptance And Appropriation Of Federal Aviation Administration Airport Improvement Program Grant Offer For Santa Barbara Airport (560.04)

Recommendation: That Council:

- A. Accept and authorize the Airport Director to execute, on behalf of the City, FAA Grant Offer of \$1,347,262 in Airport Improvement Program (AIP) funds for Project No. AIP-3-06-0235-039-2009 for Phase I, Construction of a New Airline Terminal Building;
- B. Increase appropriations and estimated revenue by \$1,418,170 in the Airport's Grants Fund for Phase I, Construction of a New Airline Terminal Building, to be funded from Federal Aviation Administration Airport Improvement Program (AIP) Grant No. 03-06-0235-39-2009, including the City's 5% match portion (\$70,908); and
- C. Increase appropriations in the Airport Operating Fund by \$70,908 for the transfer of the City's matching portion funded from available reserves.

10. Subject: Authorization For Agreement For Legal Services Related To The Cabrillo Bridge Replacement Project (530.04)

Recommendation: That Council authorize the City Administrator to execute a professional services agreement, subject to review and approval of the form of the agreement by the City Attorney, with the law firm of Best, Best Krieger, LLP (BBK), in the not-to-exceed amount of \$50,000 for special legal services to the City on matters related to the Cabrillo Bridge Replacement Project (Project).

11. Subject: Professional Services For Design Of Headworks Screening Replacement Project At El Estero Wastewater Treatment Plant (540.13)

Recommendation: That Council authorize the Public Works Director to execute a contract with Carollo Engineering (Carollo) in the amount of \$396,494 to design a replacement Headworks screening, conveyance, and washer compactor system for influent wastewater flow into the El Estero Wastewater Treatment Plant (EEWTP), and authorize the Public Works Director to approve expenditures up to \$40,000 to cover cost increases that may result from unanticipated changes to the scope of work.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

12. Subject: Community Promotion Contract With Spirit Of '76 (230.02)

Recommendation: That Council authorize the Finance Director to execute a Community Promotion Contract with Spirit of '76 in an amount of \$12,500 to commence on March 15, 2009, and terminate on August 30, 2009, according to the terms of the contract.

REDEVELOPMENT AGENCY

13. Subject: Redevelopment Agency Fiscal Year 2009 Interim Financial Statements For The Six Months Ended December 31, 2008

Recommendation: That the Redevelopment Agency Board accept the Redevelopment Agency Fiscal Year 2009 Interim Financial Statements for the Six Months Ended December 31, 2008.

14. Subject: Increase Change Order Authority For Fire Station No. 1 Seismic Renovation Project (700.08)

Recommendation:

- A. That the Redevelopment Agency (RDA) Board authorize the expenditure of \$303,595 from the RDA's Fire Station No. 1 Emergency Operation Center (EOC) Account to fund the construction of an EOC as part of the Fire Station No. 1 Seismic Renovation Project (Project), for a total Project cost of \$6,974,209; and
- B. That Council approve additional change order expenditure authority for the Fire Station No. 1 Seismic Renovation Project, Contract No. 22,798, in the amount of \$260,000 to cover the cost of the EOC construction, bringing the total construction cost to \$4,737,559.

NOTICES

15. The City Clerk has on Thursday, February 19, 2009, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

MAYOR AND COUNCIL REPORTS

16. Subject: Strategies To Address Community Issues Related To Homelessness In The City Of Santa Barbara (660.04)

Recommendation: That Council:

- A. Approve, as a package, the twelve recommended strategies outlined in *Strategies to Address Community Issues Related to Homelessness in the City of Santa Barbara*;
- B. Authorize the Council Subcommittee on Homelessness and Community Relations to reconvene within 60 days to review and approve an assessment protocol, as developed by staff, which will define a process for measuring the effectiveness of the recommended strategies; and
- C. Direct staff to implement the recommended strategies and return to the Council in twelve months with a status report.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

17. Subject: Conference With Real Property Negotiators

Recommendation: That the Redevelopment Agency Board hold a closed session to consider instructions to negotiators regarding potential long-term lease of Redevelopment Agency-owned parcels, Assessor's Parcel Numbers 017-113-029, 017-113-030, 017-113-034, and 017-113-035 (125 Calle Cesar Chavez) to the Santa Barbara School Districts. Negotiations will be conducted by David Gustafson, Housing and Redevelopment Manager, Paul Casey, Agency Deputy Director, and Stephen Wiley, Agency Counsel, on behalf of the Redevelopment Agency, with J. Brian Sarvis, Superintendent, Santa Barbara School Districts. The closed session is authorized pursuant to the authority of Government Code Section 54956.8.

Scheduling: Duration, 20 minutes; anytime

Report: None anticipated

CLOSED SESSIONS (CONT'D)

18. Subject: Conference With Real Property Negotiators (330.03)

Recommendation: That Council and the Redevelopment Agency Board hold a joint closed session to consider instructions to its negotiators regarding real property negotiations for the possible lease of real property owned by the City of Santa Barbara and of real property owned by the Santa Barbara Metropolitan Transit District (MTD), to the Redevelopment Agency. Instructions to negotiators will direct staff regarding the price and terms of a possible lease of the MTD-owned property (1020 Chapala Street, Assessor's Parcel Number 039-281-040) and the City-owned property (9 West Figueroa Street, Assessor's Parcel Number 039-281-041) to the Redevelopment Agency. Negotiations are held pursuant to the authority of Section 54956.8 of the Government Code. Staff negotiators will be David Gustafson, Housing and Redevelopment Manager, Paul Casey, Agency Deputy Director, and Stephen Wiley, City Attorney/Agency Counsel. The MTD negotiator will be Sherrie Fisher, General Manager of MTD.

Under Negotiation: Possible leasehold disposition.

Scheduling: Duration, 20 minutes; anytime

Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: February 24, 2009

TIME: 12:30 p.m.

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Roger L. Horton, Chair

Helene Schneider

Iya Falcone

James L. Armstrong
City Administrator

Robert D. Peirson
Finance Director

ITEMS TO BE CONSIDERED:

1. Subject: Redevelopment Agency Fiscal Year 2009 Interim Financial Statements For The Six Months Ended December 31, 2008

Recommendation: That the Finance Committee recommend that Redevelopment Agency Board accept the Redevelopment Agency Fiscal Year 2009 Interim Financial Statements for the Six Months Ended December 31, 2008.

(See Council/Redevelopment Agency Agenda Item No. 13)

2. Subject: Airport Terminal Project Financing Update

Recommendation: That the Finance Committee:

- A. Hear an update on the Airport Terminal Project financing; and
- B. Recommend to Council that the City proceed with the award of bids on the project prior to sale of the project bonds.

3. Subject: January 2009 Investment Report

Recommendation: That the Finance Committee recommend that Council accept the January 2009 Investment Report.

(See Council/Redevelopment Agency Agenda Item No. 2)



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: February 24, 2009
TO: Finance Committee
FROM: Administration Division, Finance Department
SUBJECT: Airport Terminal Project Financing Update

RECOMMENDATION: That the Finance Committee:

- A. Hear an update on the Airport Terminal Project financing; and
- B. Recommend to Council that the City proceed with the award of bids on the project prior to sale of the project bonds.

DISCUSSION:

Background

On December 23, 2008, the Council authorized the issuance of up to \$65 million of Airport bonds to finance the Airport Terminal project. At that time, staff noted that the issuance of the Airport bonds was significantly complicated or even precluded by the unfavorable and extremely volatile credit markets. Estimates at the time were that the interest rate on the Airport bonds would have been as high as 8%, assuming they could have been sold at all. Even though Council authorized the bond issuance, staff made it clear that issuance would have to wait for more favorable credit market conditions. It was hoped that this would occur sometime in the first quarter of 2009.

The December 23rd staff report noted that there was another potential factor – adjustments to the federal Internal Revenue Code definition of “Alternative Minimum Tax” - which could favorably affect the Airport bond sale. Generally, the interest bondholders earn on the municipal bonds is exempt from state and federal income taxes. However, while municipal airport bonds are technically tax-exempt bonds, because they are used to construct a facility that serves for-profit commercial activities (the airlines), the interest earned on airport bonds has for many years been subject to the federal Alternative Minimum Tax (“AMT bonds”). As a result, the interest rates on Airport bonds are higher than on traditional, non-AMT tax-exempt municipal bonds. In the current bond market, the interest rate on AMT bonds can be as much or more than a full 1% higher than non-AMT municipal tax-exempt bonds. The December 23rd staff report noted that the federal stimulus legislation might include a temporary suspension of the AMT provision on airport bonds. As we now know, the final stimulus legislation signed by President Obama on February 17th, 2009 does indeed include a temporary exemption of airport bonds from the Alternative Minimum Tax. All new airport bonds issued in calendar years 2009 and 2010

will be fully tax-exempt for their entire life and will not be subject to the AMT. This is extremely welcome news as it immediately lowers our anticipated interest rate on the Airport bonds by as much as a full 1%.

The December 23rd staff report noted that the negative news in the credit markets was substantially offset by extremely good news on the project cost. On Tuesday, December 16, 2008, bids were opened for the main terminal project construction contract. As we hoped would be the case given the recessionary environment, the City received extremely favorable bids. The apparent low bid of \$32.5 million is almost 29% below the engineers' estimate of \$45.6 million. The second low bid is \$34.9 million. Staff noted that it would be extremely unfortunate if we are not able to take advantage of these favorable bids due to the lack of available financing. The construction bids are valid for 90 days from the December 16th bid opening, giving us until March 16, 2009 to award the bid.

Current Status of Project and Financing

As mentioned above, issuance of the bonds has been on hold while awaiting passage of the AMT relief and better market conditions. While we now have the AMT relief and the market for municipal bonds appears to have stabilized and even improved, there is no way we will be able to issue the bonds prior to the March 16th bid award deadline. Therefore, we are left to choose between 1) allowing the bids to lapse and re-bidding when we actually sell the bonds and 2) awarding the construction contracts prior to the sale of the bonds. Given the extremely favorable bids already in hand, the real possibility that re-bidding would result in substantially higher bids and the very high likelihood that the Santa Barbara Financing Authority will be able to sell the bonds at a reasonable interest rate of around 6% within the next 90 to 120 days, staff recommends that the City proceed with bid award even though the Santa Barbara Financing Authority has not yet sold the bonds.

If Finance Committee recommends and Council approves this approach, the City would essentially self-finance the project until the Santa Barbara Financing Authority is able to sell the bonds. Until the bonds are sold, project costs incurred and paid by the Airport would be loaned to the Airport Fund by the City. An Airport promissory note would be issued which would be purchased by and for the City's investment portfolio. This is identical to the way the City assisted the Airport with interim financing for the joint use rental car facility. This would use no monies from or have any impact on the City's General Fund. The Airport Fund would pay the City interest on the borrowed funds as they are drawn down. If the bonds are sold within the 90 to 120 day timeframe as staff believes is probable, it is likely that the Airport will need an advance of no more than \$3 to \$5 million.

Risks

Construction Bid Risk - While it is impossible to be certain, staff believes that re-bidding the project could result in higher, and perhaps substantially higher, bids. We have been and are rightfully concerned about the financing costs and obtaining a reasonable interest rate on the bonds but savings from lower financing costs can be quickly offset by higher project costs.

Financing Risks - It is important that the Finance Committee understand the risk associated with this recommended approach. If for any reason we are unable to sell the bonds within a reasonable period of time, the City would be committed to self-financing a project of more than \$50 million for an extended period of time. While the City certainly has sufficient cash and investments to do this, tying up this amount of money for a 20-year period of time is clearly not something we would choose to do. While this risk must be clearly understood and acknowledged, staff believes it to be extremely unlikely that we will not be able to sell the bonds sometime within the next two years. In fact, after discussions with financing team including the City's underwriter (Morgan Stanley) and our financial advisor, we believe we will be able to sell the bonds at a reasonable interest rate (around 6% or less) within the next 90 to 120 days.

There are certain time constraints that must be kept in mind. Under federal tax law, the City has the right to sell tax-exempt bonds to reimburse ourselves for project costs up to three years after the first project costs were incurred. In this case, it means we would be allowed to sell tax-exempt Airport bonds for this project until approximately March, 2012. After that, we would only be able to reimburse ourselves for the project costs using taxable debt. Also, as mentioned above, in order to take advantage of the tax-exempt AMT relief, the bonds will have to be sold in calendar years 2009 or 2010.

As mentioned above, evidence suggests that the tax-exempt bond market is showing some signs of recovery. For example, on February 11th, the San Diego Regional Building Authority sold \$136.9 million of tax-exempt debt at an interest rate of less than 5.5%. What makes this interesting is that the San Diego deal had the exact same credit ratings as our deal has and will have. These are extraordinary times and the bond markets have been extremely thin and volatile. However, with the removal of the AMT penalty on airport bonds, staff is confident that we will be able to sell the bonds within a short time after we are ready to do so.

Summary

Based on recent developments including the lifting of the AMT provision on tax-exempt airport bonds and an apparent loosening in the tax-exempt municipal bond market, staff believes that the risk of higher prices as a result of re-bidding the terminal construction contract outweighs the risk of a potential delay in bond issuance. That combined with our ability to self-finance the construction for a 6 to 12 month period of time, if necessary, leads staff to recommend that we proceed with bid award on March 3rd.

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING February 3, 2009 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Marty Blum called the joint meeting of the Council and the Financing Authority to order at 2:01 p.m. (The Ordinance Committee met at 1:00 p.m. The Finance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Blum.

ROLL CALL

Councilmembers present: Iya G. Falcone, Dale Francisco, Roger L. Horton, Grant House, Helene Schneider, Das Williams, Mayor Blum.

Councilmembers absent: None.

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

CEREMONIAL ITEMS

1. Subject: Proclamation Declaring February 2009 As Black History Month (120.04)

Action: Proclamation presented to Susan Young and Craig Smith, representing the Endowment for Youth Committee, and to Bill Spencer, representing The Brotherhood of Santa Barbara.

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

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through February 28, 2009.

(Cont'd)

2. (Cont'd)

Documents:

February 3, 2009, report from the Administrative Services Director.

Speakers:

- Staff: Award Recipient Susan Thomson, City Administrator James Armstrong.
- Members of the Public: Tom Mosby and Charles Hamilton, representing the Montecito Water District.

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

10-Year Pin

Victor Ayala, Public Works
Barbara Shelton, Community Development

20-Year Pin

Joseph Brown, Parks and Recreation
Segundo Valdez, Fire
Bernard Pigott, Fire

30-Year Pin

Jennifer Keenan, Fire
Susan Thomson, Public Works
Antonio Velasquez, Parks and Recreation

PUBLIC COMMENT

Speakers: Tony Vassallo, Lazarus, Gert Walter, Mr. Pennington, Kate Smith, Chaye Tione, Roger Schlueter.

CONSENT CALENDAR (Item Nos. 3 – 6, 8 and 9)

Motion:

Councilmembers House/Williams to approve the Consent Calendar as recommended.

Vote:

Unanimous voice vote.

3. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of January 6, 2009 (cancelled due to lack of a quorum), the special meetings of January 8 and 12, 2009, and the regular meeting of January 13, 2009.

Action: Approved the recommendation.

4. Subject: Poet Laureate Guidelines Language Change (610.04)

Recommendation: That Council approve recommended changes to the Poet Laureate Guidelines.

Action: Approved the recommendation (February 3, 2009, report from the Community Development Director).

5. Subject: Acceptance Of Caltrans Bicycle Transportation Account Grant for Vehicle Detection Equipment (670.01)

Recommendation: That Council accept a Caltrans Bicycle Transportation Account grant of \$461,260 for vehicle detection equipment, increase the Streets Grant Capital Fund estimated revenues by this amount, and appropriate such revenues to the Fiscal Year 2009 capital budget.

Action: Approved the recommendation; Agreement No. 22,990 (February 3, 2009, report from the Public Works Director).

6. Subject: Contract For Construction Of The Carrillo Sidewalk Infill Project (530.04)

Recommendation: That Council:

- A. Reject the bid protest, and award and authorize the Public Works Director to execute a contract with V. Lopez Jr. & Sons (Lopez), waiving minor bid irregularities, in their low bid amount of \$366,731, for construction of the Carrillo Sidewalk Infill Project (Project), Bid No. 3551, and authorize the Public Works Director to approve expenditures up to \$36,675 to cover any cost increases that may result from contract change orders for extra work and differences between bid quantities and actual quantities measured for payment;
- B. Authorize the Public Works Director to accept the final contract amount, with approved changes, and to file the Notice of Completion (NOC) with the County Clerk Recorder; and
- C. Authorize the General Services Manager to issue a Purchase Order to Fugro West, Inc. (Fugro), in the amount of \$3,500 for material testing services, and authorize the General Services Manager to approve expenditures of up to \$350 for extra services of Fugro that may result from necessary changes in the scope of work.

Action: Approved the recommendation; Agreement No. 22,991 (February 3, 2009, report from the Public Works Director).

Agenda Item No. 7 appears in the Financing Authority minutes.

NOTICES

8. The City Clerk has on Thursday, January 29, 2009, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
9. Received a letter of resignation from Water Commissioner Kathleen Rees; the vacancy will be part of the next City Advisory Group recruitment.

This concluded the Consent Calendar.

REPORT FROM THE ORDINANCE COMMITTEE

Ordinance Committee Chair Das Williams reported that the Committee met to hear a Staff report regarding proposed changes to the City's Code provisions related to the purchase of ordinary goods and services. The ordinance amendments will be submitted to Council in the near future for introduction and subsequent adoption.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

CITY ADMINISTRATOR

10. Subject: Introduction Of Ordinance For 2008-2010 General Unit Memorandum Of Understanding (440.02)

Recommendation: That Council :

- A. Ratify the Memorandum of Understanding between the City and the Santa Barbara City Employees' Association, Local 620, Service Employees' International Union, for the period of October 1, 2008, through September 30, 2010, by introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting the Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara City Employees' Association (General Unit); and
- B. Cancel the Council meeting scheduled for Tuesday, March 31, 2009, in honor of Cesar Chavez Holiday.

Documents:

- February 3, 2009, report from the Assistant City Administrator.
- Proposed Ordinance.

The title of the ordinance was read.

Speakers:

Staff: Employee Relations Manager Kristine Schmidt.

(Cont'd)

10. (Cont'd)

Motion:

Councilmembers Falcone/Horton to approve the recommendations.

Vote:

Majority voice vote (Noes: Councilmember Francisco).

FINANCE DEPARTMENT

11. Subject: Public Education Research Study For Foodscraps Recovery And Composting (630.01)

Recommendation: That Council authorize the Finance Director to execute a professional services agreement with Ideocore for an amount not to exceed \$45,750 for the implementation of a public education research study for the Foodscraps Recovery and Composting Program in the Business Sector.

Documents:

February 3, 2009, report from the Finance Director.

Speakers:

Staff: Assistant Finance Director Robert Samario, Environmental Services Supervisor Stephen MacIntosh.

Councilmember Falcone left the meeting at 3:12 p.m.

Motion:

Councilmembers Schneider/House to approve the recommendation; Agreement No. 22,992.

Vote:

Unanimous voice vote (Absent: Councilmember Falcone).

RECESS

Mayor Blum recessed the meeting at 3:13 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 12. She stated there would be no reportable action taken during the closed session.

CLOSED SESSIONS

12. Subject: Conference with Real Property Negotiator (330.03)

Recommendation: That Council hold a closed session to provide instructions to negotiators regarding the renewal of a lease of the Haley Street Youth Sports Center, former Fire Station #2, located at Haley and Quarantina Streets, Assessor's Parcel Number 031-232-018 (701 E. Haley Street). Negotiations will be conducted by Nancy L. Rapp, Parks and Recreation Director, and the City Attorney's Office on behalf of the City of Santa Barbara, and by Jean Pommier on behalf of Primo Boxing Club/Say Yes to Kids. The closed session is authorized pursuant to the authority of Government Code Section 54956.8.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

Documents:

February 3, 2009, report from the City Attorney.

Time:

3:18 p.m. - 4:16 p.m. All Councilmembers were present.

No report made.

ADJOURNMENT

Mayor Blum adjourned the meeting at 4:16 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

MARTY BLUM
MAYOR

ATTEST: _____
SUSAN TSCHECH, CMC
DEPUTY CITY CLERK



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: January 2009 Investment Report

RECOMMENDATION:

That Council accept the January 2009 Investment Report

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of January 31, 2009.

ATTACHMENT: January 2009 Investment Report
SUBMITTED BY: Robert D. Peirson, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
January 31, 2009

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

01/05	LAIF Deposit/City	\$ 1,000,000
01/08	LAIF Deposit/City	2,000,000
01/09	LAIF Deposit/City	2,000,000
01/12	LAIF Deposit/City	1,100,000
01/16	LAIF Deposit/City	1,500,000
01/21	LAIF Deposit/City	1,200,000
01/22	LAIF Deposit/City	2,300,000
01/27	LAIF Deposit/City	1,300,000
01/30	LAIF Deposit/City	6,400,000
	Total	\$ 18,800,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

01/02	Federal Home Loan Bank (FHLB) Call	\$ (2,000,000)
01/09	Federal Home Loan Mortgage Corp. (FHLMC) Call	(2,000,000)
01/15	LAIF Withdrawal/City	(1,000,000)
01/16	Federal Home Loan Mortgage Corp. (FHLMC) Call	(2,000,000)
01/20	LAIF Withdrawal/City	(1,100,000)
01/22	Federal Farm Credit Bank (FFCB) Maturity	(2,000,000)
01/29	LAIF Withdrawal/City	(3,300,000)
	Total	\$ (13,400,000)

ACTIVITY TOTAL

\$ 5,400,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 486,659
Amortization	23,822
SBB&T Sweep Account Interest	101
SBB&T Trust Account M/M Interest	215
Total	\$ 510,797

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 42,393
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TOTAL INTEREST EARNED

\$ 553,190

CITY OF SANTA BARBARA
Summary of Cash and Investments
January 31, 2009

ENDING BALANCE AS OF DECEMBER 31, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 48,600,000	2.353%	28.72%	1
Certificates of Deposit	2,000,000	2.500%	1.18%	321
Treasury Securities - Coupon	3,995,736	4.751%	2.36%	90
Federal Agency Issues - Coupon	91,587,246	4.581%	54.13%	767
Corporate/Medium Term Notes	15,227,309	4.909%	9.00%	457
SB Airport Promissory Note	7,800,000	6.500%	4.61%	180
Totals and Averages	\$ 169,210,290	4.038%	100.00%	471
SBB&T Money Market Account	1,757,001			
Total Cash and Investments	\$ 170,967,292			

NET CASH AND INVESTMENT ACTIVITY FOR JANUARY 2009 **\$ 5,722,065**

ENDING BALANCE AS OF JANUARY 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 62,000,000	2.046%	35.50%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.15%	290
Treasury Securities - Coupon	3,998,287	4.750%	2.29%	59
Federal Agency Issues - Coupon	83,603,816	4.600%	47.87%	708
Corporate/Medium Term Notes	15,232,009	4.909%	8.72%	426
SB Airport Promissory Note	7,800,000	6.500%	4.47%	149
Totals and Averages	\$ 174,634,112	3.784%	100.00%	388
SBB&T Money Market Account	2,055,244			
Total Cash and Investments	\$ 176,689,357			

Note:

(1) The average life of the LAIF portfolio as of January 31, 2009 is 215 days.

CITY OF SANTA BARBARA
Investment Portfolio
January 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	2.046	2.046	37,800,000.00	37,800,000.00	37,800,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.046	2.046	24,200,000.00	24,200,000.00	24,200,000.00	0.00	
Subtotal, LAIF							62,000,000.00	62,000,000.00	62,000,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/08	11/18/09	-	-	2.500	2.500	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,999,351.56	2,026,410.00	27,058.44	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,998,935.81	2,002,580.00	3,644.19	
Subtotal, Treasury Securities							4,000,000.00	3,998,287.37	4,028,990.00	30,702.63	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,996,699.79	2,015,000.00	18,300.21	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,749.56	2,048,440.00	48,690.44	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,026,193.16	2,162,190.00	135,996.84	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,984.67	2,004,380.00	4,395.33	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,989,746.25	2,104,380.00	114,633.75	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,036,880.00	36,880.00	Callable 2/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	988,341.79	1,028,440.00	40,098.21	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,981,367.34	2,038,440.00	57,072.66	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,010,306.79	2,160,010.00	149,703.21	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,951,972.84	2,095,320.00	143,347.16	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	997,197.58	1,042,500.00	45,302.42	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	2,000,000.00	2,000,000.00	0.00	Continuously callable
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,772.67	1,058,595.00	57,822.33	
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,001,693.63	2,034,380.00	32,686.37	
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,018,440.00	18,440.00	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,997,750.00	2,012,190.00	14,440.00	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,982,400.86	2,049,370.00	66,969.14	
FEDERAL HOME LOAN BANK	09/25/08	08/18/09	Aaa	AAA	3.750	3.231	2,000,000.00	2,005,525.76	2,033,440.00	27,914.24	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,003,120.00	3,120.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	10/01/08	03/30/09	Aaa	AAA	3.580	3.520	2,000,000.00	2,000,194.47	2,010,000.00	9,805.53	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,001,035.67	1,026,720.00	25,684.33	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,988.37	2,416,452.15	71,463.78	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,662.62	2,108,130.00	108,467.38	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,991,763.62	2,088,440.00	96,676.38	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,447,022.02	1,465,863.00	18,840.98	

CITY OF SANTA BARBARA
Investment Portfolio
January 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,989,567.48	2,082,500.00	92,932.52	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,020,310.00	20,310.00	Callable 05/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,980,603.49	2,061,560.00	80,956.51	
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,032,190.00	32,190.00	
FEDERAL HOME LOAN BANK	10/15/08	07/15/11	Aaa	AAA	4.000	4.002	2,000,000.00	2,000,000.00	2,019,070.00	19,070.00	Callable 7/15/09, once
FEDERAL HOME LOAN MTG CORP	03/26/08	03/26/13	Aaa	AAA	4.200	4.200	2,000,000.00	2,000,000.00	2,004,420.00	4,420.00	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	994,935.99	1,018,610.00	23,674.01	
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,985,034.11	2,088,400.00	103,365.89	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,054,840.00	54,840.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	2,007,420.00	7,420.00	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	06/04/08	06/04/13	Aaa	AAA	4.550	4.550	5,000,000.00	5,000,000.00	5,015,700.00	15,700.00	Callable quarterly
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,986,537.47	2,063,740.00	77,202.53	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,017,700.00	17,700.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,966,291.51	2,078,500.00	112,208.49	
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,988,683.42	2,083,750.00	95,066.58	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,998,487.19	2,003,760.00	5,272.81	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,999,306.19	2,007,500.00	8,193.81	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,056,570.00	56,570.00	Callable 3/05/10, once
Subtotal, Federal Agencies							83,795,000.00	83,603,816.31	85,777,660.15	2,173,843.84	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,260,169.50	2,301,030.00	40,860.50	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,037,560.00	2,067,620.00	30,060.00	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,992,327.50	2,013,660.00	21,332.50	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	996,605.52	999,970.00	3,364.48	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,987,371.62	1,992,860.00	5,488.38	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,981,856.25	2,001,880.00	20,023.75	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa3	AA	4.875	5.260	2,000,000.00	1,986,443.03	2,002,960.00	16,516.97	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa3	AA	4.625	5.000	2,000,000.00	1,989,675.33	1,997,760.00	8,084.67	
Subtotal, Corporate Securities							15,250,000.00	15,232,008.75	15,377,740.00	145,731.25	
SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	06/30/09	-	-	6.500	6.500	7,800,000.00	7,800,000.00	7,800,000.00	0.00	
Subtotal, SBA Note							7,800,000.00	7,800,000.00	7,800,000.00	0.00	
TOTALS							174,845,000.00	174,634,112.43	176,984,390.15	2,350,277.72	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING TITLE 29 OF THE SANTA BARBARA MUNICIPAL CODE TO REZONE 9.04 ACRES OF AIRPORT APPROACH AND OPERATIONS ZONE (A-A-O) TO AVIATION FACILITIES ZONE (A-F) IN THE COASTAL ZONE AT THE SANTA BARBARA MUNICIPAL AIRPORT

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

SECTION 1. The Airport Zoning Map approved by City Ordinance 5212 adopted on November 30, 2001, is hereby superceded in its entirety and the Map attached hereto as Exhibit A is approved as the official Airport Zoning Map, as required by Santa Barbara Municipal Code Chapter 29.11.

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'S 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) a 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 City Council initiated the Specific Plan process for the subject parcel on May 4, 2004;

WHEREAS, on August 21, 2008, the Planning Commission held a public hearing and certified the Final Environmental Impact Report and approved the Modification and Tentative Subdivision Map contingent upon adoption of an Ordinance approving the Specific Plan by the City Council; 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.
8. Findings of Infeasibility of Alternatives (per PRC Section 21081 and CCR Section 15091). The Council of the City of Santa Barbara 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:
- a. 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.
 - b. 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.

- c. 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.
- d. 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. In addition, this alternative includes combining four buildings into two, resulting in a design with mass, bulk and scale issues and which would be contrary to the City's Urban Design Guidelines and comments made by the Planning Commission and Architectural Board of Review to reduce the mass and provide more open space.
- e. 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. This alternative is also not economically feasible, nor would it result in any affordable housing units and would thus not meet the project objectives

- f. 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 by providing guest parking spaces at a lot neighboring the project. However, at this time, no agreement has been reached with neighboring landowners for permanent, long term parking offsite. Therefore, 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 Council of the City of Santa Barbara 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 Council of the City of Santa Barbara 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 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.

SECTION TWO: 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 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: The “Los Portales Specific Plan”, known as the “SP-10 Zone” is adopted to read as follows:

LOS PORTALES SPECIFIC PLAN

1. 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 (Santa Barbara Municipal Code Chapter 28.72). Although new residential development is generally prohibited in the M-1 Zone, it is the intent of this Special Plan to allow a residential development of forty-eight (48) condominium units within the Specific Plan area that provides a level of affordability equal to or greater than the terms specified in this Plan.

2. Uses Permitted.

The following uses are permitted in the Specific Plan Area:

A. Any use permitted in the M-1 Zone (Santa Barbara Municipal Code Chapter 28.72), subject to the restrictions and limitations contained in Chapter 28.72. Before any use permitted in the M-1 Zone is commenced within the Specific Plan Area, the Community Development Director shall review the proposed use. Upon review, the Director shall have the authority to require revisions to the proposed use as necessary to avoid obnoxious or offensive uses or hazards to life or property as provided in Chapter 28.72 of the Municipal Code.

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 11 of this Specific Plan, and

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

3. The residential project shall substantially conform to the plans approved by the Planning Commission and signed by the Commission Chair dated August 21, 2008, as determined by the Community Development Director.

3. Building Height.

Regardless of use, no building shall exceed four (4) stories or a building height of sixty (60) feet.

4. 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 11 of this Specific Plan. All other projects shall observe the setback requirements of the M-1 Zone (Santa Barbara Municipal Code Chapter 28.72).

5. Distance Between Buildings on the Same Lot.

No separation between buildings 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.

6. Maximum Number of Dwelling Units Allowed.

No residential project developed pursuant to this Specific Plan shall exceed forty-eight (48) residential units.

7. Outdoor Living Space.

Outdoor living space for any residential development shall be provided pursuant to the provisions applicable to the R-3 Zone (Santa Barbara Municipal Code Chapter 28.21).

8. Parking.

Parking shall be provided as required in Santa Barbara Municipal Code Chapter 28.90; 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 11 of this Specific Plan:

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 Santa Barbara Municipal Code Section 28.90.001.R.

9. Architectural Control.

Any development within the SP-10 Zone shall be subject to the review and approval of the Architectural Board of Review. If the Specific Plan Area is used for open yard storage of equipment or materials, the perimeter of the Specific Plan Area shall be screened in a manner approved by the Architectural Board of Review and the owner shall maintain the perimeter screen in good condition for the duration of the open yard use.

10. Exemption from SBMC Chapter 28.43.

Development within the SP-10 Zone is exempt from the Inclusionary Housing requirements of SBMC Chapter 28.43 – the “City of Santa Barbara Inclusionary Housing Ordinance.”

11. Price Restricted Housing Provision.

A. **GENERAL REQUIREMENT.** The residential project approved pursuant to this Specific Plan 10 shall contain forty-eight (48) residential units of which at least forty (40) units shall be constructed and offered for sale as Below-Market Price Units restricted for owner-occupancy and subject to the requirements specified in this Section 11.

B. **REQUIREMENTS FOR BELOW-MARKET PRICE UNITS.** Below-Market Price Units are subject to the following requirements:

1. **Initial Sale Price.** The average (mean) 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. The maximum sale prices specified in the preceding two sentences shall increase by 2.5%, compounded annually, from the effective date of the ordinance adopting this Specific Plan 10 until the close of escrow on the first sale of a Below-Market Price Unit to an owner-occupant or a period not to exceed five (5) years from the effective date of the ordinance adopting this Specific Plan 10, whichever occurs first. The average initial sale price and the maximum sale price shall be adjusted monthly on a pro-rata basis and rounded to the nearest one hundred dollars (\$100) (i.e., each month the average initial sale price and the maximum initial sale price shall be increased by 1/12 of the annual increase calculated for the year and the resulting amount shall be rounded to the nearest \$100).

2. Resale Price. Following the initial sale of a Below-Market Price Unit to an owner-occupant, the resale price of the Below-Market Price Unit may increase by no more than 2.5%, compounded annually, measured from the date of sale to the then current owner. The maximum resale price shall be adjusted monthly on a pro-rata basis (i.e., each month the maximum resale price shall be increased by 1/12 of the annual increase calculated for the year) and rounded to the nearest one hundred dollars (\$100). Other adjustments to the resale price may be made in accordance with the City's Affordable Housing Policies and Procedures Manual.

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 Code.

4. Owner Employment Requirement. At the time of purchase, at least one owner of each Below-Market Price Unit shall be employed on the South Coast of Santa Barbara County, with a preference given to persons who are employed at a location within the City of Santa Barbara.

5. Duration of Restrictions. Below-Market Price Units constructed in accordance with this Specific Plan 10 must be legally restricted as to price, occupancy, and employment as specified in this Section 11 in conformance with the City's Affordable Housing Policies and Procedures Manual and as 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.

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

1. Design. Below-Market Price Units must be dispersed throughout the 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 as determined appropriate by the Community Development Director.

2. Size and Bathroom Count. The minimum unit size of each Below-Market Price Unit shall be in conformance with the City's Affordable Housing Policies and Procedures. Absent a waiver from the Community Development Director, two-bedroom Below-Market Price Units shall have at least one and one-half bathrooms, and

three-bedroom Below-Market Price Units shall have at least two bathrooms. However, the required number of bathrooms per Below-Market Price Unit need not be greater than the average number of bathrooms per unit in the Market-Rate Units.

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

12. Below-Market Price Unit Plan Processing.

A. GENERALLY. The submittal to the City of a Below-Market Price Unit Plan and recordation of an approved City affordability control covenant shall be a precondition on the City Council approval of any Final Subdivision Map, and no building permit shall be issued for any residential development to which this Specific Plan applies without full compliance with the provisions of this Section 12.

B. BELOW-MARKET PRICE UNIT PLAN. A Below-Market Price Unit Plan shall be submitted to and approved by the Community Development Director as being complete prior to the issuance of a building permit for the residential project. 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 or construction standards with the requirements of this Specific Plan.

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

1. The number, location, and size of the proposed Unrestricted Units and 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 design standards and typical construction materials to be used to improve the interior of a Below-Market Price Unit.

4. 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 within the City of Santa Barbara in conformance with the City's Affordable Housing Policies and Procedures.

5. 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.

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 a separate recorded control covenant upon the sale of each Below-Market Price Unit.

13. Eligibility for Below-Market Price Units.

A. GENERAL ELIGIBILITY FOR BELOW-MARKET PRICE 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 official records of the County of Santa Barbara with respect to the Below-Market Price Unit. (Such control covenant is in addition to the overall interim control covenant required of the Applicant/Owner in Subsection 12.D of this Specific Plan) 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. However, under this Specific Plan there are no maximum household income restrictions for buyers of the Below-Market Price Units.

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 the time of purchase, at least one owner of each Below-Market Price Unit shall be employed on the South Coast of Santa Barbara County, with a preference for persons employed within the City of Santa Barbara.

14. Renewal of Controls Covenant.

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 Specific Plan.

15. Area Map.

The map attached hereto as Exhibit A and labeled "Specific Plan Area 10" is hereby approved and incorporated in this Specific Plan by this reference.

16. Phasing of Multi-family Residential Project.

The multi-family residential project approved by Section 2(B) of this Specific Plan may, at the discretion of the property owner, be constructed and occupied in distinct phases provided that each phase shall consist of not less than eight (8) units and provided that all common area utilities and amenities for each phase are constructed prior to the issuance of a certificate of occupancy for the particular phase of the development and perimeter landscaping is installed and maintained for the duration of

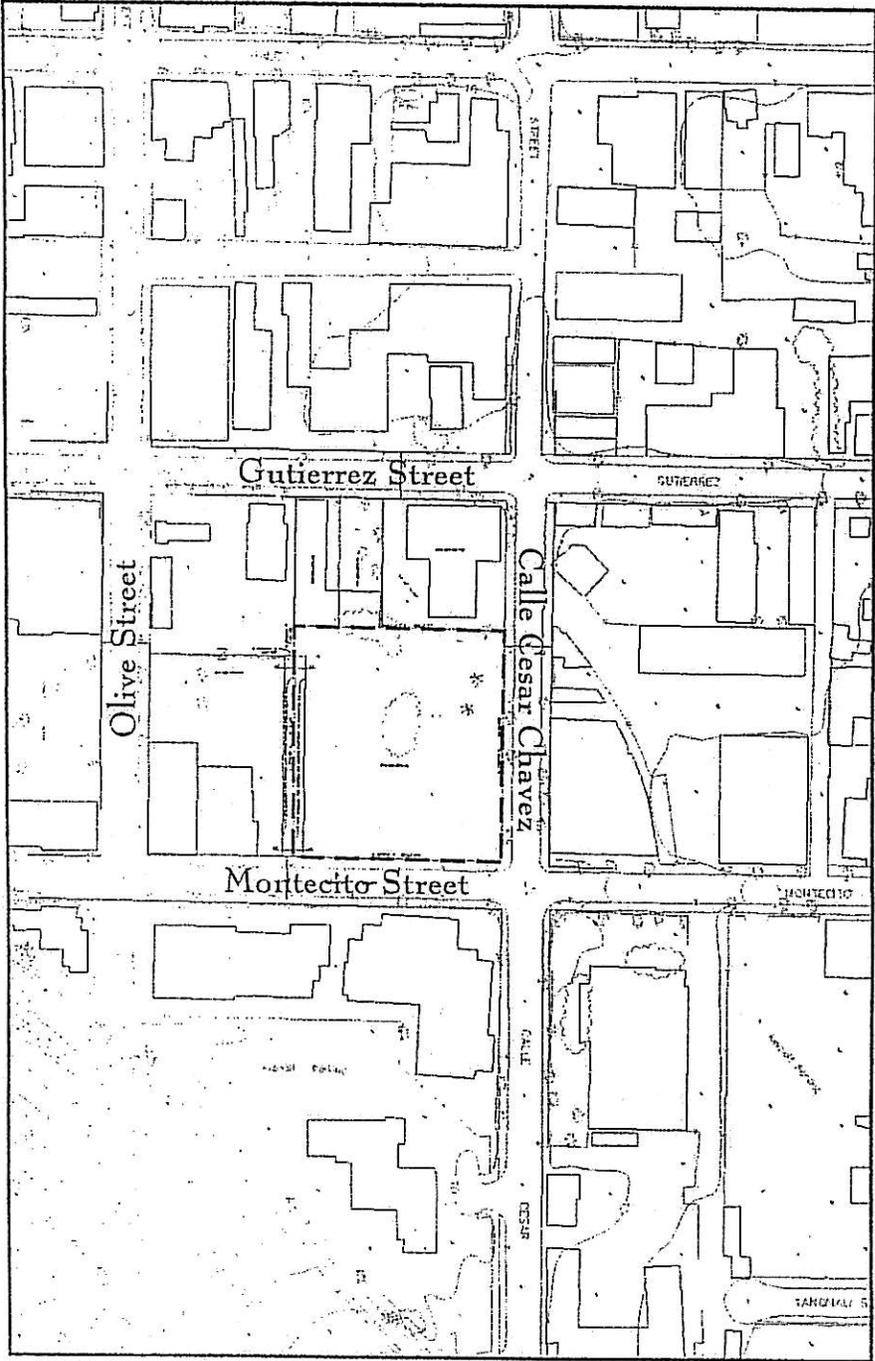
the phased construction of the project, as determined appropriate by the Community Development Director and the City Engineer.

17. Expiration of Specific Plan upon Failure to Obtain a Building Permit.

If a building permit for the first phase of the residential development anticipated by this Specific Plan 10 is not obtained and construction of the first phase is not commenced within seven (7) years of the effective date of the Ordinance adopting this Specific Plan 10, this Specific Plan 10 shall expire.

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.

Exhibit A: Map of Specific Plan Area 10



SPECIFIC PLAN AREA 10

ORDINANCE NO. ____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE THE PROPERTY TRANSFER AGREEMENT WITH THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION, AND SUBSEQUENTLY, SUBJECT TO REVIEW AND APPROVAL BY THE CITY ATTORNEY, TO EXECUTE ANY DEEDS TO PROVIDE FOR THE TRANSFER OF CERTAIN PROPERTIES OWNED IN FEE BY THE CITY OF SANTA BARBARA REQUIRED FOR THE STATE HIGHWAY ROUTE 101 MILPAS STREET TO HOT SPRINGS ROAD OPERATIONAL IMPROVEMENTS PROJECT, AND ACCEPTING THE OWNERSHIP IN FEE OF CERTAIN NON-FREEWAY PROPERTIES TO BE RELINQUISHED BY THE STATE OF CALIFORNIA DEPARTMENT OF TRANSPORTATION, UNDERLYING AND ADJACENT TO THE ROUNDABOUT AT MILPAS STREET, NOW EXISTING ADJACENT TO STATE HIGHWAY

WHEREAS, in connection with the Coastal Development Permit approved by Resolution No. 059-04 of the Planning Commission on December 16, 2004, the State of California, acting by and through the Department of Transportation (hereinafter "Caltrans"), has designed and obtained all required permits for the construction of the Highway 101 Operational Improvements Project between Milpas Street and Hot Springs Road (hereinafter "Freeway Project");

WHEREAS, the Freeway Project has been approved by the City as set forth in the Freeway Agreement with Caltrans approved by Council on February 13, 2007, approved as Agreement No. 22,314;

WHEREAS, the construction by Caltrans of the Freeway Project has begun, which includes the necessary transfer of certain portions of streets owned in fee by the City for alteration and improvement by Caltrans in connection with Freeway Project;

WHEREAS, the portions of streets owned by the City and required by Caltrans are generally located within or adjacent to the Freeway Project for State Route 101, and referred to as an existing freeway portion of Milpas Street located southeasterly of the existing roundabout at Milpas Street, a portion of the unnamed City street at the Route 101 southbound onramp easterly of Milpas Street, an untraveled portion of Alisos Street southeasterly of State Route 101, and a dead-end portion of Indio Muerto Street Southwesterly of State Route 101;

WHEREAS, the Charter of the City requires approval to dispose any City fee-owned properties by adoption by Council of an approving ordinance;

WHEREAS, this Ordinance upon its adoption by Council will provide authorization for the City Administrator to execute and deliver the Property Transfer Agreement to Caltrans, and subject to approval by the City Attorney, to execute and deliver to Caltrans the deeds required by Caltrans for the Freeway Project;

WHEREAS, following the completion of the Freeway Project, Caltrans intends to relinquish to the City certain portions of properties adjacent to State Route 101 owned in fee by Caltrans, which includes the intended transfer to the City by Caltrans of its excess non-freeway properties underlying the existing roundabout at Milpas Street, and the portions of properties underlying and near the roundabout being constructed at the intersection of Coast Village Road, Hot Springs Road and Old Coast Highway, which are referred to for convenience in the Property Transfer Agreement as Relinquishment Area Parcel One and Relinquishment Area Parcel Two; and

WHEREAS, at the appropriate time, the foregoing properties underlying the existing roundabout at Milpas Street and the Relinquishment Area Parcel One and Relinquishment Area Parcel Two, deemed by Caltrans to become excess to the Freeway Project, will be formally offered to the City, the intended acceptance of which by the City may be demonstrated by adoption of a resolution by Council prepared for such purpose in addition to and concurrently with its adoption of this Ordinance.

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

SECTION 1. The Property Transfer Agreement between the City of Santa Barbara and the State of California, acting by and through the Department of Transportation, which provides for the transfer by the City to Caltrans of the foregoing portions of streets owned by the City, is hereby approved, and the City Administrator is authorized to execute any documents related to said transfer of properties for the Freeway Project.

SECTION 2. Subject to review and approval by the City Attorney, the City Administrator is authorized to execute any required deeds prepared by Caltrans for such purposes.

SECTION 3. Following the effective date of this Ordinance, the City Clerk is authorized to deliver the Property Transfer Agreement executed by the City Administrator to Caltrans for its final execution.

SECTION 4. Following the effective date of this Ordinance, the City Clerk is authorized to deliver to Caltrans any deeds prepared by Caltrans and executed by the City Administrator for acceptance, final execution and recordation in the Official Records, in the office of the County Recorder, Santa Barbara County.

SECTION 5. Following the effective date of this Ordinance, the City Clerk is authorized to deliver to Caltrans a certified copy of the resolution by Council adopted concurrently with this Ordinance to demonstrate acceptance by the City of Santa Barbara of the excess properties approved by the California Transportation Commission (CTC) to be relinquished, for attachment the resolution by the CTC at the time of its recordation in the Official Records, in the office of the County Recorder, Santa Barbara County.

SECTION 6. The City of Santa Barbara, in connection with the State Route 101 Milpas Street to Hot Springs Operational Improvements Project, the Freeway Project, now under construction, and in connection a certain Property Transfer Agreement between the City and the State of California, Department of Transportation, approved at or about the time of this resolution, hereby declares its intent to accept the ownership in fee of certain non-freeway properties underlying superseded portions of the Freeway Project, now owned by the State of California, being the non-freeway portions of property located at and near the roundabout at Milpas Street, now existing adjacent to State Route 101, and being the non-freeway portions of property near the roundabout project now undergoing construction at the intersection of Coast Village Road, Hot Springs Road and Old Coast Highway, each of which will be offered to the City and described with specificity in a resolution by the California Transportation Commission following the completion of said Freeway Project and said Roundabout Project, to cause the relinquishment of such areas to the City of Santa Barbara, a municipal corporation.

SECTION 7. The City of Santa Barbara, without further action, hereby consents to the recordation by the State of California in the official Records of Santa Barbara County of any resolution adopted by the State of California for such purposes.

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING A TEN-YEAR LICENSE AGREEMENT WITH THE SANTA BARBARA YOUTH SAILING FOUNDATION, EFFECTIVE MARCH 26, 2009, FOR A 2,500 SQUARE FOOT WATER SPACE IN MARINA 1, AT AN INITIAL RENT OF \$595 PER MONTH

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

SECTION 1. In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, An Ordinance of the Council of the City of Santa Barbara approving a ten-year license agreement with the Santa Barbara Youth Sailing Foundation, effective March 26, 2009, for a 2,500 square foot water space in Marina 1, at an initial rent of \$595 per month, is hereby approved.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers

FROM: Administration Division, Community Development Department

SUBJECT: Amendment To The Position And Salary Control Resolution For Fiscal Year 2009, Eliminating The Assistant Community Development Director Position

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 08-061, the Position and Salary Control Resolution for Fiscal Year 2009, Affecting the Housing and Redevelopment Division of the Community Development Department Effective March 7, 2009.

DISCUSSION:

On March 6, 2009, the current Assistant Community Development Director / Housing and Redevelopment Manager (ACDD/HRM) will retire after 12 years of service. Because of this retirement, and partly due to the economic situation, this is the perfect time to reassess the management team of the Community Development Department.

This assessment did occur and the Community Development Director is proposing to eliminate the "Assistant Community Development Director" functions from the Assistant Community Development Director / Housing and Redevelopment Manager position. The department has a strong management team which consists of two other Division Managers, a Chief Building Official and a City Planner and two mid-level managers, a Principal Planner and an Administrative Services Manager. This team along with the Housing and Redevelopment Manager is a strong team that we believe can and will function effectively and efficiently. As well, this change will allow eliminating the costs charged to the General Fund for the corresponding "Assistant" functions, no incumbent is affected.

BUDGET/FINANCIAL INFORMATION:

By deleting the Assistant Community Development Director portion from the Housing and Redevelopment Manager position, there will be a salary savings of approximately \$10,000 with the majority of the savings accruing to the Redevelopment Agency and a small portion accruing to the General Fund.

Council Agenda Report
Amendment To The Position And Salary Control Resolution For Fiscal Year 2009,
Eliminating The Assistant Community Development Director Position
February 24, 2009
Page 2

PREPARED BY: Michele De Cant, Administrative Services Manager

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING RESOLUTION NO. 08-061, THE POSITION AND SALARY CONTROL RESOLUTION FOR FISCAL YEAR 2009, AFFECTING THE HOUSING AND REDEVELOPMENT DIVISION OF THE COMMUNITY DEVELOPMENT DEPARTMENT EFFECTIVE MARCH 7, 2009

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT Resolution No. 08-061, the Position and Salary Control Resolution for Fiscal Year 2009, is hereby amended as follows:

	<u>Full-Time Positions Authorized</u>	<u>Part-Time Positions Authorized</u>
<u>COMMUNITY DEVELOPMENT DEPARTMENT</u>		
<u>HOUSING AND REDEVELOPMENT</u>		
Assistant Community Development Director/ —Housing & Redevelopment Manager	4	
Housing and Redevelopment Manager		1
Division Total	15	
Department Total	86	1.5
Citywide Total	1060	27.30
Delete when vacant positions (included in total)		1
<u>Classification Title</u>	<u>FLSA</u>	<u>Service Status</u>
Assistant Community Development Director/ —Housing & Redevelopment Manager	E	U
Assistant Community Development Director/ —Housing & Redevelopment Manager	E	U
Housing and Redevelopment Manager	E	U
	M	M
	477	4489.82 – 5457.41



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Renewable Energy Secure Communities (RESCO) Grant Application

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the City Administrator to Submit a Renewable Energy Secure Communities (RESCO) Grant Application to the California Energy Commission (CEC) for \$2 Million to Initiate the Design and Installation of Renewable Energy Projects for Municipal Facilities.

DISCUSSION:

BACKGROUND

The California Energy Commission Public Interest Energy Research (PIER) Program awards grants annually to public agencies and non-profit organizations that are pursuing development and demonstration projects that advance energy science and technology. The Commission is currently soliciting grant proposals for Renewable Energy Secure Communities (RESCO) funding to help communities take advantage of local renewable energy resources and demonstrate viable energy technologies for other communities. The Commission is funded by the public goods charge paid by California ratepayers for electricity and natural gas use.

The Commission defines a RESCO as a community that secures its energy supply primarily through local renewable energy resources, becoming less vulnerable to interruptions and emergencies affecting the supply of imported energy from grid electricity, natural gas, and transportation fuels. The RESCO grant will enable agencies to build upon past work such as preliminary research, feasibility studies, and existing renewable technologies to avoid duplicating work efforts and accelerate the implementation of viable technologies in other communities.

The City of Santa Barbara has successfully implemented renewable energy and energy efficiency projects to reduce consumption of grid electricity. In 2002, the City converted traffic signals citywide to energy-efficient LED (Light Emitting Diode) lights. An award-winning fuel cell generator was built at the El Estero Wastewater Treatment Plant in 2006 to convert methane to electricity. Most recently, the City completed the installation of a 300 kW solar photovoltaic system at the Public Works Corporate Yard.

To reduce electricity consumption and greenhouse gas emissions, City staff has explored other opportunities to implement renewable energy projects at City facilities. The RESCO grant will fund a minimum of three renewable energy technologies to help cities achieve reduce electricity consumption for community facilities. Staff is proposing to submit the following projects for RESCO grant funding:

- Small-scale hydro-electric plant at the Cater Water Treatment Plant which involves reactivating an existing generator to produce electricity;
- Biogas/biomass conversion project at the El Estero Wastewater Treatment Plant that uses brown grease and foodscraps from restaurants to produce electricity; and
- Solar photovoltaic installation at the new Airport Terminal facility that would produce electricity for Airport operations.

These projects would produce reliable renewable energy and reduce greenhouse gas emissions from City facilities by 15% – 20%.

The grant application will request \$2 million in RESCO funds, assuming a 50% matching fund requirement from the Water Resources Fund and Airport Fund within the timeframe of August 2009 to September 2012. There are funds available to meet this matching requirement.

PREPARED BY: Nina Johnson, Assistant to the City Administrator

SUBMITTED BY: Jim Armstrong, City Administrator

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE CITY ADMINISTRATOR TO SUBMIT A RENEWABLE ENERGY SECURE COMMUNITIES (RESCO) GRANT APPLICATION TO THE CALIFORNIA ENERGY COMMISSION (CEC) FOR \$2 MILLION TO INITIATE THE DESIGN AND INSTALLATION OF RENEWABLE ENERGY PROJECTS FOR MUNICIPAL FACILITIES

WHEREAS, the City of Santa Barbara consumes over 23,000 megawatt-hours of electricity and generates almost 12,000 metric tons of greenhouse gas emissions annually through operation of numerous public works and community facilities;

WHEREAS, the City of Santa Barbara has successfully implemented projects to provide electricity to public facilities through renewable energy sources such as biogas and solar energy;

WHEREAS, the City of Santa Barbara seeks to increase the level of renewable energy used to power municipal facilities and reduce greenhouse gas emissions from electricity use in municipal facilities;

WHEREAS, the City of Santa Barbara plans to reduce greenhouse gas emissions from municipal facilities and fleet through energy efficiency, renewable resources, and reduction of fuel use; and

WHEREAS, the California Energy Commission's Public Interest Energy Research (PIER) Program assists agencies that advance energy science and technology and help improve the quality of life in California by bringing environmentally safe, affordable and reliable energy services and products to the marketplace;

WHEREAS, the California Energy Commission Renewable Energy Secure Communities (RESCO) grant provides funding for agencies to demonstrate and employ multiple renewable technologies such as small-scale hydro-electric generation, solar photovoltaics, and conversion of brown grease and foodscraps to energy;

NOW, THEREFORE BE IT RESOLVED, THAT THE CITY ADMINISTRATOR IS, hereby authorized and empowered to execute in the name of the City of Santa Barbara, all necessary documents to submit the grant application.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers

FROM: Administration, Airport Department

SUBJECT: Acceptance And Appropriation Of Federal Aviation Administration, Airport Improvement Program Grant Offer For Santa Barbara Airport

RECOMMENDATION: That Council:

- A. Accept and authorize the Airport Director to execute, on behalf of the City, FAA Grant Offer of \$1,347,262 in Airport Improvement Program (AIP) funds for Project No. AIP-3-06-0235-039-2009 for Phase I, Construction of a new airline terminal building;
- B. Increase appropriations and estimated revenue by \$1,418,170 in the Airport's Grants Fund for Phase I, Construction of a new airline terminal building, to be funded from Federal Aviation Administration Airport Improvement Program (AIP) Grant No. 03-06-0235-39-2009, including the City's 5% match portion (\$70,908); and
- C. Increase appropriations in the Airport Operating Fund by \$70,908 for the transfer of the City's matching portion funded from available reserves.

DISCUSSION:

The FAA under authorization from the United States Congress distributes AIP funds each year. Half of each year's authorized level of AIP funding is distributed to all eligible commercial service airports through an entitlement program that guarantees a minimum level of federal assistance each year based on prior year passenger enplanement levels. The remaining AIP funds are distributed on a discretionary basis.

However, Congress has failed to pass new legislation and the FAA is operating under a Continuing Resolution through March 31, 2009. FAA has approved the first of several AIP grant requests for funding for the Airline Terminal Improvement Program. A total of \$8,984,000 in AIP grant funds are included in the City's plan of finance for this project.

BUDGET/FINANCIAL INFORMATION:

Funds for the City's 5% match are available in the Airport's Operating Reserves above policy.

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers

FROM: City Attorney's Office
Engineering Division, Public Works Department

SUBJECT: Authorization For Agreement For Legal Services Related To The
Cabrillo Bridge Replacement Project

RECOMMENDATION:

That Council authorize the City Administrator to execute a professional services agreement, subject to review and approval of the form of the agreement by the City Attorney, with the law firm of Best, Best Krieger, LLP (BBK) in the not-to-exceed amount of \$50,000 for special legal services to the City on matters related to the Cabrillo Bridge Replacement Project (Project).

DISCUSSION:

The City is currently undertaking the replacement of the Cabrillo Bridge located at the corner of State Street and Cabrillo Boulevard. The work involved with the Project will unavoidably impact some adjacent businesses. Three different sets of owners own the various parcels that will be affected by the Project: Romasanta Living Trust, Lighthouse & Corner, LLC, and Above Mission Creek, LLC. Appraisals have been completed on behalf of all three property owners and offer letters will be sent out shortly. Once the letters are sent out, the City's representatives and right of way agent will meet with the property owners in an attempt to reach an agreement on the value of the respective property interests that the City will need to acquire for the Project.

Regarding Lighthouse & Corner, LLC and Above Mission Creek, LLC properties; the negotiation process will most likely be made more difficult because the majority of the properties are owned by family members who are currently engaged in their own litigation over the status of these properties. As a result, it may be difficult to negotiate a fair and equitable settlement of all the property interests the City must obtain to move forward with the current scheduled construction contract award date of August 2009. Before the City can put the Project out to bid, all right of way issues must be settled between the City and the property owners within the next month. If voluntary negotiations do not result in the City obtaining the necessary rights of way in a timely manner, the City will be required to file eminent domain action against one or more of the property owners.

The firm of BBK is an experienced eminent domain law firm that has successfully worked on behalf of other local agencies in completing their respective public works projects, including successful litigation when necessary. The City Attorney's office conducted a Request for Proposals process involving four California law firms with eminent domain experience. We recommend BBK for retention by the City, due to their strong level of experience and competitive billing rate.

BUDGET/FINANCIAL INFORMATION:

Staff has negotiated an acceptable hourly rate for this agreement that is consistent with that typically paid by other public agencies for such expertise. The Federal Highway Administration will reimburse the City for 88.57% of the City Attorney's Office personnel costs, including the costs for a retained attorney as a part of the right of way acquisition expenses. There are adequate funds in the Streets Capital Program to pay for this work.

PREPARED BY: David C. McDermott, Assistant City Attorney/lp
Pat Kelly, Assistant Public Works Director/City Engineer

SUBMITTED BY: Stephen P. Wiley, City Attorney
Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Professional Services For Design Of Headworks Screening Replacement Project At El Estero Wastewater Treatment Plant

RECOMMENDATION:

That Council authorize the Public Works Director to execute a contract with Carollo Engineering (Carollo) in the amount of \$396,494, to design a replacement Headworks screening, conveyance, and washer compactor system for influent wastewater flow into the El Estero Wastewater Treatment Plant (EEWTP), and authorize the Public Works Director to approve expenditures up to \$40,000 to cover cost increases that may result from unanticipated changes to the scope of work.

DISCUSSION:

The existing screens and solids removal system located at EEWTP, has reached its useful lifetime and is in need of replacement. Screening is a means to capture large and non-soluble solids at the intake of the EEWTP. Screening and removal of large and/or non-soluble waste has a direct impact on the overall wastewater treatment process. Solids passing into the wastewater treatment process delay time to decompose the overall waste stream, thus affecting the quality and manageability of treatment time. The existing Headworks screens do not capture all the influent flow, resulting in solids passing into the treatment process. In addition, this process is not adequately controlled and does not have conveyance from the screening area to the disposal pick-up.

Design of a replacement system to screen the influent to the EEWTP is challenging for several reasons: space in the Headworks area is very limited; it is in a critical location at the plant; and the compaction/hauling area for the screened material is at a substantially higher elevation than the screens. Another significant design challenge is providing for bypass pumping of incoming sewage during the construction.

Design challenges must also address construction sewage bypassing of all incoming waste streams. The design scope incorporates automated controls and Supervisory Control and Data Acquisition integration, modifications to the washer compactor area, replacement of washer compactor units, and a study of the emergency electrical generator's use for the new mechanical screens and conveyance.

Carollo was selected for this design project through a Request for Proposal process. They have extensive background with the EEWTP process and are familiar with the Headwork's screening design challenges. Carollo performed the preliminary analysis and have prepared a proposal to address the critical design elements necessary for a successful replacement of the Headwork Screens.

BUDGET/FINANCIAL INFORMATION

Funds for design of the Headworks screening are available in the Wastewater Capital Fund. However, there are not sufficient funds at this time for the full replacement construction cost estimates of approximately \$4.2 million. Staff is recommending we proceed with the design in anticipation of future Capital Improvement Project funding, grants, or possible economic stimulus funds. Staff will not solicit bids until funds have been identified.

SUSTAINABILITY IMPACT

Removal of solids through the screening process reduces overall wastewater treatment process time which saves energy. Any new mechanical equipment resulting from the design will be selected for removal and energy efficiency.

PREPARED BY: John Schoof, Wastewater System Manager/LC/nrs

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 230.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers

FROM: Administrative Division, Finance Department

SUBJECT: Community Promotion Contract With Spirit Of '76

RECOMMENDATION:

That Council authorize the Finance Director to execute a Community Promotion contract with Spirit of '76 in an amount of \$12,500 to commence on March 15, 2009, and terminate on August 30, 2009, according to the terms of the contract.

DISCUSSION:

The Fiscal Year 2009 Budget, adopted by City Council on June 24, 2008, included Community Promotion funding for the Spirit of '76 organization for 4th of July activities. This contract will support the production of the 45th Annual 4th of July Parade and Patriotic Rally. The \$12,500 under this agreement will cover administrative and operational expenses. Other expenses covered include the cost of marching bands, music, special performing exhibits, and the patriotic rally.

PREPARED BY: Jennifer Hopwood, Executive Assistant

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY BOARD AGENDA REPORT

AGENDA DATE: February 24, 2009
TO: Redevelopment Agency Board
FROM: Accounting Division, Finance Department
SUBJECT: Redevelopment Agency Fiscal Year 2009 Interim Financial Statements For The Six Months Ended December 31, 2008

RECOMMENDATION:

That the Redevelopment Agency Board accept the Redevelopment Agency Fiscal Year 2009 Interim Financial Statements for the Six Months Ended December 31, 2008.

DISCUSSION:

The Interim Financial Statements for the Six Months Ended December 31, 2008 (50% of the fiscal year) are attached. The Interim Financial Statements include budgetary activity in comparison to actual activity for the Redevelopment Agency's General, Housing, and Capital Projects Funds.

ATTACHMENT: Redevelopment Agency Interim Financial Statements for the Six Months Ended December 31, 2008
PREPARED BY: Rudolf J. Livingston, Accounting Manager
SUBMITTED BY: Robert Peirson, Fiscal Officer
APPROVED BY: City Administrator's Office

REDEVELOPMENT AGENCY
OF THE
CITY OF SANTA BARBARA

INTERIM FINANCIAL STATEMENTS
FISCAL YEAR 2009
FOR THE SIX MONTHS
ENDED DECEMBER 31, 2008

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA
General Fund
Interim Statement of Revenues, Expenditures and Encumbrances
For the Six Months Ended December 31, 2008 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
Incremental Property Taxes	\$ 14,414,400	\$ 9,377,734	\$ -	\$ 5,036,666	65.06%
Investment Income	200,000	228,315	-	(28,315)	114.16%
Interest Loans	5,000	28,760	-	(23,760)	575.20%
Underground Tank Abatement	-	108,937	-	(108,937)	0.00%
Rents	48,000	32,170	-	15,830	67.02%
Miscellaneous	1,389	1,456	-	(67)	104.82%
Total Revenues	<u>14,668,789</u>	<u>9,777,372</u>	<u>-</u>	<u>4,891,417</u>	<u>66.65%</u>
Use of Fund Balance	2,855,028	1,427,516	-	-	50.00%
Total Sources	<u>\$ 17,523,817</u>	<u>\$ 11,204,888</u>	<u>\$ -</u>	<u>\$ 4,891,417</u>	<u>63.94%</u>
Expenditures:					
Material, Supplies & Services:					
Office Supplies & Expense	\$ 3,000	\$ 1,157	\$ -	\$ 1,843	38.57%
Mapping, Drafting & Presentation	500	-	-	500	0.00%
Janitorial & Hshld Supplies	100	-	-	100	0.00%
Minor Tools	100	-	-	100	0.00%
Special Supplies & Expenses	5,000	-	-	5,000	0.00%
Building Materials	100	-	-	100	0.00%
Equipment Repair	1,000	437	-	563	43.70%
Professional Services - Contract	841,198	372,421	15,219	453,558	46.08%
Legal Services	185,731	76,115	-	109,616	40.98%
Engineering Services	20,000	2,738	-	17,262	13.69%
Non-Contractual Services	12,000	2,194	-	9,806	18.28%
Meeting & Travel	7,500	819	-	6,681	10.92%
Mileage Reimbursement	300	-	-	300	0.00%
Dues, Memberships, & Licenses	13,500	3,365	-	10,135	24.93%
Publications	1,500	255	-	1,245	17.00%
Training	7,500	1,749	-	5,751	23.32%
Advertising	4,000	-	-	4,000	0.00%
Printing and Binding	1,000	154	-	846	15.40%
Postage/Delivery	2,000	127	-	1,873	6.35%
Duplicating	4,000	27	-	3,973	0.68%
Non-Allocated Telephone	1,000	-	-	1,000	0.00%
Vehicle Fuel	650	631	-	19	97.08%
Equipment Rental	1,000	-	-	1,000	0.00%
Total Supplies & Services	<u>1,112,679</u>	<u>462,189</u>	<u>15,219</u>	<u>635,271</u>	<u>42.91%</u>
Allocated Costs:					
Desktop Maint Replacement	27,104	13,552	-	13,552	50.00%
GIS Allocations	5,145	2,573	-	2,573	50.00%
Building Maintenance	1,919	960	-	959	50.00%
Planned Maintenance Program	7,260	3,630	-	3,630	50.00%
Vehicle Replacement	5,724	2,862	-	2,862	50.00%
Vehicle Maintenance	4,727	2,364	-	2,363	50.00%
Telephone	2,559	1,280	-	1,280	50.00%
Custodial	3,951	1,976	-	1,976	50.00%
Communications	5,014	2,507	-	2,507	50.00%
Allocated Facilities Rent	6,178	3,089	-	3,089	50.00%
Overhead Allocation	567,635	283,818	-	283,817	50.00%
Total Allocated Costs	<u>637,216</u>	<u>318,608</u>	<u>-</u>	<u>318,608</u>	<u>50.00%</u>
Special Projects	789,706	613,004	44,765	131,937	83.29%
Transfers	12,173,030	3,780,961	-	8,392,069	31.06%
Grants	2,739,907	77,072	166,435	2,496,400	8.89%
Equipment	7,250	4,065	-	3,185	56.07%
Fiscal Agent Charges	11,500	3,099	-	8,401	26.95%
Appropriated Reserve	52,529	-	-	52,529	0.00%
Total Expenditures	<u>\$ 17,523,817</u>	<u>\$ 5,258,998</u>	<u>\$ 226,419</u>	<u>\$ 12,038,400</u>	<u>31.30%</u>

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA
Housing Fund
Interim Statement of Revenues, Expenditures and Encumbrances
For the Six Months Ended December 31, 2008 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
Incremental Property Taxes	\$ 3,603,600	\$ 2,344,434	\$ -	\$ 1,259,166	65.06%
Investment Income	150,000	74,297	-	75,703	49.53%
Interest Loans	160,000	323,126	-	(163,126)	201.95%
Miscellaneous	534	2,484	-	(1,950)	465.17%
Total Revenues	<u>3,914,134</u>	<u>2,744,341</u>	<u>-</u>	<u>1,169,793</u>	70.11%
Use of Fund Balance	(2,199,853)	(1,099,921)	-	-	50.00%
Total Sources	<u>\$ 1,714,281</u>	<u>\$ 1,644,420</u>	<u>\$ -</u>	<u>\$ 1,169,793</u>	95.92%
Expenditures:					
Material, Supplies & Services:					
Office Supplies & Expense	\$ 1,800	\$ 689	\$ -	\$ 1,111	38.28%
Special Supplies & Expenses	1,800	328	-	1,472	18.22%
Equipment Repair	500	437	-	63	87.40%
Professional Services - Contract	715,811	352,833	-	362,978	49.29%
Legal Services	2,000	-	-	2,000	0.00%
Non-Contractual Services	2,000	982	-	1,018	49.10%
Meeting & Travel	6,000	1,110	-	4,890	18.50%
Mileage Reimbursement	100	-	-	100	0.00%
Dues, Memberships, & Licenses	2,025	225	-	1,800	11.11%
Publications	200	99	-	101	49.50%
Training	5,000	1,555	-	3,445	31.10%
Printing and Binding	-	11	-	(11)	0.00%
Postage/Delivery	500	333	-	167	66.60%
Non-Allocated Telephone	500	111	-	389	22.20%
Equipment Rental	100	-	-	100	0.00%
Total Supplies & Services	<u>738,336</u>	<u>358,713</u>	<u>-</u>	<u>379,623</u>	48.58%
Allocated Costs:					
Desktop Maintance Replacement	8,131	4,065	-	4,066	50.00%
GIS Allocations	2,573	1,287	-	1,286	50.00%
Building Maintance	960	480	-	480	50.00%
Planned Maintenance Program	4,302	2,151	-	2,151	50.00%
Telephone	1,378	689	-	689	50.00%
Custodial	2,007	1,004	-	1,004	50.00%
Communications	3,115	1,557	-	1,558	50.00%
Allocated Facilities Rent	3,661	1,830	-	1,831	50.00%
Overhead Allocation	100,204	50,102	-	50,102	50.00%
Total Allocated Costs	<u>126,331</u>	<u>63,165</u>	<u>-</u>	<u>63,166</u>	50.00%
Transfers	5,464	5,464	-	-	100.00%
Equipment	7,500	1,080	-	6,420	14.40%
Housing Activity	120,000	6,467	-	113,533	5.39%
Principal	455,000	455,000	-	-	100.00%
Interest	181,650	94,238	-	87,412	51.88%
Fiscal Agent Charges	-	1,265	-	(1,265)	100.00%
Loan Forgiveness	-	404,000	-	(404,000)	100.00%
Appropriated Reserve	80,000	-	-	80,000	0.00%
Total Expenditures	<u>\$ 1,714,281</u>	<u>\$ 1,389,392</u>	<u>\$ -</u>	<u>\$ 324,889</u>	81.05%

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA
Capital Projects Fund
Interim Statement of Revenues, Expenditures and Encumbrances
For the Six Months Ended December 31, 2008 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
Transfers-In	\$ 4,656,946	\$ 2,311,365	\$ -	\$ 2,345,581	49.63%
Total Revenues	4,656,946	2,311,365	-	-	49.63%
Use of Fund Balance	7,745,356	3,872,673	-	-	50.00%
Total Sources	<u>\$ 12,402,302</u>	<u>\$ 6,184,038</u>	<u>\$ -</u>	<u>\$ -</u>	49.86%
Expenditures:					
Finished					
Soil Remediation-Casas Las Granadas	\$ 2,345	\$ -	\$ -	\$ 2,345	0.00%
Coffee Cat Pedestrian Improvements	147,297	128,130	-	19,167	86.99%
Plaza Vera Cruz	86,989	86,989	-	-	100.00%
617 Garden - Mental Health	1,200,000	1,200,000	-	-	100.00%
Construction Phase					
IPM - Sustainable Park Improvements	11,304	1,793	9,511	-	100.00%
Fire Station #1 Remodel	1,189,900	371,497	605,920	212,483	82.14%
PD Locker Room Upgrade	343,660	171,923	169,271	2,466	99.28%
Design Phase					
Carrillo Rec Center Restoration	2,200,000	-	-	2,200,000	0.00%
Planning Phase					
Opportunity Acquisition Fund	366,500	-	-	366,500	0.00%
RDA Project Contingency Account	6,140,852	-	-	6,140,852	0.00%
Fire Station #1 EOC	35,000	-	-	35,000	0.00%
Underground Tank Abatement	330,000	-	2,500	327,500	0.76%
Housing Fund Contingency Account	348,455	-	-	348,455	0.00%
Total Expenditures	<u>\$ 12,402,302</u>	<u>\$ 1,960,332</u>	<u>\$ 787,202</u>	<u>\$ 9,654,768</u>	22.15%

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA
RDA Bonds - Series 2001A
Interim Statement of Revenues, Expenditures and Encumbrances
For the Six Months Ended December 31, 2008 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
Investment Income	\$ -	\$ 15,355	\$ -	\$ (15,355)	100.00%
Transfers-In	-	882,427	-	(882,427)	100.00%
Total Revenues	-	897,782	-	(897,782)	100.00%
Use of Fund Balance	3,434,978	1,717,487	-	-	50.00%
Total Sources	<u>\$ 3,434,978</u>	<u>\$ 2,615,269</u>	<u>\$ -</u>	<u>\$ (897,782)</u>	76.14%
Expenditures:					
Interest	\$ -	\$ 882,427	\$ -	(882,427)	100.00%
Total Non-Capital Expenditures	-	882,427	-	(882,427)	100.00%
Capital Outlay:					
Finished					
Granada Garage Mitigation Fund	6,868	-	-	6,868	0.00%
916 State St Public Restrooms	58,421	-	-	58,421	0.00%
Chapala St Improvements	14,915	-	-	14,915	0.00%
Thompson Av Improvements	200,000	189,381	-	10,619	94.69%
East Cabrillo Blvd Sidewalks	2,154,774	452,161	84,314	1,618,299	24.90%
Design Phase					
Carrillo Rec Center Restoration	1,000,000	-	-	1,000,000	0.00%
Total Expenditures	<u>\$ 3,434,978</u>	<u>\$ 1,523,969</u>	<u>\$ 84,314</u>	<u>\$ 1,826,695</u>	46.82%

REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA
RDA Bonds - Series 2003A
Interim Statement of Revenues, Expenditures and Encumbrances
For the Six Months Ended December 31, 2008 (50% of Fiscal Year)

	<u>Annual Budget</u>	<u>Year-to-date Actual</u>	<u>Encum- brances</u>	<u>Remaining Balance</u>	<u>Percent of Budget</u>
Revenues:					
Investment Income	\$ -	\$ 329,433	\$ -	\$ (329,433)	100.00%
Transfers-In	-	552,954	-	(552,954)	100.00%
Total Revenues	-	882,387	-	(882,387)	100.00%
Use of Fund Balance	23,808,669	11,904,319	-	-	50.00%
Total Sources	\$ 23,808,669	\$ 12,786,706	\$ -	\$ (882,387)	53.71%
Expenditures:					
Interest	\$ -	\$ 553,115	\$ -	\$ (553,115)	100.00%
Total Non-Capital Expenditures	-	553,115	-	(553,115)	100.00%
Capital Outlay:					
Finished					
8965 State St Underpass Improvements	106,901	-	-	106,901	0.00%
9095 State St Sidewalks 400-500 Blocks	38,568	-	-	38,568	0.00%
Construction Phase					
3179 IPM - Sustainable Park Improvements	101,000	-	-	101,000	0.00%
9007 Artist Workspace	696,643	54,659	4,179	637,805	8.45%
9017 Plaza Vera Cruz	65,970	35,538	26,389	4,043	93.87%
9055 Historic Railroad CAR	270,887	102,615	85,000	83,272	69.26%
7999 Fire Station #1 Remodel	4,091,114	1,329,967	2,719,567	41,580	98.98%
8966 Anapamu Open Space Enhancements	187,960	169,913	29,457	(11,410)	106.07%
Design Phase					
8958 West Beach Pedestrian Improvements	2,848,769	80,479	149,626	2,618,664	8.08%
8961 Plaza De La Guerra Infrastructure	884,073	272	38,290	845,511	4.36%
9068 Westside Community Center	247,967	10,330	6,524	231,113	6.80%
9071 West Downtown Improvement	2,974,294	28,987	133,324	2,811,983	5.46%
9091 Carrillo Rec Ctr Restoration	3,300,976	107,788	672,596	2,520,592	23.64%
9082 Adams Parking Lot & Site Imprvmts	166,873	28,087	5,417	133,369	20.08%
Planning Phase					
7911 Mission Creek Flood Control Channel	1,273,422	11,324	-	1,262,098	0.89%
8944 Opportunity Acquisition Fund	1,625,000	-	-	1,625,000	0.00%
8959 Carrillo/Chapala Transit Village	1,882,256	-	-	1,882,256	0.00%
8975 Waterfront Property Development	1,460,996	-	8,015	1,452,981	0.55%
71101 Chase Palm Park Wisteria Arbor	835,000	-	1,545	833,455	0.19%
On-Hold Status					
8962 Visitor Center Condo Purchase	500,000	-	-	500,000	0.00%
8964 Lower State Street Sidewalks	250,000	-	-	250,000	0.00%
Total Expenditures	\$ 23,808,669	\$ 2,513,074	\$ 3,879,929	\$ 17,415,666	26.85%



CITY OF SANTA BARBARA

JOINT COUNCIL AND REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Mayor and Councilmembers
Chairperson and Boardmembers

FROM: Engineering Division, Public Works Department
Housing and Redevelopment Division, Community Development
Department
Administration Division, Fire Department

SUBJECT: Increase Change Order Authority For Fire Station No. 1 Seismic
Renovation Project

RECOMMENDATION:

- A. That the Redevelopment Agency (RDA) Board authorize the expenditure of \$303,595 from the RDA's Fire Station No. 1 Emergency Operation Center (EOC) Account to fund the construction of an EOC as part of the Fire Station No. 1 Seismic Renovation Project (Project), for a total Project cost of \$6,974,209; and
- B. That Council approve additional change order expenditure authority for the Fire Station No. 1 Seismic Renovation Project, Contract No. 22,798, in the amount of \$260,000 to cover the cost of the EOC construction, bringing the total construction cost to \$4,737,559.

EXECUTIVE SUMMARY:

Staff is requesting approval to proceed with the construction of a new EOC as part of the current Project. Time is of the essence with this proposed option to ensure the EOC can be incorporated into the existing construction, avoiding costly changes and schedule impacts. Staff has negotiated a reasonable price with the Project Contractor, McGillivray Construction, Inc. (McGillivray), to incorporate the new EOC in the existing Project. The RDA Board has appropriated \$304,000 in RDA funds to complete the construction of the EOC.

BACKGROUND:

On April 22, 2008, Council approved the Project, which includes extensive renovations to the 49-year-old fire station. Total RDA funding at that time was \$6,635,614. The scope of the renovation includes a complete seismic upgrade, extensive remodel of the second floor crew's quarters, a partial remodel of the first floor office area, and

replacement of all gas, water, sewer, and electrical services. Throughout this year-long renovation, Fire Station No. 1 has remained operational at all times.

On October 28, 2008, staff presented a report to the Finance Committee, and subsequently to the RDA Board, outlining the EOC Project, with a total estimated cost of \$350,000. At their respective meetings, the Finance Committee and RDA Board supported staff's recommendation and authorized \$35,000 for design services to incorporate the EOC, negotiate a cost with McGillivray, and return to Council for authorization to proceed with construction.

On December 16, 2008, as a result of State Budget issues, the RDA Board appropriated \$304,000 for construction of an EOC at Fire Station No. 1.

DISCUSSION:

Staff now requests permission to increase the change order authority for the construction of an EOC that can be incorporated into the current Project and would meet the needs of the City in a large disaster.

The City currently has an EOC at the Police Department headquarters; however, the size (880 square feet) of the facility is insufficient for coordination of a large disaster. The current plan for the Project has many of the essential infrastructure elements and characteristics for an EOC; such as, an emergency generator, an electronic communication hub, sufficient operating square footage for EOC staff, and a centralized location. In addition, the facility meets the seismic occupancy requirements as an "Essential Facility".

The proposed EOC at Fire Station No. 1 will be 1,650 square-feet and configured to be utilized as a dual purpose classroom and EOC. The room has been designed to accommodate 42 occupants in a multitude of configurations, based on need. The design incorporates the use of flexible lighting options, visual display boards, telecommunications, and off-the-shelf audio and video equipment.

Staff has negotiated a reasonable proposal of \$236,549 with the current construction contractor, McGillivray, taking advantage of the current market and mobilization. Staff requests Council's approval to proceed with the construction amount of \$260,000, which includes an additional 10% to cover any unforeseen costs, for a total construction cost of \$4,737,559.

In addition to the proposed construction funding increase, staff has also identified radio and computer equipment and furniture that would fulfill the dual purpose of using the space as an EOC and for daily classroom use. Information Systems staff has specified a computer server and WiFi network components for the multi-purpose work space.

The proposed expenditures are summarized as follows:

Radio Equipment	\$ 3,500
EOC/Classroom tables/Chairs	\$20,500
Computer equipment	\$14,595
Construction Mgmt, Inspection, permits, etc.	<u>\$ 5,000</u>
TOTAL	\$43,595

The equipment and furnishings will be purchased from a separate vendor and will therefore not affect the construction contract with McGillivray.

FUNDING

On December 16, 2008, the RDA Board approved a revised allocation of funds that included appropriation of \$304,000 for construction of an EOC at Fire Station No. 1. Staff is now requesting permission to authorize \$303,595 in expenditures (\$260,000 for construction and \$43,595 for equipment and services to complete the EOC), bringing the total RDA funding for the Fire Station No. 1 Seismic Renovation Project to \$6,974,209.

Fire Station No. 1 Seismic Renovation Cost Summary

Original Project Cost	\$6,635,614
EOC Design Cost	\$35,000
<u>Proposed EOC Construction Cost</u>	<u>\$303,595</u>
Total Project Cost:	\$6,974,209

In an effort to potentially offset costs associated with equipment and furnishings for the EOC, a grant request for \$66,534 has been submitted to the local Homeland Security Grant Approval Authority. The disposition of the grant request should be determined within the next two months.

SUSTAINABILITY IMPACT:

The Project incorporates green building materials and construction techniques to accomplish a Leadership in Energy and Environmental Design Silver rating for new construction. Changes made to accommodate the EOC would be held to the same high environmental standards. Project highlights include solar power to augment electricity and hot water production, and new energy efficient windows and insulation.

PREPARED BY: Joshua Haggmark, Principal Civil Engineer/AH/mj
David Gustafson, Assistant Community Development
Director/Housing & Redevelopment Manager

SUBMITTED BY: Christine F. Andersen, Public Works Director
Paul Casey, Community Development Director
Ron Prince, Fire Chief

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 24, 2009
TO: Mayor and Councilmembers
FROM: Council Subcommittee on Homelessness and Community Relations
SUBJECT: Strategies To Address Community Issues Related To Homelessness In The City Of Santa Barbara

RECOMMENDATION: That Council:

- A. Approve, as a package, the twelve recommended strategies outlined in *Strategies to Address Community Issues Related to Homelessness in the City of Santa Barbara*;
- B. Authorize the Council Subcommittee on Homelessness and Community Relations to reconvene within 60 days to review and approve an assessment protocol, as developed by staff, which will define a process for measuring the effectiveness of the recommended strategies; and
- C. Direct staff to implement the recommended strategies and return to the Council in twelve months with a status report.

DISCUSSION:

Background

On June 17, 2008, the Santa Barbara City Council established a Council Subcommittee, made up of three Council members (Chair Iya Falcone, Dale Francisco and Helene Schneider), to study a range of issues related to homeless services and neighborhood impacts. This committee was charged with making recommendations to the full Council, with input from community members, on strategies to address five identified issues:

- 1) Need for increased coordination between City Police and homeless street outreach staff from various agencies to reduce calls for service to City Police;
- 2) Recommendation from the Milpas Action Task Force to consider establishing a Recovery Zone or Alcohol Impact Zone in the Lower Milpas Street area;
- 3) Aggressive panhandling, primarily in the Downtown;
- 4) Gain the support of the courts, District Attorney and County Probation to curb negative behavior (e.g. through injunctions and increased penalties) and require offenders to receive services/treatment to get on the track to recovery; and
- 5) Utilization of existing shelter services to more effectively assist the most vulnerable homeless persons.

Process

A total of nine community forum type meetings were held from July 2008 to January 2009 to address the above issues. The subcommittee members gathered input from City staff, local businesses, homeless service providers, community members, and homeless persons on each of the topic areas. Two working task groups were formed to deal specifically with increased coordination of outreach workers and panhandling. These two task groups met on three occasions and reported back to the subcommittee with their recommendations.

It was the intent of the subcommittee to provide for the broadest public participation possible in this process. All meeting agendas were posted at City Hall as well as the actual meeting locations. In addition, interested parties were notified by email of all upcoming meetings and a schedule was posted on the subcommittee's website (in addition to upcoming agendas and minutes of previous meetings). The October 22nd, November 13th, December 18th and January 29th meetings were televised on Channel 18 and Councilmember Schneider included meeting topics, locations and dates in regular articles that appeared in CASA Magazine. A schedule of meetings was sent to the homeless shelters and outreach workers because many homeless persons do not have access to email or the internet. The email distribution list for this subcommittee included representatives from the business community, neighborhoods, faith-based organizations, service providers, homeless advocates, and County and City representatives. Interested parties were regularly added to the distribution list throughout the process.

Recommendations

A significant amount of input from the community was gathered and resulted in twelve recommended strategies to address the five original issues. Although each of the five issues was discussed at separate meetings, it quickly became apparent that many of the issues overlapped and none could be dealt with in isolation. Therefore, the recommended strategies have been organized into three categories (enforcement, intervention, and prevention) and incorporate suggestions gathered at each of the subcommittee meetings as well as the two task group meetings. The recommendations are interrelated and, as such, are intended to be implemented as a package. The implementation of some, without the full package, may have unintended consequences. The recommended strategies were unanimously approved by the three subcommittee members.

The subcommittee recognizes that homelessness is a complex social problem that cannot be solved by the City of Santa Barbara alone. The state of the current economy, California's state budget crisis and Santa Barbara County's Alcohol Drug and Mental Health Services budget crisis all affect the most vulnerable persons in our community and the agencies and programs that respond to their needs. Depending upon the trajectory of the economy, there is a potential for the problem to get worse before it gets better. The five issues discussed by the Subcommittee and the twelve

recommendations that evolved from their meetings are intended to provide concrete strategies to address specific issues in the City.

Assessment

If the strategies are approved, staff will develop an assessment protocol, which will be reviewed and approved by the Council Subcommittee on Homelessness and Community Relations within 60 days. This protocol will define outcome measurements to be used to evaluate the effectiveness of the recommendations.

City Attorney Input

In response to questions regarding the constitutionality of a revised panhandling ordinance and “stay away” orders, the City Attorney prepared the attached memorandum clarifying the difference between begging and solicitation and summarizing some restrictions applicable to “stay away” orders (Attachment 2).

BUDGET/FINANCIAL INFORMATION:

The recommendations included in the report will not directly impact the General Fund; rather, they propose to utilize existing resources to address the identified issues. For example, Recommendation #3 includes hiring a retired Police Officer to patrol State Street. One-half of the funding is proposed to come from the Downtown Organization and a possible source for the other half would come from Downtown Parking funds. Recommendation #10 includes utilizing interest income earned on the Coastal Zone Affordable Overnight Accommodation Fund for hotel vouchers for vulnerable populations. Since the funds were received in 2006, the fund has earned \$123,500 in interest and it is estimated that it will continue to earn 4%, or \$45,000, per year. Many of the other recommendations involve funding through the established Community Development Block Grant/Human Services or Redevelopment Agency processes. Use of any of these funds would come to Council as separate agenda items.

- ATTACHMENTS:**
1. Strategies to Address Community Issues Related to Homelessness in the City of Santa Barbara
 2. City Attorney Memorandum Regarding Panhandling and “Stay Away” Orders

PREPARED BY: Sue Gray, Community Development Programs Supervisor

SUBMITTED BY: Council Subcommittee on Homelessness and Community Relations

APPROVED BY: City Administrator's Office



**Santa Barbara City Council
Subcommittee on Homelessness and
Community Relations**

**Strategies to Address Community Issues Related
to Homelessness in the City of Santa Barbara**

CITY COUNCIL SUBCOMMITTEE MEMBERS

*Iya Falcone, Chair
Dale Francisco
Helene Schneider*

STAFF

*Steve Wiley, City Attorney
Frank Mannix, Deputy Police Chief
Sue Gray, Community Development Programs Supervisor
David Gustafson, Assistant Community Development Director
Don Olson, Special Projects Manager*

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Introduction

On June 17, 2008, the Santa Barbara City Council established a Council Subcommittee, made up of three Council members (Chair Iya Falcone, Dale Francisco and Helene Schneider), to study a range of issues related to homeless services and neighborhood impacts. This committee was charged with making recommendations to the full Council, with input from community members, on strategies to address five identified issues:

- 1) Need for increased coordination between City Police and homeless street outreach staff from various agencies to reduce calls for service to City Police;
- 2) Recommendation from the Milpas Action Task Force to consider establishing a Recovery Zone or Alcohol Impact Zone in the Lower Milpas Street area;
- 3) Aggressive panhandling, primarily in the Downtown;
- 4) Gain the support of the courts, District Attorney and County Probation to curb negative behavior (e.g. through injunctions and increased penalties) and require offenders to receive services/treatment to get on the track to recovery;
- 5) Utilization of existing shelter services to more effectively assist the most vulnerable homeless persons.

A series of community forum meetings were held from July 2008 to January 2009 to address the above issues. The subcommittee members gathered input from City staff, local businesses, homeless service providers, community members, and homeless persons on each of the topic areas. Two working task groups were formed to deal specifically with increased coordination of outreach workers and panhandling. These two task groups reported back to the subcommittee with their recommendations.

It was the intent of the subcommittee to provide for the broadest public participation possible in this process. All meeting agendas were posted at City Hall as well as the actual meeting locations. In addition, interested parties were notified by email of all upcoming meetings and a schedule was posted on the subcommittee's website (in addition to upcoming agendas and minutes of previous meetings). The October 22nd, November 13th, December 18th and January 29th meetings were televised on Channel 18 and Councilmember Schneider included meeting topics, locations and dates in regular articles that appeared in CASA Magazine. A schedule of meetings was sent to the homeless shelters and outreach workers because many homeless persons do not have access to email or the internet. The email distribution list for this subcommittee included representatives from the business community, neighborhoods, faith-based organizations, service providers, homeless advocates, and County and City representatives. Interested parties were regularly added to the distribution list throughout the process.

A significant amount of input from the community was gathered and resulted in twelve recommended strategies to address the five original issues.

The subcommittee recognizes that homelessness is a complex social problem that cannot be solved by the City of Santa Barbara alone. The state of the current economy, California's state budget crisis and Santa Barbara County's Alcohol Drug and Mental Health Services budget crisis all affect the most vulnerable persons in our community and the agencies and programs that respond to their needs. Depending upon the trajectory of the economy, there is a potential for the problem to get worse before it gets better. The five issues discussed by the Subcommittee and the twelve recommendations that evolved from their meetings are intended to provide concrete strategies to address specific issues in the City.

It is the intention of the Council Subcommittee to request that the City Council, upon adoption of a slate of strategies based on the Subcommittee's final report, direct staff to return to the Council within twelve months of the adoption date with a status report on progress on the identified strategies.

Problem Statements

1. Need for increased coordination between City Police and homeless street outreach staff from various agencies to reduce calls for service to City Police

A Subcommittee meeting was held on August 6, 2008 to discuss the current street outreach teams in Santa Barbara, Police Department coordination regarding homeless outreach, current coordination/communication among outreach providers, and an overview of best practices.

Comments made included: the need for more coordination between street outreach workers and police, fire and park rangers; compassion makes outreach successful; housing rather than treating people on the street reduces the cost by 50%; there is a large amount of money currently being spent on "treating" homelessness; what is Santa Barbara's "carrying capacity" for affordable housing and homeless services; and the importance of involving homeless persons in street outreach efforts because they know what goes on "in the trenches."

The Council Subcommittee recommended that outreach teams, Police and Fire Department staff meet to develop a structure for increased coordination addressing the following topics:

- Ongoing education of police officers/firefighters/paramedics
- Possible expansion of Restorative Policing
- Coordination with street outreach workers prior to camp clean ups
- Increased coordination and open communication among outreach teams
- Strategies to develop consistent open communication between street outreach workers and police
- Publish outreach worker schedules and contact numbers (for other outreach workers, police officers, firefighters, businesses)

- Contingency plan for emergencies, including natural disasters and inclement weather
- Coordinated plan development for chronic homeless individuals
- Ongoing training for outreach teams
- Outreach at food distribution locations
- Discharge planning at hospitals and jail (discharge only to halfway houses, sobering center, etc)
- Utilization of homeless persons for street outreach
- Police Department should not be first contact (we should be more proactive and less reactive)
- Need for contacts for police when homeless person is encountered
- More coordination with camp clean ups (don't just move people around; use clean ups as opportunities for outreach)
- Develop structure for contacts/coordination
- Shared database (legalities?)
- 10-Year Plan staff to coordinate outreach (funding?)
- 24/7 coverage – funding issues (sources/timelines/sustainable funding sources)
- Coordinated training for all outreach workers
- Downtown corridor schedule for outreach (including police)
- Lower Milpas/East Beach schedule for outreach (including police)
- Outcome data for all outreach teams
- Build programs around individuals

Outreach Task Group Input

The Outreach Task Group met on October 23, 2008 to learn about each other's services and discuss increased coordination. Many of the outreach workers in attendance already meet weekly at Cottage Hospital to discuss patients being discharged. The City's Restorative Policing officers also attend those meetings. The purpose of the Cottage Hospital weekly meeting is to develop a discharge plan for homeless patients to ensure that they are not discharged to the street.

The group discussed how they could take all their expertise and focus on the Police Department's *Open Container Top 100 Offender List* by identifying a primary case manager for each individual. It is believed that many of these *Top 100 Offenders* are also chronically homeless and it would be helpful to identify those on the list that the outreach workers think may be open to or ready for change. If this approach is successful then they can go to the next tier on the list. The Ten-Year Plan to End Chronic Homelessness includes an outreach coordination component, including discharge planning and help for youth aging out of the foster care system.

The outreach groups agreed to select one person each from the top offender list and see what they could do in the next 30 days working with those individuals. Actual names of those selected by outreach workers were not disclosed due to confidentiality

requirements. The group also discussed coordination surrounding Police sweeps of homeless encampments. The outreach workers suggested that they be notified in advance of a sweep so they can contact people living in the camps and use it as an opportunity to offer services. They also discussed the need for funds for emergency hotel vouchers so that when a person is ready to leave the streets they have a place to go. Clean and Sober Court, run by the Council on Alcoholism and Drug Abuse, was also discussed as a tool to be used for those with substance abuse issues. The group also discussed a possible client tracking tool.

Following the Outreach Task Group meeting on October 23rd, strategy discussions continued, focused on leadership for on-going coordination of outreach efforts. These discussions led to a consensus that leadership should be provided by the Ten Year Plan staff and that City funding to support this coordination role should be applied for through the City's Community Development Block Grant/Human Services Program. An application for a \$22,000 grant was subsequently submitted by Bringing Our Community Home, Santa Barbara's Ten-Year Plan organization in early January, including outreach coordination as a goal. Recommendations from the Community Development and Human Services Committee on this and other requests are tentatively scheduled for presentation to the City Council in March 2009.

2. Recommendation from the Milpas Action Task Force to consider establishing a Recovery Zone or Alcohol Impact Zone in the Lower Milpas Street area

A Subcommittee meeting was held on August 29, 2008 to discuss current issues in the Lower Milpas Street area. A request was made by the Milpas Action Task Force for a Recovery Zone in the Lower Milpas Area and the feasibility for setting this up was discussed, including a description of the Alcohol Beverage Control (ABC) licensing process. The request from the Milpas Action Task Force included the following recommendations:

- A consistent, proactive police presence to safeguard the residents and people in the area from drug dealing, illegal panhandling, loitering and illegal sales of alcoholic beverages to intoxicated individuals;
- A change in the terms of probation and parole (stay order) so that convicted drug dealers would not be allowed in the recovery zone;
- That City Council inform the state Alcohol Beverage Control that several liquor outlets in the area are breaking the law by selling alcohol to people who are clearly intoxicated; and,
- That City Council establish a CUP process whereby any business wishing to sell alcoholic beverages must abide by conditions the Council would establish for such sales.

The City Attorney's Office explained that California does not currently have a statute that would allow local alcohol impact areas, so the first step would be state-wide legislation. After this, the City would ask for voluntary compliance of businesses in the area to ban sales on certain types of alcoholic beverages. If for a particular business the voluntary ban was not working, the City would then go to the ABC with this information as well as

police reports, medical response in the area and citizen complaints. The City would then be able to ask the ABC to prohibit the sale of certain products in the zone. The results have been mixed in other jurisdictions that have done this (e.g. Seattle). It has been reported that people just go outside the area to buy liquor or they buy different products. The City's Legislative Platform includes support of legislation to encourage local control over problem alcohol establishments and properties where illegal drugs are sold.

The City Attorney's Office also explained the process for possible "stay away orders" for people convicted of drug dealing. The orders must be very specific and limited to the area where the individual was arrested. However, if the person either lives, works or goes to church in the area, such orders cannot be applied. Enforcement is problematic. Finally, the District Attorney must be willing to impose the stay order and the judge must be willing to uphold it.

Staff from the Police Department and the City Attorney's Office researched the feasibility of a Recovery Zone proposal for areas surrounding Casa Esperanza, which are frequently negatively affected by criminal homeless activity and drug usage/dealing. The Recovery Zone proposal, as presented by the Milpas Action Task Force, is patterned after a City of Los Angeles program, which focuses on a well established "skid row" in central Los Angeles. Santa Barbara City staff believes the Los Angeles model is not well suited for implementation in the proposed Recovery Zone. This belief is supported by the following:

- Santa Barbara City does not have a "skid row" as in Los Angeles;
- Of the top 100 criminal homeless offenders, only 3% are on probation/parole and none are on probation/parole for drug related offenses. Therefore few offenders, if any, will be subject to the restrictions of the Recovery Zone;
- The Santa Barbara County Probation Department currently uses "stay away" orders, which are a component of the probationer's terms and conditions of probation. These orders compel, under threat of arrest, a probationer to stay at least 100 yards from specific locations which have a direct connection to the criminal behavior for which the probationer was arrested. These "stay away" orders will be used for areas inside the proposed Recovery Zone boundaries, as the situation arises;
- Homeless subjects, in need of services commonly provided by the Casa Esperanza or other homeless service providers, are exempt from the restrictions of the Recovery Zone (even in Los Angeles);
- The area defined in the Recovery Zone proposal already receives an enhanced level of police services, including increased patrolling by beat officers and directed enforcement by our Tactical Patrol Force. This enforcement effort will continue and may be increased, as the need arises; and
- Casa Esperanza is already seeking to sustain and increase their outreach efforts to the homeless.

Increased police presence in the Milpas area was discussed and it was explained that an increase in that area would require a shift of resources that would impact other areas. The viability of a Conditional Use Permit process for establishments selling alcohol in

the area was questioned as it would apply only to new businesses; existing stores would be grandfathered in.

The Police Department has begun an Area Enforcement Program that includes 6 specific areas, one of which is the area between the 300 block north and the 300 block south on Milpas Street. This program treats open container violations and other Municipal Code violations, such as aggressive solicitation, as misdemeanors instead of citations.

3. Aggressive panhandling, primarily in the Downtown

A Subcommittee meeting was held on September 11, 2008 to discuss a request from the Downtown Organization for reinstatement of the downtown foot/bike patrol; a review of programs and ordinances related to panhandling in other cities; and consideration of potential amendments to the City's solicitation ordinance. The issues that the Downtown Organization sees as problematic include: aggressive panhandling; use of public benches for solicitation and/or street performing; sidewalk skateboarding and bike riding; and aggressive homeless youth.

A study of panhandling ordinances and programs from other jurisdictions revealed three common themes: acknowledgement that panhandling is legal; most cities attempt to enforce laws against aggressive panhandling, however police feel constrained in doing so; and many panhandlers are not homeless. The City currently has ordinances dealing with panhandling, including the prohibition of aggressive soliciting; sitting or lying on sidewalks and paseos along certain downtown portions of State Street; pedestrians blocking public sidewalks; injuring or interfering with property; solicitation of employment, business or contributions from streets; and commercial use of City streets. The Subcommittee formed a task group to come up with suggestions to reduce aggressive panhandling on State Street, Cabrillo Boulevard and Milpas Street.

Panhandling Task Group Input

The Panhandling Task Group met on October 17, 2008, and October 30, 2008. Representatives from the Downtown Organization, Conference and Visitors Bureau, Chamber Of Commerce, Greater Santa Barbara Lodging and Restaurant Association, homeless service providers, homeless advocates and City staff attended the meetings and came up with the following suggestions:

- Consider a revised City ordinance dealing with panhandling, including proximity to dining establishments, ATM machines, bus stops and public benches;
- Develop a campaign to educate the public on the detrimental effects of giving to panhandlers. In 4 out of 5 cases, the cash given to panhandlers is used to buy alcohol or illegal drugs to support their addictions and continued lifestyle on the street;
- In concert with the public educational campaign described above, explore the feasibility of an alternate giving campaign focusing on a "Santa Barbara Cares" message; and

- Expand City Police presence on State Street, Cabrillo Boulevard and Milpas Street.

4. Gain the support of the courts, District Attorney and County Probation to curb negative behavior (e.g. through injunctions and increased penalties) and require offenders to receive services/treatment to get on the track to recovery

A Subcommittee meeting was held on October 2, 2008 to discuss changes in the Court sentencing and bench warrant policies and to examine two enforcement programs that have been undertaken by the Police Department: the Chronic Offender Program and the Area Enforcement Program.

Two years ago the Santa Barbara County Courts began implementing AB 139, which allows local courts to impose civil assessments for infractions, misdemeanors and felonies instead of issuing bench warrants. Like most California courts, the local courts only impose civil assessments for infractions. Prior to AB 139, if a person failed to appear for an infraction, such as violation of open container laws, a bench warrant was issued for his or her arrest. In order to have a bench warrant issued now, the charge must be filed as a misdemeanor.

The Police Department looked at the total number of citations issued for open containers in the last year and found that the top 83 offenders received a disproportionately high number of citations. Further, the citations given in just six high impact areas of the City constituted 43% of the total citations. In order to focus limited resources on the problem, the City Police came up with the Chronic Offender and Area Enforcement Programs. The goal of these two programs is to change behavior and motivate repeat offenders to get treatment. They focus on the Top 10 offenders who represent a small percentage of violators for open containers yet who are responsible for a large number of the overall violations. Under the Chronic Offender Program the offenses are written up as misdemeanors and the violators face jail time or treatment. The Area Enforcement Program considers all open container violations in any of the six high impact areas as misdemeanors, so again offenders face jail time or treatment.

The Subcommittee suggested that the street outreach teams coordinate to work with the top offenders.

5. Utilization of existing shelter services to more effectively assist the most vulnerable homeless persons

A Subcommittee meeting was held on October 22, 2008 to discuss the current shelter capacity in Santa Barbara, as well as the current shelter usage. All shelters, with the exception of Noah's Anchorage, reported that they have been full to capacity for several months. There was much discussion regarding the immediate need for more beds/units for special populations (e.g. women, families, people with medical needs, people entering into recovery, etc). Central to the discussion was the potential impact on the Milpas area community if additional beds were approved on a year-round basis at Casa Esperanza to assist these special populations. There was also discussion regarding the use of shelter beds at other locations for the Top Offender outreach effort.

Public comments regarding the potential to expand Casa Esperanza's 100-bed year round shelter included:

- The community may feel more comfortable if the focus is on the elderly or ill because they would have minimal impact on the neighborhood;
- A viable use of the 100 empty beds at Casa Esperanza would be for a portion of the Police Department's list of 100 people with alcohol abuse, drug abuse and/or mental illness, women and children living on the street or in vehicles because the shelters are full, and those needing medical attention;
- 50 – 100 extra beds would have a significant impact on the neighborhood;
- Need to look at a relocation fund for those willing and able to relocate;
- Area around the shelter needs increased police presence;
- The current crisis should not result in building new beds; instead, we need to get people through shelter programs quickly and into housing; and
- We need to use available beds on a temporary basis.

The City of Santa Barbara was recognized during this meeting for the amount of funding that has been invested in homeless shelter beds, transitional housing and permanent supportive housing. Santa Barbara, through the City, the County, and non-profit agencies, already provides 1000 beds in the city year round. City support for existing facilities totals over \$18.5 million. The City is also providing approximately \$13.5 million more for projects in the pipeline. These include the Mental Health Association project on Garden Street; Transition House's Moms property; Housing Authority's Artisan Court project on Cota and Olive and Housing Authority's property on Bath Street. There are approximately 164 new units in the pipeline, 53 to 71 of which are for homeless persons.

Recommended Strategies

Although each of the five issues was discussed at separate meetings, it quickly became apparent that many of the issues overlapped and none could be dealt with in isolation. Therefore, the strategies outlined below have been organized into three categories (enforcement, intervention, and prevention) and incorporate suggestions gathered at each of the Subcommittee meetings as well as the two task group meetings. The recommendations are interrelated and as such are intended to be implemented as a package. The implementation of some, without the full package, may have unintended consequences.

Enforcement

Recommendation #1: Adoption of a **City ordinance** that is more restrictive on solicitation, including the following:

- Illegal to solicit at a bus stop;

- Illegal to solicit from an individual in a vehicle on a public street or alleyway;
- Illegal to solicit within a City parking lot or structure;
- Illegal to solicit within an outdoor dining area of a restaurant or other dining establishment;
- Illegal to solicit within 25 feet of an automated bank teller machine;
- Illegal to solicit in a queue of 5 or more persons waiting to gain admission to a place of business or waiting to purchase an item or admission ticket
- Illegal to solicit while seated on a public bench or chair on State Street from the 400 block to the 1200 block, on Milpas Street from the 300 block north to the 300 block south, or on Cabrillo Boulevard between Calle Cesar Chavez Street and Harbor Way.

Solicitation would be specifically defined so that it would not include a person who seeks donations without addressing his or her solicitation to any specific person (such as through the use of a sign asking for donations), other than in response to an inquiry by that person. Enforcement of this ordinance must be done in coordination with a panhandling education campaign and a Santa Barbara Cares compassionate giving campaign (see Recommendation #11)

Issues: There could be a potential impact on the City Attorney’s Office to prosecute violations of this ordinance as misdemeanor offenses.

Recommendation #2: Continue and expand **intergovernmental cooperation** to curb negative behavior.

- Coordination between the Police Department, Courts and City Attorney’s Office to prosecute chronic offenders of an open container and other municipal code violations, such as aggressive panhandling, as misdemeanors instead of infractions;
- Coordination between the Police Department, Courts and City Attorney’s Office to prosecute violations of open container offenses and other municipal code violations, such as aggressive panhandling, in certain specific areas of the City as misdemeanors instead of infractions;
 - ✓ 400-600 blocks of State Street;
 - ✓ Main Library;
 - ✓ Cabrillo Ball Field;
 - ✓ 300 North – 300 South Milpas Street;
 - ✓ Oak Park; and
 - ✓ Pershing Park.
- Lobby our Assembly member and State Senator to sponsor and enact legislation allowing local control over alcohol impact areas;
- Develop an Assessment Protocol to measure success of chronic offender and area enforcement programs (in conjunction with Assessment Protocols under recommendations # 5 and #10).

Issues: There could be a potential impact on the City Attorney's Office to prosecute violations of chronic offenders and violations occurring in certain specific areas as misdemeanor offenses.

Work in Progress: The Police Department and City Attorney's Office have begun implementing the Chronic Offender and Area Enforcement Programs with some success.

Recommendation #3: Continue to utilize Police Department **deployment strategies** to best meet the immediate demands of the community.

- Re-deploy Restorative Policing officers and Tactical Patrol Force officers to cover more daytime hours on State Street;
- Explore the possibility with the Downtown Organization of their funding half of a part-time retired police officer to patrol State Street 5 hours per day, seven days per week.

Issues: Re-deployment of Restorative Policing officers and Tactical Patrol Force officers will lessen the number of officers available for nightlife enforcement and enforcement of other areas of the City. The cost to hire a part-time retired Police Officer would be approximately \$80,000 - \$100,000 per year (half paid by the City and half paid by the Downtown Organization). Currently, the Police Department and the Downtown Organization are considering this proposal.

Work in Progress: The Police Department regularly deploys its officers to meet the needs of the community, for example the scheduling for the Tactical Patrol Force (bicycle officers) has been adjusted to better accommodate problems associated with transient behavior during daylight hours. The Police Department has also flexed the scheduling options to include 7 day per week coverage in this detail.

Recommendation #4: Implement principles of a Recovery Zone for the Milpas Area to the extent legally permissible to do so as follows:

- Work with County District Attorney's Office and County Probation Department to request that local Superior Court judges, when imposing formal and informal probation conditions, issue and enforce a "stay away" order probation condition in connection with felony drug convictions. Such a condition would prohibit the probationer from being within the area that the City has designated as a "Milpas Area Recovery Zone" unless he or she has a legitimate reason for being in the area, such as going to or from a place of employment, in order to receive drug counseling, or if the individual (including homeless persons) lives within the Recovery Zone;
- Recognizing the need for limitations on alcohol sales in the area, develop a policy for Conditional Use Permits for new ABC permittees within the area

generally defined as the Milpas Corridor that limits the type of alcohol and the type of single sale alcohol containers which may be sold by the permittee within the Milpas Area Recovery Zone;

- Have the Police Department take an aggressive stand on new liquor licenses and enforcement on ABC violations.

Issues: There are constitutional requirements that would prevent the City from enforcing “stay away orders” for some individuals (e.g. going to and from work, those receiving drug counseling or other services at the shelter, and those living in the area). If the City established more restrictive conditional use permits for the sale of alcoholic beverages, existing establishments with ABC permits would be grandfathered in for a period of time. Also, limiting the type of alcohol sold may simply result in an increase in sales of another non-limited type.

Ongoing Effort: The Police Department has initiated discussions with the County Probation Department regarding the use of “stay away” orders for those convicted of selling drugs at locations within the area proposed by the Milpas Action Task Force as a Recovery Zone. This concept was discussed at a recent meeting of Probation Department managers and supervisors, and the issuance of “stay away” orders will be used, as appropriate, for drug dealing offenses in these areas. For example, these “stay away” orders will be issued for arrestees convicted of selling drugs at or near the “labor line” in front of the Rescue Mission. These subjects will be required to stay 100 yards away from specific locations associated with or contributing towards their criminal behavior, including such locations as the Labor Line.

Intervention

Recommendation #5: Encourage coordination and cooperation of **street outreach** teams and the Police Department to work with those on the Top 100 open container offender list.

- Work with *Bringing Our Community Home, Santa Barbara’s 10-Year Plan to End Chronic Homelessness*, to take on coordination of outreach workers and police officers and encourage them to apply for City and County Human Services funds if resources are not currently available;
- Encourage outreach teams to build on the current weekly meeting held at Cottage Hospital;
- Work with street outreach providers to secure funding needed to keep current levels of service and encourage them to apply for City and County Human Services funding;
- Hold quarterly meetings with Police Department and street outreach teams to enhance collaboration;

- Inform street outreach teams prior to major homeless enforcement actions so they can contact people living in the camps and use it as an opportunity to offer services;
- Develop an Assessment Protocol to measure the success of coordination and cooperation of street outreach teams and Police Department in working with chronic offenders (in conjunction with Assessment Protocols under recommendations #2 and #10).

Issues: Funding for the organization with the greatest number of street outreach hours (Casa Esperanza) will run out at the end of the fiscal year. They will need to secure \$100,000 per year to keep their current level of service (8 hours per day/7 days per week). Funding new programs, such as outreach coordination and street outreach teams, with City Human Services funds may mean that other programs will receive less or no funding.

Work in Progress: The Police Department held a meeting with the street outreach teams and several outreach workers agreed to work with one person on the Top 100 list. Strategy discussions have continued to focus on leadership for on-going coordination of outreach efforts, with a consensus emerging that such leadership should be provided by the Ten Year Plan staff and that City funding to support this coordination role should be applied for through the City's Community Development Block Grant/Human Services Program. An application for a \$22,000 grant was subsequently submitted by Bringing Our Community Home, Santa Barbara's Ten-Year Plan organization in early January, including outreach coordination as a goal. Recommendations from the Community Development and Human Services Committee on this and other requests are tentatively scheduled for presentation to the City Council in March 2009.

Recommendation #6: The Subcommittee acknowledges the strong need for more shelter beds for vulnerable populations. If shelter service providers wish to amend conditional use permits to allow for an increase in their year round beds for vulnerable populations (e.g. women with children, elderly, youth aging out of the foster care system, persons with medical conditions and persons on the Top 100 list who are ready to get off the street and into recovery), work with them and their neighbors in the amendment process to assess the potential impact on the neighborhood and identify mitigation strategies.

Issues: While Casa Esperanza has had a positive impact in the city-wide effort to end the problem of homelessness, the Milpas area neighborhood has been negatively impacted by the presence of the shelter and an increase in the number of year round beds may exacerbate this impact.

Recommendation #7: Consider using Community Development Block Grant and Redevelopment Agency funds for capital improvements in the lower Milpas Street area to mitigate the impact of homelessness. Projects could include Cabrillo Ball Field restrooms, lighting on Milpas Street, etc.

Issues: The Redevelopment Agency has limited funds and the Agency sunsets in 2015.

Recommendation #8: The significant need for additional detox beds is recognized and staff is directed to work with relevant agencies to help them with securing locations and funding for more **detox beds and recovery beds** for homeless individuals with substance abuse issues.

- Work with interested organizations on zoning issues related to detox and recovery bed expansion;
- Work with interested organizations in securing funding needed for detox and recovery bed expansion and encourage them to apply for City and County Human Services funding;
- Work with the Salvation Army and detox service providers to determine the appropriateness of expanding their facility for recovery, and if appropriate, offer to expedite the discretionary review process.

Issues: Funding new programs, such as detox and/or recovery programs, with City Human Services funds may mean that other programs will receive less or no funding.

Recommendation #9: Continue and expand the **Restorative Policing Program** to work with homeless persons with mental illness.

- Continue to train Police Officers in restorative policing strategies when working with mentally ill homeless persons;
- Expand the number of restorative Police Officers as needed.

Issues: The Police Department has limited staffing for the expansion of the Restorative Policing Program.

Work in Progress: The Police Officer assigned full time to the Restorative Policing Program (Officer Hove) currently carries a caseload of approximately 20 to 25 individuals and has some encouraging success stories.

Recommendation #10: Work with service providers to secure funding for **relocation funds** and **emergency hotel vouchers** and programs to help **reconnect** people with their families.

- Work with the County, private foundations and non-profits to secure funding to relocate and/or reconnect homeless persons with their families, when appropriate;
- Direct staff to use interest income from the Coastal Zone Affordable Overnight Accommodation Fund for a program providing emergency hotel

vouchers for vulnerable populations, such as women with children, elderly, youth aging out of the foster care system, persons with medical conditions and persons on the Top 100 list who are ready to get off the street and into recovery; create a pilot program with a non-profit agency to deliver these program services as soon as possible, generally coincident with other recommended strategies that are based on enforcement;

- Develop an Assessment Protocol to measure the success of relocation funds, hotel vouchers and reconnecting people with their families (in conjunction with Assessment Protocols under recommendations # 2 and #5).

Issues: In FY 2006, the Redevelopment Agency received \$1,140,794 for an overnight accommodation mitigation fee from an applicant for the issuance of a Coastal Development Permit (the Entrada Project and its conversion of the Californian Hotel). The Agency is to use these funds and any interest earned, at its discretion, to mitigate the loss of the low-cost lodging that was provided by the Californian Hotel. Opportunities for new development or rehabilitation of such lodging have not materialized. As of June 30, 2009, the fund had earned \$123,500 in interest. At a yield rate of 4%, the existing fund would earn approximately \$45,000 per year. The intention is to use the annual interest earning to fund the relocation and voucher activities in order to preserve the income stream. A process for the allocation and use of these monies would have to be formulated with the participating non-profits.

Prevention

Recommendation #11: Develop a **panhandling and alternate giving campaign** in collaboration with the Downtown Organization, the Conference and Visitors Bureau, the Chamber of Commerce, the Greater Santa Barbara Lodging and Restaurant Association, homeless service providers, and homeless advocates.

- Educate the public on the detrimental effects of panhandling by focusing on a “Santa Barbara Cares” message to inform people that supporting panhandling actually keeps people on the street;
- Distribute educational materials via locations such as area hotels, restaurants, businesses, City water bills, on City TV, and Downtown Organization Hosts;
- Utilize donation boxes in participating businesses and hotels and/or boxes or refurbished parking meters on select sidewalks on State Street;
- Utilize City Redevelopment Agency funds to help support the campaign in initial years.

Issues: The business representatives at the panhandling task group meetings expressed their willingness to participate in a panhandling campaign and alternative giving program. However, there was reluctance from these representatives to be in the lead on these campaigns, due to potential negative

impacts on their businesses. A comprehensive panhandling campaign and alternative giving program will not be effective without the direct involvement of the businesses and hotels on State Street, Cabrillo Boulevard and Milpas Street.

Work in Progress: A summary of panhandling campaigns and alternate giving programs from other jurisdictions has been compiled for easy reference and follow-up.

Recommendation #12: Continue looking for opportunities to assist with **affordable housing projects**, especially those involving permanent supportive housing for homeless individuals.

- Continue to utilize Redevelopment Agency set aside funds and HOME funds for the acquisition, rehabilitation and/or construction of affordable housing;
- Work with affordable housing developers to design and implement projects;
- Help Bringing our Community Home (the *10-Year Plan*) to secure master leasing funds.

Issues: Funding available for affordable housing in the City is limited.

Work in Progress: The City is and has been supporting the development of affordable housing for its residents for many years. The City is currently providing approximately \$13.5 million for projects in the pipeline. These include the Mental Health Association project on Garden Street; Transition House's Moms property; Housing Authority's Artisan Court project on Cota and Olive and Housing Authority's property on Bath Street. There are approximately 164 new units in the pipeline, 53 to 71 of which are for homeless persons.

CITY OF SANTA BARBARA**INTEROFFICE MEMORANDUM**

TO: City Council Subcommittee on Homelessness and Community Relations
Frank Mannix, Deputy Chief of Police
Sue Gray, Community Development Program Supervisor II

FROM: Stephen P. Wiley, City Attorney

DATE: Thursday, February 12, 2009

SUBJECT: Proposed Draft Revisions to City Aggressive Panhandling Ordinance/"Stay Away" Probation Orders

1. The Concept of Abusive Solicitation. As mentioned during the recent Subcommittee's meetings, one suggestion for changes to the Municipal Code is to enact new City regulations restricting the concept of "abusive panhandling" particularly within certain limited areas of the City such as along parts of State Street. This would be similar to the approach taken by the city of Santa Monica in making revisions to their Municipal Code in the fall of 2008 as it applies to Santa Monica's Third Street Mall. In order to be clear with the public about what is being suggested, the City Attorney's office recommended that the Subcommittee's report be revised to insert the following sentence:

"Solicitation would be specifically defined so that it would not include a person who only seeks donations without addressing his or her solicitation to any specific person (such as through the use of a sign asking for donations), other than in response to an inquiry by that person."

This would make it clear that any person who is begging or soliciting without the use of a verbal request or demand directed at a particular person (such as someone who simply sits on a bench holding a sign asking "please help") would not be violating any laws. This is because such non-verbal or "passive" begging is likely to be considered by the courts as the exercise of First Amendment rights. As such, it would be unregulated by the proposed City ordinance as is the case under the current Municipal Code. This would be true regardless of where the person was sitting or standing or walking and it would be true without regard to where the non-verbal solicitation takes place. It would also be true without regard to whether the person was within 25 feet of an ATM or a bus stop or sitting on a street bench or in proximity to a sidewalk dining area. In short, for reasons relating to the need to have a clearly constitutional ordinance under First Amendment case law, the City would restrict only improper "conduct" which is coupled with a direct verbal solicitation. Moreover, these restrictions on what would be called "abusive panhandling" would only apply in a very limited area of the City. Silent begging is not now and would not be regulated at all within the City so long as the beggar is begging on public property which allows the presence of the public.

2. The "Stay Away" Order as a Condition of Probation. During the Subcommittee's recent meetings to finalize their report, the City Attorney's office also explained some of the day to day enforcement technicalities which would constitutionally apply to any City program to use "Stay Away" orders as a condition of a criminal probation. Consequently, while such orders are probably legal and constitutional if carefully structured and properly administered, the need to observe these legal requirements may mean that these 'stay away' orders will offer only a limited benefit in our local context.

These requirements relate directly to both constitutional mandates and practical enforcement realities. According to the Los Angeles County District Attorney's office, their "Stay Away Order" program (used in LA's 5th Street "Skid Row" Corridor) has achieved some "success;" however, this success has apparently occurred in the narrow context of the extremes of Los Angeles' skid row area and, thus, it reflects LA's particular situation. We suspect that, given the constitutional/legal limitations of such a program, the type of success LA has experienced may not be fully transferable to Santa Barbara, particularly within the lower Milpas area.

For example, the Los Angeles County DA's office acknowledges that "stay away" probation orders will only work for those persons who are on "formal" probation for felony drug sale offenses - i.e., for a probation which is supervised by the county probation department. However, as the SBPD has pointed out, it is unlikely that Santa Barbara has a significant number of convicted felony drug offenders frequenting the lower Milpas area and even more unlikely that many of these individuals are on "supervised" or "formal" probation. Furthermore, with the recent voter approved statewide propositions mandating drug treatment and drug diversion programs for those persons arrested for the personal possession of small amounts of illegal drugs, we believe that it is unlikely many of the people who currently frequent the lower Milpas area will actually have felony convictions.

Further, as even the Los Angeles program acknowledged, constitutional requirements mandate that such "Stay Away" orders contain a very large exception for those probationers who have a "nexus to the stay away area." In other words, this type of program would be required to exempt those persons who claim a "nexus" to the designated stay away area, such as those individuals who say they live in the area or who assert that they need to enter the area for the purposes of treatment, shelter, a meal, or to look for work. As a result, it could be extremely simple for a person to establish a lawful "nexus to the area" and to, thereby, avoid violating any "Stay Away" order probation condition.

Finally, the proposed "Stay Away" order program assumes that the District Attorney's office and the County Probation Department will be willing to request a "Stay Away" order be issued and that the local Superior judges will agree to impose and strictly enforce such orders. Consequently, the success of a "Stay Away" order program will require a firm commitment on the part of the judges, the DA's office and County Probation and the level of this commitment will need to be a subject of discussions with these agencies.

City Council Subcommittee on Homelessness and Community Relations
Frank Mannix, Deputy Chief of Police
Sue Gray, Community Development Program Supervisor II
February 12, 2009
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Please feel free to contact me if the City Attorney's office can be of any further help with respect to explaining or expanding upon any of the other points made in the Subcommittee's report.

cc: Don Olson, CAO Special Projects Manager
Dave Gustafson, Asst. Comm. Dev. Dir/H&R Mgr



CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Chairperson and Boardmembers

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Conference With Real Property Negotiators

RECOMMENDATION:

That the Redevelopment Agency Board hold a closed session to consider instructions to negotiators regarding potential long-term lease of Redevelopment Agency-owned parcels, Assessor's Parcel Numbers 017-113-029, 017-113-030, 017-113-034, and 017-113-035 (125 Calle Cesar Chavez) to the Santa Barbara School Districts.

Negotiations will be conducted by David Gustafson, Housing and Redevelopment Manager, Paul Casey, Agency Deputy Director, and Stephen Wiley, Agency Counsel on behalf of the Redevelopment Agency, with J. Brian Sarvis, Superintendent, Santa Barbara School Districts. The closed session is authorized pursuant to the authority of Government Code Section 54956.8.

SCHEDULING:

Duration, 20 minutes; anytime

REPORT:

None anticipated

PREPARED BY: David Gustafson, Housing and Redevelopment Manager / Assistant Community Development Director

SUBMITTED BY: Paul Casey, Deputy Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AND REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: February 24, 2009

TO: Chairperson and Boardmembers

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Conference With Real Property Negotiators

RECOMMENDATION:

That Council and the Redevelopment Agency Board hold a joint closed session to consider instructions to its negotiators regarding real property negotiations for the possible lease of real property owned by the City of Santa Barbara and of real property owned by the Santa Barbara Metropolitan Transit District (MTD), to the Redevelopment Agency.

Instructions to negotiators will direct staff regarding the price and terms of a possible lease of the MTD-owned property (1020 Chapala Street, Assessor's Parcel Number 039-281-040) and the City-owned property (9 West Figueroa Street, Assessor's Parcel Number 039-281-041) to the Redevelopment Agency.

Negotiations are held pursuant to the authority of Section 54956.8 of the Government Code. Staff negotiators will be David Gustafson, Housing and Redevelopment Manager, Paul Casey, Agency Deputy Director, and Stephen Wiley, City Attorney/Agency Counsel. The MTD negotiator will be Sherrie Fisher, General Manager of MTD.

UNDER NEGOTIATION: Possible leasehold disposition.

SCHEDULING: Duration, 20 minutes; anytime

REPORT: None anticipated

PREPARED BY: David Gustafson, Housing and Redevelopment Manager / Assistant Community Development Director

SUBMITTED BY: Paul Casey, Deputy Director

APPROVED BY: City Administrator's Office