



Agenda Item No. _____

File Code No. 660.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 10, 2009
TO: Mayor and Councilmembers
FROM: Planning Division, Community Development Department
SUBJECT: 535 E. Montecito Street, Los Portales Specific Plan (SP-10)

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adopting a Specific Plan for the Los Portales Specific Plan Area ("SP-10 Zone") for Property Located at 535 E. Montecito Street, Assessor's Parcel Number 031-351-010.

DISCUSSION:

Project Description

The project consists of 48 residential condominium units (40 below-market rate and 8 market rate). The below-market rate units are intended to provide housing opportunities for households that would not qualify for affordable or "middle income" housing under the City's Affordable Housing Policies. In addition, the project would provide housing designated for employees of businesses on the South Coast, with special emphasis on the staff of non-profit organizations that provide important services to the South Coast region.

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

Since the project consists of the development of residential units in the M-1, Light Manufacturing zone, where residential units are normally not allowed, a Specific Plan to establish a zoning overlay to allow residential uses on the property has been prepared.

Specific Plan

On August 21, 2008, the Planning Commission certified the Final Environmental Impact Report and approved the proposed project contingent upon adoption of the Specific Plan by the City Council. On September 9, 2008, the City Council held a hearing to review and consider the proposed Los Portales Specific Plan ("SP-10 Zone"). As directed by Council at the hearing, the changes listed below have been incorporated into the Specific Plan ordinance. In addition, the provisions regarding development costs and the developer's fee (as well as the related proposal for the potential refunding of a portion of the purchase price) were determined by staff to not be advisable or workable and have been removed (see Specific Plan Ordinance):

1. Include a provision for an escalator clause of 2.5 % or less, compounded annually between approval and initial sale of the first unit;
2. Housing should be open to South Coast residents with preference given to people who work in the city;
3. The Specific Plan would give the developer up to seven (7) years to begin construction, even if construction only begins on one separate phase of the project;
4. Add the word "compounding" to the 2.5% annual resale price section; and
5. The Specific Plan should apply only to the proposed Los Portales Project.
6. The Specific Plan has been amended to allow the property owners to phase construction of the residential project so long as each phase is not less than eight (8) units and so long as the construction of the first phase begins within seven (7) years.

Alternate Plan

The applicant, Bermant Development Company, has been granted a one-year extension, through November 1, 2009, by the Housing Authority on their option to purchase the property. To assist in covering the carrying costs of this extension, the site is being leased to nearby businesses for open yard storage, which is an allowed use in the M-1 zone. The purpose of the extension is to allow the applicant to pursue financing for the below-market rate housing project. However, because it is possible that there may not be financial support available, the applicant will also concurrently process an application for a 10-lot subdivision on the property. The newly created lots would then be allowed to be developed with light industrial uses, using the existing square footage from the prior uses on the site (approximately 29,000 sq. ft.). This back-up approach would meet a strong community need to support small and local industrial businesses on M-1 zoned properties.

PREPARED BY: Kathleen Kennedy, Associate Planner

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office