CITY OF SANTA BARBARA
CITY COUNCIL
REDEVELOPMENT AGENCY

Helene Schneider
Mayor/Chair
Grant House
Mayor Pro Tempore/Vice Chair
Bendy White
Ordinance Committee Chair
Das Williams
Finance Committee Chair
Dale Francisco
Frank Hotchkiss
Michael Self

James L. Armstrong
City Administrator/
Executive Director

Stephen P. Wiley
City Attorney/Agency Counsel

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

OCTOBER 26, 2010
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
12:30 p.m.	-	Ordinance Committee Meeting, Council Chamber
2:00 p.m.	-	City Council Meeting
2:00 p.m.	-	Special Redevelopment Agency Meeting

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

1. Subject: Grant To Housing Authority For Two New Units At 233 West Ortega Street

Recommendation: That the Finance Committee consider and recommend to the Redevelopment Agency Board approval of a grant of $300,000 from Agency Housing Setaside funds to the Housing Authority of the City of Santa Barbara for the construction of two new units at its property at 233 West Ortega Street.

2. Subject: September 30, 2010, Investment Report And September 30, 2010, Fiscal Agent Report

Recommendation: That the Finance Committee recommend that Council:
A. Accept the September 30, 2010, Investment Report; and
B. Accept the September 30, 2010, Fiscal Agent Report.
(See Council/Redevelopment Agency Agenda Item No. 1)

ORDINANCE COMMITTEE MEETING - 12:30 P.M. IN THE COUNCIL CHAMBER (120.03)

Subject: Zoning Information Report Ordinance Revisions

Recommendation: That the Ordinance Committee:
A. Review proposed amendments to Municipal Code Section 22.87.220 regarding Zoning Information Reports; and
B. Make recommendations to City Council for Ordinance adoption.

REGULAR CITY COUNCIL MEETING – 2:00 P.M.
SPECIAL 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: September 30, 2010, Investment Report And September 30, 2010, Fiscal Agent Report (260.02)

Recommendation: That Council:
A. Accept the September 30, 2010, Investment Report; and
B. Accept the September 30, 2010, Fiscal Agent Report.

2. Subject: Adoption Of Ordinance For A 15-Year Lease With Conway Vineyards, Incorporated (330.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a 15-Year Lease with Conway Vineyards, Inc., Effective November 25, 2010.

3. Subject: Introduction Of Ordinance For Three-Month Extension Of 2008-2010 Treatment And Patrol (TAP) Memorandum Of Understanding (440.02)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Extending the 2008-2010 Memorandum of Understanding Between the City of Santa Barbara and the Patrol Officers' And Treatment Plants' Bargaining Units (TAP Units), adopted by Ordinance No. 5482, through December 31, 2010.

CONSENT CALENDAR (CONT'D)

CITY COUNCIL (CONT'D)

4. Subject: Gift Of $6,490 To The Santa Barbara Police Department's Animal Control Program (520.05)

Recommendation: That Council:

A. Accept a gift of $6,490 from the Deborah K. Oldham Trust for use by the Santa Barbara Police Department's Animal Control Program; and

B. Increase estimated revenues and appropriations by $2,990 in the General Fund, Police Department's Animal Control Program, for the purchase of specified equipment to be funded by a portion of the gift from the Oldham Trust.

5. Subject: Fire Department Receipt Of Donated Equipment And Grant Monies From The Santa Barbara Firefighters Alliance (520.03)

Recommendation: That Council:

A. Accept the donation of rescue and safety equipment from the Santa Barbara Firefighters Alliance to the City of Santa Barbara Fire Department, valued at approximately $15,000.00;

B. Authorize the receipt of grant funds totaling $3,580.57 from the Santa Barbara Firefighters Alliance; and

C. Increase appropriations and estimated revenues for the Fiscal Year 2011 by $3,580.57 in the Miscellaneous Grants Fund for use in providing telecommunications service for the donated iPads.

REDEVELOPMENT AGENCY

6. Subject: Use Of Redevelopment Agency Funds To Lease Building Space For Police Building Project Staff Relocation

Recommendation: That the Redevelopment Agency Board authorize the expenditure of $277,200 from the Police Station Renovation Project account to extend the Police Annex building lease at 222 East Anapamu Street for an initial period of 18 months starting January 1, 2011.

NOTICES

7. The City Clerk has on Thursday, October 21, 2010, 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

REPORT FROM THE ORDINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

CITY ADMINISTRATOR

8. Subject: Introduction Of Ordinance For Extension Of Firefighters Memorandum Of Understanding Through June 30, 2013 (440.02)

Recommendation: That Council ratify a 30-month extension to the 2007-2010 Memorandum of Understanding between the City and the Santa Barbara City Firefighters' Association by introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Extending the 2007-2010 Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara City Firefighters' Association through June 30, 2013.

COMMUNITY DEVELOPMENT DEPARTMENT

9. Subject: Plan Santa Barbara General Plan Update (650.05)

Recommendation: That Council:

A. Receive a staff presentation, and conduct a public hearing on the proposed General Plan Update;

B. Approve the 2010 Plan Santa Barbara General Plan Update to include the updated Introductory Framework and General Plan reorganization, Land Use Element and associated General Plan map, Housing Element, and amendments and additions to the remaining six elements; and

C. Direct staff to return with a Council resolution containing all necessary findings for Plan adoption of the General Plan Update.

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

COUNCIL AND STAFF COMMUNICATIONS

CLOSED SESSIONS

10. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Officers Association, Police Managers Association, the Treatment and Patrol Bargaining Units, and the Hourly Bargaining Unit, and regarding discussions with unrepresented management about salaries and fringe benefits.

Scheduling: Duration, 30 minutes; anytime
Report: None anticipated

11. Subject: Conference With Legal Counsel - Potential Litigation (160.03)

Recommendation: That Council hold a closed session to consider potential litigation pursuant to subsection (c) of section 54956.9 of the Government Code and take appropriate action as needed.

Scheduling: Duration, 10 minutes; anytime
Report: None anticipated

ADJOURNMENT

To Wednesday, October 27, 2010, at 9:00 a.m. for continuation of public hearing on the Plan Santa Barbara and General Plan Update. (See Item No. 9)

File Code No. 120.03

CITY OF SANTA BARBARA

FINANCE COMMITTEE

MEETING AGENDA

DATE: October 26, 2010
TIME: 12:30 p.m.
PLACE: David Gebhard Public Meeting Room
630 Garden Street

Das Williams, Chair
Dale Francisco
Michael Self

James L. Armstrong
City Administrator

Robert Samario
Finance Director

ITEMS TO BE CONSIDERED:

1. Subject: Grant To Housing Authority For Two New Units At 233 West Ortega Street

Recommendation: That the Finance Committee consider and recommend to the Redevelopment Agency Board approval of a grant of $300,000 from Agency Housing Setaside funds to the Housing Authority of the City of Santa Barbara for the construction of two new units at its property at 233 West Ortega Street.

2. Subject: September 30, 2010, Investment Report And September 30, 2010, Fiscal Agent Report

Recommendation: That the Finance Committee recommend that Council:
A. Accept the September 30, 2010, Investment Report, and
B. Accept the September 30, 2010, Fiscal Agent Report.

(See Council/Redevelopment Agency Agenda Item No. 1)

Agenda Item No._____

File Code No. 120.03

CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Finance Committee

FROM: Housing and Redevelopment Division, Community Development Department

SUBJECT: Grant To Housing Authority For Two New Units At 233 West Ortega Street

RECOMMENDATION:

That the Finance Committee consider and recommend to the Redevelopment Agency Board approval of a grant of $300,000 from Agency Housing Setaside funds to the Housing Authority of the City of Santa Barbara for the construction of two new units at its property at 233 West Ortega Street.

DISCUSSION:

The City's Housing Authority owns the property at 233 West Ortega Street that is currently improved with four three-bedroom units. The 13,200 square foot site is located at the corner of Bath and Ortega. The site has a large open space that is minimally used by the residents, and the Housing Authority wishes to construct two new affordable one-bedroom units on the site in order to maximize the property's potential for affordable housing. The project has received all required development approvals from the City. The Housing Authority has requested a grant of $300,000 ($150,000 per unit) from the City's Redevelopment Agency to help finance the construction of these two units.

Tenancy and Affordability

The Housing Authority purchased the property in 1973 and developed the existing four units under the Conventional Public Housing Program of the U.S. Department of Housing and Urban Development (HUD). HUD requires that any additional units constructed on the property must also be affordable under HUD's Public Housing regulations. Thus, the existing units and new units must be rented to very-low income and low income households at rents that don't exceed 30% of their monthly income, including utilities. These income and rent limits are consistent with the City's affordable housing policies and state redevelopment law. Redevelopment law requires that the City record an affordability covenant, but in this case the covenant will simply reference the requirement to continue to rent the units under the HUD affordability regulations for at least sixty years. The property is in the Central City Redevelopment Project Area (CCRP), so there is no need for a City Council resolution finding that the project will be of benefit to the CCRP.

Agency Grant

Although the City and Agency generally provide affordable housing funds to developers in the form of a loan, there are some situations when a grant is more appropriate. In this case, since the site was purchased and developed under HUD's Conventional Public Housing Program, it is subject to HUD regulations that prohibit the Housing Authority from encumbering the property with any debt or affordability restrictions beyond those required under HUD's Public Housing Program. Thus, this City subsidy needs to be structured as a grant.

Project Costs and Budget

The construction cost of the two new units is expected to not exceed a total of $620,000. HUD will fund $320,000 of the cost with a grant, with the remaining $300,000 to be funded through this Agency grant. This is an Agency subsidy of $150,000 per unit. This is higher than some projects recently funded by the Agency, but the per unit subsidy amount has been going up with recent projects. The City loan amount for Casas las Grenadas was $137,000 per unit for 12 units, and the latest Habitat for Humanity project at 618 San Pasqual was $165,000 per unit for 4 units. In this case, the construction costs are higher because they have to raise the units above the flood plain, and there are only 2 units so the building cost per unit is higher than it would be for a larger project ($310,000). The amount of subsidy from HUD is $160,000 per unit, so the Agency's $150,000 per unit is what is needed to fill the gap.

Sustainability Impact

The two new units will be built using energy efficient appliances, lighting and plumbing fixtures. The water heaters will be on-demand units and the forced-air heating system will be high-efficiency. Bio-swales will be used to recharge ground water with rain water.

CONCLUSION:

Staff asks that the Finance Committee recommend approval of the requested grant to the Agency Board. The proposed two new units would be an addition to the Housing Authority's stock of affordable housing, and will remain so for the long term. The subsidy from the Agency of $300,000 ($150,000 per unit) will enable the Housing Authority to leverage an additional $320,000 in grant funds from HUD. The Agency and City have sufficient Housing Setaside funds to provide the requested financial assistance to the Housing Authority.

ATTACHMENT: Letter from the Housing Authority dated September 29, 2010

PREPARED BY: Brian Bosse, Housing and Redevelopment Manager / SBF

SUBMITTED BY: Paul Casey, Community Development Director / Assistant City Manager

APPROVED BY: City Administrator's Office

ATTACHMENT

HA SB

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

808 Laguna Street / Santa Barbara
California / 93101

Tel (805) 965-1071
Fax (805) 564-7041

September 29, 2010

HAND DELIVERED

Mr. Steven Faulstich, Housing Programs Supervisor
Housing & Redevelopment Division
City of Santa Barbara
630 Garden St.
Santa Barbara, CA 93101

RE: REQUEST FOR GRANT OF CITY RDA FUNDS FOR CONSTRUCTION OF A DUPLEX ON HOUSING AUTHORITY OWNED EXCESS PUBLIC HOUSING LAND LOCATED AT 233 WEST ORTEGA STREET

Dear Steven:

As you know, the Housing Authority continues to look at various opportunities to add to the City's existing affordable housing portfolio either through acquisition of existing units or through new construction. Recently we have reviewed the Authority's underutilized open space at our various properties throughout the City and have determined that great benefit exists for the addition of new units on currently owned Housing Authority land.

One such location is 233 West Ortega/630 Bath Street. This property currently consists of 4 three-bedroom townhouses in 2 duplexes developed in 1973 under HUD's Conventional Public Housing program. The site has a minimally landscaped open space of approximately 5,000 square feet that has been underutilized by the residents. The Housing Authority recently obtained approval from the City of Santa Barbara to add a new duplex consisting of 2 one-bedroom, fully handicapped accessible units as an infill addition to this existing development on the aforementioned underutilized area.

The cost of the project, as bid, is $620,000. This amount includes a premium of approximately $50 per square foot to satisfy requirements to elevate the existing grade as the site is located within 100 year flood zone. The overall project costs are in alignment with current Santa Barbara construction costs for similar small projects. Because the Housing Authority already owns the land, we are able to realize a substantial savings in adding the new units to the existing development since land cost is not a factor. To assist the Housing Authority with the construction of the new units, we are requesting a grant of $300,000 from the Redevelopment Agency of the City of Santa Barbara. The remainder of the cost will be funded through our HUD Public Housing Capital Fund program.

We are making the request for a grant rather than a loan as this site was purchased and developed under HUD's Conventional Public Housing program. As such, the property cannot be encumbered with additional debt or affordability requirements beyond those required by HUD's Public Housing program. Since this property is encumbered with a

HUD Declaration of Trust (DOT), all of the units, including the proposed two new units, must be operated in accordance with the rules and requirements that govern the HUD Public Housing program. This means that all of the units must be rented to lower income households at no more than 30% of household income. Because of HUD's existing (and strict) affordability controls, we must ask that any City required affordability covenant simply reference the fact that the two new units, partially financed by the RDA, are to be operated by the Housing Authority's in accordance with HUD's Conventional Public Housing program.

If City/RDA staff deem this request to be reasonable and appropriate, we would ask that it be placed before the City Council/RDA for consideration in the next 30 days as we would like to begin construction of these units as soon as possible. Thank you.

Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

ROBERT G. PEARSON
Executive Director/CEO

Encls.

cc: Housing Authority Commission

RECEIVED
SEP 29 2010
CITY OF SANTA BARBARA
HOUSING AND REDEVELOPMENT

File Code No. 120.03

CITY OF SANTA BARBARA

ORDINANCE COMMITTEE MEETING

MEETING AGENDA

DATE: October 26, 2010
TIME: 12:30 p.m.
PLACE: Council Chambers

Bendy White, Chair
Grant House
Frank Hotchkiss

Office of the City Administrator

Lori Pedersen
Administrative Analyst

Office of the City Attorney

Stephen P. Wiley
City Attorney

ITEMS FOR CONSIDERATION

Subject: Zoning Information Report Ordinance Revisions

Recommendation: That the Ordinance Committee:

A. Review proposed amendments to Municipal Code Section 22.87.220 regarding Zoning Information Reports; and
B. Make recommendations to City Council for Ordinance adoption.

File Code No. 120.03

CITY OF SANTA BARBARA

ORDINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Ordinance Committee Members

FROM: Planning Division, Community Development Department

SUBJECT: Zoning Information Report Ordinance Revisions

RECOMMENDATION: That the Ordinance Committee:

A. Review proposed amendments to Municipal Code Section 22.87.220 regarding Zoning Information Reports; and
B. Make recommendations to City Council for Ordinance adoption.

DISCUSSION:

On October 12, 2010, the Ordinance Committee reviewed several proposed Ordinance amendments pertaining to the City's design review process, sign regulations, and Zoning Information Reports (ZIRs). The Committee took action on amendments pertaining to the reconstitution of the Sign Committee, terminology surrounding design review approvals, and discretionary project expirations, and continued the discussion on the following topics:

- Exemptions from the requirement to obtain a ZIR prior to the transfer of residential property; and
- Changes to clarify sign regulations and improve sign enforcement.

Further discussion of these two topics was deemed necessary in order to receive more public comment and additional information and clarification from staff on the impacts of the proposed changes.

At this time, Staff is providing additional information regarding the ZIR amendments. Additional information related to proposed sign regulation amendments will be forthcoming for the Ordinance Committee's November 9, 2010 meeting.

<u>Zoning Information Reports</u>

Currently, a ZIR is required to be prepared by staff and provided, via the property owner, to the buyer of residential property prior to the transfer of title. The primary purpose of the ZIR is to provide information to the potential buyer of residential property concerning the zoning and permitted uses of the property.

As part of recent budget discussions and Planning Division staff's ongoing coordination with the Santa Barbara Association of Realtors regarding ZIRs, we propose to eliminate the requirement to obtain a ZIR prior to the transfer of a residential condominium unit. In only rare instances do staff find zoning violations in condominium units due to the existence of Homeowners' Associations and CC&Rs that prohibit most potential land use violations. We also propose exempting from the ZIR requirements residential properties that are either under construction or have recently received final building inspection, as staff does not anticipate finding zoning violations on newly developed properties.

Additionally, we propose language in Section 28.87.220.H to reiterate that it is unlawful for an owner to transfer residential property without first providing a copy of a valid ZIR to the buyer.

BUDGET IMPACT:

The fee to prepare a Zoning Information Report is one of only a few Planning Division fees intended to recover the staff's time to prepare the work product. Therefore, while this proposal will slightly reduce the workload of the Division, it will also proportionately reduce revenue to the Planning Division. The benefits of these changes include an ability to perform ZIRs more quickly given reduced number of applications, and additional time that the ZIR preparer would have available to contribute to other duties of the Planning Division.

ATTACHMENT: Draft Ordinance

PREPARED BY: Renee Brooke, AICP, Zoning and Enforcement Supervisor

SUBMITTED BY: Paul Casey, Assistant City Administrator/ Community Development Director

APPROVED BY: City Administrator's Office

ATTACHMENT

ORDINANCE COMMITTEE DISCUSSION DRAFT 10/26/2010
SHOWING CHANGES FROM EXISTING CODE

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING SECTION 28.87.220 OF THE SANTA BARBARA MUNICIPAL CODE RELATING TO THE PREPARATION OF ZONING INFORMATION REPORTS.

SECTION 1. Section 28.87.220 of Chapter 28.87 of Title 28 of the Santa Barbara Municipal Code is amended to read as follows:

28.87.220 Zoning Information Report.

~~1~~A. STATEMENT OF LEGISLATIVE INTENT.

These regulations are intended to require a Zoning Information Report for purchasers of residential property, setting forth matters of City record pertaining to the authorized use, occupancy, zoning and the results of a physical inspection of the property. Primary purpose of the report is to provide information to the potential buyer of residential property concerning the zoning and permitted use of the property.

~~2~~B. DEFINITIONS.

~~a~~1. "Owner" shall mean any person, co-partnership, association, corporation or fiduciary having legal or equitable title or any interest in any real property.

~~b~~2. "Residential property" shall mean any improved real property, designed or permitted to be used for any residential purpose, situated in the City and shall include the building or structures located on said improved real property.

~~c~~3. "Agreement of sale" shall mean any agreement or written instrument which provides that title to any property shall thereafter be transferred for consideration from one (1) owner to another owner.

~~3~~C. REPORT REQUIRED.

~~a~~1. Application. Unless a sale is exempt from the requirements of this section pursuant to Subsection G below, ~~N~~no later than five (5) days after entering into an "agreement of sale" of any residential property, the owner or owner's authorized representative shall make application to the City for a Zoning Information Report to the Community Development Director on a form provided, and pay a fee as established by resolution of the City Council. An owner of a residential property which is exempt pursuant to Subsection G may, but is not required to, obtain a Zoning Information Report as specified in this Section 28.87.220.

Under normal circumstances the report will be available no later than fifteen (15) working days after the application is received by the Community Development Director.

~~b~~2. Copy to Buyer. Said owner or owner's authorized representative shall provide a copy of the report to the buyer or buyer's authorized representative no later than three (3) days prior to consummation of the transfer of title. The buyer or buyer's authorized representative may waive in writing the requirement for delivery three (3) days prior to consummation of the transfer of title but in any event the report shall be provided to the buyer or buyer's authorized representative prior to the consummation of the transfer of title.

~~c~~3. Proof of Receipt. Proof of receipt of a copy of the report shall be obtained by the owner or owner's authorized representative prior to consummation of the transfer of title. Said proof shall consist of a statement signed by the buyer or buyer's authorized representative stating that the report has been received, the date of the report and the date it was received. City shall provide a receipt form with each zoning information report. The original of the signed proof of receipt shall be mailed or delivered to the Community Development Director of the City no later than the consummation of the transfer of title.

~~4~~D. CONTENTS OF ZONING INFORMATION REPORT.

The Community Development Director shall review the applicable City records and provide the applicant the following information on the Zoning Information Report:

~~a~~1. Street address and parcel number of the property.

~~b~~2. The zone classification and permitted uses as set forth in the Zoning Ordinance of the City of Santa Barbara.

~~c~~3. Occupancy and use permitted as indicated and established by records.

~~d~~4. Variance, special use permits, conditional use permits, modifications and other administrative acts of record.

~~e~~5. Any special restrictions in use or development which are recorded in City records and may apply to the property.

~~f~~6. Any known nonconformities or violations of any ordinances or law.

~~g~~7. The results of a physical inspection for compliance with the Zoning Ordinance and for compliance with Chapter 14.46 of this Code.

~~h~~8. A statement of whether the real property has had a Building Sewer Lateral Report prepared for the real property pursuant to the requirements of Santa Barbara Municipal Code Chapter 14.46 within the five (5) year period prior to the preparation of the Zoning Information Report and, if so, that a copy of the Building Sewer Lateral Report is available from the City for the buyer’s inspection. All Zoning Information Reports shall also contain an advisory statement (in bold not less than 10 point typeface) prepared by the Public Works Director which advises a purchaser of residential real property regarding the potential problems and concerns caused by an inadequate, failing, or poorly-maintained Building Sewer Lateral. In addition, the standard required advisory statement shall indicate the advisability of a purchaser obtaining a recently-prepared Building Sewer Lateral Inspection Report.

~~5~~E. VIOLATION OF LAW NOT PERMITTED.

Any report issued pursuant to this section shall not constitute authorization to violate any ordinance or law, regardless of whether the report issued pursuant to this section purports to authorize such violation or not.

~~6~~F. EXPIRATION OF REPORT.

Each report shall be valid for a period of twelve (12) months after date of issue or until a transfer of title occurs, whichever is sooner.

~~7~~G. EXEMPTIONS.

The provisions of this section shall not apply to the following sales:

1. The first sale of a residential building located in a subdivision whose final map has been approved and recorded in accordance with the Subdivision Map Act not more than two (2) years prior to the first sale.

2. The sale of any residential property on which a new main building is under construction pursuant to a valid building permit on the date the owner enters into the agreement for sale with the buyer.

3. The sale of any residential property where a final inspection was issued for a new main building on the lot not more than three (3) months prior to the date on which the owner entered into the agreement for sale with the buyer.

4. Any sale of a condominium unit.

~~8~~H. EFFECT OF NONCOMPLIANCE.

Unless a sale of residential property is exempt from the provisions of this Section 28.87.220, it shall be unlawful for any owner to transfer title to any residential property without providing the buyer with a Zoning Information Report as required in this Section 28.87.220. The failure to comply with the provisions of this Section shall not invalidate the transfer or conveyance of real property to a bona fide purchaser or encumbrancer for value.

Agenda Item No._____

File Code No. 260.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: September 30, 2010, Investment Report And September 30, 2010, Fiscal Agent Report

RECOMMENDATION: That Council:

A. Accept the September 30, 2010, Investment Report; and
B. Accept the September 30, 2010, Fiscal Agent Report.

DISCUSSION:

On a quarterly basis, staff submits a comprehensive report on the City's portfolio and related activity pursuant to the City's Annual Statement of Investment Policy. The current report covers the investment activity for July through September 2010.

Financial markets posted gains over the September quarter corresponding to an easing of concerns over a double-dip recession and economic data suggesting a stabilizing economy and gradual economic growth. The Dow Jones Industrial Average (DJIA) index, which measures stocks from 30 industrial "blue-chip" companies, was up 11.13 percent from the previous quarter; S&P 500, composed of 500 "large-cap" companies across various sectors, was up 11.29 percent; and NASDAQ, which largely measures technology stocks, was up 12.3 percent.

Fueling the favorable results in financial markets in September, the Federal Reserve Bank's Open Market Committee announced that it "is prepared to provide additional accommodation if needed to support the economic recovery and to return inflation, over time, to levels consistent with its mandate." The Federal Reserve Bank's Open Market Committee held the federal funds rate unchanged at a target range of 0-1/4 percent over the quarter in continued efforts to spur growth in the economy.

The Consumer Price Index (CPI) is a general measure of inflation showing the average change over time in prices of goods and services purchased by households. The seasonally adjusted CPI for all items was up for the third straight month in September, rising 0.1 percent due to increases in food and energy index items. This was lower than expected and supports the Fed's concern that inflation is "too low". Core prices, excluding food and energy, were flat in September. Economists remain concerned about the possibility of deflation with low CPI growth and continued high unemployment levels. With figures released in early September, unemployment was at 9.6%

Treasury yields were lower at the end of the quarter as shown in the table to the right. Investors continued to demand the safety of U.S. Treasuries, driving prices higher and yields lower. Longer term yields on Treasury notes were lower, ranging from a decline of 5 basis points on the 1-year Treasury note to a decline of 52 basis points on the 5-year Treasury note over the quarter. This flattening of the yield curve is consistent with investor expectations of a long and gradual economic recovery.

U.S. Treasury Market					
	6/30/2010	7/31/2010	8/31/2010	9/30/2010	Cumulative Change
3 Month	0.17%	0.15%	0.13%	0.15%	-0.02%
6 Month	0.22%	0.20%	0.19%	0.19%	-0.03%
1 Year	0.30%	0.28%	0.23%	0.25%	-0.05%
2 Year	0.60%	0.55%	0.47%	0.42%	-0.18%
3 Year	0.96%	0.83%	0.70%	0.63%	-0.33%
4 Year	1.37%	1.22%	1.01%	0.95%	-0.42%
5 Year	1.78%	1.60%	1.33%	1.26%	-0.52%
10 Year	2.93%	2.91%	2.47%	2.51%	-0.42%
30 Year	3.89%	3.99%	3.52%	3.68%	-0.21%
LAIF	0.56%	0.51%	0.51%	0.51%	-0.05%

Investment Activity

As shown in the table below, the City invested $14 million during the quarter. The purchases consisted of $12 million in “AAA” rated Federal Agency callable securities and $2 million in “AAA” rated Federal Agency bullets (non-callable securities). During the quarter, $9 million of “AAA” rated Federal Agency securities were called and $11 million securities matured.

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
Purchases:						
Federal National Mortgage Association (FNMA)	2,000,000	07/07/10	07/07/15	07/07/11	2.350%	2.350%
Federal Home Loan Bank (FHLB)	2,000,000	07/14/10	07/14/15	07/14/11	2.000%	2.336%
Federal Home Loan Bank (FHLB)	2,000,000	08/05/10	09/12/14	-	-	1.375%
Federal National Mortgage Association (FNMA)	2,000,000	08/05/10	08/05/15	08/05/11	2.125%	2.125%
Federal National Mortgage Association (FNMA)	2,000,000	08/10/10	08/10/15	08/10/12	2.133%	2.055%
Federal National Mortgage Association (FNMA)	2,000,000	09/09/10	09/09/15	09/09/11	1.951%	1.871%
Federal National Mortgage Association (FNMA)	2,000,000	09/21/10	09/21/15	03/21/11	2.000%	2.000%
	14,000,000					
Calls:						
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	07/30/09	01/30/13	07/30/10	2.350%	2.350%
Federal National Mortgage Association (FNMA)	2,000,000	09/09/09	09/09/14	09/09/10	3.250%	3.250%
Federal National Mortgage Association (FNMA)	1,000,000	03/09/10	03/09/15	09/09/10	3.000%	3.000%
Federal National Mortgage Association (FNMA)	2,000,000	03/16/10	09/16/13	09/16/10	2.302%	2.130%
Federal National Mortgage Association (FNMA)	2,000,000	03/23/09	03/23/12	09/23/10	2.000%	2.491%
	9,000,000					
Maturities:						
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	05/29/07	07/06/10	-	-	5.070%
Federal Home Loan Bank (FHLB)	2,000,000	11/08/06	07/30/10	-	-	5.010%
Wells Fargo & Co. (WFC)	2,000,000	10/10/06	08/09/10	-	-	5.000%
Federal Farm Credit Bank (FFCB)	2,000,000	01/29/07	08/25/10	-	-	5.111%
Federal Home Loan Mortgage Corp (FHLMC)	2,000,000	05/22/07	09/17/10	-	-	5.015%
Federal Home Loan Bank (FHLB)	1,000,000	09/14/06	09/29/10	-	-	5.070%
	11,000,000					

The weighted average yield to maturity measures the average yield for securities with varying interest rates to help provide a measure of the future rate of return on the investment portfolio. The weighted average yield to maturity on the quarter's purchases totaled 2.016 percent, compared to 3.946 percent on the quarter's called and matured investments, reflecting the low interest rate environment.

The average rate at which the City earned interest at the Local Agency Investment Fund (LAIF), the State's managed investment pool, was 0.51 percent for the quarter ended September 30, 2010. Staff expects to reinvest a portion of the City's LAIF balances in short-term or callable securities during the next quarter.

Summary of Cash and Investments

Mo. Ended	Yield	Days to Maturity
06/30/2010	2.323%	842
07/31/2010	2.385%	922
08/31/2010	2.329%	972
09/30/2010	2.138%	925

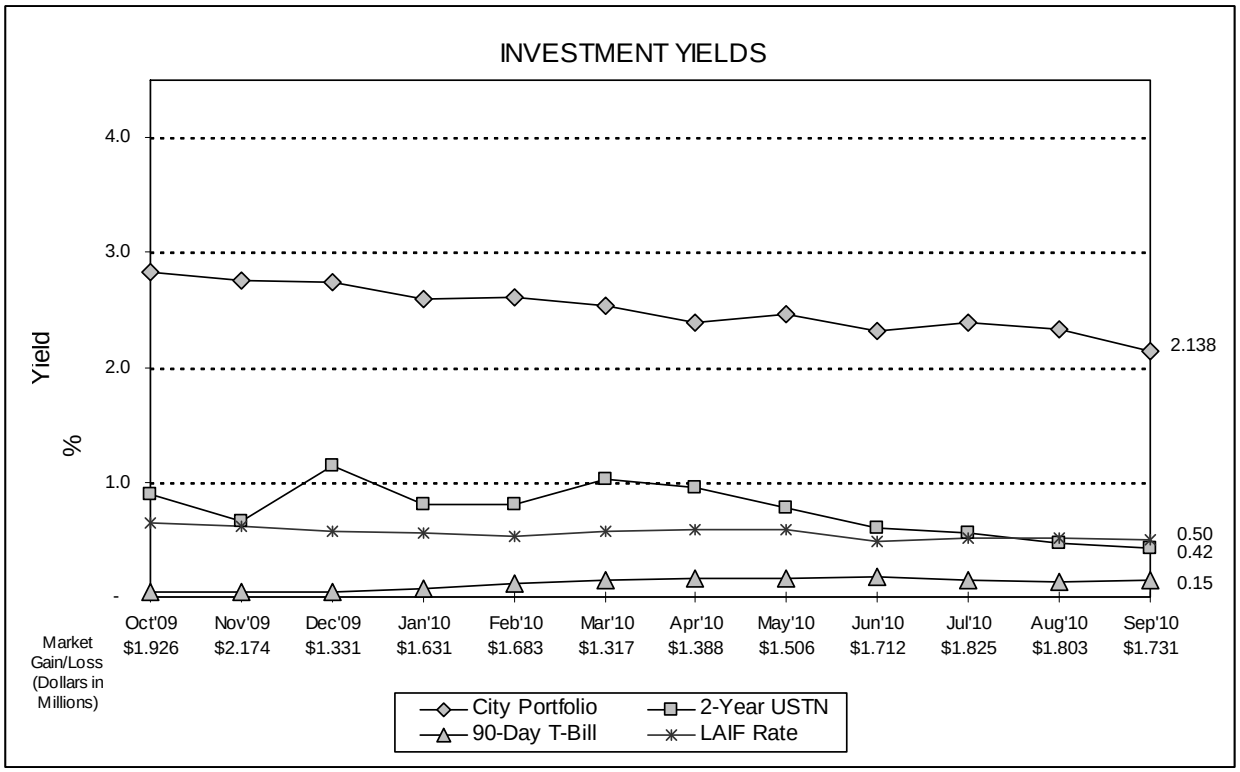
The book rate of return, or portfolio yield, measures the percent return of actual interest earnings generated from the portfolio. During the quarter, the City's book rate of return decreased by 18.5 basis points from 2.323 percent at June 30, 2010 to 2.138 percent at September 30, 2010. The book rate of return continues to decline through the attrition of higher-yielding securities, and reinvestment at considerably lower market rates. The portfolio's average days to maturity increased by 83 days from 842 to 925 days which includes the 20-year Airport promissory note authorized by Council in July 2009. The portfolio's average days to maturity excluding the Airport note is 682 days, reflecting reinvestment of maturities and calls during the quarter in the one to five year range for regular day-to-day investment activities in accordance with the City's Annual Statement of Investment Policy.

Credit Quality on Corporate Notes

Over the quarter ended September 30, 2010, there were no credit quality changes to the two corporate issuers of the medium-term notes held in the portfolio (i.e., General Electric Capital Corp and Wells Fargo & Company). All ratings remain within the City's Investment Policy guidelines of "A" or better.

Portfolio Market Gains/Losses

As shown on the Investment Yields on the next page, the City's portfolio continues to significantly outperform the three benchmark measures (the 90 day T-Bill, 2 year T-Note and LAIF). The portfolio also reflects unrealized market gains during the quarter due to lower market yields compared to the yields on securities held in the portfolio. At September 30, 2010, the portfolio had an unrealized market gain of $1.731 million.



On a quarterly basis, staff reports the five securities with the largest percentage of unrealized losses. There were no securities trading below purchase price at the end of the quarter.

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of September 30, 2010 is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of September 30, 2010.

ATTACHMENTS:
1. September 30, 2010, Investment Report
2. September 30, 2010, Fiscal Agent Report

PREPARED BY: Jill Taura, Treasury Manager

SUBMITTED BY: Robert Samario, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
September 30, 2010

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

9/9	Federal National Mortgage Association (FNMA)	$ 2,000,000
9/15	LAIF Deposit - City	1,500,000
9/16	LAIF Deposit - City	1,500,000
9/20	LAIF Deposit - City	1,000,000
9/21	Federal National Mortgage Association (FNMA)	2,000,000
9/21	LAIF Deposit - City	1,000,000
9/24	LAIF Deposit - City	2,000,000
9/28	LAIF Deposit - City	2,000,000
9/30	LAIF Deposit - City	1,500,000
	Total	**$ 14,500,000**

SALES, MATURITIES, CALLS OR WITHDRAWALS

9/9	LAIF Withdrawal - City	$ (1,000,000)
9/9	Federal National Mortgage Association (FNMA) - Call	(2,000,000)
9/9	Federal National Mortgage Association (FNMA) - Call	(1,000,000)
9/16	Federal National Mortgage Association (FNMA) - Call	(2,000,000)
9/17	Federal Home Loan Mortgage Corp (FHLMC) - Maturity	(2,000,000)
9/23	Federal National Mortgage Association (FNMA) - Call	(2,000,000)
9/29	Federal Home Loan Bank (FHLB) - Maturity	(1,000,000)
	Total	**$ (11,000,000)**

ACTIVITY TOTAL **$ 3,500,000**

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	$ 276,747
Amortization	(5,156)
SBB&T Sweep Account Interest	265
Total	**$ 271,856**

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	**$ 6,201**

TOTAL INTEREST EARNED **$ 278,057**

Attachment #1

CITY OF SANTA BARBARA
Summary of Cash and Investments
September 30, 2010

ENDING BALANCE AS OF AUGUST 31, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity	
State of California LAIF	$ 35,000,000	0.513%	23.02%	1	(1)
Certificates of Deposit	4,000,000	1.500%	2.63%	261	
Federal Agency Issues - Coupon	102,941,133	2.590%	67.69%	1,010	
Corporate/Medium Term Notes	4,006,134	5.180%	2.63%	154	
	145,947,267	2.133%	95.97%	724	
SB Airport Promissory Note	6,124,300	7.000%	4.03%	6,877	
Totals and Averages	$ 152,071,567	2.329%	100.00%	972	
SBB&T Money Market Account	3,212,215				
Total Cash and Investments	**$ 155,283,782**				

NET CASH AND INVESTMENT ACTIVITY FOR SEPTEMBER 2010 **$ 2,199,001**

ENDING BALANCE AS OF SEPTEMBER 30, 2010

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity	
State of California LAIF	$ 44,500,000	0.503%	28.61%	1	(1)
Certificates of Deposit	4,000,000	1.500%	2.57%	231	
Federal Agency Issues - Coupon	96,934,917	2.482%	62.31%	1,036	
Corporate/Medium Term Notes	4,005,194	5.180%	2.57%	124	
	149,440,111	1.939%	96.06%	682	
SB Airport Promissory Note	6,124,300	7.000%	3.94%	6,847	
Totals and Averages	$ 155,564,411	2.138%	100.00%	925	
SBB&T Money Market Account	1,918,372				
Total Cash and Investments	**$ 157,482,783**				

Note:

(1) The average life of the LAIF portfolio as of September 30, 2010 is 185 days .

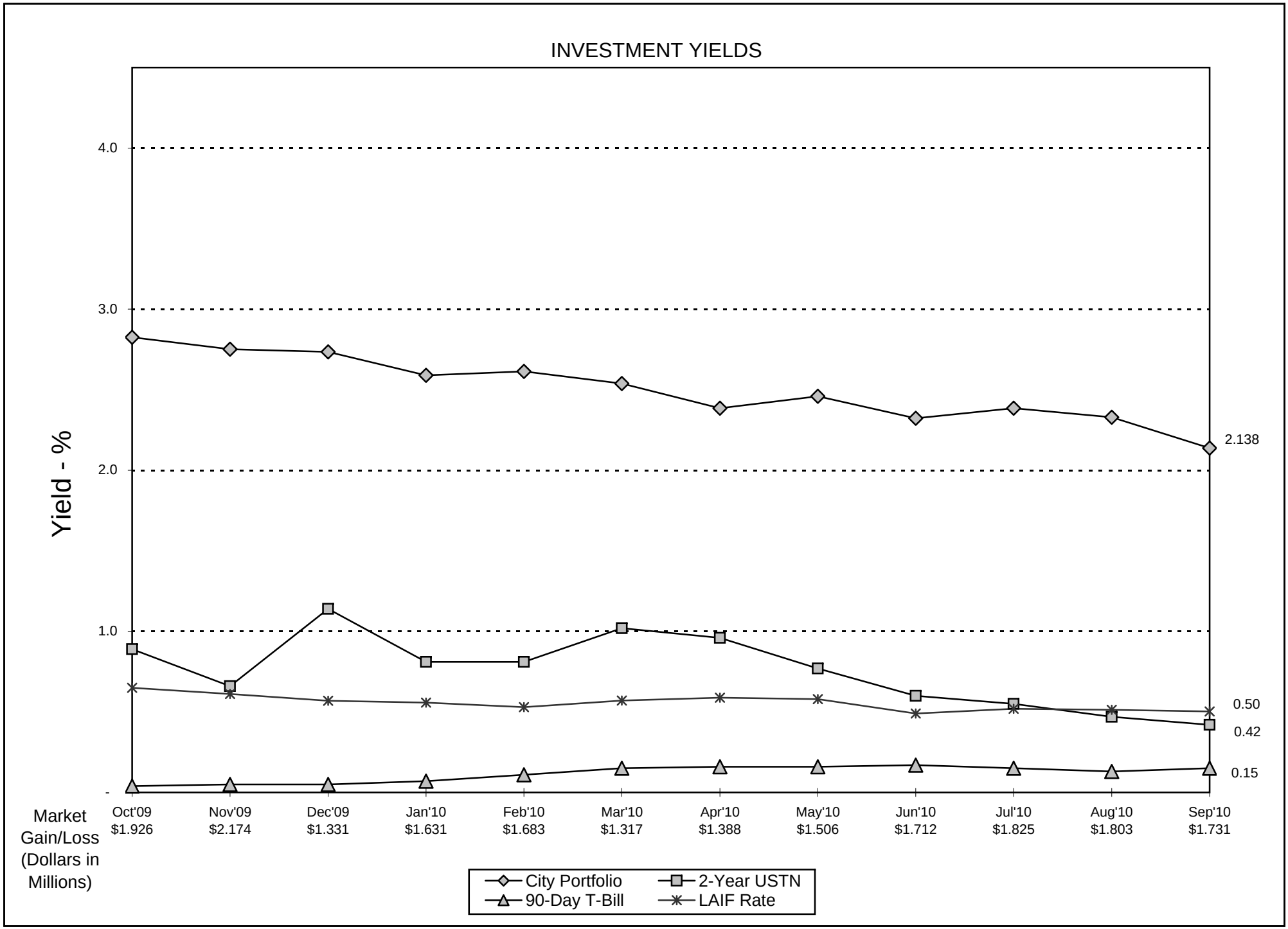
CITY OF SANTA BARBARA
Investment Portfolio
September 30, 2010

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	-	-	-	-	0.503	0.503	29,500,000.00	29,500,000.00	29,500,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	0.503	0.503	15,000,000.00	15,000,000.00	15,000,000.00	0.00	
Subtotal, LAIF							44,500,000.00	44,500,000.00	44,500,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/09	11/18/10	-	-	1.250	1.250	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
MONTECITO BANK & TRUST	11/18/09	11/18/11	-	-	1.750	1.750	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							4,000,000.00	4,000,000.00	4,000,000.00	0.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,003,923.03	2,054,380.00	50,456.97	
FEDERAL FARM CREDIT BANK	10/14/09	10/14/14	Aaa	AAA	2.875	2.875	2,000,000.00	2,000,000.00	2,001,880.00	1,880.00	Callable 10/14/10, then cont.
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,003,964.17	2,033,120.00	29,155.83	
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.002	2,000,000.00	2,000,000.00	2,041,250.00	41,250.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,090,940.00	90,940.00	
FEDERAL FARM CREDIT BANK	05/08/09	04/08/13	Aaa	AAA	2.200	2.200	2,000,000.00	2,000,000.00	2,073,130.00	73,130.00	
FEDERAL FARM CREDIT BANK	06/19/09	06/18/12	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,054,690.00	54,690.00	
FEDERAL FARM CREDIT BANK	09/30/09	10/03/11	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,014,380.00	14,380.00	
FEDERAL FARM CREDIT BANK	12/01/09	12/01/14	Aaa	AAA	2.840	2.840	2,000,000.00	2,000,000.00	2,008,120.00	8,120.00	Callable 12/01/10, then cont.
FEDERAL FARM CREDIT BANK	01/13/10	01/13/15	Aaa	AAA	3.180	3.180	2,000,000.00	2,000,000.00	2,016,570.00	16,570.00	Callable 01/13/11, then cont.
FEDERAL FARM CREDIT BANK	04/30/10	04/09/15	Aaa	AAA	2.900	2.916	2,000,000.00	1,998,808.35	2,070,630.00	71,821.65	Callable 04/09/12, once
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,003,022.84	2,065,940.00	62,917.16	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,991,232.10	2,028,440.00	37,207.90	
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,762,397.43	1,799,611.50	37,214.07	
FEDERAL HOME LOAN BANK	04/15/10	10/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,070,940.00	70,940.00	
FEDERAL HOME LOAN BANK	08/05/10	09/12/14	Aaa	AAA	1.375	1.375	2,000,000.00	2,000,000.00	2,016,880.00	16,880.00	
FEDERAL HOME LOAN BANK	06/30/09	06/30/14	Aaa	AAA	2.000	3.733	2,000,000.00	2,000,000.00	2,012,190.00	12,190.00	SU 5%, Callable 06/30/11, once
FEDERAL HOME LOAN BANK	09/17/09	12/13/13	Aaa	AAA	3.125	2.440	2,000,000.00	2,041,374.05	2,137,190.00	95,815.95	
FEDERAL HOME LOAN BANK	01/15/10	10/30/12	Aaa	AAA	1.700	1.700	2,000,000.00	2,000,000.00	2,047,190.00	47,190.00	
FEDERAL HOME LOAN BANK	03/30/10	09/30/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,016,260.00	16,260.00	Callable 03/30/11, once
FEDERAL HOME LOAN BANK	04/05/10	11/29/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,070,940.00	70,940.00	
FEDERAL HOME LOAN BANK	06/29/10	10/29/12	Aaa	AAA	1.125	1.125	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,994,838.41	2,035,310.00	40,471.59	
FEDERAL HOME LOAN BANK	05/28/10	05/28/15	Aaa	AAA	2.000	2.653	2,000,000.00	2,000,000.00	2,053,440.00	53,440.00	SU 3.35%, Callable 11/28/12, once
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,997,999.46	2,011,570.00	13,570.54	
FEDERAL HOME LOAN BANK	09/17/09	09/13/13	Aaa	AAA	4.375	2.272	2,000,000.00	2,117,973.70	2,209,060.00	91,086.30	

CITY OF SANTA BARBARA
Investment Portfolio
September 30, 2010

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
FEDERAL HOME LOAN BANK	02/22/10	12/13/13	Aaa	AAA	3.125	2.130	2,000,000.00	2,060,818.21	2,137,190.00	76,371.79	
FEDERAL HOME LOAN BANK	03/26/10	06/08/12	Aaa	AAA	1.375	1.325	2,000,000.00	2,001,655.45	2,030,320.00	28,664.55	
FEDERAL HOME LOAN BANK	07/14/10	07/14/15	Aaa	AAA	2.000	2.336	2,000,000.00	2,000,000.00	2,025,310.00	25,310.00	SU 2.0%-3.5% Call 07/14/11, then q
FEDERAL HOME LOAN BANK	06/30/10	06/30/14	Aaa	AAA	1.125	2.277	2,000,000.00	2,000,000.00	2,019,380.00	19,380.00	SU 3% callable 12/30/11, once
FEDERAL HOME LOAN MTG CORP	04/08/09	04/08/13	Aaa	AAA	2.500	2.526	2,000,000.00	1,999,480.56	2,021,180.00	21,699.44	Callable 04/08/11, once
FEDERAL HOME LOAN MTG CORP	05/19/09	11/19/12	Aaa	AAA	2.170	2.170	2,000,000.00	2,000,000.00	2,021,700.00	21,700.00	Callable 05/19/11, once
FEDERAL HOME LOAN MTG CORP	09/03/09	09/21/12	Aaa	AAA	2.125	1.699	2,000,000.00	2,016,295.08	2,063,440.00	47,144.92	
FEDERAL HOME LOAN MTG CORP	05/13/09	05/13/13	Aaa	AAA	2.400	2.400	2,000,000.00	2,000,000.00	2,023,740.00	23,740.00	Callable 05/13/11, once
FEDERAL HOME LOAN MTG CORP	10/28/09	10/28/14	Aaa	AAA	3.000	3.000	2,000,000.00	2,000,000.00	2,003,960.00	3,960.00	Callable 10/28/10, then qtrly
FEDERAL HOME LOAN MTG CORP	06/09/09	08/17/12	Aaa	AAA	1.000	2.420	2,000,000.00	1,948,958.47	2,013,940.00	64,981.53	
FEDERAL HOME LOAN MTG CORP	03/26/10	04/25/12	Aaa	AAA	1.125	1.197	1,000,000.00	998,885.55	1,010,470.00	11,584.45	
FEDERAL HOME LOAN MTG CORP	04/29/09	10/29/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,003,000.00	3,000.00	Callable 10/29/10, once
FEDERAL HOME LOAN MTG CORP	06/30/10	06/30/15	Aaa	AAA	2.000	2.914	2,000,000.00	2,000,000.00	2,023,320.00	23,320.00	SU 2.0%-4.5%, Call 06/30/11, annua
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,020,310.00	20,310.00	Callable 03/18/11, once
FEDERAL NATL MORTGAGE ASSN	07/07/10	07/07/15	Aaa	AAA	2.350	2.350	2,000,000.00	2,000,000.00	2,024,690.00	24,690.00	Callable 07/07/11, once
FEDERAL NATL MORTGAGE ASSN	04/15/10	07/15/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,001,260.00	1,260.00	Callable 10/15/10, once
FEDERAL NATL MORTGAGE ASSN	05/24/10	06/24/13	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,017,190.00	17,190.00	Callable 06/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/10/10	08/10/15	Aaa	AAA	2.000	2.055	2,000,000.00	1,995,168.33	2,030,940.00	35,771.67	Callable 08/10/12, once
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,014,070.00	14,070.00	Callable 02/24/11, once
FEDERAL NATL MORTGAGE ASSN	08/05/10	08/05/15	Aaa	AAA	2.125	2.125	2,000,000.00	2,000,000.00	2,024,070.00	24,070.00	Callable 08/05/11, once
FEDERAL NATL MORTGAGE ASSN	09/09/10	09/09/15	Aaa	AAA	1.850	1.871	2,000,000.00	1,998,122.22	2,000,620.00	2,497.78	Callable 09/09/11, once
FEDERAL NATL MORTGAGE ASSN	05/19/10	05/19/15	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,006,880.00	6,880.00	Callable 11/19/10, then qtrly
FEDERAL NATL MORTGAGE ASSN	09/21/10	09/21/15	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,007,500.00	7,500.00	Callable 03/21/11, once
Subtotal, Federal Agencies							96,700,000.00	96,934,917.41	98,601,971.50	1,667,054.09	
CORPORATE/MEDIUM TERM NOTES											
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,007,147.04	2,044,940.00	37,792.96	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA-	4.875	5.260	2,000,000.00	1,998,046.71	2,024,280.00	26,233.29	
Subtotal, Corporate Securities							4,000,000.00	4,005,193.75	4,069,220.00	64,026.25	
SB AIRPORT PROMISSORY NOTE (LT)											
SANTA BARBARA AIRPORT	07/14/09	06/30/29	-	-	7.000	7.000	6,124,299.81	6,124,299.81	6,124,299.81	0.00	
Subtotal, SBA Note							6,124,299.81	6,124,299.81	6,124,299.81	0.00	
TOTALS							155,324,299.81	155,564,410.97	157,295,491.31	1,731,080.34	

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.


INVESTMENT YIELDS
Yield - %
4.0
3.0
2.0
1.0
-
2.138
0.50
0.42
0.15
Market Gain/Loss (Dollars in Millions)
Oct'09 $1.926
Nov'09 $2.174
Dec'09 $1.331
Jan'10 $1.631
Feb'10 $1.683
Mar'10 $1.317
Apr'10 $1.388
May'10 $1.506
Jun'10 $1.712
Jul'10 $1.825
Aug'10 $1.803
Sep'10 $1.731
City Portfolio
2-Year USTN
90-Day T-Bill
LAIF Rate

CITY OF SANTA BARBARA
Fiscal Agent Investments
September 30, 2010

	CASH & CASH EQUIVALENTS	Guaranteed Investment Contracts (GIC)	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
	Book & Market	Book & Market	Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
RESERVE FUNDS										
2004 RDA - Housing Bonds	-	-	-	-	-	-	-	-	-	-
2002 Municipal Improvement - Refunding COPs	6,709.27	547,530.00	-	-	-	-	-	-	554,239.27	554,239.27
2002 Water - Refunding COPs	9,206.92	1,088,268.76	-	-	-	-	-	-	1,097,475.68	1,097,475.68
1994 Water - Revenue Bonds	20,011.55	757,680.00	-	-	-	-	-	-	777,691.55	777,691.55
2002 Waterfront - Reference COPs	919,323.71	1,393,262.50	-	-	-	-	-	-	2,312,586.21	2,312,586.21
1992 Seismic - Safety Bonds	87,465.19	-	-	-	-	-	-	-	87,465.19	87,465.19
Subtotal, Reserve Funds	1,042,716.64	3,786,741.26	-	-	-	-	-	-	4,829,457.90	4,829,457.90
PROJECT FUNDS										
2001 RDA Bonds	3,224,157.15	-	-	-	-	-	-	-	3,224,157.15	3,224,157.15
2003 RDA Bonds	13,908,794.72	-	-	-	-	-	-	-	13,908,794.72	13,908,794.72
2004 Sewer Revenue Bonds	2,998,403.75	1,357,140.00	-	-	-	-	-	-	4,355,543.75	4,355,543.75
2009 Airport Bonds	29,075,174.57	-	-	-	-	-	3,100,000.00	3,216,343.00	32,175,174.57	32,291,517.57
Subtotal, Project Funds	49,206,530.19	1,357,140.00	-	-	-	-	3,100,000.00	3,216,343.00	53,663,670.19	53,780,013.19
Subtotal Bond Funds	50,249,246.83	5,143,881.26	-	-	-	-	3,100,000.00	3,216,343.00	58,493,128.09	58,609,471.09
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	87,270.11	-	234,610.67	250,653.89	371,474.70	371,212.05	-	-	693,355.48	709,136.05
	87,270.11	-	234,610.67	250,653.89	371,474.70	371,212.05	-	-	693,355.48	709,136.05
TOTAL FISCAL AGENT INVESTMENTS	50,336,516.94	5,143,881.26	234,610.67	250,653.89	371,474.70	371,212.05	3,100,000.00	3,216,343.00	59,186,483.57	59,318,607.14

Notes:
(1) Cash & cash equivalents include money market funds.
(2) Market values have been obtained from the following trustees: US Bank, Bank of New York and Santa Barbara Bank & Trust

Attachment # 2

ORDINANCE NO._____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING A 15-YEAR LEASE WITH CONWAY VINEYARDS, INC., EFFECTIVE NOVEMBER 25, 2010

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 15-Year Lease With Conway Vineyards, Inc., Effective November 25, 2010, is hereby approved.

Agenda Item No._____

File Code No. 440.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of Ordinance For Three - Month Extension Of 2008-2010 Treatment And Patrol (TAP) MOU

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara extending the 2008-2010 Memorandum of Understanding Between The City Of Santa Barbara and the Patrol Officers' And Treatment Plants' Bargaining Units (TAP Units), adopted by Ordinance No 5482, through December 31, 2010.

DISCUSSION:

This is a three-month extension to the TAP Memorandum of Understanding (MOU) under the existing terms and conditions of employment. The existing agreement between the City of Santa Barbara and the Treatment and Patrol (TAP) units expired on September 30, 2010. At the request of SEIU Local 620, and consistent with the authority provided by Council, negotiators have tentatively agreed to an extension to the existing 2008-2010 agreement by three months, through December 31, 2010.

This bargaining unit is almost entirely composed of employees who are charged to non-General Fund sources. These include, primarily, the Water Fund, the Airport Fund, and the Waterfront Fund.

The extension will allow SEIU Local 620 time to establish a leadership change for this bargaining unit necessitated by the retirement of the past president, and to form a bargaining team. It also allows City negotiators to focus on achieving budget savings to the General Fund through negotiation with other bargaining units.

BUDGET/FINANCIAL INFORMATION:

There are no salary or benefit increases related to this extension.

PREPARED BY: Kristy Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA EXTENDING THE 2008-2010 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA BARBARA AND THE PATROL OFFICERS' AND TREATMENT PLANTS' BARGAINING UNITS (TAP UNITS), ADOPTED BY ORDINANCE NO 5482, THROUGH DECEMBER 31, 2010

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

SECTION 1. The term of the Memorandum of Understanding between the City of Santa Barbara and the Service Employees' International Union, Local 620, Airport and Harbor Patrol Officers' and Treatment Plants' Bargaining Units, effective as of October 1, 2008, and adopted by Ordinance No 5482, is hereby extended through December 31, 2010 on the same terms and conditions.

Agenda Item No._____

File Code No. 520.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Mayor and Councilmembers

FROM: Chief's Staff, Police Department

SUBJECT: Gift Of $6,490 To The Santa Barbara Police Department's Animal Control Program

RECOMMENDATION That Council:

A. Accept a gift of $6,490 from the Deborah K. Oldham Trust for use by the Santa Barbara Police Department's Animal Control Program; and

B. Increase estimated revenues and appropriations by $2,990 in the General Fund, Police Department's Animal Control Program, for the purchase of specified equipment to be funded by a portion of the gift from the Oldham Trust.

DISCUSSION:

The Deborah K. Oldham Trust annually donates money to the Santa Barbara Police Department's Animal Control Program. Mr. Stephen Frank, attorney for the Oldham Trust, has specified that the donation be applied as follows: $3,500 toward the retention of one Animal Control vehicle and $2,990 for the purchase of specific Animal Control equipment items identified during a meeting between Mr. Frank and Animal Control staff on August 31, 2010. These items include new carriers, nets, restraints, stretchers, cameras, and flashlights for each Animal Control vehicle and a new tranquilizer rifle.

BUDGETARY AND FINANCIAL IMPACTS:

A portion of the Oldham Trust donation ($3,500) will be used to fund the retention of one animal control vehicle, which is already budgeted in the Police Department's Animal Control Program; therefore, no additional appropriations are needed for this portion of the gift. The balance of the gift totaling $2,990 will be used to fund additional equipment not budgeted. Therefore, additional appropriations are being recommended to cover these costs.

ATTACHMENT: Animal Control Donation Letter

PREPARED BY: Sergeant Riley Harwood, Administrative Services Division

SUBMITTED BY: Camerino Sanchez, Chief of Police

APPROVED BY: City Administrator's Office

STEPHEN T. FRANK
ATTORNEY AT LAW

SUITE 271
LA ARCADA BUILDING
1114 STATE STREET
SANTA BARBARA, CALIFORNIA 93101
(805) 962-0101

September 8, 2010

City of Santa Barbara Police Department
Animal Control Division
Attention: Sergeant Riley Harwood
215 E. Figueroa Street
Santa Barbara, CA 93101

Re: The Deborah K. Oldham Trust

Dear Riley:

My wife and I enjoyed meeting with Dave, Anthony and you on August 31. We were very impressed with the dedication and caring you all exhibited and what a hard working officer Anthony Nunez seemed to be. This in spite of not having all of the equipment that would have made his job easier and probably more effective and efficient. To that end, on behalf of the Oldham Trust, I am willing to donate as my gift to your organization in 2010, the sum of $2,990.00 for the specific equipment items that were reviewed by Anthony to us during our meeting. I have arbitrarily added $266.00 additional over and above what the items totaled, as I felt there would also be costs for sales tax and shipping. I am hopeful that some sort of quantity discount from one or more of the sellers might be available but nevertheless, I doubt that it could make up for enough to cover the shipping and taxes.

Additionally, I would like to donate the sum of $3,500.00 to be used in connection with the retention or partial payment of one of your Animal Control vehicles needed to allow your men to do the job properly.

The total is $6,490.00. I had not planned on allocating quite that much to you but the presentation that the three of you made to me was sincere, genuine and impressive and therefore, I want to help you as much as possible. Please have Dave do whatever is necessary to have this in front of the Council so they can approve it. Thereafter, let me know when you want to come over and pick up a check.

With best personal regards, I remain

Very truly yours,

Stephen T. Frank

Agenda Item No._____

File Code No. 520.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Mayor and Councilmembers

FROM: Operations Division, Fire Department

SUBJECT: Fire Department Receipt Of Donated Equipment And Grant Monies From The Santa Barbara Firefighters Alliance

RECOMMENDATION: That Council:

A. Accept the donation of rescue and safety equipment from the Santa Barbara Firefighters Alliance to the City of Santa Barbara Fire Department, valued at approximately $15,000.00;
B. Authorize the receipt of grant funds totaling $3,580.57 from the Santa Barbara Firefighters Alliance; and
C. Increase appropriations and estimated revenues for the Fiscal Year 2011 by $3,580.57 in the Miscellaneous Grants Fund for use in providing telecommunications service for the donated iPads.

DISCUSSION:

The Santa Barbara Firefighters Alliance is a local non-profit organization that raises money for City and County firefighters to maximize their welfare, safety and efficiency. The Firefighters Alliance enables firefighters to provide higher levels of service to their communities. Past donations to our local fire and rescue services from the Alliance have included such items as: thermal imaging cameras, satellite phones, personal protective gear, and many other items valued at over $500,000.

The most recent donation will provide the Department with two life-size rescue mannequins for training centered around victim rescue from fire and auto extrication. Also the Alliance has purchased Wildland hose brackets that will allow for Fire crews to have increased mobility during wildfires. In addition, the Alliance processed a grant from Softshare, a local business, to purchase new iPads and iPhones to augment the Departments' public information program. These purchases will provide for better information delivery during emergencies affecting the Santa Barbara area.

BUDGET/FINANCIAL INFORMATION:

The grant consists of $3,580.57 to be received into the Miscellaneous Grants Fund, Fire Department, for use in purchasing telecommunications service for the iPad devices.

PREPARED BY: Patrick McElroy, Battalion Chief

SUBMITTED BY: Andrew DiMizio, Fire Chief

APPROVED BY: City Administrator's Office

Agenda Item No._____

CITY OF SANTA BARBARA

REDEVELOPMENT AGENCY AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Chair and Boardmembers

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

SUBJECT: Use Of Redevelopment Agency Funds To Lease Building Space For Police Building Project Staff Relocation

RECOMMENDATION:

That the Redevelopment Agency Board authorize the expenditure of $277,200 from the Police Station Renovation Project account to extend the Police Annex building lease at 222 East Anapamu Street for an initial period of 18 months starting January 1, 2011.

BACKGROUND:

In 2007, Council directed staff to make tenant improvements to the dilapidated men's locker room inside the Police Station building. During design of the Men's Locker Room Project, further investigation of the building systems was required and uncovered deficiencies with the building's structure, electrical, ventilation, and plumbing systems. Staff is currently working to complete the seismic structural analysis and a comprehensive building assessment that will further define the final project scope. However, based on the current project's scope, it is anticipated that a partial or complete relocation of employees and other services out of the main police station at 215 E. Figueroa Street during construction will be required.

DISCUSSION:

Currently there are 57 Police Department employees that work out of the Police Annex, located immediately behind the Police Station at 222 East Anapamu Street. The building was leased in 2000 for ten years to address the space issues in the main police station. The 222 East Anapamu building has 8,556 square feet and 35 off-street parking spaces. The building houses the computer training room, bunk rooms, department conference room and 588 square feet of storage area for department bicycles and supplies.

The Police Department's Fiscal Year 2011 approved budget included vacating the Police Annex building by January 1, 2011 and moving those staff members into the current Police Department station as a means of saving $165,000 (the equivalent of 6 months' rent). Since that time, the landlord has proposed a dramatic reduction in rent from $27,778 per month to $15,400 per month, equivalent to a 44% reduction. This substantial price reduction coupled with the upcoming Police Department Renovation Project requiring the building to be partially or completely vacated for approximately 12-18 months, has presented an opportunity for the Redevelopment Agency funded Project to pay for the building lease until the Project is complete.

A cost analysis was conducted that looked at a number of relocation options. The cost analysis reviewed the costs associated with extending the current lease (at the reduced amount) versus the costs associated with moving Police Annex staff back into the current police station for a period of 12-18 months, then locating new leased space, improving that leased space, and relocating Police staff to that new leased space once the Project begins construction. The cost analysis determined there would be an estimated savings of $318,380 over an 18-month period if the Annex lease were to be extended. The Police Department therefore proposes to retain the Annex as a relocation option and overall Project cost savings measure.

PROJECT UPDATE:

In late October, staff will be receiving a final report summarizing the structural seismic condition of the building along with a second report that summarizes the overall condition of the entire building's systems. Following the completion of these reports, staff will be arranging internal stakeholder meetings to discuss the viable options available before returning to the Finance Committee with a recommendation in February 2011 and to Council thereafter.

BUDGET INFORMATION:

The current fund balance for the Police Department Renovation Project is approximately $7,285,000. The proposed 18-month lease extension can be covered by the Project account.

HEALTH AND SAFETY CODE SECTION 33445.1 FINDINGS AND PUBLIC HEARING

The Police Station Renovation Project is located outside the Central City Redevelopment Project Area. California Redevelopment Law permits redevelopment agencies to spend redevelopment funds for redevelopment purposes outside of the project area if certain legal findings are made by the legislative body and a public hearing is noticed and held. On June 8, 2010, the Council of the City of Santa Barbara approved and adopted Resolution No. 10-035 making the findings required by Health and Safety Code Section 33445.1 for Redevelopment Agency funding of capital

improvements for the Police Station Renovation Project located outside and not contiguous to the Central City Redevelopment Project Area. Because the Police Annex building can provide necessary relocation space during construction of the Project, use of redevelopment funds is appropriate for that purpose.

PREPARED BY: Gil Torres, Police Captain
Joshua Haggmark, Principal Civil Engineer
Brian Bosse, Housing and Redevelopment Manager

SUBMITTED BY: Christine F. Andersen, Public Works Director
Paul Casey, Assistant City Administrator
Cam Sanchez, Police Chief

APPROVED BY: City Administrator's Office

Agenda Item No._____

File Code No. 440.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Introduction Of Ordinance For Extension Of Firefighters MOU Through June 30, 2013

RECOMMENDATION:

That Council ratify a 30-month extension to the 2007-2010 Memorandum of Understanding between the City and the Santa Barbara City Firefighters' Association by introduction and subsequent adoption of, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Extending the 2007-2010 Memorandum of Understanding Between the City of Santa Barbara and the Santa Barbara City Firefighters' Association through June 30, 2013.

EXECUTIVE SUMMARY:

The City and the Firefighters' union, the Santa Barbara City Firefighters' Association, have reached a tentative agreement to extend the existing 2007-2010 Memorandum of Understanding (MOU) for 30 months and to include both short-term labor concessions and long-term wage and benefit increases in the extended agreement.

Under the agreement, employees will participate in the Public Employees Retirement System (PERS) retirement cost-sharing equal to 4.982% of earnings effective January 2011, and reduced to 2.982% in the next two fiscal years. Employees will delay a 3% salary increase they were entitled to receive in July 2010; 1.5% will be delayed by one year and 1.5% will be delayed by 18 months. Suppression employees will take 24 hours fewer of holiday time in each fiscal year, resulting in overtime savings. Prevention employees will take 16 hours of furlough (leave without pay) in the first two fiscal years. While concessions are in place, the City agrees to maintain minimum staffing levels, subject to the Council's ability to reduce staffing and restore concessions prospectively.

Employees will receive family medical benefit cap increases of $165 in January 2011, $121 in January 2012, and $132 in January 2013. Employees will receive two 1.5% salary increases in the last year, Fiscal Year 2013, one in July and one in January. The City may reopen negotiations to reconsider these salary increases upon the declaration by the City Council of a fiscal emergency.

The agreement will result in reduced net labor costs in Fiscal Year 2011 of $726,621 (equivalent to about -5.5% salary) and $419,077 (equivalent to about -3%) in Fiscal Year 2012. In Fiscal Year 2013 net labor costs will increase by a modest $63,910 (less than 0.5%). At the end of Fiscal Year 2012 the temporary labor concessions will expire, leading to ongoing labor cost increase of $668,271 (+5.0%) in subsequent years.

DISCUSSION:

Although they have an existing labor agreement extending through December 31, 2010, firefighters began voluntarily meeting with City negotiators in January of this year to discuss the City's Fiscal Year 2011 projected General Fund budget deficit and explore possible labor concessions designed to protect services to the public. After extended solution-oriented discussions, negotiators have reached a tentative agreement for a 30-month extension to the existing July 1, 2007- December 31, 2010 MOU. This agreement is consistent with the authority provided to negotiators by the City Council and is expected to be ratified by the Association membership on October 22, 2010, prior to Council consideration of this action.

The agreement includes short-term labor concessions, long-term wage and benefit increases, and other agreements as follows:

<u>Retirement cost-sharing</u>

Under the agreement, employees will participate in California Public Employees Retirement System (PERS) cost-sharing beginning at a rate equal to 4.982% of earnings effective January 15, 2011, and reduced to 2.982% from June 18, 2011 through June 30, 2013. Employees currently do not contribute toward the PERS retirement plan.

There are three ways to accomplish employee retirement cost-sharing according to PERS staff:

- One is for the employee to contribute toward the 9% PERS member contribution. This reduces both the City EPMC (employer paid member contribution) and the cost of the roll-up benefit, under which the City reports the EPMC to PERS as additional compensation for retirement calculation purposes. Of the three methods, this method requires the lowest employee contribution to achieve similar City savings and can be applied to different employee groups separately. However, this negatively affects the employee's retirement calculation by reducing the reported single highest year of compensation.

- The second way is for employees to reimburse the City directly for part of the cost of the "3% at 50" benefit enhancement negotiated in 2001, as contemplated under CA Government Code Section 20516(f). This does not affect the roll-up benefit and can be applied to different employee groups separately, but must be done on a post-tax basis and must be done completely outside of the PERS retirement

system. Because the roll-up benefit is not affected, in order to achieve similar City savings, employees must contribute a higher percentage amount than under the first method.

- The third way is to share part of the cost of the 2001 3% at 50 benefit enhancement by amending the PERS contract pursuant to CA Government Code Section 20516(a), which reduces the City's required employer contribution. The advantage to employees of using this method is that it does not affect the roll-up benefit, the contributions can be made on a pre-tax basis, and contributions are credited to the member's account and refundable in the event the member does not retire under the PERS system. This method must apply to all plan members, so it cannot be applied to different employee groups separately. As with the second method, in order to achieve similar City savings, employees must contribute a higher percentage amount than under the first method.

Under this agreement, employee cost-sharing will be accomplished through the third method outlined above, a PERS contract amendment under the Government Code Section 20516(a). This will require a member election of participants in the City's Fire Safety PERS plan. The contract amendment process will proceed as quickly as possible, but generally takes four to six months to complete. In the interim, cost-sharing will be accomplished through the second method, payment directly to the City as contemplated under CA Government Code Section 20516(f). This is also the method that will be used if for some reason cost-sharing via contract amendment cannot be accomplished, such as if the member election fails to approve the contract amendment.

Staff will return to Council with the necessary documents to hold the PERS election and modify the PERS Fire Safety contract. Since a PERS contract modification is applied to all participants in the Fire Safety Plan, staff will also return within the next few weeks with a recommendation for incorporating this into salary and benefit adjustments for Fire Management.

Salaries

Employees will delay a 3% salary increase that they were entitled to receive on July 3, 2010. In a gesture that is indicative of the cooperation displayed by this group from the outset, the Firefighter's union had already agreed to temporarily forego receipt of this increase pending the conclusion of our discussions. Under this agreement, employees will now permanently delay this increase until next fiscal year, with 1.5% delayed by approximately one year, until June 16, 2011 and 1.5% delayed by approximately 18 months, until January 14, 2012.

In the third year of this agreement, employees will receive two new salary increases: 1.5% effective July 15, 2012 and 1.5% effective January 12, 2013. These increases will be offset in Fiscal Year 2013 by continuing labor concessions, but will increase ongoing labor

costs by 3% in Fiscal Year 2014 and thereafter. The agreement includes a re-opener on these salary increases in the event of a Council-declared fiscal emergency.

Medical Benefits

Employees will receive family medical benefit cap increases of $165 in January 2011, $121 in January 2012, and $132 in January 2013. These increases will be offset during the term of the agreement by continuing labor concessions, but will increase ongoing labor costs by 2% in fiscal year 2014 and thereafter.

Other Agreements

Suppression employees will take 24 hours fewer of holiday time each year, resulting in savings since these employees will not need to be back-filled by another employee at overtime. Prevention employees (fire inspectors) will take 16 hours of furlough (leave without pay) in Fiscal Years 2011 and 2012.

While concessions are in place, the City has agreed to reduce Suppression staffing through attrition to minimum staffing levels and then maintain those levels. Minimum staffing levels are those necessary to regularly staff existing shifts, stations, and equipment. Relief shifts that are vacated due to turnover, vacations, and other absences will be filled through overtime. This will result in the eventual reduction of 3 existing relief positions. Staffing a shift through overtime costs slightly less than staffing it with a relief position since PERS contributions rates are not applicable to overtime pay. Staffing these shifts with overtime should reduce City costs and increase overtime opportunities for remaining staff.

The staffing agreements are subject to the requirements of Article X, Section 1008 of the City Charter, which preserves the Council's ability to do layoffs. In the event the Council chose to do that, however, employee concessions under the remainder of the agreement would be restored.

Finally, the City has agreed to coordinate paid leave banks with benefits received through the Association-provided long-term disability (LTD) insurance benefits. This will result in very little administrative burden and no increased cost to the City.

BUDGET/FINANCIAL INFORMATION:

In the first two years, this agreement is expected to lead to City savings.

The Fire Department Fiscal Year 2011 budget currently includes $706,335 in estimated General Fund labor savings from this group. When this agreement was reached, the General Fund cost savings had been estimated to be $710,132, equivalent to a 6% salary decrease. However, a costing error on the City's part was later discovered. This agreement honors the initial tentative agreement, and the Fire Chief has assured staff that the difference can be absorbed in the existing department budget. In the first year,

actual savings from this agreement will be $726,621 citywide, with $635,368 of that accruing to the General Fund, equivalent to approximately a 5.5% decrease in salary. In Fiscal Year 2012, savings will be $419,077 Citywide, with $362,162 of the savings accruing to the General Fund. This is equivalent to about a 3% salary decrease. In Fiscal Year 2013 net labor costs will increase by a modest $63,910 Citywide and $62,381 in the General Fund (less than +0.5%).

At the end of Fiscal Year 2013, the temporary labor concessions will expire and the ongoing elements will result in ongoing costs of $668,271 (+5.0%) Citywide and $587,913 in the General Fund.

PREPARED BY: Kristine Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA EXTENDING THE 2007-2010 MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA BARBARA AND THE SANTA BARBARA CITY FIREFIGHTERS' ASSOCIATION THROUGH JUNE 30, 2013

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

SECTION 1. The Memorandum of Understanding between the City of Santa Barbara and the Santa Barbara City Firefighters' Association entered into as of July 1, 2007 and adopted as Ordinance No. 5443 (the “Agreement”) is hereby amended as reflected in Exhibit A (dated as of October 26, 2010) and, attached hereto and included herein by reference.

Exhibit A

City of Santa Barbara and Firefighters
Agreement to Extend Existing MOU
Dated October 26, 2010

Pursuant to Chapter 3.12 of the Municipal Code of the City of Santa Barbara and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the City Of Santa Barbara ("The City") and the Santa Barbara City Firefighters Association, Inc. (Hereinafter Referred To As "Association"), having met and conferred in good faith, agree that the existing 2007-2010 Memorandum of Understanding (MOU), adopted by Ordinance No. 5443, shall be modified and supplemented with the following agreement:

1. Term: The term of the agreement will be extended through June 30, 2013, unless terminated earlier as provided under Section 5b, below.

2. Salary and Benefit Concessions:
    a. Delayed Salary Increase: The 3% salary increase that was scheduled for July 3, 2010 will be postponed, and will become effective instead as follows:
        i. Effective June 18, 2011, 1.5%
        ii. Effective January 14, 2012, 1.5%
    b. Employee PERS contributions:
        i. The City shall immediately begin the process necessary to implement employee contributions toward retirement through CA Govt Code § 20516 and:
            1. Effective January 15, 2011, employees will pay 4.982% of PERS-able compensation to PERS retirement,
            2. Effective June 18, 2011, employees will pay a reduced amount of 2.982% to PERS retirement,
            3. Effective June 29, 2013, employee contributions to PERS will cease unless extended by mutual agreement between the City and the Association.
        ii. All reasonable efforts will be made by both parties to finalize procedures necessary to implement these payments prior to January 15, 2011. The parties recognize that time is of the essence in implementing the contract change. In the event deductions under Govt Code § 20516 cannot be implemented by the January 15, 2011 effective date, then employee cost-sharing will be accomplished in the interim through post tax payroll deduction in the manner contemplated by Govt Code § 20516(f). Such deductions shall not affect the existing level of PERS Employer Paid Member Contributions.

iii. If for any reason employee deductions cannot be accomplished under Govt Code § 20516 as planned, such as the failure of a PERS election to approve the contract amendment, then employee cost-sharing will be accomplished through payroll deduction in the manner contemplated by Govt Code § 20516(f). Such deductions shall not affect the existing level of Employer Paid Member Contributions.

c. Reduced Holidays for Suppression:
   i. The number of holidays that suppression employees receive in Fiscal Year 2010-2011, in FY 2011-2012, and in FY 2012-2013 will be reduced by twenty-four (24) hours, to 5 ½ 24-hour shifts (132 hours).

d. Unpaid Furlough for Prevention:
   i. Each employee in the prevention bureau will be subject to a 16 hour unpaid furlough in Fiscal Year 2010-2011 and in FY 2011-2012 under the same terms and conditions applicable to City managers.

3. Salary & Benefit Increase: Employees will receive the following:
   a. Across-the-board salary increases:
      i. 1.5% effective July 14, 2012
      ii. 1.5% effective January 12, 2013
      iii. Re-opener in the Event of Fiscal Emergency- If Council, no fewer than 60 days prior to the effective date of one or both of these salary increases, declares by Resolution that a state of fiscal emergency exists that necessitates reopening negotiations with the Association, the parties will re-open formal negotiations on the sole issue of salary increases. If the end result of these negotiations is a reduction in the salary increase, concessions still in effect in the third year from Section 2, above, (i.e., the employee-paid PERS and/or the reduction in holiday) will be restored in an equivalent amount.
   b. Increase medical contribution cap by
      i. $165 per month effective January 1, 2011
      ii. $121 per month effective January 1, 2012
      iii. $132 per month effective January 1, 2013

4. Reinstatement of Salary and Benefit Concessions: Notwithstanding **Section 2** above, the City may, at its option, voluntarily reinstate the salary and benefit concessions listed in **Section 2** to the status quo preceding this agreement at any time on a prospective basis (e.g., by providing the 1.5% increases before June 18, 2011 and January 14, 2012, by terminating the employee PERS contributions, by reinstating the

holiday hours for suppression employees in any remaining fiscal years, and/or by cancelling the remaining furlough for prevention employees).

5. Minimum Staffing: Subject to the requirements of Article X, Section 1008 of the City Charter, the City agrees to reduce staffing through attrition to the following minimum staffing levels and then maintain those levels:
    a. The minimum staffing requirements of the Department shall be as follows:
        i. For suppression, 28 sworn fire suppression personnel per shift within the City, not including sworn management, consisting of 7 engine companies, 1 AARF company, and 1 truck company. Staff on mutual aid of a duration of 12 hours or less will be included in this number, in which case back filling shall be at the discretion of the Fire Chief. Each engine company shall be comprised of one Fire Captain, one Fire Engineer and one Firefighter. The AARF Company at the Airport shall be comprised of one Fire Captain and two Fire Engineers. The truck company shall be staffed with one Fire Captain, one Fire Engineer, and two Firefighters.
        ii. For the Prevention Bureau there shall be a minimum of 6 authorized positions on the official list of authorized positions. The City Council may direct that these positions, if vacated by the incumbent employee for reasons other than an involuntary termination, remain unfunded and unfilled without violating this section.
        iii. There shall also remain a Training Captain position on the official list of authorized positions. The City Council may direct that this position, if vacated by the incumbent employee for reasons other than an involuntary termination, remain unfunded and unfilled without violating this section, however it is the intent of this section for the Training Captain position remain funded and filled if fiscal conditions permit.
    b. The City Council may, at its discretion, exercises its rights under Article X, Section 1008 of the City Charter, or otherwise discontinues the minimum staffing levels in **Section 5(a**) above without the express written consent of the Association provided as follows:
        i. The City gives the Association a minimum of 60 days written notice prior to the effective date of the change to minimum staffing (the “change date”), and
        ii. The City prospectively reinstates the concessions listed in **Section 2**, above (including the full 3% salary increase that was deferred from July 3, 2010 or balance thereof), that are still in effect as described in **Section 4,** above, effective on the date of the written notice, and

iii. In the event the Association believes that such intended action will affect the safety or workload of affected employees, it shall so advise the City, whereupon the City and the Association shall meet and confer in good faith over the impacts of the change provided that it is understood that:,

1. Such meeting and conferring, however, shall not prevent the City from implementing the staffing change on an interim basis not less than 60 days after the written notice to the Association, but prior to the conclusion of negotiations over the impacts of the change.
2. Alternatively, within 30 days of the written notice from the City Council of the change, the Association may notify the City of its intent to terminate this remainder of the agreement effective on the date of the Council's notice. The City and the Association will begin to meet and confer over a successor agreement within 30 days after the Association notifies the City in writing of its intent to terminate the remainder of the Agreement with the understanding that,

   Association employees will keep any salary and benefit increases in **Section 3**, above, which have already taken effect.

6. Long-Term Disability- Coordination of Leave Banks: Employees may request to coordinate their paid leave banks with benefits received through their Association-provided long-term disability (LTD) insurance benefits, consistent with that insurance policy. Employees coordinating LTD insurance benefits with City payroll benefits shall not receive, by virtue of having coordinated leave balances with LTD insurance, any increased eligibility for City leave of absence or any additional City benefit that they would not otherwise have received. Employees are responsible providing advanced notice and necessary paperwork to City Benefits Office.

7. Other Terms and Conditions: All other terms and conditions reflected in the existing 2007-2010 Memorandum of Understanding not inconsistent with this amendment agreement will continue in full force and effect during the extended term of the agreement.

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DATE: September 29, 2010

For the City: For the Association:

Agenda Item No._____

File Code No. 650.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: *Plan Santa Barbara* General Plan Update

RECOMMENDATION: That Council:

A. Receive a staff presentation, and conduct a public hearing on the proposed General Plan Update;

B. Approve the 2010 *Plan Santa Barbara* General Plan Update to include the updated Introductory Framework and General Plan reorganization, Land Use Element and associated General Plan map, Housing Element, and amendments and additions to the remaining six elements; and

C. Direct staff to return with a Council resolution containing all necessary findings for Plan adoption of the General Plan Update.

EXECUTIVE SUMMARY:

This report begins with a brief description of the proposed General Plan Update components, including the Introductory Framework, Land Use Element, Housing Element, and the remaining six elements. The planning process to date is also described, concluding with the Planning Commission actions at the September 29/30, 2010 meeting.

The body of the report is devoted to the key Planning Commission recommendations, based primarily on feedback from the Council in July and August following a series of eight work sessions. These recommendations include the topics of Growth Management, the Average Unit Density Incentive Program, the Rental/Employer Housing Overlay, Super Majority Approvals, Unit Sizes, Transportation Demand Management, Second Units, Environmental Impact Report (EIR) Recommended Measures, a staff recommendation to clarify Coastal Bluff Determinations, and Text Changes & Clarifications.

The report concludes with: a description of the key EIR components (impacts, alternatives and certification); the findings for adoption, as required under the California Environmental Quality Act (CEQA); an introduction to a decision matrix tool; and post-adoption next steps.

DISCUSSION:

General Plan Update Components

The *Plan Santa Barbara (PlanSB)* General Plan Update is comprised of four components: 1) the updated Introductory Framework and General Plan reorganization, 2) the updated Land Use Element and associated General Plan map, 3) the updated Housing Element, and 4) amendments and additions to the remaining six elements.

The **Introductory Framework** to the General Plan Update discusses the purpose and need for the update, including the key issues and policy drivers. The framework itself is based on a set of sustainability principles which serve to bind the eight elements together, and also includes policies to address public participation, a discussion of how future updates will occur, and a background and setting discussion to provide the appropriate context.

The General Plan framework provides guidance for each of the eight elements, two of which, Land Use and Housing, have been comprehensively updated. All of the elements have a new set of goals which provide an important link between the Introductory Framework and the respective policies and implementation actions found in each of the eight elements. The goals, as a collective whole, provide a clear sense of what the General Plan update embodies and have been assembled into one document (Attachment 1).

The **Land Use Element** is the heart of the General Plan. The introduction provides a background on existing land use patterns and their relationship to more sustainable development. Land use designations are described, ranging from open space to industrial uses, and include specific residential densities where appropriate. The land use designations are graphically represented on the associated General Plan map, per California State planning law.

The current General Plan map, last updated in 1974, was drawn by hand in a very conceptual manner and has proven difficult to interpret over the years. The new General Plan map is drawn through a Geographic Information System (GIS) which allows parcel level accuracy and the ability to run analytical queries and modeling, as was done throughout the *PlanSB* process.

Other chapters of the Land Use element include Growth Management, Community Design, Neighborhoods, and Regional Governance. The element then concludes with goals, policies and implementation actions to address each of the respective chapters.

The composition of the **Housing Element** is, in large part, dictated by the State Department of Housing and Community Development (HCD), as this agency is tasked with certifying this element. The Housing Element contains an evaluation of the preceding planning period (2001-2007), a housing needs assessment including citywide demographics, a discussion of constraints to future housing development, a suitable sites inventory, and concludes with a set of goals, policies and implementation actions.

HCD reviewed the March draft and their initial comments have been incorporated into the current document. Following Council adoption, the Housing Element will be forwarded to HCD for their certification in compliance with state law.

The remainder of the General Plan document is devoted to amendments and additions to the **other six elements.** The six remaining elements include: Open Space, Parks & Recreation; Economy and Fiscal Health; Historic Resources; Environmental Resources; Circulation; and Public Services and Safety. These elements represent a reorganization of the existing elements to better fit the sustainability framework. Three of the elements, Economy & Fiscal Health, Historic Resources, and Environmental Resources, are new to the General Plan. In addition, EIR mitigation measures were incorporated into the plan.

Although not part of the original direction from Council in 2005, the new goals and policies associated with these elements evolved directly out of the *PlanSB* process, and at the specific request of the community. Timing for the update of these remaining elements will be identified in the implementation plan.

Process Summary

The *PlanSB* General Plan Update process has been conducted in four phases:

1) developing baseline information; 2) conducting public outreach and initial policy development; 3) developing draft documents, conducting formal public review, Planning Commission EIR certification and recommendations to Council, and Council adoption; and 4) Implementation. See Planning Commission Staff Report, September 29/30, 2010 (Attachment 2).

The greatest amount of participation by the community at large was during the public outreach and policy development phases (Phases 2 and 3). During these phases, the community confirmed the initial 2005 Council goals for the process and provided key input to staff and the Planning Commission regarding the policy framework and the specific goals and policies to be updated.

Staff and the Planning Commission have guided this effort through workshops, forums, grassroots community meetings, Joint Council/Planning Commission work sessions, the *PlanSB* Sub-committee, and public hearings. The substantive community input received has been consistent on values related to growth management, community character, historic preservation, living within resources/sustainability, and economic vitality.

The challenge, throughout this process, has been discerning to what degree each of these community values could be balanced with one another, and how the resultant goals and policies could best be implemented. The core issues of residential density, housing affordability, community character/historic preservation, and traffic congestion have provided the greatest challenge.

In response, the Planning Commission has sought to fashion a compromise package of policies that meets all of the following **decision-making criteria**:

1. Maximize the achievement of Plan Objectives set forth in the Sustainability Framework and Principles, including Living within Our Resources;
2. Provide a guiding long-term vision and innovative flexible policy framework with implementation tailored and modified as needed by the Adaptive Management Plan;
3. Mitigate environmental impacts to the maximum extent feasible;
4. Achieve internal consistency and balance among and between the policies;
5. Ensure the policies are realistic, operational, capable of being implemented, and have support from key community stakeholders; and
6. Support the economic vitality of the City Downtown and as a whole.

To this end, the Planning Commission forwarded its June 3, 2010 preliminary recommendations to the City Council at a Joint Council/Planning Commission meeting held on June 22 and 23, 2010.

Council Feedback

Following discussion with the Planning Commission in June, the Council requested further information in the form of staff briefings on both the Draft Environmental Impact Report (DEIR) and the proposed General Plan Update. On August 10, 2010, at the conclusion of the eight briefings, individual Council member comments provided general feedback to the Planning Commission and staff on 12 key policies, (Attachment 2, Exhibit A).

While Council members expressed general agreement on many of these policies, no clear majority direction was provided on the issues of densities associated with the Average Unit Density Incentive Program and the location of the Rental/Employer Housing overlay. Council feedback on the Commission's preliminary policy recommendations was then taken-up by the Planning Commission on September 29/30 2010.

Planning Commission Action

The Commission's action on September 29/30, 2010 was a re-affirmation and clarification of their preliminary recommendations in June. Following their certification of the final EIR, the Commission approached the final set of policy recommendations through a series of six straw poll votes, and two formal actions incorporating the results of the straw poll votes. The Commission was unanimous in all their recommendations, with the exception of the first vote which received a 6-1 vote.

The Commission reaffirmed the importance for the General Plan policies to meet the six decision-making criteria enumerated above, and requested staff explain to Council how the recommended policies comply with these criteria. The following discussion elaborates on these Commission recommendations.

General Plan Policy Recommendations

The Commission touched on a range of policy topics, although the core of their recommendations was in response to earlier Council feedback as noted above. The attached Planning Commission Resolution and Minutes, both dated September 29/30, 2010, include all of the significant policy recommendations (Attachments 3 and 4).

The first straw vote was intended to capture the key "big policy" decisions, and included: the amount of non-residential growth; average unit size densities; the rental/employer housing overlay boundary; and the use of a super majority vote for building heights.

Growth Management/Non-Residential – 1.35 million sq ft: Santa Barbara's Growth Management program regulates the amount of net new non-residential development. Under the existing program (1980-2010), three million square feet (sq ft) was allocated into six categories of: Pending and Approved, Vacant, Small Additions, Community Priority and Economic Priority. Minor additions of 1,000 sq ft are not included in the one million.

Through the *PlanSB* process, the overall amount considered (and analyzed in the EIR) over the next 20 years was between 1 and 2.2 million sq ft. The EIR Hybrid alternative identifies one million sq ft, allocated between the reorganized categories of Small Additions, Vacant, and Community Benefit. Allowance for pending & approved projects, minor additions, as well as government building projects were not categorized; however, for the purposes of the EIR analysis, .5 million additional sq ft was assessed for development of these uses.

The Commission wants to reduce the overall development potential in order to improve the jobs/housing balance, reduce the level of future traffic congestion, while maintaining adequate square footage to sustain a vibrant economy. The Commission therefore recommends: 1) the total allowance reflect the actual pending and approved projects in the "pipeline" estimated at 350,000 sq ft; and 2) that government buildings come out of the Community Benefit allocation, rather than being exempt, bringing the total to 1,350,000 sq ft.

Staff remains concerned with this approach to Pending & Approved, particularly because the amount of floor area will change before Council adopts and implements this policy.

Average Unit Densities: The Average Unit Density Incentive Program is designed to replace the Variable Density program. Under the existing Variable Density program, large units are unintentionally encouraged through a formula which ties densities to the number of bedrooms. The result of which has been very large studio and one bedroom units, which in turn tends to result in luxury units and larger buildings.

The Average Unit Density Incentive Program is designed to encourage smaller units by linking the range of available densities to the average size of the units. Thus, the smaller the average units, the higher the density permitted. The base density for all multi-family and commercial designations is 12-18 dwelling units per acre (du/ac). The Average Unit Density Incentive Program establishes two density designations: Medium-

High (15-25 du/ac) for the outlying multi-family areas, and the High (27-45 du/ac) for areas within or directly adjacent to commercial districts.

The Commission reaffirms their June recommendation to reduce unit sizes in exchange for higher densities up to 45 du/ac. The Commission recognizes that with the proper combination of higher densities and smaller units, most buildings will be reduced in size, thus helping to maintain the character of Santa Barbara, while also encouraging smaller, more affordable workforce housing. This was the only straw poll vote of the Planning Commission that was not unanimous, with Commissioner Lodge in dissent; Commissioner Jacobs was a "soft" affirmative, noting her support is contingent on the new historic resource policy protections that accompany the General Plan Update.

Rental/Employer Housing Overlay: The Rental/Employer Housing Overlay Program would increase densities permitted under the Average Unit Density Incentive Program by 50% in order to further encourage the production of workforce housing. Thus, for the Medium-High designations a maximum density of 38 du/ac would be permitted, and for the High designation a maximum density of 68 du/ac would be permitted. Given this program would produce the highest densities, the community has grappled with the most appropriate location for the overlay boundary.

This issue required perhaps the greatest degree of balancing by the Commission between important community values and plan objectives. The Commission weighed how to: maximize the potential for rental/employer housing; assure the greatest synergy with transit, walking, biking and proximity to commercial services; avoid neighborhoods that do not want increased densities; relieve pressure on historic resources in the Downtown and West Downtown; and prevent gentrification and displacement of industrial uses in the Commercial Manufacturing area.

After reviewing four boundary options presented by staff, the Commission recommends Option 2, with the following modifications designed to achieve a compromise balance between community values. The overall boundary includes a significant portion of the multi-family and commercial designations, as well as the Commercial-Industrial area, to encourage the production of workforce housing. Part of the Commission's intent is to help relieve pressure on the historic resources in the downtown, although including the Commercial-Industrial area will further the gentrification and displacement of this area.

Portions of the multi-family and commercial designations that were dropped include Cottage, Upper East, the Bungalow District and Coast Village, consistent with the will of those neighborhoods. The upper portion of West Downtown and the De La Vina commercial node, although potentially prime locations for more sustainable development patterns, the Commission compromise was to drop these areas due to concerns regarding historic buildings and character of the area (Attachment 5).

Super Majority: In order to provide an added degree of assurance, beyond existing design and development review, that buildings above three stories would be compatible with the surrounding urban fabric and provide community benefit, a super majority vote by the Council was initially recommended by the Commission. At the Council worksession in July, a suggestion was made that the height metric be amended from

three stories to 45 feet and that the super majority authority be delegated to the Planning Commission.

As the final component of the "big policy" straw poll vote, the Commission agrees with amending the building height metric from three stories to 45 feet, and delegating the super majority to the Planning Commission. The Commission supports the intent for Council to use of a simple majority to arbitrate appeals or decisions of the Planning Commission.

Unit Sizes: A key component of the Average Unit Density Incentive Program is small units, as smaller units reduce the size of the buildings and provide greater opportunity for affordable units. The target size for units in the Medium-High designation is 1,300 sq ft and in the High designation 1,000 sq ft. During the Council worksession in July there was discussion of increasing the average unit sizes in both designations in order to satisfy market demand for larger condominiums.

The Commission feels the necessity to strongly underscore the importance of maintaining smaller unit sizes in exchange for greater densities, in order to effectuate smaller buildings and potentially more rental and affordable units. The Council has acknowledged staff's position that general policy language (pages 60-61 of the General Plan) set the intension, however, the details are best resolved at the time this comes before Council as an Ordinance amendment.

Transportation Demand Management (TDM): TDM is a set of transportation programs designed to relieve traffic congestion and include programs such as: transit passes; Cash-out Parking; Parking Pricing; Safe Routes to School; Carpooling and Telecommuting; and Car-sharing. The EIR has identified TDM as the most effective means to reduce traffic congestion. The subject of TDM, and particularly parking pricing, has elicited strong feelings in the community regarding the potential to mitigate traffic congestion and greenhouse gas emissions, vs. the potential to harm the economic and social climate particularly during these recessionary times.

The Commission clearly acknowledges this debate and recommends the Council support maintaining the full range of options for robust TDM with the understanding that components such as parking pricing be applied only with community support and to feasibly maintain the economic vitality of the downtown in the face of unavoidably significant intersection and roadway constraints, should traffic conditions further degrade.

The City already has a number of programs in place, such as the Pedestrian Master Plan, Transit Planning, and collaboration with the Metropolitan Transit District (MTD) that can have positive effects on reducing congestion. The Commission urges City Council not to foreclose options at this point but rather to give those options further consideration if and when they have value to manage transportation capacity while at the same time fostering economic vitality.

Second Units: Second residential (or "granny") units are currently permitted in the single family zones, but are prohibited in the High Fire Districts. The required standards for a second unit have proven to be difficult to meet. The consideration of greater

flexibility to encourage second units, primarily adjacent to transit corridors, and perhaps beyond, was forwarded by the Commission.

In July, the Council discussed two further suggestions in order to ensure the greatest degree of neighborhood compatibility: 1) require that any second unit comply with the Floor Area Ratio (FAR) limits set by the Neighbor Preservation Ordinance (NPO); and 2) that any second unit program consider neighborhood by neighborhood support. The Commission is in agreement with this approach, and this policy language is now reflected in the proposed Housing Element.

EIR Recommended Measures: The recommended measures (RM) in the EIR are differentiated from the mitigation measures in that they are not required to reduce the significant impacts. Rather, they are suggestions developed by the EIR professionals to improve environmental conditions, often utilizing state of the art practices and/or technologies. Staff analyzed the RMs for redundancy with existing policies and programs and provided specific recommendations for each measure.

The Commission supports staff's recommendations for which Recommended Measures to include into the Plan.

Noise: In some parts of the City, outdoor noise conditions for residential land uses exceed the existing Noise Element guideline of 60 dB(A) CNEL, while the generally accepted outdoor residential standard statewide is 65 dB(A) CNEL. This presents a particularly difficult situation for residential projects proposed in many of the commercial and multi-family districts of the City. Hence, the General Plan proposes to increase the outdoor residential noise standard from 60 dB(A) CNEL to 65 dB(A) CNEL.

The Commission acknowledges existing outdoor conditions in many parts of the City are at 65 dB(A) CNEL, and an increase from the current outdoor noise threshold in multi-family and commercial zones from 60 dB(A) CNEL to 65 dB(A) CNEL, may be appropriate. However, the Commission recommends the outdoor noise level guideline in the single family zones remain at 60 dB(A) CNEL.

Coastal Bluff Determination: A member of the community has suggested to staff the inclusion of additional language to clarify how a coastal bluff is determined. Staff is in support of this clarification and recommends that the Council include the following language into the proposed General Plan Update Environmental Resources Element as Implementation Action ER25.-.

> "That any mapped illustration, description of, or reference to, a "coastal bluff" in the *Plan Santa Barbara* planning, background, or environmental documents should trigger the requirement for professional site-specific coastal bluff location analysis as part of the application for development on a parcel, rather than to be a conclusive determination that a "coastal bluff" now exists, or at any time during the historic record has existed, on that parcel".

Text Changes & Clarifications: The Commission recommends a number of specific text changes and clarifications to the General Plan Update document shown with ~~strike-out~~ and <u>underline</u> in the Planning Commission Resolution 014-10 of September 30, 2010 (Attachment 3).

Environmental Impact Report (EIR)

The Environmental Impact Report for the *Plan Santa Barbara* General Plan Update evaluates environmental effects of projected citywide growth to the year 2030 under the proposed General Plan policy amendments. The EIR is an informational document to allow the public and decision-makers to consider the environmental consequences of proposed actions, along with measures that could feasibly avoid or reduce significant environmental effects.

Class 2 Impacts: The EIR analysis identified potentially significant impacts that could be mitigated (Class 2) in the areas of air quality (diesel emissions); biological resources (upland and creek/riparian habitats and species); geological conditions (sea cliff retreat); heritage resources (effects of development on historic resources); hydrology and water quality (flood hazard from sea level rise); noise (highway noise affecting residential use); open space/ visual resources (gradual loss of open space); public utilities/ solid waste management (adequacy of long-term solid waste management facility capacity).

Mitigation measures identified in the EIR to reduce these potentially significant impacts to less than significant levels were incorporated into the General Plan Update as additional policies and programs.

Class 1 Impacts: Impacts associated with transportation (traffic congestion) and climate change (greenhouse gas generation) were identified in the EIR as Class 1, significant and not mitigable to insignificant levels. Currently 13 intersections are considered impacted during peak-hour traffic (level of service at 77% or greater volume/capacity), and that number would be expected to increase to 20 impacted intersections by the year 2030 under *PlanSB*. Citywide greenhouse gas generation would be expected to increase from current estimated 1.3 to 1.62 million tons per year by 2030 under *PlanSB*.

EIR Mitigation Measure Trans-2 identified that a robust expansion of Transportation Demand Management (TDM) measures, including parking pricing, would substantially reduce the increase in traffic and greenhouse gas generation.

Alternatives Analysis: The EIR provides a comparative impact analysis for alternative policy and growth scenarios reflecting the range of community opinions about the amount and location of growth and General Plan policies, as follows:

- *Plan Santa Barbara* (Project): assumed development to the year 2030 of up to 2 million square feet non-residential and up to 2,800 residential units.
- *"No Project"*: assumed continuation of existing General Plan policies, and assumed growth of up to 2.2 million square feet non-residential and 2,800 residential units.
- *Lower Growth*: involved more growth limitations to further protect community character, historic resources, neighborhoods, environmental resources, and services, and assumed growth of 1 million square feet non-residential and 2,000 residential units.
- *Additional Housing*: evaluated a policy set to further promote affordable housing toward addressing traffic congestion, jobs/housing balance, economic

vitality/population diversity, and energy/climate change, and assumed 1 million square feet non-residential and 4,300 residential units, higher density incentives, and a strong expansion of TDM policies.

- *Hybrid*: was added to the Final EIR, which evaluated a growth scenario of 1.5 million square feet non-residential and 2800 residential units, but assuming no expansion of current TDM policies.

All alternatives would be expected to result in Class 1 impacts to Transportation (traffic congestion) and Climate Change (greenhouse gas generation). Lower residual impacts for both impacts are largely a result of a lower amount of non-residential growth and more extensive application of TDM (which act to reduce impacts for existing traffic as well as the small increment of additional growth).

The alternatives are ranked in the following order as to lowest transportation and climate change impacts, and most effective mitigation, as analyzed in the EIR:

- *Additional Housing* (14 intersections, 1.4 million tons/year greenhouse gases (GHG))
- *Plan Santa Barbara* (potential 20 intersections, 1.6 million tons/year GHG, largely mitigated with MM Trans-2)
- *Lower Growth* (potential 18 intersections, 1.58 million tons/year, TDM mitigation not considered compatible with policy set, but if applied, could substantially mitigate impact)
- *Hybrid* (potential 20-26 intersections, 1.6-1.62 million tons/year GHG; TDM mitigation not considered compatible with policy set, but if applied, could substantially mitigate impact)
- *No Project/Existing Policies* Alternative (potential 26 intersections, 1.62 million tons/year GHG, substantially mitigable with MM Trans-2)

Final EIR Certification: During the Draft EIR public review period in March-May 2010, pubic comments were received from 15 public agencies, 16 community interest groups, 45 individuals, and six City commissions and committees. The FEIR Volume 1 impact analysis reflects corrections and clarifications based on comments received. Volume III includes all comment letters and written responses. In addition, analysis of a Hybrid alternative reflecting Council initial discussions in June-August 2010 was provided in Volume IV of the FEIR. Appendices to the FEIR are included in Volume II.

On September 29-30, 2010, the Planning Commission received public comments and incorporated some clarifying language into the FEIR that describes the evolution of the Hybrid Alternative, and provides a ranking of the EIR alternatives with respect to their effectiveness in reducing identified Class 1 significant impacts of traffic congestion and greenhouse gas generation. The Planning Commission certified the FEIR on a unanimous vote of 7-0, making findings that the FEIR has been completed in compliance with CEQA requirements (Attachment 6).

CEQA Findings for Plan Adoption

As with all General Plans, final approval of the General Plan Update is expected to necessitate choosing a balance among sometimes competing policy objectives. It is likewise expected that there may continue to be differences of opinion in the public and among decision-makers as to the best balance among objectives.

This is noted in the California Environmental Quality Act (CEQA) Guidelines *(§15021 Duty to Minimize Environmental Damage and Balance Competing Public Objectives)*:

"(a) CEQA establishes a duty for public agencies to avoid or minimize environmental damage where feasible.

(1) In regulating public or private activities, agencies are required to give major consideration to preventing environmental damage.

(2) A public agency should not approve a project as proposed if there are feasible alternatives or mitigation measures available that would substantially lessen any significant effects that the project would have on the environment.

"(b) In deciding whether changes in a project are feasible, an agency may consider specific economic, environmental, legal, social, and technological factors.

"(c) The duty to prevent or minimize environmental damage is implemented through the findings required by Section 15091.

"(d) CEQA recognizes that in determining whether and how a project should be approved, a public agency has an obligation to balance a variety of public objectives, including economic, environmental, and social factors, and in particular the goal of providing a decent home and satisfying living environment for every Californian. An agency shall prepare a statement of overriding considerations as described in Section 15093 to reflect the ultimate balancing of competing public objectives when the agency decides to approve a project that will cause one or more significant effects on the environment."

As noted in the CEQA provisions above, Council action to approve the General Plan requires specific findings about impacts on the environment that would result from Plan approval. EIR Mitigation Measures identified in the EIR as feasible to reduce significant impacts have largely been included as additional policies and programs in the General Plan document.

An exception to this is MM Trans-2 for a robust expansion of TDM which the EIR analysis found could feasibly reduce projected traffic increases. In the General Plan Update, this measure was revised to soften the language based on the direction of initial Council comments during the July work sessions. As currently drafted, these policies retain the slate of potential TDM and parking policies, but they are identified as measures to be considered, and there is not a clear commitment as to whether or to what extent they would be implemented.

As such, the EIR analysis of the Hybrid Alternative could not assume mitigation credit, and concluded that the traffic and greenhouse gas effects would be greater than for the *Plan Santa Barbara* project scenario originally studied. The final determination of feasibility or infeasibility of EIR MM Trans-2 is under the purview of Council.

CEQA defines feasible as follows (CEQA Guidelines §15364): "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors. If Council determines that an EIR Mitigation Measure is not feasible, it will need to identify the factors on which that determination is based as part of its CEQA findings for Plan adoption.

CEQA findings for Plan adoption include:

- Findings of significant effects of the Plan and changes incorporated into the Plan which avoid or significantly lessen the significant effects (e.g., reducing non-residential growth cap; incorporation of Mitigation Measures).
- If the Plan is to be approved with remaining significant effects, a finding of overriding considerations must be made identifying specific economic, legal, social, technological, or other benefits of the Plan, including region-wide or statewide environmental benefits, that outweigh the unavoidable significant impacts and make them acceptable.

Staff and the City Attorney's Office have begun drafting CEQA findings based on prior Council comments and general direction. However, Council's final direction and reasoning at the time of plan adoption will be critical for inclusion into the Resolution of Findings. Attached are CEQA requirements to make findings for Plan adoption (Attachment 2, Exhibit F).

Decision Matrix

Staff and the Planning Commission recommendations are in alignment as a positive direction forward for this General Plan Update, including an effective range of possible implementation actions. In approaching adoption, Staff recognizes that Council may want to make adjustments, particularly given the diversity of opinion expressed by Council and community members.

A relatively wide range of policy options are analyzed in the FEIR, however, significantly different action or a delay would have consequences that have not been fully explored or explained. Regarding no action, the FEIR identifies the No Project alternative with the greatest level of impacts.

An outcome of no action would also be a significant missed opportunity. Key examples include: the critical renewal of the Growth Management program; updating the Housing Element in compliance with state law; improving upon existing polices and programs, such as Variable Density, that have resulted in unintended consequences; the ability to partially compensate for the loss of Redevelopment Agency funding through workforce housing incentives; or simply need to updated the General Plan map for consistency and utility.

Although the Planning Commission recommendation is by no means perfect, nor does it represent a complete community consensus, overall, most would agree that many (if not most) of the recommended updates to the General Plan are preferable to the No Action alternative. One must also not lose sight of the time and resources that have been devoted to this effort over the last five years on the part of the Council, the Boards and Commissions, staff, and the community at large.

A decision matrix has been developed to assist Council through the adoption process, including any adjustments as necessary. The matrix focuses on the key remaining policies juxtaposed by the Planning Commission recommendations and potential Council action. For actual adoption, the Council will need to then act on both the Plan components and the required CEQA findings (Attachment 7).

Next Steps

Resolution of Findings: Staff will return to Council on November 9, 2010 with a Resolution of Findings per CEQA Guideline §15091 (Attachment 2, Exhibit F).

Joint PC/Council Worksession: The next Joint Planning Commission/Council work session early next year (February/March 20111) will focus on setting *PlanSB* implementation priorities. An initial Implementation outline is attached, organized by short, mid, and long term actions (Attachment 3, Exhibit J)

BUDGET/FINANCIAL INFORMATION:

Funding for *Plan Santa Barbara* was budgeted at the initiation of the process. Limited funds remain for the next steps and will mostly be prioritized and carried forward with staff resources and some opportunities for grant funding that are being explored.

SUSTAINABILITY IMPACT:

The framework for the proposed General Plan update, as well as all of the related goals, policies, and implementation actions are premised on moving Santa Barbara towards a more sustainable future.

ATTACHMENTS:

1. *PlanSB* General Plan Update Goals
2. Planning Commission Staff Report, September 29-30, 2010
3. Planning Commission Resolution 014-10 on the *Plan Santa Barbara General Plan Update*, September 30, 2010
4. Planning Commission Minutes, September 29 and 30, 2010
5. Rental/Employer Housing Overlay Map
6. Planning Commission Resolution 013-10 on *Plan Santa Barbara* General Plan Update, Final EIR, September 29 and 30, 2010
7. Council Decision Matrix

DOCUMENTS*:

1. Santa Barbara General Plan, Proposed Final Update (and Appendices) September 2010
2. Proposed Final Program EIR for the Plan Santa Barbara General Plan Update, Volumes I-IV, September 2010

*Provided under separate cover to Council and available on website: YouPlanSB.org

PREPARED BY: Bettie Weiss, City Planner
John Ledbetter, Principal Planner

SUBMITTED BY: Paul Casey, Assistant City Administrator, Community Development Director

APPROVED BY: City Administrator's Office

PLAN SANTA BARBARA

GENERAL PLAN UPDATE GOALS

LAND USE GOALS

- ***Resource Allocation**:* Achieve a balance in the amount, location and type of growth within the context of available resources including water, energy, food, housing, and transportation.
- ***Character**:* Maintain the small town character of Santa Barbara as a unique and desirable place to live, work, and visit.
- ***Design**:* Protect and enhance the community's character with appropriately sized and scaled buildings, a walkable town, useable and well-located open space, and abundant, sustainable landscaping.
- ***Neighborhoods**:* Maintain and enhance neighborhoods with community centers where requested, and improved connectivity to daily necessities, including limited commercial activity, transit, and open spaces while protecting the established character of the neighborhood.
- ***Public Health**:* Improve public health through community design and location of resources by promoting physical activity, access to affordable healthy foods and improved air quality.
- ***Mobility**:* Apply land use planning tools and strategies that support the city's mobility goals.
- ***Regional Approach**:* Support the establishment of the best possible government, jurisdictions, and intergovernmental working relationships for the South Coast area, from Gaviota to the City of Ventura.

HOUSING GOALS

- ***Housing Opportunities**:* Ensure a full range of housing opportunities for all persons regardless of race, religion, sex, age, marital status, sexual orientation, ancestry, national origin, color or economic status, with special emphasis on providing housing opportunities for low income, moderate, middle income and special needs households.
- ***New Housing Development**:* Encourage the production of new housing opportunities which are sustainable, and increase equity by providing a sufficiently wide range in type and affordability to meet the needs of all economic and social groups, with special emphasis on housing that meets the needs of extremely low, very low, low, moderate, middle income and special needs households.

- ***Conservation and Improvement of Existing Housing**:* Conserve the existing housing stock and improve its condition while minimizing displacement; maintaining housing affordability; and preventing future blight or deterioration.
- ***Regional Cooperation and Jobs/Housing Balance**:* Coordinate City efforts with those of surrounding communities towards balancing jobs and housing in the regional housing market.
- ***Public Education:*** Expand public education regarding affordable housing to increase awareness of the housing needs of very low, low, moderate and middle income and special needs households and to inform the public about existing affordable housing opportunities, available resources and programs.

OPEN SPACE, PARKS AND RECREATION GOAL[1]

- ***Open Space Opportunities***. Protect and enhance the city's livability, accessibility and character, and the community's health, through the generous provision of a variety of accessible public open space opportunities.

ECONOMY AND FISCAL HEALTH GOALS:

- ***Strong, Diverse Economy***. Ensure a strong economy with a diversity of business sizes and types that provide a stable long-term revenue base necessary to support essential services and community enhancements, as well as diverse job opportunities.
- ***Local Opportunities***. Enhance educational opportunities for local residents to meet local employment needs.
- ***Green Businesses***. Encourage more "green" businesses.
- ***Tourism***. Continue to support tourism and related support services for visitors to Santa Barbara.
- ***Interconnected Regional Economy***. Recognize that commerce is intertwined with transportation, natural resources and housing, and together are key elements of a healthy economy that is regional in scope.
- ***Minimize Impacts and Costs***. Internalize impacts to the environment of new development and redevelopment, and avoid costs to the community.

HISTORIC RESOURCE GOALS

- ***Protect and Enhance Historical and Cultural Resources***. Protect and enhance the community's historic and cultural structures and sites, through the

[1] Existing goals within Elements not being updated during this phase of the General Plan Update would remain.

protection, preservation, and enhancement of historic and archeological resources; appropriately scaled, designed and sited adjoining development; well-located open space; and landscaping.

- ***Increase Awareness and Appreciation***. Increase public awareness and appreciation of Santa Barbara's prehistory and history, and historic, archeological and paleontological sites.

ENVIRONMENTAL RESOURCES GOALS

- ***Sustainable Resource Use.*** Protect and use natural resources wisely to sustain their quantity and quality, minimize hazards to people and property, and meet present and future service, health and environmental needs.
- ***Reduce Greenhouse Gases***. Reduce where practicable greenhouse gas emissions contributions to climate change, and to air pollution and related health risks.
- ***Reduce Fossil Fuel Use***. Reduce fossil fuel use through increased efficiency and conservation, and by developing renewable energy sources.
- ***Climate Change Adaptation***. If applicable, incorporate adaptation to climate change in proposals for new development, redevelopment and public infrastructure.

CIRCULATION GOALS

- ***Integrated Multi-Modal Transportation System***. Create a more integrated multi-modal transportation system to connect people, places, goods, and services by providing a choice of transportation modes and decreasing vehicle traffic congestion.
- ***Street Network***. Provide a comprehensive street network that safely serves all transportation modes.

PUBLIC SERVICES AND SAFETY GOALS

- ***Present and Future Service Needs***. Ensure that public infrastructure and services are planned, sited, upgraded and maintained to meet present and future service needs efficiently, economically and in a manner consistent with a sustainable community and climate change.
- ***Safety and Preparedness***. Emphasize safety and emergency preparedness as an integral part of land use planning.

City of Santa Barbara
California

PLANNING COMMISSION
STAFF REPORT

REPORT DATE:	September 16, 2010
AGENDA DATE:	September 29-30, 2010
PROJECT NAME:	*Plan Santa Barbara* General Plan Update & Final Environmental Impact Report
TO:	Planning Commission
FROM:	Planning Division, (805) 564-5470 *Bettie Weiss, City Planner* BLW *John Ledbetter, Principal Planner* *Barbara Shelton, Project Planner/ Environmental Analyst*

RECOMMENDATIONS

Staff recommends the following Planning Commission actions:

A. Receive staff presentation, and conduct public hearing to receive comment on proposed Final Environmental Impact Report (FEIR) and September 2010 proposed final General Plan Update documents.

B. Certify the Final Environmental Impact Report dated September 2010 for the *Plan Santa Barbara* (*PlanSB*) General Plan Update, making the findings below, based on information provided through the EIR process, staff report and Exhibit E.

1. The FEIR has been completed in compliance with the California Environmental Quality Act (CEQA).
2. The FEIR was presented to the Planning Commission, and the Commission reviewed and considered the information contained in the FEIR. Pursuant to Government Code §65354, the Commission will make recommendations on the adoption of the proposed *PlanSB* General Plan Update to the Santa Barbara City Council, which recommendations have been informed by the Commission's consideration of the FEIR.
3. The FEIR reflects the Planning Commission's independent judgment and analysis.

C. Recommend to City Council the inclusion of additional measures in the General Plan Update policies that reflect selected EIR Recommended Measures that would further benefit the environment, as recommended in staff report Exhibit H.

D. Recommend to City Council, per Government Code §65354, that the 2010 *Plan Santa Barbara* General Plan Update be adopted to include the Introductory Framework and General Plan reorganization, Land Use Element and associated General Plan map, Housing Element, and partial amendments to the remaining six elements.

I BACKGROUND

Since the release of the March 2010 draft General Plan policy documents and associated Draft Environmental Impact Report (EIR) for public review, staff has received public testimony, letters and email comments from a variety of sources including: individuals and community groups; public agencies; City Boards & Commissions; and most recently, the City Council. Comments have ranged from very specific, factual corrections, to broad statements, to formal public agency comments, to commission recommendations, to Council direction.

Staff has endeavored to make all of the factual corrections in both the draft Final General Plan documents as well as the Final EIR. The "Response to Comments" section of the Final EIR addresses both comments on the Draft EIR and the General Plan policies. The policy related comments were assessed for relevance to the vision, goals, and policies of the plan, with the substantive responses resulting in changes to the draft policy documents. Policy refinements were incorporated in response to public agencies, i.e. State Department of Housing & Community Development (HCD) comments, as well as recommendations and direction by Boards, Commissions, Council, and the public.

At the Joint Council/Planning Commission meeting of July 22 & 23, 2010, the Commission recommended to Council a set of key policies for the final preparation of the *PlanSB* documents and Draft EIR. Subsequently, the Council held eight work sessions for detailed staff briefings on the policy documents and the Draft EIR. On August 10, 2010, the Council provided direction to the Planning Commission and staff on policy recommendations.

The Council found common ground on a number of the issues, however clear direction was not expressed on residential densities and the location of the rental/employer housing overlay. Staff then summarized Council direction (using Planning Commission recommendations in absence of Council direction on density and rental overlay) in a memo dated August 12, 2010 from the Community Development Director to the Mayor and Council, titled "PlanSB Direction & Next Steps". See Exhibit A.

Thus, with Council direction, staff proceeded to prepare the Final EIR and the draft final policy documents. The format of the policy documents has changed slightly to improve ease of use, with further editing, reference material moved to a separate appendix, and the addition of labeled tabs. These documents were then released for public review on September 16, 2010 and are the subject of the Planning Commission's final review, Final EIR certification, and final policy recommendations to Council for adoption.

This report is divided between the proposed Final EIR and the draft final General Plan policy documents. Both sections of the report utilize the Council memo titled "*PlanSB* Direction & Next Steps" as their respective starting points. The EIR portion of the report summarizes the *PlanSB* project and alternatives analysis, and required Commission findings for Final EIR certification. The General Plan policy portion focuses on residential densities, the location(s)

for a rental/employer housing overlay, HCD's recommended modifications, and an outline for *Plan Santa Barbara* implementation.

II. FINAL ENVIRONMENTAL IMPACT REPORT (EIR)

A. EIR *PLAN SANTA BARBARA* IMPACTS AND ALTERNATIVES ANALYSIS

Plan Santa Barbara Project Impacts and Mitigation

The EIR recognizes that additional growth occurring incrementally citywide over the next two decades has the cumulative potential for significant impacts by 2030. In many instances, existing City policies and programs, and proposed General Plan Update policy amendments would reduce these potential environmental effects as individual projects and impacts occur over time.

The *Plan Santa Barbara* Project analysis in the EIR evaluated the *Draft Policy Preferences* (2009) directed by Council for environmental review. The draft policies seek to balance among policies protecting community character and resources, and policies that facilitate more affordable housing to address traffic management, jobs/housing balance, economic vitality/population diversity, and energy/climate change issues.

Project components included (1) continuing a non-residential growth limit (at a reduced level of no more than 2 million net square feet to 2030); (2) an assumption for continued low historic rate of residential development (2,800 units), (3) reconfirming policies to live within our resources; (4) priority for affordable housing and community benefit land uses; (5) sustainable neighborhood planning; (6) additional design standards for compatible building sizes, and protection of historic resources and neighborhoods; and (7) density and unit size incentives for affordable, rental, and "affordable by design" housing; and (8) a moderate expansion of Transportation Demand Management (TDM) and alternative travel mode measures to address traffic congestion.

The EIR identifies significant impacts associated with traffic and greenhouse gas production even with identified mitigation for a more extensive expansion of TDM measures. Potentially significant impacts that can be mitigated to less than significant levels are identified in the areas of air quality, biological resources, geological conditions, hazardous materials, hydrology/flooding, and solid waste management. Exhibit B provides a summary of *Plan Santa Barbara* Project impacts and mitigation measures.

Alternatives Analysis

A comparative impact analysis for alternative policy and growth scenarios is provided in the EIR. The Alternatives were identified to reflect the range of community opinion under discussion about General Plan policies and the amount and location of future growth, and to identify policies that could reduce one or more significant impacts. The analysis is intended to

foster weighing and balancing among various issues, policy components, and impacts. See Exhibit C.

No Project/ Existing Policies Alternative: This analysis evaluated the comparative impacts if the *Plan Santa Barbara* policy amendments did not proceed and the existing General Plan policies continued into the future. The associated growth assumptions analyzed are 2.2 million square feet of non-residential development, and 2,800 residential units. Existing land use and transportation policies were assumed to continue.

The EIR identified the greatest impacts associated with the No Project/ Existing Policies Alternative, most notably with greater traffic and greenhouse gas impacts, and a worse job/housing balance. Impacts on local resources and regional issues are potentially greatest, but would be mitigable.

Lower Growth Alternative: The policy set analyzed for this alternative involved more growth limitations to further protect community character, historic resources, neighborhoods, environmental resources, and services. The growth assumptions were 1 million square feet non-residential growth and 2,000 residential units. Key policies included lower building heights and other design measures, retention of current density designations with reduced unit size provisions, retention of second unit restrictions, and retention or increase of parking standards.

Potential traffic impacts for the Lower Growth Alternative would be less than for the *Plan Santa Barbara* project (prior to any mitigation). If applied, robust transportation demand management (TDM) mitigation would be more effective in reducing commute trips and congestion with the *Plan Santa Barbara* project than the Lower Growth Alternative. Climate change impacts of the Lower Growth Alternative were identified as less and jobs/housing balance better than for the *Plan Santa Barbara* project. Other potentially significant impacts to local resources, hazards, and services are identified as generally similar or less than for the *Plan Santa Barbara* scenario, and would also be mitigable to less than significant levels.

Additional Housing Alternative: Under this alternative, policies evaluated would further promote affordable housing toward addressing traffic congestion, jobs/housing balance, economic vitality/population diversity, and energy/ climate change issues. Growth assumptions were 1 million square feet non-residential growth and up to 4,300 additional housing units. Key policies included greater affordable housing density/unit size incentives, retaining current building height limits, relaxing second unit standards, reducing parking requirements, streamlining housing permit process, and a strong expansion of TDM measures and support for alternative travel modes.

The EIR identified the lowest potential traffic impact for the Additional Housing Alternative (although still significant), a lower climate change impact, and substantially better jobs/housing balance than for the *Plan Santa Barbara* scenario. Potentially significant impacts on resources, hazards, and services could be greater than for *Plan Santa Barbara*, but would also be mitigable to less than significant levels.

B. HYBRID ALTERNATIVE ANALYSIS

Background

Approval of the *Plan Santa Barbara* General Plan Update will necessitate choosing a balance among sometimes competing policy objectives, as is the case with all General Plans. It is likewise expected that differences of opinion as to the best balance among objectives may continue to be expressed by the public and among decision-makers.

EIR analysis of a range of General Plan policy and growth alternatives informs the consideration of various policy options and comparative impact levels, and often leads to the blending or melding of elements from among different alternatives to most successfully implement project objectives while reducing environmental effects to the extent feasible.

The California Environmental Quality Act (CEQA) and the State CEQA Guidelines and State General Plan Guidelines recognize this need to balance among objectives, and envision that the Plan policies may be refined to do so. The State CEQA Guidelines *(§15021 Duty to Minimize Environmental Damage and Balance Competing Public Objectives*) provide the following guidance:

"*(a) CEQA establishes a duty for public agencies to avoid or minimize environmental damage where feasible.*

(1) In regulating public or private activities, agencies are required to give major consideration to preventing environmental damage.

(2) A public agency should not approve a project as proposed if there are feasible alternatives or mitigation measures available that would substantially lessen any significant effects that the project would have on the environment.

"*(b) In deciding whether changes in a project are feasible, an agency may consider specific economic, environmental, legal, social, and technological factors.*

"*(c) The duty to prevent or minimize environmental damage is implemented through the findings required by Section 15091*. [Council Findings]

"*(d) CEQA recognizes that in determining whether and how a project should be approved, a public agency has an obligation to balance a variety of public objectives, including economic, environmental, and social factors, and in particular the goal of providing a decent home and satisfying living environment for every Californian. An agency shall prepare a statement of overriding considerations as described in Section 15093 to reflect the ultimate balancing of competing public objectives when the agency decides to approve a project that will cause one or more significant effects on the environment."* [Council Findings]

An additional Hybrid Alternative analysis chapter was added to the FEIR (Volume IV) to evaluate the mix of policy refinements under consideration by City Council based on public input, Planning Commission recommendations, and Council discussions. These policy refinements may be characterized as a "hybrid alternative" in that they retain many components of the original *Plan Santa Barbara* Draft General Plan Update, but incorporate some

modifications and elements from the EIR Lower Growth and Additional Housing Alternatives, to address Plan objectives and/or reduce environmental effects.

Hybrid Alternative - Growth and Policy Components

Hybrid policy components analyzed for the EIR discussion include (1) measures receiving clear initial Council support during their recent August 2010 discussions, and (2) Planning Commission recommended hybrid measures where no clear direction was identified from initial Council discussions. The two issue areas, which fall under this latter category, are *Multi-Family Residential Densities* and the location of a *Workforce – Rental and Employer Housing* overlay. See Exhibit A.

Hybrid Alternative – EIR Comparative Impact Summary

The additional EIR analysis indicates that the Hybrid Alternative would result in the same impact classifications as for the *Plan Santa Barbara* project scenario (i.e., Class 1-Significant, Class 2-Less than Significant with Mitigation, Class 3-Less than Significant impacts). The exact impact levels of this hybrid combination of policies would vary from somewhat less to somewhat more than that of the *Plan Santa Barbara* project policy set. The following summarizes key Hybrid Alternative impact comparisons:

Historic Resources, Open Space and Visual Resources Impacts: With reduced non-residential growth, reduced areas for application of higher density designations, and additional design limitations (e.g., height limits, incorporation of historic buffer mitigation), potential impacts of the Hybrid Alternative could be somewhat less than under the Project analysis. Hybrid Alternative impacts would be less than significant (Class 3) for historic resources and visual character, and less than significant with mitigation (Class 2) for open space.

Water Supply: With reduced non-residential growth and incorporation of recommended measures detailing items for study in the upcoming Long Term Water Supply update, future water demand of the Hybrid Alternative would be approximately 65 acre-feet per year (AFY) less than under the Project analysis (estimated 14,726 AFY, leaving an estimated surplus of 632 AFY above the required 10% drought buffer). Hybrid Alternative impacts would be less than significant (Class 3).

Transportation: Under the Hybrid Alternative, non-residential growth is 25% less than under the *Plan Santa Barbara* scenario, and the Hybrid Alternative policies would not mandate the moderate expansion of Transportation Demand Management (TDM) as in the *Plan Santa Barbara* Project. Both the *Plan Santa Barbara* and the Hybrid Alternative would produce a net increase in commute trips and congestion in the City. TDM programs are the most effective means of reducing commuters and congestion, because they apply to *existing* trips as well as trips associated with the small amount of future growth. The analysis shows that the Hybrid policy for a less extensive TDM program has more of an effect to increase traffic than the Hybrid policy for lower nonresidential growth has an effect on reducing the rate of growth in

jobs and commuter traffic. The Hybrid Alternative would therefore produce a greater increase in commuters and congestion than the *Plan Santa Barbara* project.

Under the Project analysis, most impacts could be mitigated with roadway improvements and application of the identified mitigation (stronger expansion of TDM measures per the Additional Housing Alternative), but with some remaining significant effects (Class 1). Under the Hybrid Alternative, less TDM policy mitigation would result in Class 1 impacts with some additional impacted intersections (estimated 4-6).

C. PROPOSED FINAL EIR AND RESPONSES TO COMMENTS

The Draft EIR underwent a noticed 60-day public review and comment process March 19-May 18, 2010, including a Planning Commission public hearing held April 28, 2010. Written and public hearing comments on the Draft EIR were received from 15 public agencies, 16 community/ public interest organizations, 45 individuals, and six City commissions and committees. See Exhibit D.

Written responses to comments received during the Draft EIR public review period are provided in Volume III of the proposed final EIR. In the main FEIR document (Volume I), changes from the Draft EIR are shown in strikeout and underline format.

Many of the letters and hearing comments included comments on the Draft General Plan document as well as the Draft EIR. Responses to comments on both the General Plan and EIR are provided in the FEIR Responses.

Comments on the EIR included corrections of typographical errors and facts, questions, and suggested revisions to the EIR impact analysis or mitigation measures. Some associated clarifications or changes were made to the EIR text and analysis. No changes resulted to EIR impact conclusions.

Changes in the Final EIR included the following:

- *Section 6-Air Quality:* Emissions calculations and mitigation language refined; corrections and clarifications to Setting and Impacts.
- *Section 10-Heritage Resources:* Factual corrections in discussion of City history; additions to mitigation measure MM Her-1 description to clarify intent, process, and criteria for establishing additional historic resources protections for districts and buffer areas.
- *Section 15-Public Utilities/ Water Supply and Solid Waste:* Additions to Setting information on Montecito Water District area, water conservation, biosolids, and solid waste transfer station; clarification of water supply impact analysis, including refinements to calculations; added impacts discussion and recommended measure to address water supply within Montecito Water District area.
- *Section 16-Transportation:* Corrections to Setting information; clarifications to explanation of analytic methodology and Transportation Systems Management (TSM); analysis

correction shows reduced traffic impact at the intersection of Hot Springs and Coast Village Roads.

- *Other EIR Sections:* Text edits and clarifications in the Biological Resources, Geological Conditions, Hazards, Hydrology and Water Quality, Noise, Open Space and Visual Resources, Energy, Global Climate Change, Population and Jobs/Housing Balance, and Socioeconomic Issues sections.

D. PLANNING COMMISSION FINDINGS FOR FINAL EIR CERTIFICATION

The City CEQA Guidelines provide for final EIR (FEIR) certification by the Planning Commission (per State Guidelines Section 15025 on lead agency delegation of CEQA compliance responsibilities).

Findings for final EIR certification by the Planning Commission are provided in Exhibit E, and are reflected in Recommended Action B on the first page of this report. Staff recommends that the Commission make the identified findings pursuant to the State CEQA Guidelines and certify the final EIR.

Finding 1 is that the FEIR has been completed in compliance with CEQA. The EIR process has followed both procedural and content requirements of CEQA, the State CEQA Guidelines, and the City CEQA Guidelines. The EIR process included public scoping period and hearing, preparation of documents by a qualified local environmental services team (headed by AMEC Earth and Environmental) under City staff oversight, advertised public review and comment period and hearing, final EIR response to comments, and certification hearing. The Program EIR analysis meets CEQA content and analysis requirements for a General Plan level document, and the State CEQA Guidelines standards for EIR adequacy provided in Guidelines §15151 as follows:

> *An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in the light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection but for adequacy, completeness, and a good faith effort at full disclosure.*

Finding 2 provides that the FEIR has been presented to the Planning Commission, and the Planning Commission has reviewed and considered the information in the FEIR. Consideration of the EIR analysis informs the Planning Commission action taken pursuant to requirements of Government Code §65354 to forward recommendations to City Council on adoption of the General Plan Update.

Finding 3 provides that the final EIR reflect the Planning Commission's independent judgment and analysis. This pertains to the overall analysis and conclusions of the FEIR.

E. CITY COUNCIL CEQA FINDINGS FOR GENERAL PLAN ADOPTION

Under CEQA, a City Council action to adopt the General Plan Update requires written Council findings explaining each significant impact, project approval findings, and a statement of overriding considerations that project benefits outweigh any significant impacts, making the impacts acceptable.

Exhibit F provides the State CEQA Guidelines requirements for Council CEQA findings. Council has not provided full direction for all General Plan components that will be adopted, and the Planning Commission has not yet completed its review and recommendations, so it is not yet possible to draft Council CEQA findings. Staff intends on providing Council with a draft, and part of Council action will be for staff to return with findings that support and reflect their decision.

F. EIR MITIGATION MEASURES AND RECOMMENDED MEASURES

In the EIR, Mitigation Measures are identified where required to reduce potentially significant impacts. The current draft General Plan document (September 2010) has incorporated the EIR Mitigation Measures as proposed General Plan policies.

The EIR also identifies *"Recommended Measures"*. These measures also propose additions to the General Plan policies and programs, to clarify, strengthen, or add to the policies. These *Recommended Measures* are intended to provide further benefit to the environment where impacts were identified as not significant or already mitigated, and adoption of these measures is therefore optional.

Staff determined that a number of *Recommended Measures* are already covered by proposed General Plan policies or existing City policies. In addition, *Recommended Measures* addressing Open Space and Visual Resources, and Water Supply were included in the current General Plan document, because there was clear support from the Planning Commission and City Council for their inclusion. Exhibit G identifies *Recommended Measures* already incorporated into the General Plan.

Exhibit H lists the remaining *Recommended Measures* identified in the EIR, along with staff recommendations about their inclusion in the General Plan Update or not. The Planning Commission is requested to make recommendations to City Council about which of these Measures should be included for adoption in the General Plan.

Staff recommends inclusion of the following measures within the General Plan Update policies:

RM Bio-1	Upland Habitat and Species Protection
RM Bio-2	Creeks, Wetlands, and Riparian Habitat and Species Protections
RM Bio 3	Coastal Habitats and Species Protection
RM Geo-1	Sea Level Rise and Coastal Bluff Retreat (sea cliff retreat)
RM Haz-1	Accident Risks (electromagnetic fields (EMF) "prudent avoidance" policy)

RM Haz-2	Hazardous Materials (vapor barrier study)
RM Haz-3	Wildland Fires (water)
RM Hydro-1	Flood Hazards (creek setbacks and bank stabilization)
RM Hydro-2	Surface Water/Groundwater Quality Impacts (beach areas)
RM Hydro-3	Coastal/ Marine Water Quality (debris and trash)
RM Noise-1	Nuisance Noise (more detailed noise assessments for special uses)
RM Clim-1	Carbon Sequestration (additional tree planting and revegetation)
RM Energy-1	Transportation Fuel Consumption (fuel reduction; single passenger tax)
RM Pop-1	Improved Jobs/Housing Balance (job creation; affordable housing locations)
RM Socio-1	Noise (interior noise reduction improvements incentives)

III. GENERAL PLAN UPDATE

COUNCIL DIRECTION

The City Council's August 2010 direction on *PlanSB*, summarized in Exhibit A, "PlanSB Direction & Next Steps", is hereby referred to as the general starting point for any further Planning Commission questions or clarifications. The two exceptions being *Multi-Family Residential Density* and *Workforce – Rental/Employer Housing* which, given varying Council opinion, warrant further discussion and are described in detail below.

A. RESIDENTIAL DENSITIES

1. MEDIUM-HIGH AND HIGH DENSITY DESIGNATIONS

The Planning Commission recommendations for Medium-High (15-25 dwelling units per acre or du/ac) and High Density (27-45 du/ac) residential densities have been carried forward in the draft Final General Plan Land Use and Housing Elements, and are illustrated on the associated General Plan map. Given the lack of a majority Council opinion on these densities and locations, staff is requesting additional direction from the Planning Commission.

In considering the possible options, the Commission should note that the recommendation to allow up to 60 du/ac for Community Benefit projects with a super majority vote has not been carried forward. This particular proposal was creating confusion among the community as to which projects would be eligible for this density incentive, and in effect was a duplication of the case-by-case review of all affordable projects as defined under the existing Affordable Housing Policies and Procedures.

Another important consideration is the how the multi-family base density works with incentive and bonus density programs. The base density for both the Medium-High and High residential designations is 12 – 18 du/ac. Above this

base density are a set of tiered incentive programs employed by both the City, as well as mandated by the State, to encourage the construction of more affordable housing.

The primary tier is the Average Unit Density incentive program, which replaces the Variable Density Program, and provides additional densities up to 25 du/ac for Medium-High and 45 du/ac for High density, in exchange for smaller units, and smaller buildings. These densities are reflected on the draft General Plan map.

The next tier of incentives is the Rental/Employer Housing Overlay that would permit an addition 50% density increase, up to 68 du/ac (45 x .50 = 23 + 45 = 68). Beyond these incentives are the all-affordable programs that are either mandated by the State under their Bonus Density provisions, or by the City's Affordable Housing Policies and Procedures, which require case-by-case review.

While there has been no debate over the base density of 12 - 18 du/ac for these residential designations, the first tier of density incentives provided by the Average Unit Density program requires further discussion. If successful at the recommended densities, this program will produce smaller units, smaller buildings and more affordable units than the existing Variable Density Program.

There are, however, differing opinions as the how the Average Unity Density program should be shaped. Some ask for more flexibility in unit size, while keeping the High density at 45 du/ac with a 50% density increase for rental/employer. Indeed, this formula may produce more residential units; however, the larger the units, the greater likely hood the units will be less affordable, the demand for parking will be greater, and the buildings will be larger in size.

Others suggest limiting residential densities to Medium-High (15-25 du/ac), with a 50% density increase for rental/employer. While this may work well for the multi-family residential neighborhoods, these densities will most likely not result in workforce housing being built in the commercial districts.

If densities are considered below what is proposed, particularly in tandem with the proposed smaller unit size requirements, building sizes would theoretically continue to be reduced. However, a more likely alternative is that a project proponent would simply revert to the base density of 12-18 units, with constraints on unit and building size determined by the existing development standards and design review process, similar to what is being built today. This is especially true for market rate condominiums, which would not be eligible for further density incentives.

For rental and employer based projects, eligible for an additional 50% density incentive, a modest reduction in the proposed High Density (27-45 du/ac) Average Unit Density program may have less of an impact. In the areas in and adjacent to the commercial centers, higher densities are presumably desired within easy walking/biking distance to transit and commercial services; higher densities will also be necessary to meet the higher land costs.

However, although there may appear to be some latitude for a density reduction in the High density designation of the Average Unit Density program, it is important to recognize that the combination of land costs, construction costs, parking requirements, design review and density must all work together to achieve the "sweet spot" where a rental project will work. For example, a reduction from 45 to 40 du/ac in the Average Unit Density program, in combination with the 50% density increase for rental, would result in an effective density of 60 du/ac. This density, when combined with reduced parking, could still be "in the ball park" according to an experienced local rental housing developer.

In the Medium-High density designation areas (15-25 du/ac), outside of the commercial centers, rental projects could be built to densities of 38 du/ac, generally, as two story projects. No further reduction in these densities appears necessary, as the community seems comfortable with these densities for rental projects with smaller units in the multi-family neighborhoods.

2. **RENTAL/EMPLOYER OVERLAY LOCATIONS**

Once the densities associated with the Average Unit Density program and the Rental/Employer Housing Overlay have been established, the locations for the Rental/Employer Housing Overlay need to be defined. The simplest option is to apply the overlay to all Medium-High and High density residential districts.

During the *Plan Santa Barbara* process a number of further considerations have come to light: a few neighborhoods have expressed a desire to not increase densities; many in the community have expressed interest in concentrating the next increment of growth adjacent to transit and within easy walking/biking distance to commercial services; and some have expressed interest in strictly limiting higher densities to small, "test" areas.

The following options have been developed for Planning Commission discussion and recommendation.

Option 1: *Apply the Rental/Employer Housing Overlay program to all Medium-High and High density designations*. This would maximize the potential for rental housing projects, but would not focus the next increment of growth on

those neighborhoods closest to transit and within easy walking and biking distance to commercial services.

Option 2: *Exempt specific residential areas that wish to maintain (or decrease) existing densities*. Areas would include the Upper East, the Bungalow District, Coast Village Road, Cottage, and the Commercial/Industrial area. This would allow the greatest housing potential while also responding to those community members that do not want to see any increased densities.

Option 3: *Limit the Rental/Employer Housing Overlay program to the Commercial/ High density designations*. This would be consistent with the Sustainability Principles for Development but would exclude those multi-family districts adjacent to commercial services that have a high potential to produce more workforce housing in a more sustainable manner.

Option 4: *Limit the Rental/Employer Housing Overlay program to the Downtown and west to Highway 101*. This option is focused on the commercial and multi-family districts in and around Downtown. This option would provide the maximum number of workforce units, with the greatest level of congestion relief, and all within the most geographically limited area.

Please refer to Exhibit I, Rental/Employer Housing Overlay Options.

B. HOUSING ELEMENT

1. HCD REQUESTED MODIFICATIONS

The State Department of Housing and Community Development (HCD) has reviewed the March 2010 draft Housing Element and identified modifications that are required to bring the element into compliance with State law. Primarily, the requested modifications fall under the chapters related to Housing Development Potential and Housing Development Constraints. The Draft Housing Element has been revised accordingly.

Housing Development Potential

State law requires that the Housing Element include an inventory of land suitable for residential development. The inventory is intended to identify sites that can be developed with housing and demonstrate that the City has sufficient land and zoning capacity to meet the Regional Housing Needs Allocation (RHNA) of 4,388 units within the Housing Element's planning period (2007-2014).

The March 2010 draft Housing Element identified approximately 2,835 opportunity sites with the potential to develop approximately 9,099 units. This build-out potential was calculated using a number of assumptions, including but not limited to the improvement value of the parcel, environmental site

constraints, and an average build-out potential of 20 du/ac for the Medium High Density Residential and 30 du/ac for the High Density Residential designated parcels.

The California Air Resources Board (CARB) has directed that due to potential health risks, sensitive receptors shall be setback from urban roads having a carrying capacity of 100,000 vehicles per day. Based on these traffic volumes, U.S. Hwy 101 is the only roadway within the City with the potential to affect sensitive receptors. As a result, the General Plan restricts new residential development within 250 feet of U.S. Hwy 101 until the CARB-phased diesel emission regulations are implemented and diesel emission risks reduced.

Because there is no identified timeframe by when the CARB will implement the necessary regulations to reduce risks, the Housing Element must recognize the 250-foot setback requirement as a governmental constraint. The Constraints Chapter of the Housing Element has been revised to identify the freeway setback as an impediment to housing production. Accordingly, the Suitable Sites Inventory has been adjusted to reflect the removal of 340 opportunity sites and associated development potential of 1,249 units within the 250-foot setback.

Additionally, at the request from the State Department of Parks and Recreation, all parcels owned by the State associated with El Presidio have been removed from the Inventory. Further, the residential development potential for properties within 100 feet from parcels containing historic building and structures was calculated at 20 du/ac rather than 30 du/ac.

Based on these changes, the Suitable Sites Inventory of the Housing Element has been revised down to reflect a total of 2,423 opportunity sites and 7,426 potential residential units. The revised inventory of suitable residential development sites and associated map is referenced as Appendix G in the Draft General Plan and available separately due to its volume.

Housing Development Constraints

At the direction of HCD, additional analysis and/or information has been included in the Constraints chapter and Appendix F pertaining to the following:

- Land Use Controls: A table reflecting the residential development standards in various zones is now incorporated into Appendix F.
- Fees/Exactions: Additional information and analysis was added to the Constraints chapter regarding typical development fees, including sewer and water. A table depicting the fee schedules for a ten-lot single-family subdivision, a ten-unit condominium project, a ten-unit affordable condominium project, a ten-unit apartment, duplex condominiums, a rental duplex, and a single-family residence is now incorporated into Appendix F.
- Processing Time: Additional information and analysis was added regarding the City's permit process and timing. Tables illustrating the typical

processing time for projects requiring Staff Hearing or Planning Commission review, and projects requiring only design review are now incorporated into Appendix F.

- Inclusionary Housing: Additional information has been added to describe the changes to Housing Element Implementation Action H11.3 related to inclusionary housing.
- Reasonable Accommodations: Additional information was added regarding reasonable accommodation provisions in the Municipal Code.

2. **DENSITY CHANGE IMPLICATIONS**

The draft Final Housing Element relies on the proposed Medium High (15-25 du/ac) and High (27-45 du/ac) densities as incentives to promote the production of affordable and workforce housing units. Such densities help to demonstrate to HCD that the City continues its commitment and efforts to create housing opportunities.

If the proposed density ranges are not adopted, or if they are substantially reduced, the City could find it challenging to encourage private developers to construct affordable workforce housing units. Even with the number of goals, policies and implementation actions included in the Housing Element to support and promote additional affordable housing, under existing densities, developing such units may not be economically viable for developers.

C. **IMPLEMENTATION PRIORITIES**

A Draft Implementation Plan Outline has been prepared for initial review. See Exhibit J. The *Plan Santa Barbara* process brought forth many voices from the community expressing vision and ideas on how Santa Barbara can improve in the future. The Planning Commission and Council direction along with public input is reflected in the Goals, Polices and Implementation Actions. The FEIR contains a number of required mitigation measures as well as recommended measures that will also be implemented over time.

The General Plan contains more than 320 implementation actions. It is important to realize that some measures are more critical to support the validity of the plan in terms of State Planning Law, or for consistency with existing City policy. Implementation will occur over the life of the plan and it is not unusual for a number of policies to be carried over from one update to another before they are implemented. Priority direction from City Council is critical to implement the plan in a logical order.

Exhibit J proposes three phases and a suggested order for initial consideration. After Council adoption of the General Plan, Staff will further develop the approach for Phase I and would like to review the *Plan Santa Barbara* Implementation Plan along with other Planning Division workload priorities at the next semi-annual meeting of the Planning Commission and Council in February/March 2011.

III. CONCLUSION

Over the course of the last five years, the *Plan Santa Barbara* General Plan update process has progressed from a set of City Council goals to a final General Plan document and a citywide, Program EIR. During Phase I, a baseline of key resource data was developed with the *Conditions, Trends & Issues Report*, a completely updated set of Master Environmental Assessment maps, and the initiation of the program EIR and citywide traffic model.

Phase II began in 2007, following a yearlong hiatus to produce the Upper State Street Study, and focused on public outreach. Key efforts included: working with the Outreach Committee; establishing the YouPlanSB.org website; producing a citywide brochure and survey; 40 grass roots community meetings; a youth survey; a series of five public workshops; seven Board and Commission meetings; eight Planning Commission and Council meetings; and a public opinion poll. This phase culminated in the publication of the *Community Input Summary Report* in December 2007.

Phase III was the policy development effort and included a series of three public workshops (focused on *Development Trends*, *Policy Options*, and *Policy Preferences*), seven Board and Commission meetings, and 13 Planning Commission and Council meetings. The culmination of this phase was the *Policy Preference Report* that established the Project Description to initiate the formal draft EIR process in January 2009.

Phase IV began in March of this year with the open house release of the draft General Plan Framework, Land Use Element and General Plan Map, Housing Element, initial goals and polices for the remaining six elements, and the EIR for public review. The 60-day public review period was then followed by six Planning Commission hearings and eight City Council work sessions to date.

Throughout the *Plan Santa Barbara* process, this has been the community's plan. During the initial stages staff developed the baseline resource information but following that, the community stepped forward to voice their opinions, concerns, and preferences. Perhaps the most significant community contribution was to establish the vision of sustainability as the framework for the General Plan, followed closely by the addition of a new Historic Resources Element.

By Phase II the Planning Commission was fully engaged and exerting its leadership on topics ranging from the process outputs and schedule, to policy development. Of particular help to staff was the *Plan Santa Barbara* Subcommittee that worked tirelessly to assist with larger policy concepts, community workshop development, and consensus building. The Commission's work to date culminated in the comprehensive set of key policy recommendations that were forward to the Council last July.

Following City Council direction in August, the Planning Commission's role at the September 29 and 30 meetings is to: 1) complete a final review the EIR and certify that document per the requirements of CEQA, and 2) complete final recommendations to Council for the adoption of the policy documents, and the preliminary implementation outline. Perhaps one last reflection as the *Plan Santa Barbara* process comes to a close: the vision, goals, policies and implementation actions are intentionally designed as an integrated whole to promote a more sustainable community over the next 20 years and beyond.

Exhibits:

A. Memo to Council Regarding *Plan Santa Barbara* Direction & Next Steps

B. EIR *PlanSB* Project Impact and Mitigation Summary

C. EIR Alternatives Analysis Summary

D. Listing of EIR and GPU Commenters

E. Planning Commission Findings for EIR Certification

F. CEQA Findings for Plan Adoption

G. EIR *Recommended Measures* Already Incorporated in the Proposed General Plan

H. EIR *Recommended Measures* Needing Determination for Inclusion in General Plan

I. Rental/Employer Housing Overlays Options

J. *PlanSB* Implementation Plan Outline

City of Santa Barbara
Community Development Department

Memorandum

DATE: August 12, 2010

TO: Mayor and Council

FROM: Paul Casey, Community Development Director

VIA: James L. Armstrong, City Administrator

SUBJECT: **Plan Santa Barbara *(PlanSB)* Direction & Next Steps**

On August 3, and 10, 2010 the City Council held two *PlanSB* summary work sessions to provide the Planning Commission and staff with direction on how to proceed with the Proposed Final Environmental Impact Report (FEIR) and the General Plan update policy documents.

The following identifies the key issues discussed and the subsequent direction from Council as understood by staff. For many issues there was general agreement among the Council as outlined below. However, in the absence of general agreement staff is deferring to the Planning Commission recommendation, as directed by Council.

General Plan Framework
Utilize the proposed Sustainability Principles as the foundation for the update, including the reorganization of the elements, and as an outline and policy direction for future element updates. Edit Introduction and History sections based on input from Commissioner Lodge. Re-prioritize the "drivers" in the Introduction to place greater emphasis on Economic and Historic Resources. Edit climate change language to soften tone and level of uncertainty.

Growth Management
Limit net new non-residential growth to 1.0 million net new square feet over next 20 years in categories of Small Addition, Vacant Land and Community Benefit. Provide exclusions for: pending, approved, minor additions and government buildings. Replacement of existing square footage, like current Measure E, is not included.

Average Unit Size Incentive Program
Amend the Variable Density program to establish an incentive to allow multi-family residential density based on an average unit size (sq ft) rather than number of bedrooms. Two density ranges will be developed, at this time the unit size range is proposed as follows:

Medium-High = 1,300 to 800 sq. ft. average unit size
High = 1,000 to 600 sq. ft. average unit size

Multi-Family Residential Density
Density allowance for multiple family and commercial zoned property will include a base density (du/ac dwelling units per acre) and a range based on the average unit size incentive program.

Medium-High = 15-25 du/ac
High = 27-45 du/ac
All affordable projects reviewed on a case-by case, per the Affordable Housing Policies and Procedures.

Workforce – Rental and Employer Housing
Adopt a 50% density increase overlay to the base density to encourage rental and employer housing projects. Allow existing rental projects to rebuild at their existing densities.

Targeted Growth Areas
Target future growth in the main commercial districts, i.e. Downtown, Milpas, Upper De la Vina/State Street, La Cumbre Plaza/Five Points, and the multi-family districts between Downtown and Highway 101. Target areas for 50% overlay would include R-3 and R-4 zones.

Residential Parking Downtown
Consider a residential unit parking maximum in the Downtown. Allow the option to "unbundle" parking spaces from the sales or rental of residential units.

Inclusionary Housing
Consider increasing the existing requirement from 15% to 25%. Consider sliding fees with lower fees for the preferred types of development. Consider a new commercial fee when the economy recovers. Suspend fees during economically difficult times.

Second Units
Relax standards adjacent to transit/commercial and consider relaxing standards City-wide. Consider including the square footage of the proposed second units within the Neighborhood Preservation Ordinance Floor Area Ratios (FAR). Consider neighborhood by neighborhood support for second units.

Transportation Demand Management (TDM)
Strategies to include: employer paid bus pass program, cash-out parking program, expanded Safe Routes to School program, support with regional partners on carpooling, telecommuting, and car-share programs, expanded transit, and Downtown parking pricing if supported by business stakeholders. The amount and need for Travel Demand Management strategies is to be revised through Adaptive Management Program.

Historic Preservation
Develop an Historic Resources Element. Within the El Pueblo Viejo District, create buffers with height & density restrictions around districts and individual resources, with special treatment around El Presidio de Santa Barbara. Step-back buildings adjacent to historic resources as well as adjacent to single family neighborhoods.

Building Heights/FAR
Limit most projects up to 45 feet in height and only allow up to 60 feet with a super majority of the Planning Commission. Develop FARs & Form Based Codes as implementation measures.

Next Steps
The scheduled release date of the Proposed Final EIR and General Plan documents is Thursday September 16, 2010. The subsequent hearings before the Planning Commission will be on Wednesday September 29 and Thursday September 30, 2010.

cc: Steve Wiley, City Attorney
N. Scott Vincent, Assistant City Attorney III
Bettie Weiss, City Planner
John Ledbetter, Principal Planner
Planning Commission

PlanSB EIR Project Impact and Mitigation Summary

The EIR analysis identifies the following environmental impacts associated with anticipated development to the year 2030 under draft *Plan Santa Barbara* General Plan policy amendments. Identified mitigation measures (MMs) are required to reduce potentially significant impacts. Recommended measures (RMs) are identified to further address potential impacts and benefit the environment.

CLASS I **Significant Impacts** *(Citywide 2030)*	**Required Mitigation Measures**
Transportation Increased peak-hour traffic congestion *[Current 13 impacted intersections could potentially increase to 21 impacted intersections; increase in vehicle miles traveled (VMT). Identified mitigation could substantially reduce impact]*	MM T-1 –Roadway and signal improvements MM T-2 – Measures to reduce peak-hour vehicle trips and increase alternative travel mode use through modified parking requirements, parking pricing, and transportation demand management (TDM) measures.
Global Climate Change Increased greenhouse gases emissions from transportation fuel and buildings *[From existing1.36 million tons/year GHG emissions citywide to 1.57 million tons/year. Identified mitigation could substantially reduce impact.]*	MM T-2 -Reduce vehicle trips and miles traveled and associated greenhouse gas generation with expanded Transportation Demand Management *RM C-1 policies for carbon sequestration though tree planting/ revegetation;* *RM C-2 work with regional partners toward methane capture/ fuel cell development at Tajiguas Landfill;* *RM C-3 continue programs to retrofit municipal systems with energy efficient equipment;* *RM C-4 policies for additional renewable energy sources for City operations including wind turbines, solar facilities, and monitor ocean power projects; and* *RM C-5 additional policy to establish goal of 30 MW new solar energy in City by 2030.)*

CLASS 2 **Less Than Significant Impacts with Mitigation** *(Citywide in 2030)*	**Required Mitigation Measures**
Air Quality Potential health risks to residential uses along Highway from diesel particulate emissions	MM AQ-1 – Interim 250-foot setback from Highway 101 for new residential uses until State regulations are implemented and diesel particulates are reduced; install additional vegetation along Highway 101.
Biological Resources Gradual loss of upland and creek/riparian habitats and species.	MM B-1 – Further protect key upland habitat/ corridors MM B-2 – Creek channel naturalization; drainage restoration; riparian restoration; creek setback standards. *Recommended measures RM B-1 oak woodland protection and RM B-2 riparian woodland protection.*
CLASS 2 - Less Than Significant Impacts	**Required Mitigation Measures**

with Mitigation *(Citywide in 2030)* (Continued)	
Geological Conditions Sea cliff retreat	MM G-1 – Updated bluff retreat review guidelines; shoreline management plan *(Recommended measure RM G-1 to update Coastal Plan.)*
Hazards Adequacy of household hazardous materials collection facility capacity	MM Hz-2 – Agency coordination to establish additional collection facility capacity
Heritage Resources Effects of development on historic resources	MM Hr-1a – Protect historic resources during adjacent construction activities MM Hr-1b – Modified density and design policies for landmark and historic districts
Hydrology and Water Quality Increased flood hazards from climate change sea level rise (longer range impact to 2050)	MM Hydr-1a – Adaptive management for sea level rise
Noise Increased roadway noise levels along Highway 101 affecting existing residential uses	MM N-1 – Periodically monitor freeway noise levels. If traffic noise expands the 65 dBA contour along the freeway corridor, implement measures to reduce effects (e.g., structure retrofits, barriers, vegetation)
Open Space/Visual Resources Gradual loss of important open space areas	MM V-1 – Protect key open space areas; establish additional funding mechanisms; coordinate management with citizen groups, owners, institutions. V-2 – Coordinate on regional open space
Public Utilities/ Solid Waste Management Adequacy of long-term solid waste management facility capacity	MM PU–1a –Coordinate with agencies to establish additional long-term waste management capacity. MM PU-1.b – Increase diversion of solid waste from landfill disposal through programs to increase waste reduction, recycling, and reuse.

CLASS 3 **Less Than Significant Impacts** *(2030)*	**Recommended Measures to Further Reduce Impacts**
Air Quality	
Projected population/emissions are consistent with adopted County Clean Air Plan	*RM AQ-1 – Programs to support electric vehicles and low-emission vehicles and equipment*
Short-term emissions during construction	*No additional measures beyond existing City policies and proposed Plan Santa Barbara measures*
Residential development location within the commercial core - impacts from mixed use	*No additional measures*
Biological Resources	
Development impact on creek water quality	*RM B-2 – Riparian habitat protection, and RM Hydr-1 for flood hazards further address water quality*
Impacts of future development on coastal habitats and species	*RM B-3 Coastal habitat restoration*
Impacts of development on urban forest and individual specimen trees	*RM B-4 urban tree protection*

Exhibit B
***Plan SB* EIR Project Impact and Mitigation Summary**

CLASS 3 **Less Than Significant Impacts** *(2030)* (Cont.)	**Recommended Measures to Further Reduce Impacts**
Geological Conditions	
Seismic hazards ((fault rupture, groundshaking, liquefaction, tsunami)	*No additional measures identified*
Geologic and soil instability (slope failure, expansive soils, erosion, radon).	*No additional measures identified*
Hazards	
Accident risks associated with aircraft, transportation corridors, electromagnetic fields (EMF)	*Recommended measure RM Hz-1 to continue EMF prudent avoidance policy for development near transmission lines and monitor scientific study*
Hazardous materials associated with contaminated sites and commercial/ industrial facilities	*RM Hz-2 vapor barrier study for development near sites with past contamination*
Wildland fires, emergency response and adequacy of roads and water systems.	*RM Hz-3 water system improvements and private water supplies for fire fighting*
Heritage Resources	
Development effects on archaeological resources	*No additional measures identified*
Development effects on paleontological resources	*No additional measures identified*
Hydrology and Water Quality	
Development effects associated with flood hazards and storm water run-off effects	*No additional measures identified*
Effects on creek and groundwater quality	*Recommended measures RM Hydr-1 considerations for establishing creek setbacks*
Effects on coastal and marine water quality	*RM Hydr-2 measures to improve water quality at area beaches, including pharmaceutical waste education and collection, restoration measures for channels and habitat; and watershed action plans*
Noise	
Increased airport noise impacts	*No additional measures identified*
Noise guideline change	*No additional measures identified*
Noise effects from mixed use development	*Recommended measure RM N-1 to require more detailed noise assessments for propose special, conditional, and institutional uses that may create nuisance noise affecting residential neighborhoods.*
Construction noise effects	*No additional measures identified*
Open Space and Visual Resources	
Gradual loss of important scenic views of waterfront, hillsides, and in commercial core	*Recommended measure RM V-1 additional policies for protection of scenic views*
Gradual change to community visual character	*RM V-2 additional policies for protecting community character: design standards, design overlays, building size, bulk, and scale, form-based codes, development monitoring, and preserving community character*
Lighting and glare effects	*RV V-3 policies on open space night sky*

CLASS 3 **Less Than Significant Impacts** *(2030)* (Cont.)	**Recommended Measures to Further Reduce Impacts**
Public Services	
Police services	*No additional measures identified*
Fire protection services	*No additional measures identified*
Parks and recreation services	*Recommended measure RM PS-1 additional policies for provision of parks*
School services	*RM PS-2 additional policies language on schools as part of Sustainable Neighborhood Plans*
Public Utilities	
Water supply	*Recommended measure RM PU-1 measures for consideration as part of updating long-term water supply program*
Wastewater	*No additional measures identified*
Power and communications utilities	*No additional measures identified*
Transportation	
Reduced per capita vehicle commute trips from PlanSB policies and MMs (Class 4 beneficial impact)	*RM SE-2 policies to promote businesses that serve lower income and ethnic minority populations*

ADDITIONAL ENVIRONMENTAL ANALYSIS	
Energy	
Transportation fuel consumption	*Recommended measure RM E-1 fuel reduction objective and gas tax for reduction of trip generation and reduced fuel consumption*
Energy consumption in buildings	*RME-2 building green, solar, lighting, and heating measures, and community energy program to promote energy conservation*
Global Climate Change	
Greenhouse gas emissions from buildings	*Recommended measures identified under Climate Change and Energy items above*
Jobs/Housing Balance	
Job growth and housing availability	*Recommended measures RM P-1 additional policies addressing growth monitoring, growth pacing; job creation, regional coordination on affordable housing, City affordable housing locations, student/faculty housing, and incentives for affordable housing (streamline permitting process;pursue legislation to extend redevelopment funding)*
Socioeconomic Issues	
Environmental hazards	*Recommended measures RM SE-1 interior noise reduction home improvement program*
Economic development and housing availability	*RM SE-2 policies to promote businesses that serve lower income and ethnic minority populations.*
Community resources and public services	*RM SE-2 policies to promote businesses that serve lower income and ethnic minority populations*
Participation in community planning	*No additional measures identified*

EIR Alternatives Analysis Summary

For No Project, Project, Lower Growth, and Additional Housing Alternatives

POLICY ASSUMPTIONS for EIR analysis	**GROWTH ASSUMPTIONS*** *Net Increase 2008-2030*	**COMPARATIVE IMPACTS** from DEIR analysis
"No Project"/ Existing Policies Alternative Existing policies and historic growth rate assumed to continue. • GP land use/zoning designations • Non-residential growth cap and findings • Pyramid range of uses in commercial; R-3/R-4 stds • Building heights of 30, 45, and 60 feet in commercial • Mixed use incentives; variable density; R-2 density • State/City bonus density, inclusionary affordable housing provisions; current 2nd unit policies • Current design review standards.	Non-Residential **2.3 million SF** (*Square Feet)* Residential **2,800 DU** *(Dwelling Units)*	**Traffic: Significant** Greatest potential impact, 26 intersections, 38% increase in vehicle miles traveled (VMT); >11,000 added trips south of Hot Springs **Climate: Significant** Greatest potential impact; 1.6 mill. tons/year greenhouse gases (GHG)**;** 16.5 tons/capita **Other Impacts: Mitigable** Greatest potential effects on local community resources and regional issues, but mitigable to less than significant levels. Worsens jobs/housing balance (2.04 jobs/unit).
***Project/ Plan Santa Barbara* General Plan Update** Balance policies to protect character/resources and policies for more affordable housing (for traffic management, jobs/housing balance; economic/population diversity, energy/climate) • Reconfirm Living Within Our Resources; protect and enhance community character, historic resources, established neighborhoods • Continue to limit non-residential growth; direct development to commercial core areas • Priority for affordable housing and Community Benefit land uses; Sustainable Neighborhood Plans • Mixed use, setback, open space, landscaping standards, Floor Area Ratios, Form Based Codes, lower heights next to residential and historic structures for compatible building sizes • Reduced unit size; variable density amendments; higher density incentives for affordable, rental, 'affordable by design' housing; 2nd unit incentives • Reduced parking standards for commercial core; moderate TDM expansion.	Non-Residential **2.0 million SF** Residential **2,800 DU**	**Traffic: Significant** *Potential* impact 20 intersections, 36% VMT increase; 11,000 added trips so. of Hot Springs. Impact substantially avoided with roadway improvements and transportation demand management (TDM) expansion. **Climate: Significant** Estimated 1.62 million tons/year GHG; 16.2 tons per capita, not meeting State directive to reduce GHG to 1990 levels. **Other Impacts: Mitigable** Potentially significant impacts (resources, hazards, and public facilities) mitigable to less than significant levels (air quality, biological resources, geology, hazards, hydrology, noise, open space, solid waste). Job/housing approx balance (1.44 jobs/unit).

Exhibit C
EIR Alternatives Analysis Summary

Policy Assumptions for EIR analysis	**Growth Assumptions*** *Net Increase 2008-2030*	**Comparative Impacts** from DEIR analysis
Lower Growth Alternative More growth limitation policies to protect community character, historic resources, neighborhoods, environmental resources, services, costs (e.g. water supply), and support tourism. • Further reduce nonresidential SF cap • Lower building height limits to 40-45 feet • Added protection for historic districts • Retain current density designations; reduce average unit size provisions • Increase setbacks, open space, landscaping requirements. • Retain 2nd unit restrictions • Retain or increase parking standards.	Non-Residential **1.0 million SF** Residential **2,000 DU**	**Traffic: Significant** Potential impact less, 20 intersections, 28% increase vehicle miles traveled (VMT); ~9,000 added trips South of Hot Springs. No mitigation identified (e.g., TDM), because not consistent with policies. **Climate: Significant** Slightly better 1.58 mill. tons/year greenhouse gases (GHG). **Other Impacts: Mitigable** Reduced potential impacts to local community resources and also mitigable to less than significant levels. Jobs/housing balance improved (0.90 jobs/unit)
Additional Housing Alternative More affordable housing policies to further address traffic management, jobs/housing balance, economic vibrancy, population diversity, energy and climate change. • Promote compact growth along transit corridors • Increased affordable housing incentives; increased density; reduce unit sizes; retain or increase building heights; allow 2nd units in more areas; reduce parking standards; streamline housing permit processes. • Strong expansion of Transportation Demand Management (TDM) measures and support infrastructure for alternative modes	Non-Residential **1.0 million SF** Residential **4,360 DU**	**Traffic: Significant** Lowest potential impact 15 intersections, 11% VMT increase; 5,100 added trips So. of Hot Springs. **Climate: Significant** Lower impact - estimated 1.4 million tons/year GHG; 13.7 tons per capita. **Other Impacts: Mitigable** Potentially significant impacts (resources, hazards, and public facilities) mitigable to less than significant levels. Job/housing substantially better (0.41 jobs/unit).

Exhibit C
EIR Alternatives Analysis Summary

Policy Assumptions for EIR analysis	**Growth Assumptions*** *Net Increase 2008-2030*	**Comparative Impacts** from DEIR analysis
Hybrid Alternative Less non-residential growth than the *PlanSB* project to further protect community character, resources, and address jobs/housing balance. Additional density provisions than the *PlanSB* project to address affordable/workforce housing needs, economic vibrancy, population diversity, traffic management, energy and climate change. • Higher residential densities with smaller unit size provisions as part of amended variable density incentive within some commercial area designations • 50% density increase for rental and employer-sponsored housing within commercial and multi-family areas Less transportation demand management (TDM) measures than moderate expansion in the *PlanSB* project to ensure protection of downtown business. • Consider expanded TDM provisions with stakeholder support and monitoring.	Non-Residential **1.0 million SF policy cap** (designated categories of Small Addition, Vacant, Community Benefit) **0.5 million SF EIR assumption** (for excluded uses including minor additions, pending/approved projects, government buildings, replacement of demolished square footage, annexations) Residential **2,800 DU**	**Traffic: Significant** Potential impact 20-26 intersections, greater than *PlanSB* by up to 6. Road improvements would mitigate 2-3 intersections. Stronger TDM mitigation not applied as inconsistent with policy set. **Climate: Significant** Overall Vehicle Miles Traveled (VMT) similar to *PlanSB*, lower non-residential growth and energy use in buildings. Energy and climate change impacts less than *PlanSB*. **Other Impacts: Mitigable** Potentially significant impacts (resources, hazards, public facilities) similar or less than *PlanSB*, and mitigable to less than significant levels. Job/housing slightly better than *PlanSB*.

*Assumptions in table reflect net additional development within City boundaries. Additional development assumed within City Sphere of Influence during 2008-2030: Residential: 403 dwelling units; Non-Residential: 178,202 sq. feet.

Exhibit C
EIR Alternatives Analysis Summary

Listing of GPU and EIR Commenters

for the *Plan Santa Barbara* General Plan Update and Environmental Impact Report

Agencies
California Department of Fish & Game
California Department of Parks and Recreation
California Department of Transportation
Governor's Office of Planning & Research
California Public Utilities Commission
California Regional Water Quality Control Board
Montecito Water District
Santa Barbara County Air Pollution Control District
Santa Barbara County Association of Governments
Santa Barbara County Health Department
Santa Barbara County Executive Office
Santa Barbara County Planning & Development Dept
Santa Barbara County Fire Department
Metropolitan Transit District
U.S. Fish and Wildlife Service

Organizations
Allied Neighbors Association
Citizens Planning Association
Coalition for Community Wellness
Coalition for Sustainable Transportation
Coastal Housing Coalition
Community Environmental Council
League of Women Voters of Santa Barbara
Mesa Architects
Montecito Association
Pearl Chase Society
Santa Barbara Association of Realtors
Santa Barbara Conservancy
Santa Barbara Downtown Organization
Santa Barbara For All
Santa Barbara Trust for Historic Preservation
Upper East Association

City Commissions and Committees
Planning Commission
Parks and Recreation Commission
Water Commission
Creeks Advisory Committee
Transportation and Circulation Committee
Downtown Parking Committee
Members Bradley, Coffman-Gray, Lodge, Rivera, Ruiz

Individuals
John Ackerman
Gil Barry
J'Amy Brown
John Campanella
Christopher Cintas
Paul and Claudia Cook
Norbert Dall
Blair Edwards
Tracy Fernandez
Jan Hubbell
Peter Hunt
Wanda Livernois
Joan Livingston
Catherine McCammon
Richard Oliver
Judy Orias
Joe Rution
Deborah Slaght
Sally Sphar
Paula Westbury
Mark Whitehurst
Paul Zink
Els and Dennis Andersen
Elizabeth Becker
Steve and Sharon Comstock
Bruce Griffin
Michelle Howard
James Johnson and Karen Hodin
Theo Kracke
Paul Kuhn
Ron and Jackie Lincoln
Linda Melchiori
Hugh Michaels
Timothy Rodgers
Charles Vehrs
Lori Williams
Linda Anderson
Jean Holmes
Kristen Jepson-Foos
Lisa Plowman
Paul Hernadi
Bill Marks

Planning Commission FEIR Certification Findings

for the *Plan Santa Barbara* General Plan Final Environmental Impact Report

Staff recommends that the Planning Commission certify the Final Program Environmental Impact Report dated September 2010 for the *Plan Santa Barbara* General Plan Update, making the findings below, based on information provided in the EIR process, FEIR, staff report and Attachment C.

The Planning Commission findings required for certification of the Final EIR are in accordance with the State CEQA Guidelines §15090 and City CEQA Guidelines §II.2.

1. The final EIR has been completed in compliance with the California Environmental Quality Act (CEQA).

The FEIR for the *Plan Santa Barbara* General Plan Update was prepared in accordance with applicable procedures and content requirements of the California Environmental Quality Act (CEQA), State CEQA Guidelines, and City of Santa Barbara CEQA Guidelines.

- An advertised Notice of Preparation for the EIR was issued January 15, 2009 for a 30-day agency and public comment period, and a Planning Commission public scoping hearing was held on January 29, 2009.
- The EIR documents have been prepared by a qualified team headed by AMEC Earth and Environmental, Inc., working under oversight of experienced City staff.
- The Draft EIR underwent a noticed 60-day public review and comment process March 19-May 18, 2010, including a noticed Planning Commission public hearing held April 28, 2010. Comments on the Draft EIR were received from 13 public agencies, 16 community/ public interest organizations, 40 individuals, and seven City commissions and committees.
- The Final EIR includes written responses to comments received on the Draft EIR and associated edits to the EIR analysis. Proposed responses to comments and hearing notice were provided to public agencies that commented on the Draft EIR ten days prior to the EIR certification hearing.

- The EIR analysis meets CEQA requirements for a General Plan Program EIR, and EIR standards of adequacy pursuant to CEQA Guidelines §15151.

2. The final EIR was presented to the Planning Commission, and the Planning Commission reviewed and considered the information contained in the final EIR. Pursuant to requirements of Government Code §65354, the Commission will make recommendations on adoption of the proposed *Plan Santa Barbara* General Plan Update to the Santa Barbara City Council, which recommendations have been informed by Commission consideration of the final EIR.

The proposed Final EIR was issued to the public and provided to members of the Planning Commission on Thursday, September 16, 2010. The Planning Commission held a noticed public hearing on Wednesday September 29, 2010, and received a staff presentation of the Final EIR and public comment, and reviewed and considered the information contained in the Final EIR.

3. The final EIR reflects the Planning Commission's independent judgment and analysis.

CEQA Findings for Plan Adoption

Plan Santa Barbara General Plan Update

State CEQA Guidelines §§15091, 15092, and 15093 below specify CEQA findings required for a City Council action to approve the *Plan Santa Barbara* General Plan Update.

15091. FINDINGS

(a) No public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:

(1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.

(2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.

(3) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

(b) The findings required by subdivision (a) shall be supported by substantial evidence in the record.

(c) The finding in subdivision (a)(2) shall not be made if the agency making the finding has concurrent jurisdiction with another agency to deal with identified feasible mitigation measures or alternatives. The finding in subdivision (a)(3) shall describe the specific reasons for rejecting identified mitigation measures and project alternatives.

(d) When making the findings required in subdivision (a)(1), the agency shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to avoid or substantially lessen significant environmental effects. These measures must be fully enforceable through permit conditions, agreements, or other measures.

(e) The public agency shall specify the location and custodian of the documents or other material which constitute the record of the proceedings upon which its decision is based.

(f) A statement made pursuant to Section 15093 does not substitute for the findings required by this section.

Note: Authority cited: Section 21083, Public Resources Code; Reference: Sections 21002, 21002.1, 21081, and 21081.6, Public Resources Code; *Laurel Hills Homeowners Association v. City Council* (1978) 83 Cal.App.3d 515; *Cleary v. County of Stanislaus* (1981) 118 Cal.App.3d 348; *Sierra Club v. Contra Costa County* (1992) 10 Cal.App.4th 1212; *Citizens for Quality Growth v. City of Mount Shasta* (1988) 198 Cal.App.3d 433.

15092. APPROVAL

(a) After considering the final EIR and in conjunction with making findings under Section 15091, the Lead Agency may decide whether or how to approve or carry out the project.

(b) A public agency shall not decide to approve or carry out a project for which an EIR was prepared unless either:

(1) The project as approved will not have a significant effect on the environment, or

(2) The agency has:

(A) Eliminated or substantially lessened all significant effects on the environment where feasible as shown in findings under Section 15091, and

(B) Determined that any remaining significant effects on the environment found to be unavoidable under Section 15091 are acceptable due to overriding concerns as described in Section 15093.

(c) With respect to a project which includes housing development, the public agency shall not reduce the proposed number of housing units as a mitigation measure if it determines that there is another feasible specific mitigation measure available that will provide a comparable level of mitigation.

Note: Authority cited: Section 21083, Public Resources Code. Reference: Sections 21002, 21002.1, 21081 and 21159.26, Public Resources Code; *Friends of Mammoth v. Board of Supervisors*, (1972) 8 Cal. App. 3d 247; *San Francisco Ecology Center v. City and County of San Francisco*, (1975) 48 Cal. App. 3d 584; *City of Carmel-by-the-Sea v. Board of Supervisors*, (1977) 71 Cal. App. 3d 84; *Laurel Hills Homeowners Association v. City Council*, (1978) 83 Cal. App. 3d 515.

15093. STATEMENT OF OVERRIDING CONSIDERATIONS

(a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered "acceptable."

(b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.

(c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to Section 15091.

Note: Authority cited: Sections 21083 and 21083.05, Public Resources Code; Reference: Sections 21002 and 21081, Public Resources Code; *San Francisco Ecology Center v. City and County of San Francisco* (1975) 48 Cal.App.3d 584; *City of Carmel-by-the-Sea v. Board of Supervisors* (1977) 71 Cal.App.3d 84; *Sierra Club v. Contra Costa County* (1992) 10 Cal.App.4th 1212; *Citizens for Quality Growth v. City of Mount Shasta* (1988) 198 Cal.App.3d 433; *City of Marina v. Board of Trustees of Cal. State Univ.* (2006) 39 Cal.4th 341.

EIR Recommended Measures
Already Incorporated in Proposed General Plan

AQ-1: CITYWIDE GROWTH AND CONSISTENCY WITH CLEAN AIR PLAN

Recommended Measure:

RM AQ-1 REDUCE SOURCES OF AIR POLLUTANTS

The City should consider adding the following language to Plan Santa Barbara Environmental Resources Element:

1.a. Electric Vehicles

Policy ER10-Incentives for Alternative/Advanced Fuel Infrastructure:

- Monitor electric car development, including the projected availability of new vehicles and the types of charging stations that will serve those vehicles. Require the installation of the most commonly used types of electric charging stations in all major new non-residential development and remodels as appropriate, based on increases in the electric vehicle fleet and the availability of suitable charging technology. Provide expedited permitting for installation of electric vehicle charging infrastructure in residential, commercial, and industrial development. Consider changing the Building Code to require pre-wiring for electric vehicle charging infrastructure in new and substantial remodels of residential units.

1.b. Low-Emission Vehicles and Equipment

Policy ER14-Low-Emission Vehicles and Equipment:

- Promote the use of low-emission vehicles (e.g., fuel efficient, small diesel automobiles, small hybrid automobiles, electric vehicles) in the downtown core by offering reduced parking fees in City parking lots and reserving priority parking spaces in all City lots.

Mitigation measures MM TRANS-2, Reductions in Traffic Demand and MM ENERGY-2, Residential, Commercial and Industrial Energy Consumption would also apply.

Staff Comments:

Measure 1.a. covered by Policy ER9, Low Emission Vehicles and Equipment and implementation action ER9.1.

1.b. above is not being recommended.

Recommended Mitigation Measures Incorporated Into GP Policies

VIS-2: SCENIC VIEWS

Recommended Measure:

RM VIS-1 SCENIC VIEWS

The City should consider adding the following policies to the Environmental Resource Management Element, Aesthetics, and Visual Resources Section, Policy ER25-Public Views:

- **Protection of Public Views.** Protect existing high-quality views from public streets, sidewalks, or intersections where they are unique or unusual to a particular neighborhood or corridor. Where such protection would preclude reasonable development of a property, consider project design changes to include public viewing areas from upper-story locations.

RM VIS-2 COMMUNITY CHARACTER

The City should consider adding the following to the proposed Plan Santa Barbara Community Design policies:

- **Strengthen Design Standards.** Strengthen and enhance design and development review standards and process to enhance community character, promote affordable housing, and further community sustainability principles.
- **Design Overlays.** Create Design Overlay areas for selected non-residential and residential areas of the city through Form Base Codes (FBCs), Floor Area Ratios (FARs), building setbacks, landscaping and open space requirements, and design guidelines. Commercial areas, historic districts, streets, or a single block with unique qualities can be evaluated for improved guidance to ensure compatibility in scale, bulk and size. Specific areas to receive priority evaluation for a Design Overlay area include the Downtown, Coast Village Road, Outer State Street, Milpas Street, and Haley/Gutierrez Streets.
- **Building Size, Bulk and Scale.** Ensure that proposed buildings are compatible in scale with the surrounding built environment.
  - Standards & Findings. Strengthen and expand building size, bulk and scale standards and findings for development projects of 10,000 sq ft or more in the commercial zones to ensure compatibility with surrounding uses, particularly historic resources and residential neighborhoods.
  - Floor Area Ratios (FAR). Develop a set of maximum FARs for the non-residential and high density areas of the City, with particular attention to protecting historic resources, maintaining Santa Barbara's small town character, and encouraging small, affordable residential units.
    - i) Maximums. Develop a set of maximum FARs that permit the largest structures in the core of the city adjacent to transit and commercial services; more restrictive maximum FARs to radiate-out, generally consistent with the land use designations (a range of FARs may be appropriate depending on location for example modeled after "Parking Zone of Benefit");
    - ii) Buffers. Establish more restrictive FAR limits to protect historic structures and adjacent areas to establish "buffers";
    - iii) Incentives. Consider higher FARs for multi-family rental projects and small, affordable residential units; and
    - iv) Guidelines. Consider FAR Guidelines for Form Based development models such as where parking is proposed at the ground or in basement floors.
- **Form Base Codes (FBC).** Develop FBCs for non-residential and high density residential areas of the City, with particular attention to protecting the City's historic resources. Consider locations

within commercial areas, historic districts, streets, and blocks with unique qualities.

- Overlay Areas. Develop FBC as overlays to work in conjunction with other zoning regulations, and consider replacing the Average Density Program with the FAR and FBC programs, once established;
- Priority Implementation. Initiate implementation in the center of El Pueblo Viejo District where there is the greatest concentration of historic resources.
- Block Analysis. Consider the relationship of new buildings to existing structures, view corridors and historic resources along an entire block.
- Key Visual Element Preservation. As part of any new form-based code, identify the visual key elements of each block along commercial corridors including landmark structures, structures of merit, potentially historic structures, key scenic view points that provide unique or important views to the surrounding hills, and specimen trees and other important visual resources to ensure that the new form-based codes include measures to protect these assets.

Staff Comments:

Scenic Views covered by policy ER25, Visual Resources Protection.

Community Character measures covered by Policy and implementation actions LG13, Community Character.

SERV-1 PARKS AND RECREATION

Recommended Measure:

RM SERV-1 PARKS AND RECREATION

The City should consider adding bullets to Policy OP.1-Parks and Open Space Standards and Planning

- As part of the next Recreation Facilities Master Plan Update and/ or in each Sustainable Neighborhood Plan, identify publicly owned vacant or underutilized property (e.g., parking lots, road rights of way, etc.) and assess the potential for conversion of a portion of this property to a pocket or neighborhood park, play area, plaza, public seating area or other accessible green space.

Staff Comments:

Covered by implementation action OP1.4, Public Lands.

SERV-2: PUBLIC SCHOOLS

Recommended Measure:

RM SERV-2 PUBLIC SCHOOLS

- The Downtown SNP should include early outreach and coordination with the School District to review the need for and feasibility of creating a Downtown neighborhood elementary school.

Staff Comments:

Covered by implementation action LG4.7, Downtown School.

SERV-3: PUBLIC SERVICES IMPACT FEE

Recommended Measure:

RM SERV-3 PUBLIC SERVICES DEVELOPMENT IMPACT FEE

The City should consider adding the following policy to the Public Services and Safety Element:

- Development Impact Fees: New commercial and market rate residential development shall either avoid impacts on community services and facilities or contribute financially to mitigate costs of providing services and facilities. The City shall establish development impact fees.

Staff Comments:

Covered by policy EF.25, Development Impact Fees.

SERV-4: PUBLIC SCHOOL SERVICES

Recommended Measure:

RM SERV-2 PUBLIC SCHOOL SERVICES

The City should consider adding the following programs to the Plan Santa Barbara Land Use and Growth Management Element and Public Services/Safety Element:

Policy LG15-Sustainable Neighborhood Plans (SNPs) – New SNPs should include coordination with the Santa Barbara School District on the adequacy of the neighborhood's schools to accommodate students generated by new growth.

Staff Comments:

Schools Covered by implementation action LG17.1, Sustainable Neighborhood Plans.

PU-1: FUTURE WATER SUPPLY AND DEMAND

Recommended Measure:

RM PU-1: FUTURE WATER SUPPLY AND DEMAND PROTECTION

Long-Term Water Supply Plan Update

It is recommended that the City process for updating the LTWSP include careful examination of the following issues. All of these issues should be considered in conjunction with the City Water Commission and Planning Commission, with opportunities for public comment and input. It is recommended that the numerous studies conducted to update the LTWSP be evaluated together to more thoroughly update the current capabilities of the City's various water supplies. Evaluation of various scenarios for integrating these supplies into a new water management approach should be the basis for a recommendation for adoption of the updated LTWSP.

1. SWP Reliability: The State is updating its reliability analysis on State Water Project deliveries. The completed document should be reviewed as a part of updating assumptions on the City's expected SWP deliveries. Particular attention should be given to estimates of SWP delivery impacts from sea level rise, as this aspect of climate change was not included in the previous reliability analysis. A conservative assessment of the likelihood, timing, and benefits of Delta improvements should be included. Opportunities to increase the delivery reliability of existing SWP Table A amounts should continue to be explored.

2. Groundwater Banking: Opportunities for groundwater banking exist on the local, regional, and inter-regional level. With reduced snowpack related to climate change, and the potential that replacement capacity in proposed new reservoirs will fall short of replacing this lost storage capacity, banking can provide a valuable means of firming up SWP deliveries and improving the reliability of the City's overall water supply. Legal, technical, and financial issues will need to be considered.
3. Sedimentation Projections and Management Opportunities: Gibraltar Reservoir and Lake Cachuma will continue to experience sedimentation, with potential accelerated sedimentation resulting from wildfires. Periodic bathymetric surveys should continue. Methods for minimizing sedimentation should be assessed, including sedimentation trapping measures and a controlled burn program in conjunction with the U.S. Forest Service and local fire agencies. The City should work with other affected agencies to consider options for removal of sediment from reservoirs, including the potential to implement passage of sediment downstream to preserve reservoir capacity while providing sediment flow to mimic natural river conditions and contribute to beach nourishment.
4. Gibraltar Yield Under Pass Through Agreement: Operations under "pass through" mode have not occurred and there is uncertainty as to the level of deliveries that can be expected. Modeling currently underway should be integrated with overall supply estimates to give a firmer estimate of long-term availability.
5. Desalination: The future role of desalination should be evaluated, considering issues such as: State policy encouraging development of desalination capacity, reliability, rate impacts and capital cost for reactivation, energy use, environmental impacts, and value during extended drought and other water supply emergencies.
6. Groundwater Management Analysis: A more sophisticated modeling of groundwater resources should be used to evaluate new opportunities for optimizing the conjunctive use of groundwater. Improved tools for tracking the current state of groundwater basins should be developed, particularly with regard to managing seawater intrusion. Local groundwater recharge, including direct and in-lieu recharge, should be assessed for economic, regulatory, and technical feasibility.
7. Additional Conservation Opportunities: Ongoing efforts to assess the technical and economic merits of the next generation of conservation measures should be used to identify an updated target for demand reduction under the new plan. A rate study should be conducted to identify opportunities to improve conservation pricing signals and update revenue requirements. Existing City ordinances should be reviewed for appropriate updates given changes in technology and statewide water supply conditions.
8. Recycled Water Expansion Opportunities: Opportunities exist to expand recycled water use ranging from increased irrigation uses to industrial uses of recycled water and implementation of broader use of recycled water for toilet flushing. Economic issues and available capacity should be assessed to identify an optimal target for expanded recycled water use under the new plan. Opportunities to partner with neighboring agencies should be explored. In addition, the LTWSP could consider treatment of recycled water to a quality to permit injection into the groundwater.
9. Climate Change Monitoring: The LTWPS update process should assess and plan for potential water supply effects of climate change and identify feasible means of tracking the development of such impacts.

Staff Comments:

Covered by policy PS.4, Long-Range Water Supply Plan.

Exhibit G
Recommended Mitigation Measures Incorporated Into GP Policies

PU-2: MONTECITO WATER DISTRICT COORDINATION

Recommended Measure:

RM PU-2 MONTECITO WATER DISTRICT COORDINATION

Water Supply to Coast Village Road

The City should add the following Implementation Action to Plan Santa Barbara Public Services/Safety Element Policy PS6-Regional Cooperation on Water Conservation:

- Implementation Action PS6.4-Montecito Water District - Establish a process to coordinate with the Montecito Water District on the availability of water to service new development and redevelopment on Coast Village Road, ensuring adequate supplies to that portion of the City until such a time as the Montecito Water District can more readily provide additional service.

Staff Comments:

Covered by implementation action PS6.4, Montecito Water District.

CLIMATE-2: LANDFILL FUEL CELL

Recommended Measure:

RM CLIMATE-2 LANDFILL FUEL CELL

The City should consider adding the following policy to Plan Santa Barbara Public Services and Safety Element:

- Work with regional partners toward the further development of methane-fuel cell, methane capture, and energy generation at Tajiguas Landfill, and consider a fuel cell installation at the former Las Positas landfill site.

Staff Comments:

Covered under implementation action PS7.4, Methane Conversion Facilities.

CLIMATE-3: ENERGY-EFFICIENT CITY FACILITIES

Recommended Measure:

RM CLIMATE-3 ENERGY-EFFICIENT CITY FACILITIES

The City should consider adding the following policy to Plan Santa Barbara Public Services and Safety Element:

- Continue to implement programs through Sustainable Santa Barbara for retrofitting of municipal systems with energy efficient equipment, systems and programs.

Staff Comments:

Covered by implementation action ER5.2, Energy Efficient Infrastructure.

CLIMATE-4: RENEWABLE CITY ENERGY SOURCES

Recommended Measure:

RM CLIMATE-4 RENEWABLE CITY ENERGY SOURCES

The City should consider adding the following policies to the Plan Santa Barbara Environmental Resources Element:

- Consider installation of low-wind speed wind turbines to supply electricity for City operations; interest-free funding could be sourced from Federal Clean Renewable Energy Bonds (CREBs).
- Consider installation of solar hot water heaters on City facilities.
- Monitor progress of ocean power (e.g., wave energy) pilot projects in the County and elsewhere on the West Coast, and consider pursuing installation of an ocean power project for City use if such projects become commercially feasible during the life of Plan Santa Barbara.

Staff Comments:

Covered by policy ER6, Local and Regional Renewable Energy Resources.

CLIMATE-5: STRONGER SOLAR ENERGY OBJECTIVE

Recommended Measure:

RM CLIMATE-5 STRONGER SOLAR ENERGY OBJECTIVE

The City should consider adding the following text to ER6-Solar Energy:

- Establish a citywide goal such as 30 MW of new public and private solar energy capacity by 2030.

Staff Comments:

Implementation action ER6.6, Solar Energy addresses solar energy objectives. This citywide goal should be set as an Adaptive Management Program Objective or included in future Climate Action Plan.

ENERGY-2: RESIDENTIAL, COMMERCIAL AND INDUSTRIAL ENERGY CONSUMPTION

Recommended Measure:

RM ENERGY-2 RESIDENTIAL, COMMERCIAL AND INDUSTRIAL ENERGY CONSUMPTION

The City should consider adding the following to the Plan Santa Barbara Environmental Resources Element to promote energy conservation:

- Green Building Ordinance. Consider further strengthening City green building ordinance requirements toward meeting Plan Santa Barbara Objective ER1, for citywide 50 percent reduction in fossil fuel use in buildings by 2020 and carbon neutrality by 2030.

Staff Comments:

Covered under implementation actions ER5.1, Energy Efficient Buildings and 5.2, Energy Efficient Infrastructure.

POP-1: IMPROVED JOBS/HOUSING BALANCE

Recommended Measure:

RM POP-1 IMPROVED JOBS/HOUSING BALANCE

1.a. Growth Monitoring.

The City should consider adding the following new policies to the Plan Santa Barbara Land Use and Growth Management Element and/or Adaptive Management Program:

- **Monitor Jobs/Housing Balance and Affordable Housing Supply.** Continue to monitor the amount of non-residential growth and consider it in relation to residential growth to assess changes in the jobs/housing balance and supply of affordable housing, and report findings to the Planning Commission on a regular basis.
- **City Affordable Housing Locations.** Identify locations appropriate for new affordable housing, and consider the locations for higher-density land use overlays. Utilize policy direction of Plan Santa Barbara in locating appropriate sites, including Housing Element Policies (Policies H1-In-Fill and Opportunity Sites; H6-Promote Affordable and Workforce Housing Production; H11-Mixed Use Housing at Shopping Centers; H12-Rental Incentives; H13-Residential Density Standards; H14-Second Unit Incentives) and Policy LG15-Sustainable Neighborhood Plans.
- **Student/Faculty Housing.** Discuss with SBCC and other interested organizations the potential and obstacles to development of student housing on campus or within walking distance of campus. Provide encouragement and assistance to SBCC in pursuit of any needed legislative or Local Coastal Plan Amendments. Provide assistance in permitting and design of such housing and consider providing financial assistance for construction.

1.d. Incentives for Affordable Housing

The City should consider adding the following new policies to the Plan Santa Barbara Housing Element:

- **Streamline Permit Process.** Revise development standards and procedures to streamline the permit process for mixed-use/residential projects that provide more affordable housing than standard City requirements (e.g., 40 percent or more) and that provide a smaller non-residential component (e.g., less than 25 percent of total floor area).
- **Redevelopment Funding for Affordable Housing.** Pursue legislation that would extend the life of the Redevelopment Agency to 2030, and expand the Redevelopment Project Area only for providing affordable housing.

Staff Comments:

- 1.a. Growth Monitoring covered by policy LG3, Live Within Our Resources and Implementation AMP
- City Affordable Housing Locations covered throughout the Land Use and Housing Element policies.
- Student Faculty Housing covered by implementation action H 22.9, Affordable Student Housing
- 1.d. Incentives for Affordable Housing covered by policy H16, Expedite Development Review Process and implementation actions under the Policy.

Redevelopment Funding for Affordable Housing covered by implementation action H11.18, Extend Redevelopment Project Area.

AVAILABILITY OF RESOURCES AND PUBLIC SERVICES

Recommended Measure:

RM SOCIO-2 MINORITY AND LOW-INCOME SERVING NEIGHBORHOOD COMMERCIAL BUSINESSES

2.a. Non-Residential Growth Limits/Neighborhood-Serving Commercial Uses.

The City should consider adding to Plan Santa Barbara Policy LG2-Limit Non-Residential Growth, a separate category to the basic 1.5 million square-foot limit as follows:

- **Lower-income and/or Minority Population Commercial Services.** Commercial services owned by and/or predominantly serving lower-income and/or minority populations.

2.b. Sustainable Neighborhood Plans/Neighborhood-Serving Commercial Uses

The City should add to Plan Santa Barbara Policy LG17-Sustainable Neighborhood Plans, as follows:

- **Retention of lower-income and/or minority population commercial services in Sustainable Neighborhood Plans.** Retention and/or growth of commercial services owned by and/or targeting lower-income and/or minority populations shall be an integral part of Sustainable Neighborhood Plans**.**

RM SOCIO-3 COMMUNITY PARTICIPATION IN PLANNING EFFORTS

The City should consider adding to Plan Santa Barbara Policy LG17-Sustainable Neighborhood Plans, as follows:

- **Public outreach for lower-income and minority populations.** Public outreach efforts to provide greater opportunities for lower-income and minority populations to participate in planning decisions that may affect their livelihood, or be an integral part of development of Sustainable Neighborhood Plans and public facilities planning.

Staff Comments:

Staff does not recommend SOCIO-2. It is covered by policy EF6, Minority Businesses.

Community participation and outreach covered by policy PP2, Public Participation (located in Introduction Chapter of General Plan).

EIR Recommended Measures
Needing Determination for Inclusion in General Plan

BIO-1: UPLAND HABITATS AND SPECIES

Recommended Measure:

RM BIO-1 UPLAND HABITAT AND SPECIES PROTECTION

The City should consider modifying Policy ER 12.3-Protection of Wildlife and Native Vegetation as follows:

- **Oak Woodland Protection.** Site new development outside of oak woodlands to the maximum extent feasible. Within and adjacent to oak woodlands: (1) avoid removal of specimen oak trees; (2) preserve and protect oak saplings and native understory vegetation within areas planned to remain in open space; (3) provide landscaping compatible with the continuation and enhancement of the habitat area, consisting primarily of native species and excluding use of invasive non-native species; (4) include conditions of approval for habitat restoration of degraded oak woodlands where such development creates direct or indirect impacts to the affected habitat; 5) minimize or avoid installation of high water use landscaping (e.g., lawn) under the dripline of oak trees.

Staff Comments:

Recommended as implementation action ER12.3, Oak Woodland Protection.

BIO-2: CREEK, WETLAND AND RIPARIAN WOODLANDS HABITATS AND SPECIES

Recommended Measure:

RM BIO-2 CREEKS, WETLAND, AND RIPARIAN HABITAT AND SPECIES PROTECTION

2.a. Riparian Woodland Protection Policies

The City should consider modifying Policy ER 13.3 -Protection of Wildlife and Native Vegetation as follows:

- **Riparian Woodland Protection.** Site new development outside of riparian woodlands to the extent feasible. Within and adjacent to riparian woodlands: (1) avoid removal of mature native trees; (2) preserve and protect native tree saplings and understory vegetation; (3) provide landscaping within creek setback compatible with the continuation and enhancement of the habitat area, consisting primarily of appropriate native species and excluding use of invasive non-native species; (4) include conditions of approval for habitat restoration of degraded oak woodlands where such development creates direct or indirect impacts to the affected habitat; (5) include water quality protection and enhancement measures consistent with the adopted City Storm Water Management Plan.

Staff Comments:

Incorporate implementation action language into ER13.3, Native Species Habitat Planning.

BIO-3: COASTAL HABITATS AND SPECIES

Recommended Measure:

RM BIO-3 COASTAL HABITATS AND SPECIES PROTECTION

3.a. Waterfront Habitat and Wildlife Management

The City should consider modifying Policy ER 13.2 -Multi-Use Plan for Coast as follows:

- **Native Habitat Restoration.** Incorporate as part of the Multi-Use Plan, a Waterfront habitat and wildlife management program that provides measures to improve the extent and quality of native coastal habitats within the City Waterfront, with the following goals:
  - Restoration of a line of coastal sand dune habitat along the City Waterfront, including the removal of non-native and/or invasive plants.
  - Restoration and enhancement of the estuaries of Mission and Sycamore creeks and the Laguna Channel, including appropriate revegetation and removal and control of invasive species. Measures should be considered to enlarge these estuaries where feasible to maximize biological productivity and ecological function taking into consideration the dynamics of ocean waves and currents and ongoing movement of sand along the City coast.
  - A public access management plan that maintains public access to and along the shoreline, but channels the public to appropriate access locations as needed through sensitive habitat areas of the beach.

3.b. Coastal Bluff Habitat Restoration Program and Protection Policy

The City should consider modifying Policy ER 13.4-Protection of Wildlife and Native Vegetation as follows:

- **Coastal Bluff Scrub Protection.** Site and design new development or major remodels/expansions along the City coastal bluffs (including access, drainage, and landscape improvements) to: (1) minimize impacts to coastal bluff scrub habitat; (2) include provisions for habitat restoration of coastal bluff scrub habitats where development creates direct or indirect impacts to the affected habitat; (3) provide compatible landscaping within 10 feet of the edge of the bluff or on the bluff face, consisting of appropriate native coastal bluff scrub species.

The City should consider modifying Policy ER 13.2-Multi-Use Plan for Coast as follows:

- **Coastal Bluff Restoration.** Establish a goal to restore 5.0 acres of coastal bluff habitat over the 20-year life of Plan Santa Barbara. Work to increase the acreage of coastal bluff scrub through restoration projects on publicly-owned lands along Shoreline Park and the Douglas Family Preserve, and through providing education and assistance to private land owners to encourage the restoration of such habitats.

Recommended measure RM HYDRO-2, Improve Water Quality at Area Beaches and RM HYDRO-3, Minimize Debris and Trash would also apply.

Staff Comments:

3.a. - Staff supports adding "Native Habitat Restoration" as implementation action to ER13.2, Multi-Use Plan for Coast.

3.b. - Staff supports adding "Coastal Bluff Scrub Protection" wording as implementation action 13.4, Coastal Bluff Scrub Protection. Staff supports adding "Coastal Bluff Restoration" to ER13.2, Multi-Use Plan for Coast.

BIO-4: Urban Forest and Individual Specimen Trees

Recommended Measure:

RM BIO-4 URBAN FOREST AND INDIVIDUAL SPECIMEN TREES PROTECTION

Urban Tree Protection and Enhancement Program

The City should consider adding to Policy ER 12.2 Urban Tree Protection and Enhancement as follows:

- **Preservation of Mature Trees.** New development shall be sited and designed to preserve all existing mature healthy native and non-native trees to the maximum extent feasible. Within important native habitat areas or wildlife corridors, native trees larger than 6 inches in diameter at breast height (including oak trees with multiple trunks with at least one trunk greater than 3.5 inches and a cumulative diameter of 6 inches) shall be protected.
- **Tree Protection Standards.** Establish protection standards for large non-native trees, especially where such trees have known wildlife values.

Recommended measure RM CLIMATE-1, Carbon Sequestration, would also apply.

Staff Comments:

Covered by implementation actions ER12.1, Tree Protection Ordinance, and ER12.2, Urban Tree Protection and Enhancement in the existing Conservation Element.

GEO-2: GEOLOGIC AND SOIL INSTABILITY AND HAZARDS

Recommended Measure:

RM GEO-1 SEA LEVEL RISE AND COASTAL BLUFF RETREAT

In order to address the potential long-term effects of sea level rise on bluff retreat, the City should consider adding the following policy to the Plan Santa Barbara Environmental Resources Element:

1.a. Siting of Development and Public Facilities

Modify the Local Coastal Plan "Sea Cliff Retreat # 1" to read:

- **Sea Cliff Retreat.** "Bluff setbacks shall be adequate to address long-term erosion and slope stability issues. New development on top of a cliff shall be placed at a distance away from the edge of the cliff, such that potential accelerated rates of erosion and cliff material loss associated with climate change-induced sea level rise as projected by the State of California, or a site-specific geologic investigation that accounts for climate change, will minimize sea cliff-related impacts, and not seriously affect the structure during the expected lifetime. The design life of new structures is presumed to be a minimum of 75 years. Exact future rates of accelerated sea cliff retreat are unknown, but are currently projected to be 12 inches per year, potentially accelerating to 1 to 3 feet per year if sea level rise progresses. The City recognizes the need for owners of threatened coastal properties to perform maintenance and modest improvements to threatened coastal homes and other facilities. The City's goal is to minimize exposure of substantial new improvements to hazards of bluff retreat and avoid the need for installation of environmentally harmful coastal protection structures that could be requested to protect such improvements. To meet these goals, the following guidelines apply:
  - Protection for existing structures shall first focus on techniques that avoid use of coastal protection structures including use of non-intrusive techniques such as drainage control, installation of drought tolerant landscaping, construction of cantilevered grade beam foundations, removal of threatened outbuildings, etc.
  - Relocation of threatened structures further inland on parcels shall be favored over installation of coastal protection structures.

  The siting of new major improvements shall consider accelerated rates of sea cliff retreat associated with climate change-induced sea level rise as projected by the State of California, or a site-specific geologic investigation that accounts for climate change."

Staff Comments:

Add "Modify the Local Coastal Plan" as implementation action PS9.3.

HAZ-1: ACCIDENT RISKS

Recommended Measure:

RM HAZ-1 ACCIDENT RISKS

The City should consider adding the following new policies to the Plan Santa Barbara Public Services and Safety Element:

- **Electro Magnetic Fields (EMF) Development Setbacks.** Continue application of prudent avoidance policy in siting development near transmission lines with adequate setbacks.
- **Monitor EMF Study.** Continue to monitor scientific study of electromagnetic fields and update development policies as necessary.

Staff Comments:

Staff supports adding as a new implementation action under PS8, Hazards Avoidance Policies.

HAZ-2: HAZARDOUS MATERIALS

Recommended Measure:

RM HAZ-2 HAZARDOUS MATERIALS

The City should consider adding the following new policy to the Plan Santa Barbara Public Services and Safety Element:

- **Hazardous Materials Exposure Vapor Barrier Study.** Where new development is adjacent to potentially contaminated sites (either closed or open), the City should review the records for the adjacent properties to determine if there is a potential for vapor migration. Where site records indicate a potential for migration, then the City should require the project proponent to conduct an engineering study on the use of vapor barriers as part of site development on properties next to sites with past contamination for further protection against potential vapor intrusion. Identify guidelines for the type and thickness of materials for specified foundation types, proper installation and construction techniques, and general area distances for application.

Staff Comments:

Staff recommends as a new implementation action under PS8, Hazards Avoidance Policies.

HAZ-3: WILDLAND FIRES

Recommended Measure:

RM HAZ-3 WILDFIRE HAZARDS

The City should consider adding the following new programs to the Plan Santa Barbara Public Services and Safety Element:

- **Water System Improvements for Fire Fighting.** Evaluate the potential for additional water system improvements to assist in emergency preparedness and incorporate feasible measures into the City Capital Improvement Plan (partially implements Objective PS1).
- **Private Water Supplies for Fire Fighting.** Encourage and assist homeowners in High Fire Hazard Areas to install their own emergency water supplies for fire fighting operations. Assistance could include expedited permit review.

Staff Comments:

Staff recommends adding as policy PS14.

HYDRO-1: FLOOD HAZARDS

Recommended Measure:

RM HYDRO-1 FLOOD HAZARDS

The City should consider adding the following to Plan Santa Barbara program ER18.1-Creek Setbacks and Restoration:

[See also Mitigation Measure MM BIO-2b – Creek Setback policy, which would establish the general standard of greater than 25-foot setback for development along all creeks.]

- **Considerations for Creek Setback Standards.**
  1) At a given site, creek buffers should be adequate for protection from flood, erosion, and geologic hazards, and to provide habitat support.
  2) In developing Creek setback and restoration standards, consider applicable creek standards in surrounding jurisdictions and the Santa Barbara County Flood Control District general recommendation for new development setbacks of 50 feet from the top of bank of major creeks with natural creek banks, with a reduction up to 25 feet where "hard bank" protection is present.
- **Creek Setbacks and Bank Stabilization**. Consider a stated policy to codify the following existing general practices:
  1) For new development that is closer than 50 feet to the top of the bank of any major stream, creek bank stabilization shall be provided through planting of native trees and shrubs on creek banks and along the top of banks to minimize erosion and the potential for bank failure.
  2) When the City determines that a structure must be constructed within proposed creek setbacks or where a project would be exposed to unusually high risk of bank erosion or collapse, non-intrusive bank stabilization methods such as bio-engineering techniques (e.g., revegetation, tree revetment, native material revetment, etc.) shall be used where feasible rather than hard bank solutions such as rip-rap or concrete.

Staff Comments:

Staff would support adding as implementation action ER18.1, Creek Setback Standards.

HYDRO-2: SURFACE WATER AND GROUNDWATER QUALITY IMPACTS

Recommended Measure:

RM HYDRO-2 IMPROVE WATER QUALITY AT AREA BEACHES

The City should consider adding the following programs to the Environmental Resources Element.

- **Pharmaceutical Waste Education and Collection.** Continue coordination with the County of Santa Barbara and other agencies to establish and maintain an ongoing public education campaign and periodic drop-off collection days, focusing on proper disposal of pharmaceutical materials and other emergent contaminants of concern, to reduce the contaminants entering wastewater, storm drain, and solid waste systems.
- **Beach Water Quality Improvement.** Consider actions for further improving water quality at East Beach, which could include: (1) a restoration plan for Lower Mission Creek/Laguna Channel, including the potential for a constructed wetland at the creek/ocean interface (refer also to Recommended Biological Resources measure RM BIO-3 for waterfront habitat and wildlife management); and/or (2) an ultraviolet treatment system to disinfect the flow within Laguna Creek during low flow periods (e.g., May-September) prior to entering the channel and discharging to the beach.
- **Watershed Action Plans.** Continue work toward completion of Watershed Action Plans for Mission Creek, Sycamore Creek, Arroyo Burro Creek, and Laguna Watersheds.

Staff Comments:

Staff supports adding "Pharmaceutical Waste Education and Collection" as implementation action ER16.4, Beach Water Quality Improvement as implementation action ER16.5, and Watershed Action Plans as implementation action ER16.6.

HYDRO-3: COASTAL AND MARINE WATER QUALITY

Recommended Measure:

RM HYDRO-3 MINIMIZE DEBRIS AND TRASH

The City should consider adding the following policies to the Plan Santa Barbara Environmental Resources Element, new subsection, "Beach and Marine Water Quality"

- **Restrictions on Retailers' Plastic Bags.** The City should consider a ban on the use of plastic bags for large retail establishments; such a ban could be modeled upon the regulation in San Francisco.

RM HYDRO-2, Improve Water Quality at Area Beaches would also apply.

Staff Comments:

Staff recommends adding as implementation action ER16.7.

NOISE-3: MIXED-USE DEVELOPMENT

Recommended Measure:

RM NOISE-1 NUISANCE NOISE

The City should consider adding the following policy to Plan Santa Barbara's Environmental Resource Element. The goal of this additional policy is to minimize nuisance noise to residential neighborhoods from special events at institutional facilities.

- **Neighborhood Noise Reduction:** To further General Plan policies for maintaining quiet, high quality neighborhoods, consider requiring more detailed noise assessments for special, conditional, and institutional uses with activities and events that may cause noise effects to residential neighborhoods.

Staff Comments:

Staff recommends adding as PS10.3.

VIS-2: SCENIC VIEWS

Recommended Measure:

RM VIS-1 SCENIC VIEWS

The City should consider adding the following policies to the Environmental Resource Management Element, Aesthetics, and Visual Resources Section, Policy ER39-Public Views:

- **Protection of Views from Key Locations.** Design new development adjacent to all important public viewing locations, particularly parks or open spaces such as the Courthouse Sunken Gardens, Alameda Park, De la Guerra Plaza, etc. to respect the most significant mountain or hillside views available from such locations.

RM VIS-2 COMMUNITY CHARACTER

The City should consider adding the following to the proposed Plan Santa Barbara Community Design policies:

- **Development Monitoring.** Monitor the scale and pace of development within the City; take action to where transformative developments may occur along a block or corridor prior to adoption of new form-based codes to guide development along that corridor.
- **Community Character Preservation:** As part of any major new in-fill development or remodel, consider the context of the proposed structure in relation to surrounding uses and parcels along the entire block; ensure that the proposed development will not eliminate or preclude preservation of the key visual assets of the particular block or corridor, including landmark structures, structures of merit, potentially historic structures, key scenic view points that provide unique or important views to the surrounding hills, and specimen trees and other important visual resources. Require building design modifications as needed to preserve essential elements of the community character along that block or corridor.

Staff Comments:

This is redundant and existing policy practice. Staff recommends removing from proposal.

VIS-4: LIGHTING AND GLARE

Recommended Measure:

RM VIS-3 LIGHT AND GLARE

The City should consider adding new policies to the Environmental Resource Management Element, Aesthetics, and Visual Resources Section, consistent with existing Outdoor Lighting Ordinance policy:

- **Open Space Night Sky Preservation.** New development and major remodels adjacent to open space such as the beach, foothills, San Marcos Foothills Preserve and Las Positas Valley shall be designed to the maximum extent feasible to minimize outdoor lighting; flood lighting of passive open space areas shall be discouraged. Lighted recreational courts or ball fields shall be designed to minimize overspill of lighting through appropriate hooding and planting of landscaping and trees to buffer surrounding uses.

Staff Comments:

The existing Outdoor Lighting and Streetlighting Design Guidelines and the City of Santa Barbara Outdoor Lighting Ordinance (Chapter 22.75) covers this. This Policy is not needed.

SERV-3: PARKS AND RECREATION SERVICES

Recommended Measure:

RM SERV-1 PARKS AND RECREATION

The City should consider adding a new bullet to Policy LG4-Mobility Oriented Development Area (MODA)

- Utilize vacant or underdeveloped City-owned parcels and/ or coordinate with private property owners to create pocket-parks and neighborhood play areas in Downtown core areas within 0.25 mile of new residential in-fill development (i.e., similar to the park created at the Granada parking garage, across from the central library)

The City should consider adding bullets to Policy LG5-Community Benefit Residential Land Uses

- Coordinate with all major development projects on sites of 2 acres or larger to provide a pocket-park, play area, plaza, public seating area or other accessible green spaces.
- Require development of projects in areas underserved by neighborhood parks to provide neighborhood park space proportionate to the size of the project; consider offsets in added cost to the developer of increased density, through use of City or other assistance.

Staff Comments:

Already covered by implementation actions OP1.4, Public Lands and OP2, Open space, Park, Recreation and Trails Acquisition and Maintenance Funding.

SERV-4: PUBLIC SCHOOL SERVICES

Recommended Measure:

RM SERV-2 PUBLIC SCHOOLS

The City should consider adding the following programs to the Plan Santa Barbara Land Use and Growth Management Element and Public Services/Safety Element:

Policy LG17-Sustainable Neighborhood Plans (SNPs)

- New SNPs should include coordination with the Santa Barbara School District on the adequacy of the neighborhood's schools to accommodate students generated by new growth.

RM SERV-3 PUBLIC SERVICES DEVELOPMENT IMPACT FEE

The City should consider adding the following policy to the Public Services and Safety Element:

- Development Impact Fees: New commercial and market rate residential development shall either avoid impacts on community services and facilities or contribute financially to mitigate costs of providing services and facilities. The City shall establish development impact fees.

Staff Comments:

Already covered under implementation action LG17.1, Sustainable Neighborhood Plans and EF.25, Development Impact Fees.

CLIMATE:

CITYWIDE GHG EMISSIONS FROM BUILDINGS IN 2030 AND EFFECTS ON CLIMATE CHANGE

Recommended Measure:

RM CLIMATE-1 CARBON SEQUESTRATION

The City should consider adding the following policies to Plan Santa Barbara Environmental Resources Element:

- Pursue carbon sequestration through the planting of additional trees, with a goal of 1,000 new trees by 2030.
- Contribute to regional efforts toward carbon sequestration, such as revegetation of burned areas and brownfield conversions.
- Consider other carbon sequestration technologies as they become available.

Staff Comments:

Staff supports CLIMATE-1 as implementation action ER1.3.

ENERGY:

CITYWIDE TRANSPORTATION FUEL CONSUMPTION AND REDUCTION

Recommended Measure:

RM ENERGY-1 TRANSPORTATION FUEL CONSUMPTION

The City should consider adding the following measures to the Plan Santa Barbara Circulation Element to promote trip reduction and reduced fuel consumption:

- Fuel Reduction Objective. Establish a performance-based objective for reduction of transportation fuel consumption by City residents and commuters to the City, such as 15 percent below 2007 levels by 2030[1].
- Gas Tax for Reduction of Single-Passenger Commuting. Consider placing a measure on the ballot that would impose a City gas tax of 5 cents, all proceeds from which would go toward regional transportation efforts to reduce single-passenger commuting.

Mitigation measures MM TRANS-2c, Expand TDM Program and MM TRANS-2f, Parking Management would also apply.

Staff Comments:

Editing recommended as part of Climate Action Plan.

[1] Quantifying 1990 levels can be challenging due to incomplete or non-comparable data. The 15 percent below baseline is considered acceptable as a substitute by CARB when referring to emissions compliance with AB32 and is thus included as a suggestion, but not a requirement.

POPULATION AND JOBS-HOUSING BALANCE:
CITYWIDE JOB GROWTH AND HOUSING AVAILABILITY

Recommended Measure:

RM POP-1 IMPROVED JOBS/HOUSING BALANCE

1.b. Job Creation

The City should consider adding the following new policy to the Plan Santa Barbara Economy and Fiscal Health Element:

- **Creation of Higher Wage Jobs.** Emphasize programs, incentives, and land use changes that would prioritize creation of high-wage jobs in order to improve the balance between low-, middle-, and high-income wage employment opportunities.

1.c. Locations for Affordable Housing

The City should consider adding the following new policies to the Plan Santa Barbara Housing Element:

- **Regional Coordination on Affordable Housing.** Continue to coordinate with other South Coast agencies to identify available land for residential development and consider partnerships between local agencies to develop housing for the South Coast workforce. Inventory and consider publicly-owned sites throughout the South Coast's urban areas with good transit accessibility for such development.

Staff Comments:

Recommend adding implementation action in Economy and Fiscal Health Element.

Staff recommends to add Locations for Affordable Housing as H22.10.

SOCIOECONOMIC ISSUES:
EXPOSURE TO ENVIRONMENTAL HAZARDS IMPLICATIONS

Recommended Measure:

RM SOCIO-1 INTERIOR NOISE REDUCTION HOME IMPROVEMENT PROGRAM

The City should add the following new policy to Plan Santa Barbara Environmental Resources Element:

- **Financial incentive for environmental justice populations.** The City should establish a financial incentive program designed to provide low-interest loans to allow environmental justice populations located in high noise areas to construct noise control improvements to reduce indoor noise levels below 45 dBA CNEL.

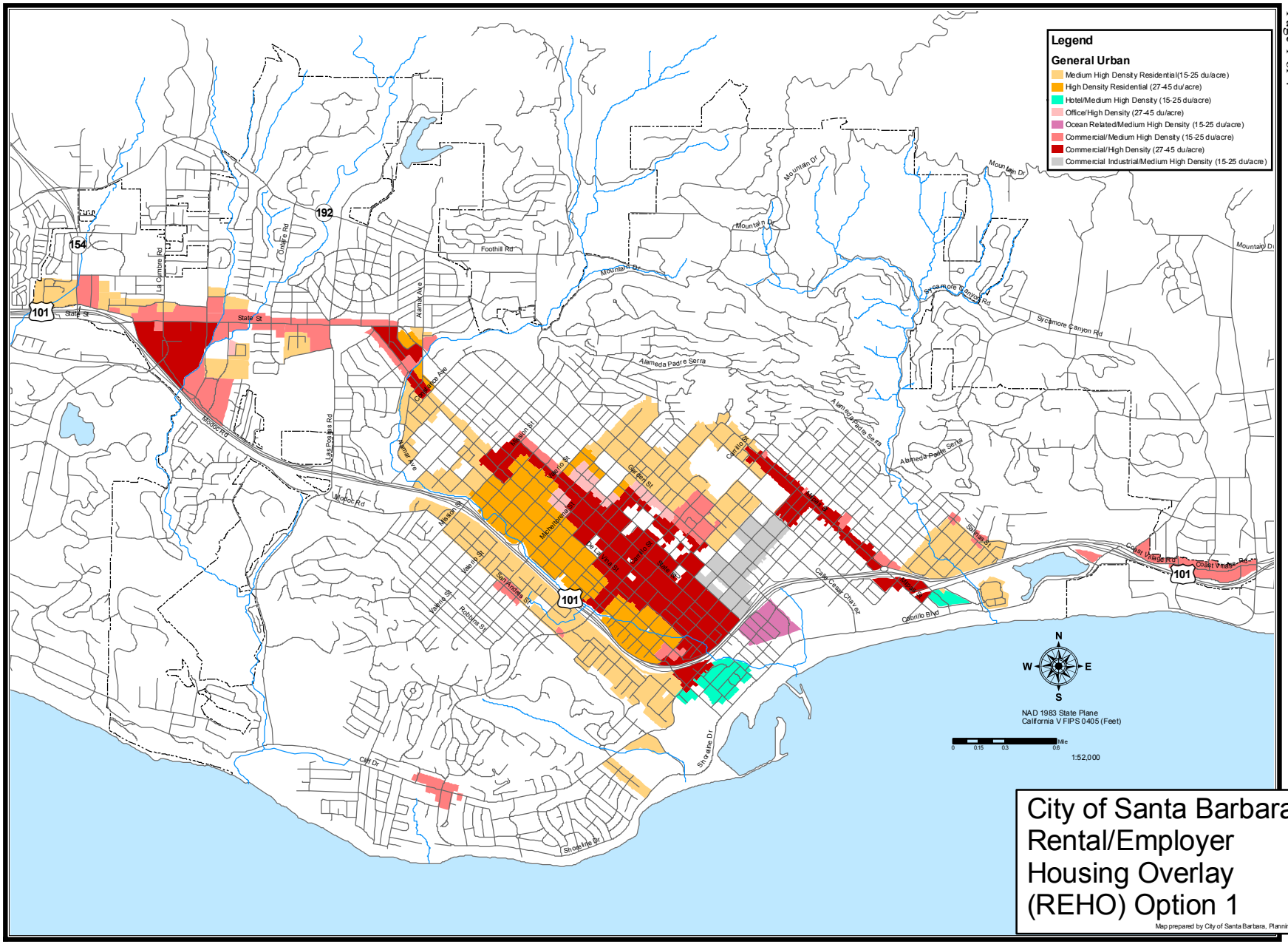
Mitigation measures MM AQ-1, Location of Sensitive Land Uses, MM TRANS-2, Reductions in Traffic Demand, and MM NOISE-1, Roadway Noise would also apply, as well as recommended measure RM HAZ-2, Hazardous Materials.

Staff Comments:

Recommend measure language be added under PS11, Noise Policies**.**

Exhibit H
EIR Recommended Measures
Needing Determination for Inclusion in General Plan

Exhibit I
REHO Option 1



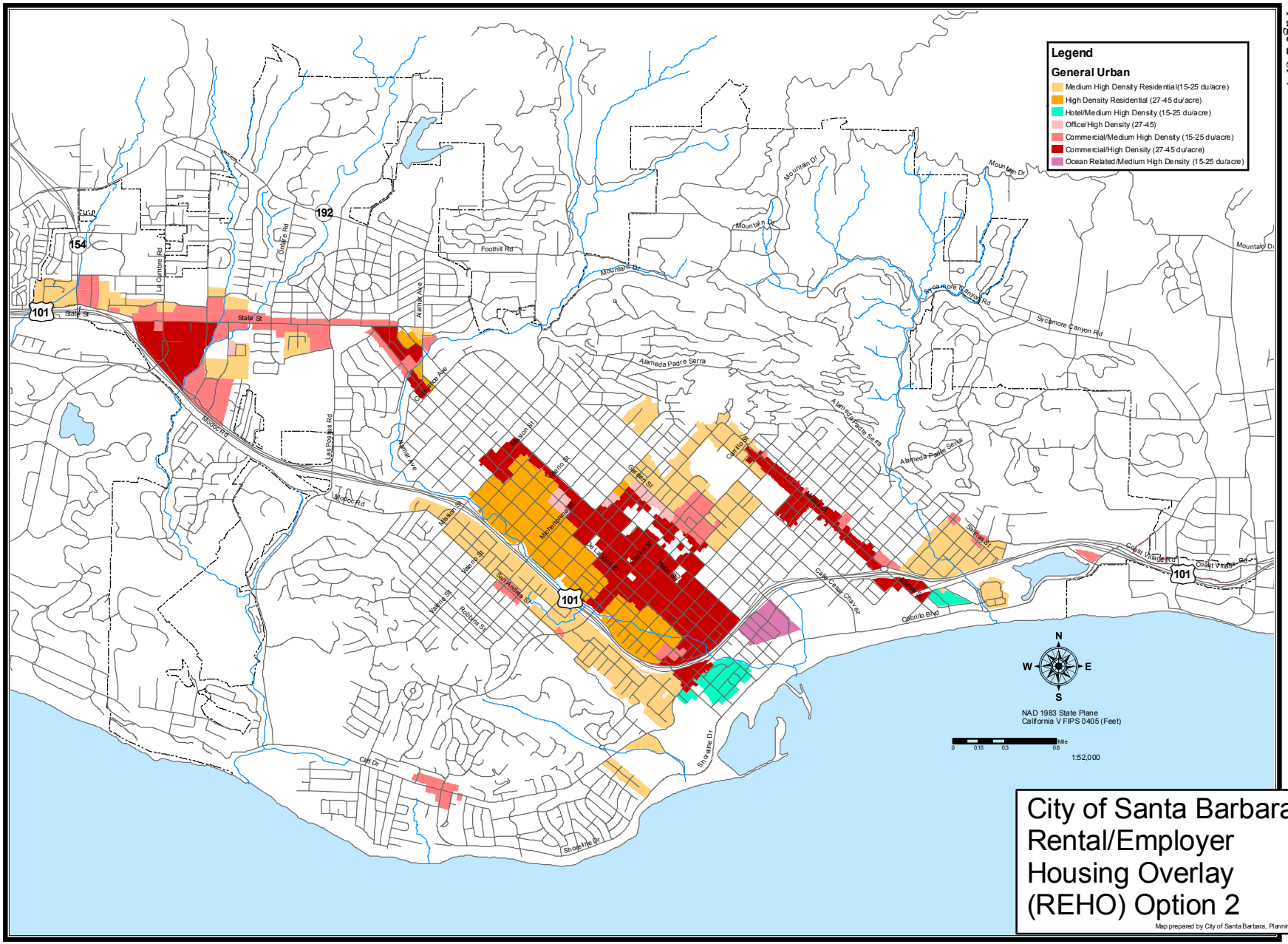
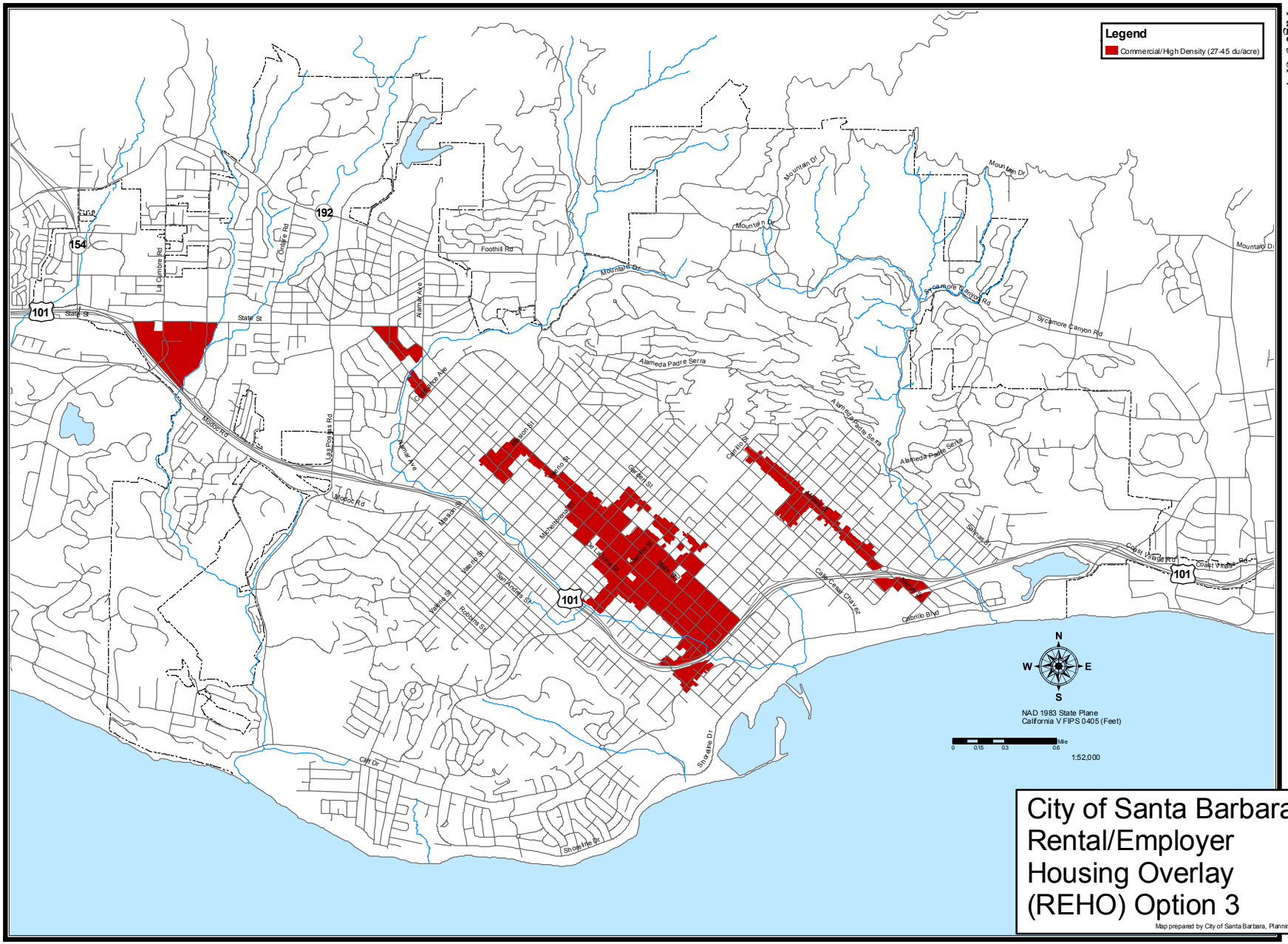


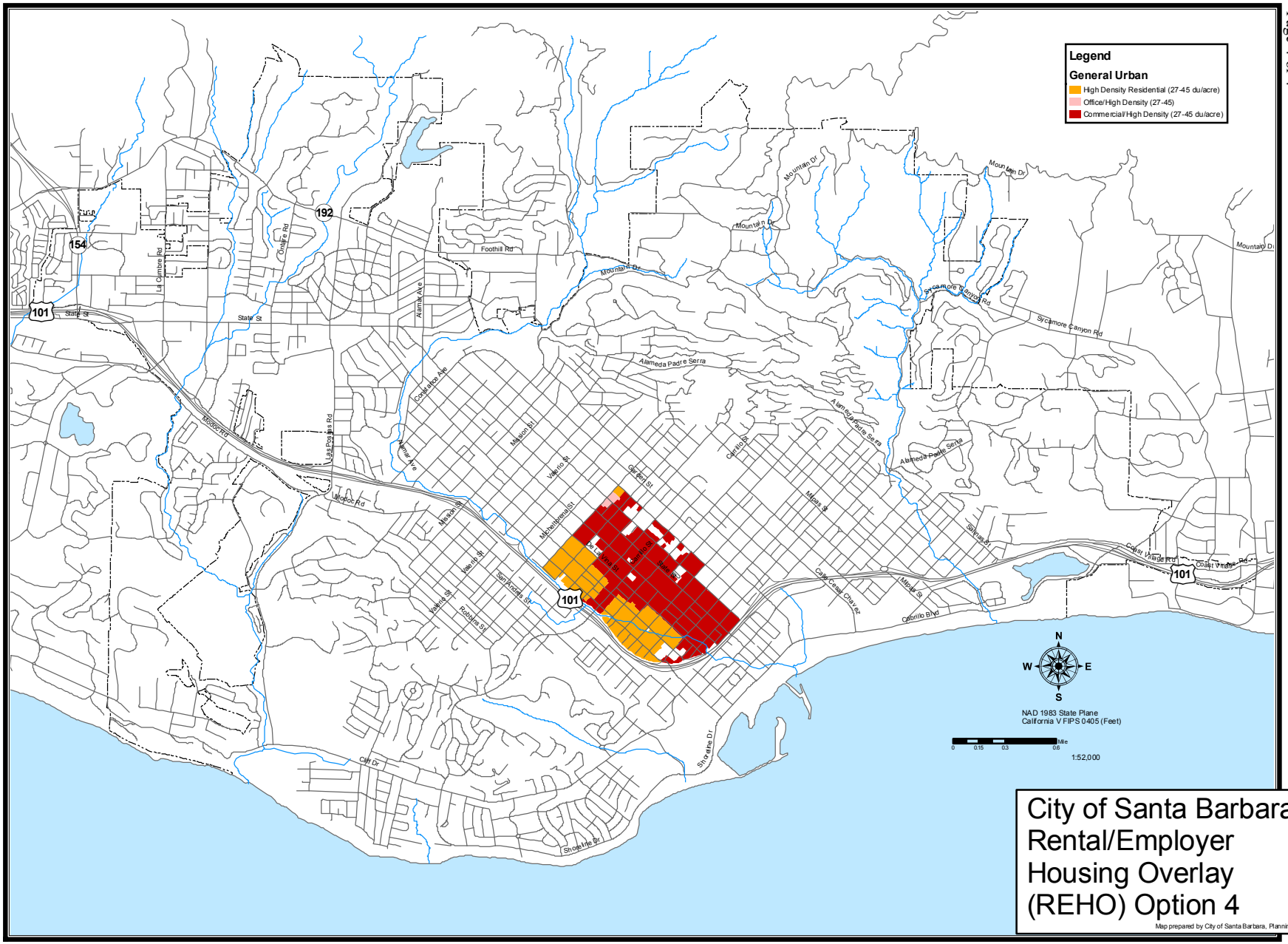
Exhibit I
REHO Option 2

Exhibit I
REHO Option 3



City of Santa Barbara Rental/Employer Housing Overlay (REHO) Option 3

Map prepared by City of Santa Barbara, Planning Division, Sept 2010



City of Santa Barbara
Rental/Employer
Housing Overlay
(REHO) Option 4

Map prepared by City of Santa Barbara, Planning Division, Sept 2010

Exhibit I
REHO Option 4

Draft Implementation Plan Outline for the General Plan Update

Three general phases are proposed:

I. Short Term 1-2 years after adoption
II. Mid-Term 3-5 years
III. Long Term 6 or more years

Specific work programs for each project are needed and have not yet been developed. Planning staff is involved in many projects as lead or as part of a team with other Departments.

Priority setting is critical and in this draft more items are listed than are practical to initiate and complete in each phase. The priority order shown is suggested for initial consideration.

This is not a 100% complete list of all policies and implementation. Items included in Phase I are those that are necessary to implement the basic land use decisions made with adoption of the Land Use and Housing Elements. i.e. consistency between General Plan and Zoning, State requirements for emergency shelters, and mitigation measures. Phase II includes many of the issues that the public has expressed as very important. The list is longer than is practical or realistic to expect to be accomplished in 3 to 6 years. Council direction for priority setting is essential and an initial discussion of these items along with other major workload projects will take place in early 2011 at a semi-annual Joint Meeting of the Planning Commission and City Council.

<u>Phase I</u>

1. Zoning Ordinance Amendments (i.e. SMBC 28.87.300) and Council Resolutions to implement Non-Residential Growth Management policies
2. Zoning Ordinance Amendments to change Variable Density (SBMC 28.21.080) to an incentive program based on unit size
3. Zoning Ordinance Amendments, including: special findings for building over 45 feet in height; new commercial zone variable setback; parking standards
4. Zoning Ordinance Amendments to allow emergency shelters by right (w/o a CUP) in the C-M Commercial Manufacturing Zone
5. Zoning Map Amendments to be consistent with Adopted General Plan Map
6. Adaptive Management Plan program for first two years, including Mitigation Monitoring Program and General Plan Annual Report
7. Interim policies and guidelines for protection of historic resources in El Pueblo Viejo and El Presidio
8. Climate Action Plan

11. Congestion and Traffic Flow Measures/Upper State Street
12. Household Hazardous Waste Facility Coordination
13. Develop Solid Waste disposal options, increase diversion
14. Local Coastal Plan Amendment for General Plan Update
15. Arts Master Plan (already underway)
16. Long Term Water Supply Program (already underway)

Phase II

1. General Plan Elements work programs: a) Historic Resources, b) Public Services and Safety c) Environmental Resources, and others
2. Historic Resources Work Program - buffers
3. Floor to Lot Area Ratios and Form Based Code Work Program
4. Area Specific Design Guidelines, i.e. Downtown, Coast Village Road and Upper State Street
5. Sustainable Neighborhood Plans – templates, out reach and support
6. Transportation Demand Management – initiate collaboration
7. Air Quality monitoring along highway
8. Inclusionary Housing Ordinance Amendment
9. Conditional Use Permit ordinance amendments – supportive of day care centers, corner markets, and address institutional uses in residential zones
10. Park and Recreation Standards; Quimby Act fees
11. Biological habitat mapping and restoration
12. Shoreline Management Plan
13. Ocean Bluff Retreat and Setbacks; Restoration and Protection
14. Adaptive Management Programs for: flooding, ground water and the Long Term Water Supply Program
15. Accessibility Guidelines for new residential development

Phase III

1. Transfer of Existing Development Rights (TEDR) amendments
2. Noise Monitoring for Highway 101 and residential use standards
3. Live/Work standards
4. Tree Ordinance Committee
5. View survey
6. Secondary Dwelling Unit ordinance amendments
7. Creek setback and development standards, creek naturalization and drainage restoration
8. Building Re-Use amendments
9. Open Space Inventory

Exhibit J
Draft Implementation Plan Outline
September 10, 2010

City of Santa Barbara
California

CITY OF SANTA BARBARA PLANNING COMMISSION

RESOLUTION 014-10
RECOMMENDATIONS TO CITY COUNCIL ON
THE PLAN SANTA BARBARA GENERAL PLAN UPDATE
SEPTEMBER 30, 2010

***PLAN SANTA BARBARA* PROPOSED GENERAL PLAN UPDATE:**

Plan Santa Barbara (Plan SB) is the planning process to update Santa Barbara's General Plan. The General Plan shapes the City through goals, policies and programs concerning growth management, environment, housing, transportation and land use to best meet our community needs now and in the future.

The *Plan Santa Barbara* General Plan Update documents include:

- General Plan Policy Framework
- Land Use Element and Land Use Map
- Housing Element
- Partial Amendments to the Remaining Six Elements
- General Plan Appendices

WHEREAS, on September 29-30, 2010 the Planning Commission has held the required noticed public hearings on the proposed *Plan Santa Barbara* General Plan Update.

WHEREAS, two people appeared to speak regarding the proposed General Plan Update, and in addition to the General Plan Documents listed above, the following exhibits were presented for the record:

1. Staff Report with Exhibits, dated September 29 & 30, 2010, including:
   a. Exhibit A: Memorandum to City Council Regarding Plan Santa Barbara Direction & Next Steps, August 12, 2010
   b. Exhibit B: Plan SB EIR Project Impact and Mitigation Summary, September 16, 2010
   c. Exhibit C: EIR Alternative Analysis Summary, September 16, 2010.
   d. Exhibit D: Listing of GPU and EIR Commenters, September 16, 2010
   e. Exhibit E: Planning Commission FEIR Certification Findings, September 16, 2010
   f. Exhibit F: CEQA Findings for Plan Adoption, September 16, 2010
   g. Exhibit G: EIR Recommended Measures Already Incorporated in Proposed General Plan, September 16, 2010
   h. Exhibit H: EIR Recommended Measures Needing Determination for Inclusion in General Plan, September 16, 2010
   i. Exhibit I: Rental/Employer Housing Overlay maps (Option 1 – 4), September 16, 2010

j. Exhibit J: Draft Implementation Plan Outline for the General Plan Update, September 16, 2010

2. Background on Hybrid Alternative Discussions handout prepared by City Staff

3. Memorandum from AMEC comparing effects of changes in levels of TDM in the Hybrid Alternative, September 24, 2010

4. Options for Allocation of Non-Residential Square Footage handout prepared by City Staff

5. FEIR Volume I: Final Program Environmental Impact Report, September 2010

6. FEIR Volume II: Appendices

7. FEIR Volume III: Response to Comments

8. FEIR Volume IV: Hybrid Alternative Analysis and *Plan Santa Barbara* Impact Summary Tables

9. Power Point Slide Presentation handout

10. Correspondence received regarding the proposed General Plan Update:

    a. Natasha Lohmus, Department of Fish and Game, via email

    b. Dave Davis and Megan Birney, Community Environmental Council, via email

    c. Connie Hannah, League of Woman Voters, Santa Barbara, CA

    d. Jeffrey King, Mesa Architects, via email

    e. Lisa Plowman, SB4ALL, via email

    f. Bernie Bernstein, via email

    g. Bruce Burnworth, via email

    h. Kellam de Forrest, via email

    i. Norbert H. Dall and Stephanie D. Dall, via email

    j. Tracy Fernandez, Santa Barbara, CA

    k. J. Michael Holliday, via email

    l. Paul Pommier, Sr., via YouPlanSB website

    m. Paula Westbury, Santa Barbara, CA

    n. Deborah Wright, via email

    o. Sheila Lodge, via email

    p. LeeAnne French, Citizens Planning Association, via email

    q. Fred Sweeney, Upper East Association

    r. Jarrell C. Jackman, Santa Barbara Trust for Historic Preservation and Richard Rozzelle, District Superintendent, California State Parks

WHEREAS, the Planning Commission recommendation is a set of policies that the Commission believes would best address the following key decision-making criteria for the General Plan Update:

1. Maximize the achievement of Plan Objectives set forth in the Sustainability Framework and Principles, including Living within Our Resources;
2. Provide a guiding long-term vision and innovative flexible policy framework with implementation tailored and modified as needed by the Adaptive Management Plan;
3. Mitigate environmental impacts to the maximum extent feasible;
4. Achieve internal consistency and balance among and between the policies;
5. Ensure the policies are realistic, operational, capable of being implemented, and have support from key community stakeholders; and
6. Support the economic vitality of the City Downtown and as a whole.

NOW, THEREFORE BE IT RESOLVED that the City Planning Commission:

I. Recommends to the City Council, per Government Code §65354, that the 2010 *Plan Santa Barbara* General Plan Update be adopted to include the Introductory Framework and General Plan reorganization, Land Use Element and associated General Plan Map, Housing Element, and partial amendments to the remaining six elements with the following comments and refinements:

1. **Growth Management/Non-Residential Square Feet**: The Planning Commission recommends that new net non-residential growth be limited to approximately 1.3 million square feet (including 350,000 square feet for pending and approved projects) over the next twenty years (2030). The square footage would be distributed in the following categories:

Allocation Categories	Square Footage Allocation
Small Additions	300,000 sq. ft.
Vacant	250,000 sq. ft.
Community Benefit	450,000 sq. ft.
Categories Total	1,000,000 sq. ft.
Pending and Approved Projects*	350,000 sq. ft.
Total	**1,350,000 sq. ft.**

* Pipeline Projects are not an allocation category

2. **Average Unit Densities**: The Planning Commission reaffirms its earlier density allowance recommendation for multiple family and commercially designated property under the Average Unit Density Incentive Program. Density permitted under this program would range from 15-25 du/ac in the Medium-High Density Residential to 27-45 du/ac in the High Density Residential designated areas. Explanation of the Average Unit Density Incentive Program and unit size ranges for these densities are reflected in pages 60 - 61 of the proposed General Plan Update, September 2010.

3. **Rental and Employer Housing Overlay**: The Planning Commission reaffirms their support for the rental and employer housing overlay that allows a 50% density increase over the densities allowed under the Average Unit Density Incentive Program to encourage additional new rental and employer housing units. The Planning Commission endorses the Rental/Employer Housing Overlay Option 2 map with the following adjustments to the boundary:

   - Remove overlay west of Hwy 101 from Kentia Street to the north side of Pedregosa Street
   - Remove overlay between State Street and Hwy 101 from the Mission Street corridor to the north side of Sola Street
   - Remove De la Vina/State Street on Upper State Street and pull back to Las Positas Road
   - Apply overlay to C-M zone including Haley and Cota Streets from Anacapa Street to Milpas Street with an underlying density overlay designation of Medium-High

4. **Planning Commission Super Majority Vote**: The Planning Commission supports a super majority requirement of the Planning Commission for building heights above 45 feet.

5. **Unit Sizes**: The Planning Commission reaffirms their support and recognizes the need for smaller unit sizes in order to encourage smaller buildings and promote the development of more affordable, workforce housing.

6. **Transportation Demand Management (TDM)**: The Planning Commission continues to support maintaining the full range of options for robust Transportation Demand Management (TDM) with the understanding that components such as parking pricing be applied only with community support and to feasibly maintain the economic vitality of the downtown in the face of unavoidably significant intersection and roadway constraints, should traffic conditions further degrade. The City already has a number of programs in place, such as the Pedestrian Master Plan, the Bicycle Master Plan, Transit Planning, and collaboration with the Metropolitan Transit District (MTD) that can have positive effects on reducing congestion. The Commission urges City Council not to foreclose options at this point but rather to give those options further consideration if and when they have value to manage transportation capacity while at the same time fostering economic vitality.

7. **Second Units**: The Planning Commission supports the proposed revisions to Housing Element Implementation Action H.15.1 directing amendments to the Secondary Dwelling Unit Ordinance to relax certain development standards in order to allow additional second units in certain neighborhoods, as well as in areas within a short walking distance to transit corridors and bus stops. The Planning Commission recommends that H15.1 and H15.2 be merged into one implementation action to reduce redundancy.

8. **Final EIR Recommended Measures**: The Planning Commission recommends the incorporation of the FEIR Recommended Measures outlined in Exhibit H, "EIR Recommended Measures Needing Determination for Inclusion in General Plan" of the September 29 & 30, 2010 Staff Report and supported by Staff for inclusion in the

proposed General Plan Update document. In addition, the Planning Commission recommended that VIS-2 "Community Character Preservation" be incorporated in the Community Design policies of the Land Use Element. Further, the Recommended Measures should begin with "The City should consider…"

The following FEIR Recommended Measures (outlined in Exhibit H of September 29 & 30, 2010 Planning Commission Staff Report) would be incorporated into the appropriate General Plan elements:

Recommended Measures from FEIR	General Plan Update Policy
BIO-1: Upland Habitat and Species Protection	**ER 12.3**: Oak Woodland Protection
BIO-2: Creeks, Wetland, and Riparian Habitat and Species Protection	**ER13.3**: Native Species Habitat Planning
BIO-3: Coastal Habitats and Species Protection	**ER13.2**: Multi-Use Plan for Coast **ER13.4**: Coastal Bluff Scrub Protection
GEO-1: Sea Level Rise and Coastal Bluff Retreat	**PS9.3**: Modify the Local Coastal Plan
HAZ-1: Accident Risks	**PS8**: Hazards Avoidance Policies
HAZ-2: Hazardous Materials	**PS8**: Hazards Avoidance Policies
HAZ-3: Wildfire Hazards	**PS14**: Wildfire Hazards
HYDRO-1: Flood Hazards	**ER18.1**: Creek Setback Standards
HYDRO-2: Improve Water Quality at Area Beaches	**ER16.4**: Pharmaceutical Waste Education and Collection **ER16.5**: Beach Water Quality Improvement **ER16.6**: Watershed Action Plans
HYDRO-3: Minimize Debris and Trash	**ER16.7**: Minimize Debris and Trash
NOISE-1: Nuisance Noise	**PS10.3**: Neighborhood Noise Reduction
CLIMATE-1: Carbon Sequestration	**ER1.3**: Urban Heat Island Effect
POP-1: Improved Jobs/Housing Balance (1.b. Job Creation)	**Add to Economy and Fiscal Element, following EF20**
POP-1: Improved Jobs/Housing Balance (1.c. Locations of Affordable Housing)	**H22.10**: Location of Affordable Housing
SOCIO-1: Interior Noise Reduction Home Improvement Program	**PS11**: Sound Barriers
VIS-2: Community Character	**LG13:** Community Character

9. **Neighborhood Noise Standard**: The Planning Commission recommends increasing the maximum outdoor noise threshold in multi-family and commercial zones from 60 dB(A) CNEL to 65 dB(A) CNEL, and preserving the maximum outdoor noise level in the single family zones at 60 dB(A) CNEL. The Planning Commission recommends that proposed Implementation Action PS10.1 be amended to maintain the maximum outdoor noise level for residential uses in single family residential zones at 60dB(A) CNEL.

II. The Planning Commission further recommends to City Council the following textual amendments to the proposed Final General Plan Update:

Land Use Element

LG2. **Limit Non-Residential Growth.** Establish the net new non-residential square-foot limitations through the year 2030 at 1 million square feet plus 350,000 square feet for Pending and Approved projects, and assess the need for increases in non-residential square footage based on availability of resources, and on economic and community need through a comprehensive Adaptive Management Program.

The one million square feet of non-residential development potential shall be allocated to the three following categories.

Category	Square Footage
Small Additions	300,000
Vacant	250,000
Community Benefit	450,000

Non-residential square footage of approximately 350,000 square feet associated with projects that are Pending or Approved could change during the policy and implementing ordinance adoption.

Non-residential square footage associated with Minor Additions and demolition and replacement of existing square-footage on-site are considered separately and in addition to the net new non-residential development established above.

Existing permitted square footage not in the City, but in the sphere of influence, that is part of an annexation shall not count as new square footage necessitating a growth management allocation. However, once annexed, all development or developable parcels that propose net new square footage are subject to the limitations of the city's growth management ordinance.

Implementation Actions

LG2.1 Amount of Non-Residential Growth. Provided it is demonstrated that it can be supported by available resources capacities, amend the City's Development Plan Ordinance to limit net new non-residential growth to 1 million and 350,000 square feet. Amend the non-residential development categories and allocation amounts to reflect this new development potential and definitions for each category.

LG7. **Community Benefit Non-Residential Land Uses.** Net new non-residential square footage that includes one or more Community Benefit Land Uses shall be of a secondary priority to affordable housing.

Implementation Action

LG17.4 Studies for Institutional Uses. As part of neighborhood planning, as appropriate, initiate and conduct studies in residential neighborhoods that have various established institutional uses. The purpose of the study is to engage those who manage these institutional uses with neighborhood representatives and City officials to develop "best practices" for the conduct of activities associated with the institutional land uses in order to improve their compatibility with their adjacent residential neighbors and, in the process, help individual neighborhoods become more sustainable neighborhoods. Such a study should first be conducted in the Upper East Neighborhood that has a unique concentration of existing institutional land uses. Subsequent to this study, and the identification of best practices, these practices should be considered citywide, as appropriate.

Housing Element

H15. **Secondary Dwelling Units**. Second units (granny units) in single family zones shall be allowed within certain areas with neighborhood input to gauge level of support, but prohibited in the High Fire Hazard Zones. Second units may be appropriate within a short walking distance from a main transit corridor and bus stop. :

Implementation Actions

H15.1 Secondary Dwelling Unit Ordinance. Amend the Secondary Dwelling Unit Ordinance to provide more site planning flexibility and affordable-by-design concepts such as:

- Changing the existing size limitations to remove percentage of unit size and allowable addition requirements, and allowing a unit size range (300 – 700 s.f.);
- The square footage of the secondary dwelling unit shall be included in the floor-to-area ratio (FAR) for the entire property and shall be consistent with the Neighborhood Preservation Ordinance FAR;
- Eliminating the attached unit requirement;
- Changing the minimum lot size standard;
- Eliminating or adjusting affordability requirements;
- Allowing tandem parking and easing other parking requirements on a case-by-case basis;
- Allowing one water, gas, and electric meter and a single sewer line;
- Developing an amnesty program for illegal second units; and
- Developing guidelines and prototypes of innovative design solutions.

H11.2 Rental and Employer Housing Overlay. Encourage the construction of rental housing and employer sponsored housing in the downtown center and identified areas of Medium High and High Density land use designations by providing incentives such as:

- Increased density overlays up to 50 percent (over Average Unit Density Incentive Program).
- Higher Floor Area Ratios (FAR) when such standards are developed.
- More flexibility with zoning standards, (e.g., reduced parking standards).
- Expedited Design Review process.
- Fee waivers or deferrals.

Historic Resources Element

Implementation Actions

HR3.2. Construction Adjacent to Historic Structures. Provide that construction activities adjacent to an important historical structure do not damage the historical structure. For projects involving substantial demolition and/or grading adjacent to an important historical structure, include any necessary measures to provide that such construction activities do not damage the historical structure, as determined in consultation with the City Urban Historian, or in approved Historic Structures Report recommendations. Such measures could include participation by a structural engineer and/or an historical architect familiar with historic preservation and construction in the planning and design of demolition or construction adjacent to important historic structures.

Where appropriate, require an evaluation study for potential damage of significant historic structures (e.g., older adobe structures) when adjacent development might result in a change in micro-climate of the affected historic structure. The evaluation study shall include a comparative assessment of potential harmful impacts that may result to the exterior or interior of the historic structure. Impacts to be studied may consist of the following: air circulation, humidity, temperature, heating and cooling dynamics, noise, vibration, air quality, and light and shade conditions. The goal is to ensure no long-term harm or negative impacts would result in the condition or environment of the historic structure.

HR5 **Historic Resource Protection**. Identify and/or designate Historic Districts or grouping of historic resources and consider additional implementation actions listed in LG13 such as revised development standards, buffer protection and overlay zones to further protect historic resources.

Implementation Actions

HR5.1 Buffers. Establish permanent Historic Resource Buffers with priority focus on the historic adobe structures, the Brinkerhoff Avenue District, significant City Landmarks, and El Presidio State Historic Park.

HR5.2 Historic Structures. Provide that construction activities on the site of an important historical structure do not damage the historical structure. Where appropriate, require an evaluation study for potential damage of the significant historic structures (e.g., older adobe structures) when development might result in a change in micro-climate of the affected historic structure. The evaluation study shall include a comparative assessment of potential harmful impacts that may result to the exterior or interior of the historic structure. Impacts to be

studied may consist of the following: air circulation, humidity, temperature, heating and cooling dynamics, noise, vibration, air quality, and light and shade conditions. The goal is to ensure no long-term harm or negative impacts would result in the condition or environment of the historic structure.

Environmental Resources Element

ER7. **Highway 101 Set-Back.** New development of residential or other sensitive receptors (excluding minor additions or remodels of existing homes or one unit on vacant property) on lots of record within 250 feet of U.S. Hwy 101 will be prohibited in the interim period until California Air Resources Board (CARB) phased diesel emissions regulations are implemented and / or until the City determines that diesel emission risks can be satisfactorily reduced. The City will monitor the progress of CARB efforts and progress on other potential efforts or measures to address diesel emissions risks.

ER27. **Enhance Visual Quality.** Not only retain, but improve visual quality of the city wherever practicable.

Implementation Action

ER27.1 Underground Utilities. Cooperate with developers and utility companies to underground as many as possible overhead utilities in the city by 2030. Establish a listing of priority street segments with realistic target dates in the capital improvements program and continue to support neighborhood efforts for undergrounding.

Circulation Element

Implementation Action

C6.4 Downtown Public Parking Pricing. Work with stakeholders to develop a public on-street parking program that will reduce commuter use of the customer parking supply and increase the economic vitality of Downtown.

Public Services and Safety Element

PS10. **Noise Guidelines for Residential Zones.** Take into consideration the surrounding existing and future legal land uses in establishing noise standards for residential uses.

Implementation Actions

PS10.1 Noise Levels. Update the General Plan Noise Element Land Use Compatibility Guidelines including establishing 65 dB(A) CNEL as the appropriate maximum outdoor noise level for residential land uses in commercial and multi-family zones while maintaining 60 dB(A) CNEL in single family zones. This ambient noise guideline for residential building construction shall assure indoor noise levels meet building code requirements of 45 dB(A) level.

PS10.3 Neighborhood Noise Reduction. To further General Plan policies for maintaining quiet, high quality neighborhoods, consider requiring more detailed noise assessments for special, conditional, and institutional uses with activities and events that may cause noise effects to residential neighborhoods.

PS14. **Fire Prevention and Creek Restoration.** Coordinate fire prevention and creek protection planning through the development of a set of best practices, within and adjacent to creek corridors.

III. Additional Planning Commission Recommendations on the proposed General Plan Update document:

1. Move Policy LG14 (Historic Structures) and Implementation Actions LG14.1 through LG14.5 from the Land Use Element to the Historic Structures Element.
2. Incorporate a culture discussion such as is in the existing Land Use Element into the proposed General Plan.

IV. Planning Commission Motions:

A. The Planning Commission recommends that the City Council adopt the textual changes to the proposed General Plan Update document as reflected by straw votes taken throughout the meeting, as well as the FEIR Recommended Measures to be incorporated into the appropriate General Plan elements. The Planning Commission also confirms and recommends that the City Council adopt the *Average Unit Density Incentive Program* text on pages 60-61 of the Final General Plan Update document explaining the purpose and importance of unit size in promoting affordable and workforce housing.

This motion was passed and adopted on the 30th day of September, 2010 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 7 NOES: 0 ABSTAIN: 0 ABSENT: 0

B. The Planning Commission recommends that the City Council adopt the proposed Final General Plan Update including a package of key policy recommendations related to:

- Growth Management/Non-Residential Square Footage
- Average Unit Size/Density
- PC Super Majority Vote (Building Heights)
- Rental/Employer Housing Overlay
- Second Unit Standards near Transportation Corridors, and conditional application elsewhere
- Applying Transportation Demand Management measures as necessary and feasible to maintain Economic Vitality in the Downtown

This motion was passed and adopted on the 30th day of September, 2010 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 6 NOES: 1 (Lodge) ABSTAIN: 0 ABSENT: 0

I hereby certify that this Resolution correctly reflects the action taken by the city of Santa Barbara Planning Commission at its meeting of the above date.

Julie Rodriguez, Planning Commission Secretary

October 14, 2010
Date

PLEASE BE ADVISED:

ANY INTERESTED PARTY MAY FILE A WRITTEN REQUEST FOR A HEARING BY THE CITY COUNCIL WITH THE CITY CLERK WITHIN FIVE (5) DAYS AFTER THE APPROVAL OF THIS RESOLUTION.

City of Santa Barbara
Planning Division

PLANNING COMMISSION SPECIAL MEETING MINUTES

September 29 and 30, 2010

CALL TO ORDER:

Chair Bartlett called the meeting of September 29, 2010 to order at 1:02 P.M., and the meeting of September 30, 2010 to order on 1:03 P.M.

I. ROLL CALL

Chair Bruce Bartlett, Vice-Chair John Jostes, Commissioners Charmaine Jacobs, Mike Jordan, Stella Larson, Sheila Lodge, and Deborah L. Schwartz.

Commissioner Jacobs arrived at 1:16 P.M. on September 29, 2010
Commissioner Larson arrived at 1:04 P.M. on September 30, 2010

STAFF PRESENT:

Paul Casey, Community Development Director
Bettie Weiss, City Planner
John Ledbetter, Principal Planner
Steve Wiley, City Attorney
N. Scott Vincent, Assistant City Attorney
Rob Dayton, Principal Transportation Planner
Barbara Shelton, Project Planner/Environmental Analyst
Irma Unzueta, Project Planner
Bea Gularte, Project Planner
Julie Rodriguez, Planning Commission Secretary

II. PRELIMINARY MATTERS:

A. Requests for continuances, withdrawals, postponements, or addition of ex-agenda items.

None.

B. Announcements and appeals.

None.

C. Comments from members of the public pertaining to items not on this agenda.

Chair Bartlett opened the public hearing at 1:03 P.M.

Mickey Flacks invited the Commission to a meeting by the Santa Barbara County Affordable Housing Task Force on October 28, 2010 at the Faulkner Gallery at 7 P.M. David Thompson will be the guest speaker on limited equity cooperative development.

With no one else wishing to speak, public comment was closed at 1:04 P.M.

Public comment was reopened at 1:03 P.M. on September 30, 201 and with no one else wishing to speak, was closed.

III. ***PLAN SANTA BARBARA* PROPOSED GENERAL PLAN AND FINAL ENVIRONMENTAL IMPACT REPORT:**

ACTUAL TIME: 1:04 P.M.

Plan Santa Barbara (Plan SB) is the planning process to update Santa Barbara's General Plan. The General Plan shapes the City through goals, policies and programs concerning growth management, environment, housing, transportation and land use to best meet our community needs now and in the future.

The *Plan Santa Barbara* General Plan Update documents and the proposed Final Environmental Impact Report include the following:

- General Plan Policy Framework
- Land Use Element and Land Use Map
- Housing Element
- Proposed Final Environmental Impact Report, and Response to Comments

Staff recommends the following Planning Commission actions:

A. Receive staff presentation, and conduct public hearing to receive comment on proposed Final Environmental Impact Report (FEIR) and September 2010 proposed final General Plan Update documents.

B. Certify the Final Environmental Impact Report dated September 2010 for the *Plan Santa Barbara* General Plan Update, making the findings below, based on information provided through the EIR process, staff report and Exhibit E.

1. The FEIR has been completed in compliance with the California Environmental Quality Act (CEQA).

2. The FEIR was presented to the Planning Commission, and the Commission reviewed and considered the information contained in the FEIR. Pursuant to Government Code §65354, the Commission made recommendations on the adoption of the proposed *PlanSB* General Plan Update to the Santa Barbara City Council, which recommendations have been informed by the Commission's consideration of the FEIR.

3. The FEIR reflects the Planning Commission's independent judgment and analysis.

C. Recommend to City Council the inclusion of additional measures in the General Plan Update policies that reflect selected EIR Recommended Measures that would further benefit the environment, as recommended in staff report Exhibit H.

D. Recommend to City Council, per Government Code §65354, that the 2010 *Plan Santa Barbara* General Plan Update be adopted to include the Introductory Framework and General Plan reorganization, Land Use Element and associated General Plan map, Housing Element, and partial amendments to the remaining six elements.

Case Planner: John Ledbetter, Principal Planner
Email: info@YouPlanSB.org Phone: (805) 897-2509

Bettie Weiss, City Planner, gave the introduction and introduced the Staff presentations that were given by John Ledbetter, Principal Planner; Rob Dayton, Principal Transportation Planner; and Barbara Shelton, Environmental Analyst.

Daniel Gira, AMEC Earth and Environmental, Inc., consultant to the city, was available to answer questions on the FEIR.

FINAL ENVIRONMENAL IMPACT REPORT:

Scott Vincent, Assistant City Attorney and Steve Wiley, City Attorney provided clarification of California Environmental Quality Act (CEQA) guidelines for certifying the Final Environmental Document.

Chair Bartlett opened the public hearing at 2:32 P.M.

The following people provided public comment:

1. Norbert Dall, representing Thomas Felkay, commented on aspects of the EIR he considered were deficient, and submitted a letter with four requests regarding impacts and policy applications to a specified property.
2. Megan Birney, Community Environmental Council, supported the June Planning Commission hybrid alternative, which was widely supported by the community.
3. Ginny Brush, Arts Commission, asked for inclusion of a Master Plan for Arts and Culture in the General Plan.
4. Mickey Flacks, SB4All, supported the hybrid alternative previously presented by the Planning Commission to City Council, and expressed concern that the FEIR has veered away from the that hybrid model.
5. John Campanella supported the Additional Housing Alternative over the hybrid presented by the Planning Commission to City Council.
6. Barbara Fosbrink, California State Parks, expressed concern with the protection of historic structures and the adoption of a Historic Resource Element. Submitted a written letter with recommendations.

7. Hillary Blackerby, Transportation and Circulation Committee Member (TCC), stated the TCC unanimously finds the hybrid alternative without the Transportation Demand Management (TDM) policies is environmentally inferior and not consistent with the Circulation Element.
8. David Prichett, TCC Member, felt that advancing a project alternative with so many Class I impacts for traffic congestion is inconsistent with the Circulation Element. Requested that the Planning Commission find one alternative as the environmentally superior alternative.
9. Connie Hannah, League of Women Voters, was concerned with the potential to raise density in some areas up to 68 units/acre with variable density, density overlays and bonuses, and inclusionary units, and the greater ramifications it could bring to the ability to live within our resources.
10. Bill Marks supported the lower nonresidential figure of 1,000,000 s.f., to address jobs/housing imbalance and commuter crunch, and advocated for more Metropolitan Transit District (MTD) options along State Street.
11. LeeAnne French, Executive Director, Citizens Planning Association (CPA),requested more time to review the documents, and proposed that only the Medium High 15-25 density be designated, and consider 100% bonus density overlay for rental and employer housing.
12. Paul Hernadi, Citizens Planning Association (CPA), read from a letter submitted from CPA into the record.
13. Mary Louise Days, CPA, commented on Circulation Element policies, Historic Resources Element, requested a delay on EIR certification to allow more review time.
14. Cathie McCammon, Allied Neighborhood Association, opposed the High Density in the 27-45 du/acre range. She liked the direction the hybrid is going, and the changes for TDM polices. She asked for more reviewing time before EIR certification.
15. Eddie Harris, President, Santa Barbara Urban Creeks Council, agreed with the comments submitted by City Creeks Division and Brian Troutwein, and urged the inclusion of the recommended mitigation measures in Exhibit H of the Staff Report, "EIR Recommended Measures Needing Determination for Inclusion in the General Plan".
16. Debbie Cox Bultan, Coastal Housing Coalition, considered the Additional Housing Alternative as the best alternative in the EIR, but supported the Planning Commission's hybrid as a fair and reasonable compromise to meet PlanSB's goals.
17. Joe Rution asked the Planning Commission to limit density increases to projects that are assured to yield substantial numbers of affordable housing units, as small market units may not go to the work force.
18. Brian Troutwein, Environmental Defense Center (EDC), supports the Staff recommendation for inclusion of FEIR recommended measures in Exhibit H of the staff report, especially measures for creeks and watersheds.

Ed France, TCC Vice-Chair, and Susan Keller submitted requests to speak but were unable to remain for the comment period.

With no one else wishing to speak, the public hearing was closed at 3:26 P.M.

Chair Bartlett called a recess and reconvened the meeting at 3:49 PM.

The Planning Commission took a dinner recess at 5:40 P.M. and reconvened at 6:20 P.M.

Much deliberation took place after which Staff agreed to respond to the Planning Commission's request for new language additions to the FEIR to be reviewed the next day.

The meeting was adjourned at 7:20 P.M. and reconvened at 1:00 PM on Thursday, September 30, 2010.

ACTUAL TIME: 1:03 P.M. ON THURSDAY, SEPTEMBER 30, 2010

Chair Bartlett reopened the special meeting at 1:03 P.M. on Thursday, September 30, 2010.

Staff reviewed the new language additions to a new Hybrid Alternative in the FEIR and where they would be located.

Some of the Planning Commissioners asked for the Final EIR to explicitly designate the alternative that minimizes class 1 impacts to serve as an environmentally superior alternative.

With the addition of new information to the Environmental Impact Report (EIR), Chair Bartlett re-opened public comment at 1:28 P.M. and the following people gave comment:

1. Robert Dall, representing Thomas Felkay, submitted written comments and asked that they be made part of the record. He emphasized that there is no finite language therefore there is not a complete EIR report to be certified. Asked the Planning Commission to join others in reiterating that the Commission ask for a finite complete document.
2. Kellam de Forest submitted written comments and read them into the record.
3. LeeAnne French, Executive Director, Citizens Planning Association (CPA), would like to see a ranking of the different options with and without TDM principles.

With no one else wishing to speak, the public hearing was closed at 1:35 P.M.

MOTION: Jostes/Jacobs **Assigned Resolution No. 013-10**
Certify the Final Environmental Impact Report dated September 2010 for the *Plan Santa Barbara* General Plan Update based on the changes that Staff has made in response to concerns voiced by the Commission; information provided through the EIR process; and the three CEQA findings in Exhibit E of the Staff Report dated September 16, 2010.

This motion carried by the following vote:

Ayes: 7 Noes: 0 Abstain: 0 Absent: 0

Chair Bartlett announced the ten calendar day appeal period.

PLAN SANTA BARBARA GENERAL PLAN UPDATE:

John Ledbetter, Principal Planner, gave the Staff presentation that began at 2:30 P.M.

Chair Bartlett opened the public comment hearing at 4:09 P.M. for comments on the General Plan Update. The following people gave comment:

1. Kellam de Forrest commented on mitigating Class I impacts and offered suggestions.
2. Connie Hannah, League of Women Voters, commented on density issues. The League supports CPA's suggestions to reserve the higher density for employer-built housing.

With no one else wishing to speak, Chair Bartlett closed the hearing at 4:15 P.M. and called for a recess, resuming the meeting at 4:32 P.M. Commission deliberation followed.

Chair Bartlett called for a dinner recess at 5:45 P.M. and reconvened the meeting at 6:20 P.M.

Commissioner Jostes called for a series of straw polls:

STRAW POLL #1:

Support the policy provisions as a package with:

- The Non-residential growth limited to 1,353,000 s.f. over the next 20 years;
- Average Unit Size densities at the Medium High and High land use designations;
- Rental/Employer Housing Overlay Option 2 with the following modifications:
    - Pull back the northwestern boundary of the overlay to Sola Street, east of Highway 101 and to Pedregosa, west of Highway 101.
    - Include the CM zone from Anacapa Street to the C2 zone bordering Milpas Street.
- Accept the Upper Eastside recommendations for LG 17-4 regarding institutional uses as a City-wide policy with the implementation strategy to apply such a requirement to the Upper Eastside as a first step;
- Support a super majority requirement of the Planning Commission for building heights above 45 feet.

Ayes: 5 Noes: 2 (Jacobs, Lodge)

With added discussion, the Planning Commission reconsidered its poll after Commissioner Jacobs requested that the rental overlay on Upper State Street mirror the SD-2 zone. Commissioner Jacobs also indicated that the De la Vina area is not a good place to put the rental overlay at this time.

Commissioner Jacobs then reconsidered her position providing "soft support" with the added emphasis on historic resources protection. Commissioner Jacobs remained concerned that smaller unit sizes that were not included in the straw vote and wanted to see a recommendation to that effect.

The straw poll was revised to include:

- Removal of the overlay west of Highway 101 from Kentia down to Pedregosa. On the East side of Highway 101, it is removed between State Street and the Freeway from the Mission corridor down to the north side of Sola Street. Additional overlay areas area added along the Haley-Cota CM zone from Anacapa all the way to the commercial zones adjacent to Milpas Street. On Upper State Street, removal of the overlay from the De la Vina/State Street area pulling it back to Las Positas Road.

Ayes: 6 Noes: 1 (Lodge)

STRAW POLL #2:
Recommendation to City Council for the support of higher densities with smaller units, as written in the proposed Land Use Element on pages 60-61 of the Santa Barbara General Plan Proposed Final Update, September 2010.

Ayes: 7 Noes: 0

STRAW POLL #3:
Recommendation that the City Council maintain the full range of options for robust Transportation Demand Management (TDM) with the understanding that components such as parking pricing be applied only with community support and to feasibly maintain the economic vitality of the downtown in the face of unavoidably significant intersection and roadway constraints, should traffic conditions further degrade. The City already has a number of programs in place, such as the Pedestrian Master Plan, Transit Planning, and collaboration with the Metropolitan Transit District (MTD) that can have positive effects on reducing congestion. Urge City Council not to foreclose options at this point but rather to give those options further consideration if and when they have value to manage transportation capacity while at the same time fostering economic vitality.

Ayes: 7 Noes: 0

STRAW POLL #4:
Recommendation to City Council to relax second unit standards adjacent to transit/commercial and consider relaxing standards City-wide on a neighborhood by neighborhood basis where neighborhood support is evident. Recommend including the square footage of the proposed second units within the Neighborhood Preservation Ordinance Floor Area Ratio (FAR) limitations.

Bettie Weiss, City Planner, suggested the Commission look at Policy H15 on pages 204-205 of the Housing Element in the Santa Barbara General Plan Proposed Final Update, September 2010 that changed the policy language in response to the City Council and has been drafted.

Ayes: 7 Noes: 0

STRAW POLL #5:
Recommended accepting Staff's recommendations found in Exhibit H, "EIR Recommended Mitigation Measures" to be included in the General Plan Update, with Commissioner Jacobs's suggestion that the language in Staff Report Exhibit H, Page 10 of 14, paragraph 2 of RM VIS-2 Community Character be included in the recommendations.

Ayes: 7 Noes: 0

Staff reviewed all changes in language that would be made to the Land Use Element as documented in Exhibit H of the Staff Report.

STRAW POLL #6:
Recommendation to City Council to preserve the 60 dB exterior noise threshold in single-family residential zones and apply 65 dB to multi-family and non-residential zones in the Noise Element.

Ayes: 7 Noes: 0

MOTION: Jostes/Schwartz **Assigned Resolution No. 014-10**
Recommend to City Council, per Government Code §65354, adopting the changes suggested by the Planning Commission regarding textual changes in the text of the Draft 2010 *Plan Santa Barbara* General Plan Update, and recommended mitigation measures as reflected by the straw polls taken.

This motion carried by the following vote:

Ayes: 7 Noes: 0 Abstain: 0 Absent: 0

MOTION: Jostes/Jacobs **Assigned Resolution No. 014-10**

Recommend to City Council to adopt the proposed Final General Plan Update including a package of Planning Commission policy recommendations reflected in the first straw poll that ranged from density to the protection of Historic Resources, supplemented by the language pertaining to support for higher densities (Straw Poll #2), transportation demand management (Straw Poll #3), and second units (Straw Poll #4) .

This motion carried by the following vote:

Ayes: 6 Noes: 1 (Lodge) Abstain: 0 Absent: 0

Commissioner Jostes requested that in preparing its report to City Council that Staff minimize any ambiguities with the Planning Commission's recommended policy language and the hybrid that is covered in Volume 4 of the Final Environmental Impact Report (FEIR) and that Staff concentrate on articulating the Planning Commission's recommended policy language in compliance with the Commission's original objectives made on June 3, 2010 and found in the six bullet points of section 2.1 of Volume 4 of the FEIR.

VII. ADJOURNMENT

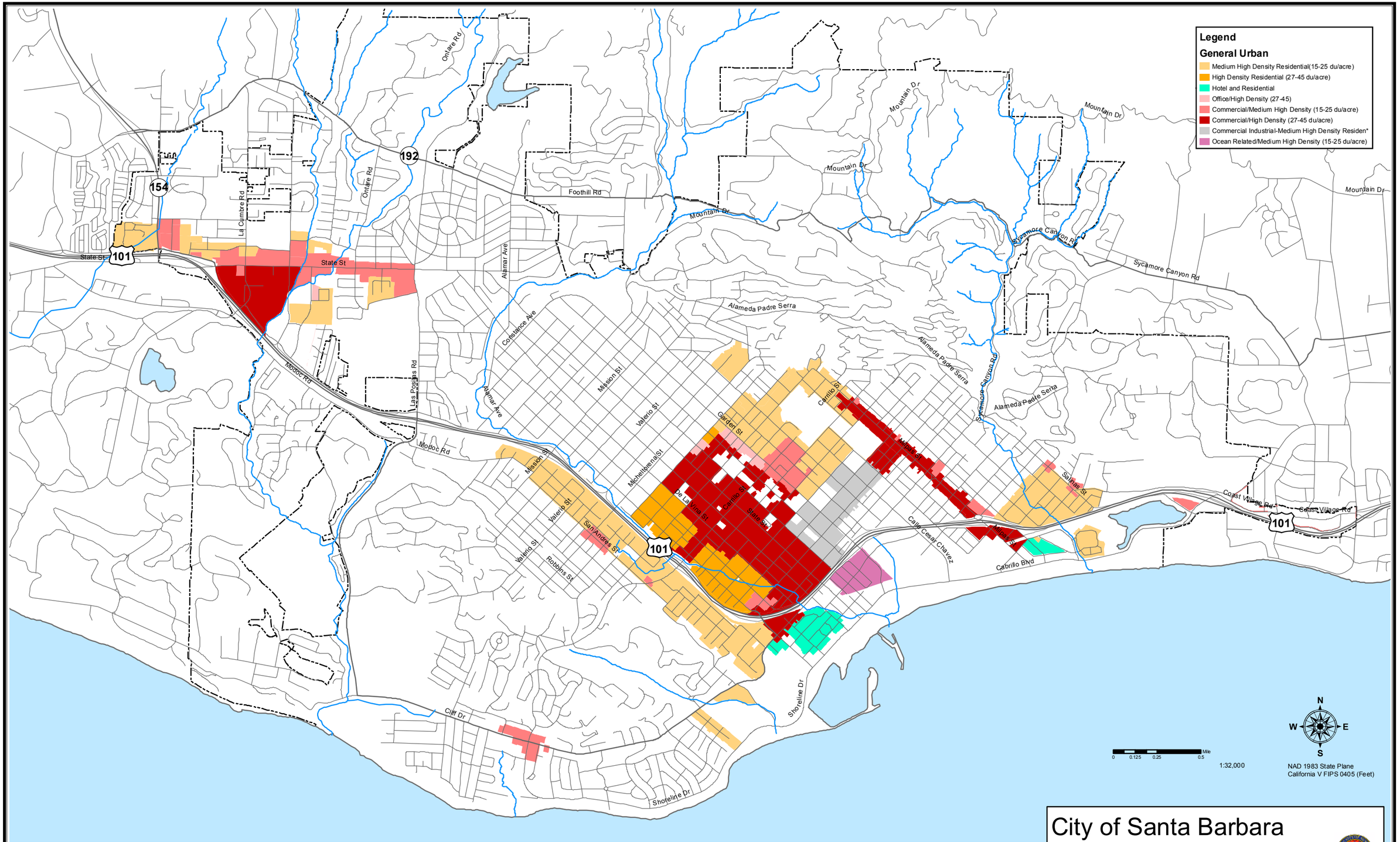
Chair Bartlett adjourned the meeting of September 29, 2010 at 7:20 P.M. and reconvened at 1:03 P.M. on September 30, 2010. The meeting of September 30, 2010 was adjourned at 9:11 P.M.

Submitted by,

Julie Rodriguez

Julie Rodriguez, Planning Commission Secretary

Attachment 5



City of Santa Barbara Rental/Employer Housing Overlay Map

Map prepared by City of Santa Barbara, Planning Division, Sept 2010

City of Santa Barbara
California

CITY OF SANTA BARBARA PLANNING COMMISSION

RESOLUTION 013-10
FINAL ENVIRONMENTAL IMPACT REPORT CERTIFICATION
FOR THE PLAN SANTA BARBARA GENERAL PLAN UPDATE
SEPTEMBER 30, 2010

***PLAN SANTA BARBARA* FINAL ENVIRONMENTAL IMPACT REPORT CERTIFICATION:**

Plan Santa Barbara (Plan SB) is the planning process to update Santa Barbara's General Plan. The General Plan shapes the City through goals, policies and programs concerning growth management, environment, housing, transportation and land use to best meet our community needs now and in the future

The Final Program Environmental Impact Report (FEIR) for the *Plan Santa Barbara* General Plan Update (GPU), publicly released by the City of Santa Barbara on September 16, 2010, includes the following components:

FEIR Volume I: Final Program Environmental Impact Report

FEIR Volume II: Appendices

FEIR Volume III: Response to Comments

FEIR Volume IV: Hybrid Alternative Analysis and *Plan Santa Barbara* Impact Summary Tables

WHEREAS, on September 29-30, 2010, the Planning Commission held a noticed public hearing on the Final Program Environmental Impact Report for the *Plan Santa Barbara* General Plan Update.

WHEREAS, 18 people appeared to speak regarding the Final Environmental Impact Report (FEIR) thereto, and the following exhibits addressing the FEIR were presented for the record:

1. Staff Report with Exhibits, dated September 16, 2010, including:
   a. Exhibit B: PlanSB EIR Project Impact and Mitigation Summary
   b. Exhibit C: EIR Alternatives Analysis Summary
   c. Exhibit D: Listing of GPU and DEIR Commenters
   d. Exhibit E: Planning Commission FEIR Certification Findings
   e. Power Point Slide Presentation
2. Correspondence received by the Commission:
   a. Natasha Lohmus, Department of Fish and Game, via email
   b. Dave Davis and Megan Birney, Community Environmental Council, via email
   c. Connie Hannah, League of Woman Voters, Santa Barbara, CA
   d. Jeffrey King, Mesa Architects, via email
   e. Lisa Plowman, SB4ALL, via email
   f. Bernie Bernstein, via email

g. Bruce Burnworth, via email

h. Kellam de Forrest, via email

i. Norbert H. Dall and Stephanie D. Dall, via email

j. Tracy Fernandez, Santa Barbara, CA

k. J. Michael Holliday, via email

l. Paul Pommier, Sr., via YouPlanSB website

m. Paula Westbury, Santa Barbara, CA

n. Deborah Wright, via email

o. Sheila Lodge, via email

p. LeeAnne French, Citizens Planning Association, via email

q. Fred Sweeney, Upper East Association

r. Jarrell C. Jackman, Santa Barbara Trust for Historic Preservation and Richard Rozzelle, District Superintendent, California State Parks

NOW, THEREFORE BE IT RESOLVED that the City of Santa Barbara Planning Commission:

I. Certified the Final Program Environmental Impact Report dated September 2010 for the *Plan Santa Barbara* General Plan Update, making Findings A through C below pursuant to State CEQA Guidelines §15090 and City CEQA Guidelines §II.2, based on information provided in the EIR process, staff report and Exhibit E, public input, and Commission discussion, and including clarifying additions and edits to the Final EIR by the Planning Commission as identified in Section II below.

A. <u>The final EIR has been completed in compliance with the California Environmental Quality Act (CEQA).</u>

The FEIR for the *Plan Santa Barbara* General Plan Update was prepared in accordance with applicable procedures and content requirements of the California Environmental Quality Act (CEQA), State CEQA Guidelines, and City of Santa Barbara CEQA Guidelines.

An advertised Notice of Preparation for the EIR was issued January 15, 2009 for a 30-day agency and public comment period, and a Planning Commission public scoping hearing was held on January 29, 2009.

The EIR documents have been prepared by a qualified team headed by AMEC Earth and Environmental, Inc., working under oversight of experienced City staff.

The Draft EIR underwent a noticed 60-day public review and comment process March 19-May 18, 2010, including a noticed Planning Commission public hearing held April 28, 2010. Comments on the Draft EIR were received from 15 public agencies, 16 community/ public interest organizations, 45 individuals, and six City commissions and committees.

The Final EIR includes written responses to comments received on the Draft EIR and associated edits to the EIR analysis. Proposed responses to comments and hearing notice were provided to public agencies that commented on the Draft EIR ten days prior to the EIR certification hearing.

The EIR analysis meets CEQA requirements for a General Plan Program EIR, and EIR standards of adequacy pursuant to CEQA Guidelines §15151.

B. The final EIR was presented to the Planning Commission, and the Planning Commission reviewed and considered the information contained in the final EIR. Pursuant to requirements of Government Code §65354, the Commission will make recommendations on adoption of the proposed *Plan Santa Barbara* General Plan Update to the Santa Barbara City Council, which recommendations have been informed by Commission consideration of the final EIR.

The proposed Final EIR was issued to the public and provided to members of the Planning Commission on Thursday, September 16, 2010. The Planning Commission held a noticed public hearing on Wednesday September 29, 2010, and received a staff presentation of the Final EIR and public comment, and reviewed and considered the information contained in the Final EIR.

C. The final EIR as amended reflects the Planning Commission's independent judgment and analysis.

II. Said certification action above is subject to inclusion of the following clarifying additions and edits to the Final EIR documents, which do not alter the FEIR conclusions:

A. Addition to Volume I-FEIR, EIR Summary, page 7 at the end of the "Alternatives to the Project" section, and to Volume IV-Hybrid Alternative Analysis, page 1-1 Introduction, Section 1.1, beginning as new fourth paragraph, as follows:

Background on Hybrid Alternative Discussions

As envisioned by the California Environmental Quality Act (CEQA) and State CEQA Guidelines, City decision-makers for the *Plan Santa Barbara* General Plan Update are considering modifications to project policies to incorporate mitigation and some policy components from the alternatives analyzed in the Environmental Impact Report (EIR), to reduce environmental effects and/or best address Plan objectives.

Initial Planning Commission Hybrid: The initial Planning Commission hybrid alternative package recommended to City Council (June 2010) is a policy set that the Commission felt would best address the following key criteria for the General Plan Update:

1. Maximize the achievement of Plan Objectives set forth in the Sustainability Framework and Principles, including Living within Our Resources;
2. Provide a guiding long-term vision and innovative flexible policy framework with implementation tailored and modified as needed by the Adaptive Management Plan;
3. Mitigate environmental impacts to the maximum extent feasible;
4. Achieve internal consistency and balance among and between the policies;
5. Ensure the policies are realistic, operational, capable of being implemented, and have support from key community stakeholders; and
6. Support the economic vitality of the City Downtown and as a whole.

Components of the initial Planning Commission recommended hybrid modifications to the Plan included:

- Reduction of the non-residential growth cap (to a total of 1 million SF, with no exclusions)
- Stronger Transportation Demand Management (TDM) and parking pricing programs to mitigate traffic congestion, reduce energy and greenhouse gas generation, and improve jobs/housing balance
- Residential parking maximums Downtown (1.5 spaces/unit) and parking sales/rental separate from the housing to address building sizes and affordability and traffic management ("unbundling")
- Reduced unit sizes and increased density incentives in appropriate areas to promote affordable workforce housing and traffic management (27-45 du/acre and up to 60 du/acre for community benefit projects with supermajority vote; 50% density increase for rental and employer-sponsored housing in commercial and multi-family areas)
- Stronger design standards to address compatible building sizes and protection of historic resources and community character (including guideline for primarily 2-3 story building heights with 4th story only for community benefit projects with supermajority vote)
- Stronger historic resources protection policies (including buffers around historic districts, designated resources, and Presidio)
- Increased affordable inclusionary housing requirement (25%), and relaxed second unit standards in commercial areas near transit corridors and services and with consideration citywide.

The Planning Commission initial recommended hybrid alternative was seen as a positive compromise set of policies and received strong support from a large majority of the community groups that have participated in the General Plan Update process.

Initial City Council Hybrid Alternative: Initial City Council discussions provided direction for consideration of many of the policy elements in the Planning Commission recommendations, but some with further modifications. In response to public input, Planning Commission recommendations, and Council discussion, softened policy language was considered for some policies, based on concerns about economic interests, property rights, and livability/community character. Initial Council hybrid policies for consideration included:

- Reduced non-residential growth cap (1 million SF), but with more exclusions [for EIR analysis, an additional 0.5 million SF was assumed for excluded uses]
- Inclusion of the range of Transportation Demand Management strategies, but no assured commitment to expansion of existing Transportation Demand Management and parking pricing programs without demonstrated stakeholder support [no expansion beyond current TDM program was assumed for EIR analysis]
- Consider residential parking maximums downtown, and allow "unbundling" of housing and parking costs
- Reduced unit sizes and density increases in appropriate areas (27-45 du/acre; 50% density overlay for rental/employer housing) [areas to be determined, consider Planning Commission recommended areas]

- Stronger design standards to address compatible building sizes and protection of historic resources and community character (supermajority vote for buildings exceeding 45 feet; buffers around historic districts, designated resources, and Presidio)
- Consider increased affordable inclusionary housing requirement (25%) along with suspension during economic downturns, sliding scale for types of uses, and potential commercial fee; and relaxed second unit standards on a neighborhood-by-neighborhood basis with neighborhood support.

B. Addition to FEIR Volume I, EIR Summary, page 7, at the end of the "Alternatives to the Project" section (following the "Background on Hybrid Alternative Discussions" section added in item A. above), as follows:

Summary of FEIR Alternatives Analysis

The following summarizes EIR alternatives analysis of environmental impacts in the year 2030:

Class 2 Impacts (Less than Significant with Mitigation): The EIR identified the following potentially significant impacts mitigated to less than significant levels: air quality (diesel particulates), biological resources (loss of upland and riparian habitats); geological conditions (sea cliff retreat); hazards (adequacy of facility capacity for household hazardous materials collection); heritage resources (effects of development on historic resources); hydrology and water quality (extended range sea level rise from climate changes); noise (highway noise level increases affecting residential uses); open space and visual resources (gradual loss of open space); public utilities/ solid waste (adequacy of long-term solid waste management facility capacity).

For these impacts on local resources, hazards, and services, *potential* significant impacts could be the least under the Lower Growth Alternative, and would be less than significant with mitigation (Class 2.)

Under all the other alternatives, including the *Plan Santa Barbara* project, No Project, Additional Housing, and Hybrid Alternatives, *potential* significant impacts on resources, hazards, and services would be similar in type and somewhat greater than the Lower Growth Alternative. However, these impacts would also be mitigated to less than significant levels (Class 2) under all the alternatives, for the same residual impact level.

Class 1 Impacts (Significant): All alternatives analyzed in the EIR would be expected to result in Class 1 impacts to Transportation (traffic congestion) and Climate Change (greenhouse gas generation). Lower residual impacts for both issues are largely a result of a lower amount of non-residential growth and more extensive application of Transportation Demand Management (TDM) and parking pricing policies (which act to reduce impacts for existing traffic as well as the small increment of additional growth).

The alternatives are ranked in the following order as to lowest transportation and climate change impacts, and most effective mitigation, as analyzed in the EIR:

Additional Housing Alternative

The Additional Housing Alternative assumes low non-residential growth (1.0 million SF), and Robust TDM and parking pricing policies (i.e., strongest expansion), resulting in lowest impacts on traffic congestion (from existing 13 impacted intersections to 14 impacted intersections) and greenhouse gas generation (1.4 million tons/year), as well as substantially better jobs/housing balance (0.41 jobs/unit).

Plan Santa Barbara Project

The *Plan Santa Barbara* project assumes two 2.0 million SF non-residential growth and Moderate TDM/parking pricing expansion, resulting in the *potential* for 20 impacted intersections and estimated 1.62 tons/year greenhouse gases. Roadway improvements could mitigate 2-3 intersections. With application of Mitigation Measure T-2, the robust TDM/parking pricing per Alternative 2, most of these impacts would be mitigated. The jobs/housing balance would be in approximate balance (1.44 jobs/unit).

Lower Growth Alternative

The Lower Growth Alternative assumes low non-residential growth (1.0 million SF), but no expansion of TDM/parking pricing, resulting in the potential for 18 impacted intersections and 1.58 million tons/year greenhouse gas generation, and improved jobs/housing balance (0.90 jobs/unit). Because this alternative assumed a policy set to maintain or increase parking standards, the T-2 mitigation for robust TDM was not considered compatible with the policy set, and not applied in the EIR analysis. However, if the T-2 mitigation was applied, the traffic and greenhouse gas impacts could be lower than described for this alternative.

Hybrid Alternative

The Hybrid Alternative analysis in the FEIR assumed the lower non-residential growth cap of 1 million SF for designated categories, and the EIR analysis assumes an additional 0.5 million SF for uses excluded from the categories. The policy set includes the range of TDM strategies, but no committed level of expansion, and the EIR analysis therefore assumes no expansion of existing TDM/parking pricing programs. The less extensive TDM/parking pricing has more influence than the lower non-residential growth, and greater impacts result to traffic (estimated 20-26 intersections) and greenhouse gas generation (estimated 1.6 - 1.62 tons/year). The jobs/housing balance would be somewhat better than the *Plan Santa Barbara* scenario (<1.44 jobs/unit). Application of the T-2 robust TDM/parking pricing could substantially reduce the impacts.

No Project/ Existing Policies Alternative

The No Project Alternative assumes 2.2 million SF non-residential growth and no expansion of existing TDM/parking pricing, resulting in the greatest impact on traffic congestion (26 intersections), and greenhouse gas generation (1.62 million tons/year). Application of the T-2 robust TDM/parking pricing could substantially reduce the impact. The No Project Alternative worsens the jobs/housing balance (2.04 jobs/ unit).

C. Edit in Volume IV-Hybrid Alternative Analysis, page 2-1, Section 2.1 Hybrid Alternative Description/Overview/Background, to delete the following text from this section, and address it as part of the addition to page 1-1 identified in item A above ("Background on Hybrid Alternative Discussions"):

The Hybrid Alternative would account for the following Planning Commission and City Council key criteria for the General Plan Update:

1. Maximize the achievement of Plan Objectives set forth in the Sustainability Framework and Principles, including Living within Our Resources;
2. Provide a guiding long-term vision and innovative flexible policy framework with implementation tailored and modified as needed by the Adaptive Management Plan;

3. Mitigate environmental impacts to the maximum extent feasible;
4. Achieve internal consistency and balance among and between the policies;
5. Ensure the policies are realistic, operational, capable of being implemented, and have support from key community stakeholders; and
6. Support the economic vitality of the City Downtown and as a whole.

D. Edit to FEIR Volume I, Section 16.1.2 Transportation Setting/Circulation/Other Neighborhoods/Mesa, page 16-6, third paragraph, fourth line:

Delete the word "formerly" before "SR 225".

E. Addition to FEIR Volume I, page 16-71, Section 16.8 Transportation/Mitigation Measures, as new paragraph at the end of Mitigation Measure Trans-1.c Develop an Intersection Master Plan to Address Problem Intersections; and add to EIR Impact Summary and Mitigation Monitoring Tables in Volumes I (page 32, Table ES-3 and page 23-23, Table 23-1) and Volume IV (page 5-7, Table 5.1 and page 6-24, Table 6-1):

Mesa Area Arterial and Side Street Improvements: Consider improvements as needed to address effective travel operations and safety at Mesa area intersections, including Cliff Drive/Meigs Road; Cliff Drive/Flora Vista/Mesa Lane; Meigs Road/Red Rose Way; and Cliff Drive/Santa Barbara City College West Entrance.

F. Addition to FEIR Volume I, pages 23-14 to 23-16, Table 23.1 EIR Mitigation Monitoring and Reporting Program for Plan Santa Barbara, Measure RM VIS-2 Community Character; and addition also in Volume IV, PlanSB Mitigation Monitoring and Reporting Table 6.1, pages 6-12 to 6-14:

Under "Implementation Responsibility" column of the tables, for all subsections of RM VIS-2, add "Historic Landmarks Commission" as one of the implementing commissions.

G. Edit to FEIR Volume I, page 19-15, Section 19.2.1 Regional Housing Needs Assessment, third paragraph, fifth line:

Change reference for City percentage of South Coast population from "41" to "45".

H. Edit to FEIR Volume III, p. 759, Response to Comment C15-3 regarding DEIR p. 8-9:

Delete "Portions of Hope Ranch (e.g., Hope Ranch Annex) are located within the City, while the rest of".

This motion was passed and adopted on the 30th day of September, 2010 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 7 NOES: 0 ABSTAIN: 0 ABSENT: 0

I hereby certify that this Resolution correctly reflects the action taken by the city of Santa Barbara Planning Commission at its meeting of the above date.

Julie Rodriguez, Planning Commission Secretary

October 14, 2010
Date

PLEASE BE ADVISED:

THIS ACTION OF THE PLANNING COMMISSION CAN BE APPEALED TO THE CITY COUNCIL WITHIN TEN (10) CALENDAR DAYS AFTER THE DATE THE ACTION WAS TAKEN BY THE PLANNING COMMISSION.

Plan Santa Barbara
Council Decision Matrix

Key Policies	PC Recommendations	Potential Council Action
Non-Residential Growth Management Program	-1.35 million sq. ft. net new, including pending, approved & government buildings	-Adopt recommendations; or -Exempt pending, approved, & government buildings;or -Adjust overall total
Average Unit Size Density Incentive Program	-Medium-High (15-25 du/ac) -High (27-45 du/ac)	-Adopt recommendations; or -Adjust densities
Rental/Employer Housing Overlay	-See map in CAR	-Adopt recommendations; or -Adjust boundaries
Transportation Demand Management	-Maintain as policy: no immediate implementation; no CEQA "mitigation credit"	-Overriding considerations necessary unless impact fully mitigated -Even "robust" TDM will not fully mitigate the impacts
EIR Recommended Measures	-Include selected measures	-Adopt recommended measures; or -Adjust which recommd. measures to include in Plan
Plan Components		
-Introductory Framework; **-Land Use Element and General Plan Map;** **-Housing Element;** **-Remaining Six Elements**	-Adopt *PlanSB* w/ recommended revisions as a package of goals, policies & implementation actions that meet Commission's six decision criteria	-Adopt *PlanSB*, with PC revisions and any Council adjustments, as an internally consistent set of goals, policies and implementation actions
CEQA Findings		
Acknowledge Significant Effects & Proposed Changes to Mitigate Impacts	N/A	-Adopt as part of CEQA Findings
Make Overriding Considerations for Significant, Unavoidable Class I Impacts	-Limit need for overriding by providing sound policies to help mitigate impacts	-Adopt as part of CEQA Findings

Agenda Item No._____

File Code No. 440.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Mayor and Councilmembers

FROM: City Administrator's Office

SUBJECT: Conference With Labor Negotiator

RECOMMENDATION:

That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Police Officers Association, Police Managers Association, the Treatment and Patrol Bargaining Units, and the Hourly Bargaining Unit, and regarding discussions with unrepresented management about salaries and fringe benefits.

SCHEDULING: Duration, 30 minutes; anytime

REPORT: None anticipated

PREPARED BY: Kristy Schmidt, Employee Relations Manager

SUBMITTED BY: Marcelo López, Assistant City Administrator

APPROVED BY: City Administrator's Office

Agenda Item No._____

File Code No. 160.03

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: October 26, 2010

TO: Mayor and Councilmembers

FROM: City Attorney's Office

SUBJECT: Conference with Legal Counsel – Potential Litigation

RECOMMENDATION:

That Council hold a closed session to consider potential litigation pursuant to subsection (c) of section 54956.9 of the Government Code and take appropriate action as needed.

SCHEDULING:

Duration: 10 minutes; anytime

REPORT:

None anticipated

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office