Agenda Item No._____

File Code No. 640.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: September 16, 2008

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Introduction Of Compatibility Review Criteria Ordinance

RECOMMENDATION:

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapters 22.22, 22.68, 27.07, 28.05 and 28.06 of Title 28 of the Santa Barbara Municipal Code Formalizing the Project Compatibility Analysis Process for the Architectural Board of Review and the Historic Landmarks Commission.

DISCUSSION:

Background

Implementing Municipal Code amendments to establish project compatibility review criteria for the City Design Review process will improve the quality of project reviews and assist the City's decision makers in achieving better projects. The Architectural Board of Review (ABR), Historic Landmarks Commission (HLC) and Ordinance Committee all support the proposed amendments and have forwarded them to City Council for introduction and adoption.

Staff believes that the ABR and the HLC need to strengthen project reviews at the concept review level in order to improve the way in which larger projects are evaluated. Improved communication between the ABR/HLC and the Planning Commission is necessary so that the ABR/HLC can identify design or building height concerns and clearly convey these opinions in early concept review comments to the Planning Commission. Compatibility review criteria have been developed that provide for a specific set of questions to be utilized by the HLC/ABR for verifying a project's compatibility with surrounding development.

The compatibility review criteria consist of questions regarding the following subjects:

- Compliance with ordinances and general consistency with City design guidelines
- Architectural character compatibility
- Appropriate size, mass, bulk, height and scale
- Sensitivity to adjacent Historic Landmarks/Resources
- Protection of public views of the ocean and mountains
- Sufficient open space and landscaping

The intent of the proposed compatibility review criteria was to reaffirm the ABR and HLC's role in evaluating a project's proposed height and compatibility with existing development at the Concept Review level and to serve as a checklist of necessary issues that the Design Review Board would need to consider and comment on prior to the project proceeding to the Planning Commission or Staff Hearing Officer (SHO). ABR and HLC members would also use these proposed questions to ensure compliance with the City's Urban Design Guidelines and foster greater communication with the Planning Commission on specific design issues, such as project compatibility and building height. Where a project is to be reviewed solely by the ABR/HLC, similar consideration of compatibility review criteria would serve as an analytical tool and a project review framework to more carefully consider the possible size, bulk, scale and height issues with any proposed development.

In addition, through Plan Santa Barbara (*PlanSB)* a variety of changes to City policies are being considered, including re-examining zoning standards in order to encourage smaller size dwelling units, increasing building setbacks and step-backs for taller buildings, and special standards for projects near historic structures in El Pueblo Viejo District and adjoining residential areas. Council has also directed staff and the Ordinance Committee to consider an interim ordinance as the *PlanSB* process continues.

Ordinance Committee Review

The Ordinance Committee discussed the draft compatibility review criteria proposal at two meetings in 2008. On February 12, 2008 the Ordinance Committee first considered the new project compatibility tool for projects subject to review and approval by the Planning Commission, Historic Landmarks Commission (HLC), and Architectural Board of Review (ABR). The Ordinance Committee reviewed the City's current discretionary review process to determine how to best implement and integrate the compatibility review criteria prior to granting preliminary design approval for a project. It was determined that new approval findings were not the right tool and that the questions format was the best approach to improve meeting minutes which serve to record consistency with adopted design guidelines.

The Ordinance Committee asked staff to research if additional criteria for examining public benefits could be considered. City staff indicated that this issue should best be included as part of the *PlanSB* community discussions to consider a variety of options including defining the concept of "community benefit" land uses and when larger affordable housing, multi-story commercial and mixed-use development projects could be supported. Staff is concerned about inserting this type of complex question into the project design compatibility review criteria without a clear definition of what constitutes a "community benefit." It is staff's view that this question will need to be further developed in *PlanSB* and, if deemed appropriate, handled on a programmatic basis through future amendments to the Municipal Code.

On August 19, 2008, the Ordinance Committee reviewed the draft ordinance and supported the approach that was presented to improve communication between the design review boards and the Planning Commission or SHO. Refinements or minor edits were suggested by several speakers as part of public hearing, primarily related to making improvements to specific sections of the ordinance. The Ordinance Committee instructed staff to include some of the changes that were being suggested from the public comments received and the Ordinance responds to those comments and direction from the Ordinance Committee.

Environmental Review

Staff has determined that the proposed amendments qualify for an exemption from the California Environmental Quality Act under Section 15305, Minor Alterations to Land Use Limitations, because they do not result in any changes in land use or density and do not change planned uses in an area.

RECOMMENDATION:

Implementing an ordinance stressing certain project compatibility review criteria for the Design Review process would be a valuable tool and will assist the City in achieving better projects. Therefore, staff recommends the Council introduce and subsequently adopt the Ordinance regarding the proposed Municipal Code amendments.

ATTACHMENT: Ordinance Committee Agenda Report dated August 19, 2008, without attachments

PREPARED BY: Jaime Limón, Senior Planner II

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

ATTACHMENT

File Code No. 120.03

CITY OF SANTA BARBARA

ORDINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: August 19, 2008

TO: Ordinance Committee

FROM: Planning Division, Community Development Department

SUBJECT: Project Compatibility Review Criteria

RECOMMENDATION:

That the Ordinance Committee review proposed amendments to the Architectural Board of Review Ordinance 22.68 and Historic Structures Ordinance 22.22 involving a new process for evaluating project compatibility and design review considerations.

EXECUTIVE SUMMARY:

Implementing Municipal Code amendments to establish development project compatibility review criteria for the City Design Review process will strengthen project reviews and assist the City's decision makers in achieving better projects. Staff is returning to the Ordinance Committee with a recommendation to forward the proposed amendments to City Council for introduction and adoption.

The City Council also voted recently to request that the Ordinance Committee consider a potential interim height limitation ordinance as a timely response to community concerns over tall buildings and to provide direction to Staff on what should be further studied as part of the *PlanSB* EIR. Staff believes, however, that such an interim ordinance requires more consideration and public discussion in order to properly address issues concerning building heights, open space, setbacks, public benefit land uses, as well as the size and number of units for projects already in the pipeline while the *PlanSB* process is underway. Therefore, staff recommends that the attached project compatibility review criteria be considered immediately and that the Ordinance Committee discussion on an interim ordinance be deferred until in October or November 2008.

DISCUSSION:

Background

The issue of large and tall buildings in El Pueblo Viejo District has been a principal issue of ongoing discussions in the community. There is concern that certain pending projects will

negatively alter the city's small-town character and that some action may be necessary to restrict building heights and improve the review process. However, Planning staff believes that the planning policies and design guidelines currently in place to help decision-makers limit building heights have not always been utilized effectively. To strengthen project reviews, Planning staff supports amending the Municipal Code to reference existing City guidelines and to establish specific project review factors for use by the design review and land use decision-makers (see Attachment 1). In addition, through Plan Santa Barbara (*PlanSB)* a variety of changes to City policies are being considered, including re-examining variable density zoning standards in order to encourage smaller size dwelling units, increasing building setbacks and step-backs for taller buildings, and special standards for projects near historic structures in El Pueblo Viejo District and adjoining residential areas. Council has also directed staff and the Ordinance Committee to consider an interim ordinance as the *PlanSB* process continues.

Ordinance Committee Review

On February 12, 2008 the Ordinance Committee reviewed a proposal to consider a new project compatibility tool for projects subject to review and approval by the Planning Commission, Historic Landmarks Commission (HLC), and Architectural Board of Review (ABR) (see Attachment 2).

The Ordinance Committee meeting discussion introduced a proposal centered on a specific set of questions to be utilized by the HLC/ABR for verifying that projects are compatible with surrounding development. Improved communication between the ABR/HLC and the Planning Commission is necessary so that the ABR/HLC can identify design or maximum height concerns and clearly convey these concerns in their early concept review comments to the Planning Commission. Consideration of compatibility criteria would serve as an analytical tool and a project review framework to more carefully consider the possible size, bulk, scale and height issues with any proposed development. ABR and HLC members would also use these proposed questions to ensure compliance with the City's Urban Design Guidelines and foster greater communication with the Planning Commission on specific design issues, such as project compatibility and building height.

Planning staff proposed six initial factors for discussion and review by the Ordinance Committee and took public comment on the draft compatibility review topics which generally consisted of the following subjects:

- Compliance with ordinances and general consistency with City design guidelines
- Architectural character compatibility
- Appropriate size, mass, bulk, height and scale
- Sensitive to adjacent Historic Landmarks/Resources
- Protection of public views of the ocean and mountains

- Sufficient open space and landscaping

The proposed draft criteria were reviewed by the ABR and HLC in late 2007. Staff has also consulted with the City Attorney's Office to refine the proposed review criteria based on the comments received from the ABR and HLC.

In February 2008, the Council Ordinance Committee reviewed how project compatibility criteria could be integrated into the City's review process. In response to questions posed, the Ordinance Committee provided the following direction **(shown in bold**) regarding how the compatibility criteria/ findings would be implemented.

1. What types of projects require these criteria/finding considerations? **All new structures and major building additions.**
2. Should some projects be exempt from this type of review consideration? **No.**
3. Should the consideration review criteria be expanded or reduced? **Some interest in exploring** expressed **if** "**Community benefit" finding could be basis to allow more height in projects; Staff to research.**
4. Is the question format appropriate or are there other suggestions from the Committee? Yes - **Format acceptable.**

To fully understand how the proposed project compatibility review factors would be implemented, the City's discretionary review process was also reviewed. Where the ABR or HLC is the sole discretionary review, the ABR or HLC would consider the compatibility review criteria questions prior to granting preliminary design approval for a project.

If a project also requires a land use approval from the Staff Hearing Officer (SHO), Planning Commission (PC) or City Council (CC), the ABR/HLC would be required to consider the review criteria factors during concept review and to formulate specific written comments to the CC/PC/SHO as the ABR or HLC deem necessary. The expectation is that the SHO/PC/CC would also use the compatibility review criteria and the ABR or HLC comments to guide their design decisions on any findings required for approval.

Planning staff and the City Attorney's Office expressed concerns that the project approval process could be negatively impacted if the ABR/HLC and PC/SHO were both required to make project compatibility or land use findings on the same project. Conflicts could result on project reviews if the decision-making bodies were to disagree on the ability to make the findings. It was agreed that the best solution was to format the review criteria as design factors and not as specific land use findings.

Staff had also proposed some draft language that attempted to explain the authority limits and purview for discretionary decisions. However, comments received from the public and from board members centered on concerns with what appeared to be a proposal for the ABR/HLC to be obligated to approve all projects after a PC approval. The February 2008

staff report had stated that the PC approval decision would be recognized as the "substantive" approval decision on a project's approved site plan and building height.

In February 2008, the Ordinance Committee was of the opinion that this new clarification statement was problematic and that there could be instances where the ABR/HLC disagree with a Planning Commission/SHO land use approval decision. Ultimately, it was decided that where conflicts might arise between a design review board and a land use board, it would be acceptable for these types of projects to be appealed to the City Council for a final resolution. As a result, Staff was directed to remove this aspect of the draft from the proposal and to bring back the draft revisions to the Ordinance Committee (see minutes, Attachment 3).

PlanSB

The Ordinance Committee asked staff to research if additional criteria for examining public benefits could be considered. In *PlanSB*, the City is engaging the community in ongoing discussions to consider a variety of options including defining the concept of "community benefit" land uses and when larger affordable housing, multi-story commercial and mixed-use development projects could be supported. Staff is concerned about inserting this type of question into the project design compatibility criteria alone without a clear definition of what constitutes a "community benefit." Instead, it prefers that such broader issues continue to be considered in PlanSB and, if deemed appropriate, handled on a programmatic basis through amendments to the Municipal Code.

It is staff's belief that property owners, developers, and architects need a clear understanding of what design incentives are strongly encouraged to be incorporated into project designs, especially for taller mixed-use or multi-family developments in commercial zones. To further improve project reviews, the City may want to develop incentives or higher design standards that require builders to achieve exemplary building designs in order to achieve added floor area, greater height, or density bonuses. However, it is Staff's view that this question will need to be further developed in *PlanSB.*

Interim Ordinance / Next Steps

In response to concerns regarding the recent development projects involving large and tall buildings, several members of the community began an initiative drive to amend the City Charter to lower the maximum building height. Council has also recently debated the question of what interim actions the City should initiate, if any, to address the height and size concerns. Based on staff experience and what was learned from the public input in the recent *PlanSB* workshops, it appears that public opinion on the issue of building height is varied. Apparently, there is agreement that community character and building heights are important, yet there is a range of opinions involved on how best to achieve this.

Staff believes that if additional land use regulations are desired to limit building heights, then the preferred and most legally defensible approach is for the City Council to provide guidance on how to revise specific development standards for commercial and mixed-use type buildings in order to achieve the desired building forms or heights. Possible changes to variable density, zoning, the use of "buffers," open space amenities, landscaping requirements, parking, number of stories and required setbacks for structures in commercial zones should all be considered and the proposed changes factored into the appropriate environmental review being conducted as part of the PlanSB. Clearly, more public dialogue and understanding of the building height issue and how it relates to a larger sustainable community vision is needed. However, staff feels these project compatibility review criteria before the Ordinance Committee today should possibly be adopted immediately. Staff would expect to return to the Ordinance Committee in October or November with further discussion of this subject, following Council direction as it formally initiates the *PlanSB* project description for the EIR.

RECOMMENDATION:

Implementing an ordinance stressing certain project compatibility factors and review criteria for the Design Review process would be a valuable tool and will assist the City in achieving better projects. Staff recommends that the Ordinance Committee review the Draft Ordinance, provide staff direction on any suggested changes and forward the proposed amendments to City Council for possible introduction and adoption.

ATTACHMENTS:
1. Draft ordinance
2. Ordinance Committee Report with attachments dated 2-12-2008
3. Ordinance Committee Minutes dated 2-12-2008

PREPARED BY: Jaime Limón, Senior Planner II

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office