

**CITY OF SANTA BARBARA  
CITY COUNCIL**

**Marty Blum**

*Mayor*

**Dale Francisco**

*Mayor Pro Tempore*

**Das Williams**

*Ordinance Committee Chair*

**Roger L. Horton**

*Finance Committee Chair*

**Iya G. Falcone**

**Grant House**

**Helene Schneider**



**James L. Armstrong**  
*City Administrator*

**Stephen P. Wiley**  
*City Attorney*

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

**AUGUST 4, 2009  
AGENDA**

**ORDER OF BUSINESS:** Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council meeting begins 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 City Council 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 City Council meeting, and at the beginning of each special City Council meeting, any member of the public may address the City Council concerning any item not on the Council's 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 City Council. Should City Council business continue into the evening session of a regular City Council meeting at 6:00 p.m., the City Council 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 City Council, 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 City Council 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 City Council.

**CONSENT CALENDAR:** The Consent Calendar is comprised of items that will not usually require discussion by the City Council. A Consent Calendar item is open for discussion by the City Council upon request of a Councilmember, 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 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 City 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](http://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. - Ordinance Committee Meeting, Council Chamber
- 2:00 p.m. - City Council Meeting

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

#### **Subject: Mills Act-Historic Preservation Incentive**

Recommendation: That the Ordinance Committee:

- A. Review draft ordinance amendments to Municipal Code Chapter 22.22 (Historic Structures Ordinance) and program guidelines to implement the Mills Act Program or other possible incentives; and
- B. Provide any suggested changes to program specifics and forward to Council for introduction and adoption.

# REGULAR CITY COUNCIL MEETING – 2:00 P.M.

## CALL TO ORDER

## PLEDGE OF ALLEGIANCE

## ROLL CALL

## CEREMONIAL ITEMS

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

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through August 31, 2009.

**2. Subject: City Of Santa Barbara 2009 Youth Leadership Award Recipient (120.04)**

Recommendation: That Council congratulate the 2009 Santa Barbara Youth Leader.

## CHANGES TO THE AGENDA

## PUBLIC COMMENT

## CONSENT CALENDAR

**3. Subject: Minutes**

Recommendation: That Council waive the reading and approve the minutes of the regular meetings of July 14, and July 21, 2009.

**4. Subject: Landscaping Grant From Santa Barbara Beautiful For The Fire Station No. 1 Seismic Renovation Project (700.08)**

Recommendation: That Council accept a \$6,000 donation from Santa Barbara Beautiful for a portion of the landscaping for the Fire Station No. 1 Seismic Renovation Project and increase estimated revenues and appropriations in the Redevelopment Agency Capital Projects Budget.

## CONSENT CALENDAR (CONT'D)

**5. Subject: Sole Source Vendor For Clean Air Express Passes (670.08)**

Recommendation: That Council find it in the City's best interest to approve the City of Lompoc as the sole source vendor for purchase of Clean Air Express passes for City employees participating in the Work Trip Reduction Incentive Program, without bids, as authorized by Municipal Code Section 4.52.080 (k).

**6. Subject: Approval Of Single Source Vendor For Back-Up Power Generators At Water Resources Facilities (540.01)**

Recommendation: That Council:

- A. Find it to be in the City's best interest to approve Quinn Corporation, Inc. (Quinn), as the vendor for maintenance, repair, upgrades, and new installation of Caterpillar generators at Water Resources Facilities, without bids, as authorized by Municipal Code Section 4.52.080 (k); and
- B. Authorize the General Services Manager to award purchase order contracts to Quinn for such services and equipment as needed for the next five-year period.

**7. Subject: Resolution To Execute Non-Monetary, Temporary, And Voluntary Rights Of Entry To Property For Public Works Projects (530.01)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Public Works Director to Execute Non-Monetary, Temporary, and Voluntary Rights of Entry to Property Required for Public Works Projects.

**8. Subject: Application For Homelessness Prevention And Rapid Re-Housing Program Funding (660.04)**

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Submittal of an Application for the American Recovery and Reinvestment Act Funds - Homelessness Prevention and Rapid Re-Housing Program; and
- B. Authorize the Community Development Director to execute all required certifications, apply for, and accept a State of California Homelessness Prevention and Rapid Re-Housing Program (HPRP) grant of not more than \$1.6 million and to sign the Standard Agreement and any subsequent amendments thereto, and perform any and all responsibilities in relationship to such contract.

## **CONSENT CALENDAR (CONT'D)**

**9. Subject: Response To The Report Of The 2008-2009 Santa Barbara County Civil Grand Jury Entitled "SBCAG - A Road Not Taken" (150.04)**

Recommendation: That Council authorize the Mayor to send the attached letter as a response to the report of the 2008-2009 Santa Barbara County Civil Grand Jury entitled "The Road Not Taken."

## NOTICES

10. The City Clerk has on Thursday, July 30, 2009, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
11. Cancellation of the regular Redevelopment Agency meeting of August 4, 2009, due to a lack of business.
12. The City Council site visit scheduled for Monday, August 10, 2009, at 1:30 p.m. to the property located at 409 State Street, has been cancelled.

**This concludes the Consent Calendar.**

## **REPORT FROM THE ORDINANCE COMMITTEE**

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

### FIRE DEPARTMENT

**13. Subject: Introduction Of Ordinance For Amendments To The 2007 Fire Code Regarding Fire Sprinklers (520.03)**

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Subsection E of Section 8.04.020 and Subsections C and D of Section 22.04.020 of the Santa Barbara Municipal Code Concerning Local Requirements for the Installation of Automatic Fire Sprinklers.

## **MAYOR AND COUNCIL REPORTS**

**14. Subject: Designation Of Voting Delegate And Two Alternates For The League Of California Cities Annual Conference (180.01)**

Recommendation: That Council designate one voting delegate and two alternates for the League of California Cities Annual Conference, scheduled for September 16-18, 2009, in San Jose.

## **PUBLIC HEARINGS**

**15. Subject: Appeal Of Planning Commission Approval For 436 Corona Del Mar (640.07)**

Recommendation: That Council deny the appeal of James Kahan and Tony Fischer, agents for Friends of Outer State Street, and uphold the Planning Commission decision to approve the Coastal Development Permit for a proposed three-story duplex and the Modification for a new garage to encroach 3' into the interior setback, making the findings in the Council Agenda Report and subject to the Conditions of Approval in Staff Hearing Officer Resolution 021-09.

## **COUNCIL AND STAFF COMMUNICATIONS**

## **COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

## **CLOSED SESSIONS**

**16. Subject: Conference With Legal Counsel - Pending Litigation (160.03)**

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed. The pending litigation is Landslide Repair Foundation v. City of Santa Barbara, SBSC Number 1304297.

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

## **ADJOURNMENT**

CITY OF SANTA BARBARA

**ORDINANCE COMMITTEE**

MEETING AGENDA

DATE: August 4, 2009  
TIME: 12:30 p.m.  
PLACE: Council Chamber

Das Williams, Chair  
Dale Francisco  
Grant House

Office of the City  
Administrator

Office of the City  
Attorney

Nina Johnson  
Assistant to the City Administrator

Stephen P. Wiley  
City Attorney

**ITEM FOR CONSIDERATION**

**Subject: Mills Act-Historic Preservation Incentive**

Recommendation: That the Ordinance Committee:

- A. Review draft ordinance amendments to Municipal Code Chapter 22.22 (Historic Structures Ordinance) and program guidelines to implement the Mills Act Program or other possible incentives; and
- B. Provide any suggested changes to program specifics and forward to Council for introduction and adoption.



# CITY OF SANTA BARBARA

## ORDINANCE COMMITTEE AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Ordinance Committee

**FROM:** Planning Division, Community Development Department

**SUBJECT:** Mills Act-Historic Preservation Incentive

**RECOMMENDATION:** That the Ordinance Committee:

- A. Review draft ordinance amendments to Municipal Code Chapter 22.22 (Historic Structures Ordinance) and program guidelines to implement the Mills Act Program or other possible incentives; and
- B. Provide any suggested changes to program specifics and forward to Council for introduction and adoption.

### EXECUTIVE SUMMARY:

On July 3, 2007 Planning Staff presented Council with various incentives available for property owners with historic resources including the possible implementation of the Mills Act tax abatement program. The Mills Act is a state law enacted in 1972, which could enable owners of designated City Landmarks to enter into an agreement (contract) with the City to preserve, maintain and possibly rehabilitate the structure.

The Mills Act is considered the most important economic incentive program available in California for use by the private property owners of qualified historic structures. Council has previously authorized staff to proceed with several incentives, including the implementation of a Mills Act Program that would allow property owners of City Landmarks, Structures of Merit and buildings within Historic Districts to possibly reduce their property tax bill while entering into a renewable ten year contract with the City to maintain and repair their properties.

Planning staff met with the Finance Committee in November 2007 to review and evaluate the financial impacts that could result with the implementation of the Mills Act. The Finance Committee discussed the scope and quantity of Mills Act contracts and agreed that a pilot program be established with a limit of 8 contracts per year with an estimated annual revenue loss of \$6,000 to \$15,000. Staff also recommends a maximum revenue loss cap for the entire program not to exceed \$300,000. The Finance Committee also expressed concerns regarding possible long term impacts to staff resources as a result of the cumulative number of contracts that would need to be administered year after year. Direction was given that the City establish a Mills Act program but that a reevaluation be completed after 2 or 3 years after adoption. Issues that could be re-

examined included the number of contracts, the status of fiscal impacts and if additional staffing changes were necessary to support and administer the new program. Staff has included an annual report requirement to City Council to help monitor and track the program budget impacts.

## **DISCUSSION:**

### **Background:**

On July 3, 2007, City Council authorized staff to proceed with several incentives, including the implementation of a Mills Act Program. Staff has researched financial and other incentives that work well in other municipalities. Based on a review of available economic incentives, the Mills Act is the most important economic incentive program available in California for use by the private property owners of qualified historic structures. Following is a brief description of the Mills Act and program specifics.

### State Mills Act

The Mills Act is a state law enacted in 1972, which could enable owners of designated City Landmarks to enter into an agreement (contract) with the City to preserve, maintain and possibly rehabilitate the structure. Such agreements provide a reduction of property taxes in exchange for the continued preservation of the property. Many communities are participating in this type of Mills Act program.

The Mills Act requires the County Tax Assessor to re-evaluate the property using a capitalization method rather than the market value. In other words, the County Tax Assessor determines the value of the historic property based upon its current net operating income, rather than the upon the traditional assessed valuation method. Property valuation is determined by the "income" method set out in Revenue and Tax Code Section 439.21.9. The result is a substantial reduction in property taxes for post-Proposition 13-qualified historic properties. The money saved on taxes will be available for use in maintaining and restoring the property. The agreement runs for ten years and can renew annually each year thus extending the agreement term unless a notice of cancellation is filed by the owner.

Mills Act Agreement applicants do not necessarily require the payment of any application fees unless the City adopts a fee requirement to recover some of the costs of having staff review and execute the contracts. The property value and property taxes are recalculated by the County Tax Assessor and do not involve City staff. The loss of tax revenue is shared between applicable agencies that receive the taxes. These agencies have all been notified of this new tax abatement program.

### Finance Committee Review

On November 13, 2007, planning staff met with the Finance Committee to review and evaluate the financial impacts that could result with the implementation of the Mills Act (see Attachment 1). The Finance Committee discussed the scope of and quantity of Mills Act contracts that could be administered per year without impacting staff resources. Staff provided an estimate of the fiscal impact of participation in the Mills Act Tax Abatement

Program which suggested that Santa Barbara would lose property taxes in the approximate range of \$6,000 to \$15,000 per year, if contracts were limited to 8 to 10 per year. The range in fiscal impact reflects the fact that the abatement depends on the current assessed values of participating properties and the percentage of actual tax revenue the City actually receives from the Tax Assessor's Office.

The Finance Committee had some questions regarding the accuracy of these potential city tax revenue loss projections and if there should be limits on the number of contracts or a cap on the amount of total tax revenue loss. The Finance Committee discussed the scope and quantity of Mills Act contracts and agreed that a pilot program be established with a limit of 8 contracts (including two commercial contracts) per year resulting in an estimated annual revenue loss of \$6,000 to \$15,000. Staff also recommends a maximum revenue loss cap not to exceed \$300,000 for the entire program.

In addition the Finance Committee was advised that the quantity of staff time to monitor the contracts would be expected to increase over time as the quantity of contracts increases and as additional contract monitoring is required over the extended length of contract periods. Finance Committee members also expressed some concerns regarding possible future impacts to staff resources as a result of the number of contracts that would need to be administered per year. Direction was given that staff return to the Finance Committee after a trial period to re-examine if some staffing changes, number of contracts or budget adjustments were necessary to support the pilot program. Draft ordinance amendments to Municipal Code Chapter 22.22 (Historic Structures Ordinance) have been prepared to authorize and implement the Mills Act program including the introduction of new definitions outlining what constitutes contributing properties within a local designated historic district (see Attachment 2).

#### Eligibility and Program Guidelines for Mills Act Contract Applications

To apply for a Mills Act Agreement, a property must be designated and be on the official local, state or National Register of Historic Places. The most likely candidates will be structures already designated a City Landmark, Structure of Merit or those that are considered a contributing resource to a Historic District.

Staff has developed program guideline handouts that further explain eligibility and program guidelines for all Mills Act contract applications. Specific information will be required to be submitted for each application to outline a ten-year rehabilitation plan (see Attachment 3). A non-refundable application fee in the amount of \$450.00 is proposed. All work must meet all City requirements and follow the Secretary of Interior Standards for Rehabilitation.

Staff is recommending that applications be reviewed and ranked by the Historic Landmarks Commission Designations Subcommittee to determine priority for each tax year. Final contract approval would be executed by the Community Development Director based on a recommendation from the Historic Landmarks Commission. Eligibility criteria that the Historic Landmarks Commission would consider are: the historic significance of the structure, level of community benefit, date of application submittal, and expenditure level of rehabilitation planned or underway.

Staff recommends that the Ordinance Committee review and comment on the contract approval process and program guidelines.

### **Other Code and Zoning Relief Incentives**

Staff also recommends that the Ordinance Committee consider and provide direction on other alternative code and zoning relief incentives. In some communities, additional flexibility in code compliance is available for designated historic properties. For example, in Carmel, additional land uses are allowed without a Conditional Use Permit (CUP) in order to encourage property owners to invest in the rehabilitation of properties. Staff recommends the following be considered for qualified designated historic properties:

- New findings for zoning modification approvals for reduction or elimination of required parking for small constrained sites;
- Use of the more lenient California Historical Building Code (Part 8 of California Code of Regulations, Title 24) for all local, state and federal historically designated sites;
- Access to a historical Conditional Use Permit that may allow a use for historical sites not normally permitted in the zone; and
- Flexibility to allow change of occupancies to occur more readily in commercial zones.

The additional incentives and proposed ordinance amendments as listed above, if supported, would be drafted for further review and would proceed separately from the Mills Act.

### **RECOMMENDATION:**

Staff recommends that the Ordinance Committee review the proposed Mills Act Program, provide any suggested changes to the draft ordinance or program guidelines, provide direction on other possible incentives and forward the program to City Council for adoption.

- ATTACHMENTS:**
1. Previous Finance Committee Staff report dated 11/13/2007
  2. Draft Ordinance
  3. Draft Mills Act Program guidelines and application package

**PREPARED BY:** Jaime Limón, Senior Planner II

**SUBMITTED BY:** Paul Casey, Community Development Director

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## FINANCE COMMITTEE REPORT

**AGENDA DATE:** November 13, 2007

**TO:** Finance Committee

**FROM:** Planning Division, Community Development Department

**SUBJECT:** Mills Act-Historic Preservation Incentive

**RECOMMENDATION:** That the Finance Committee:

- A. Discuss and evaluate the financial impacts to City revenues as a result of the possible implementation of the Mills Act;
- B. Consider the scope and quantity of Mills Act contracts that could be administered per year; and
- C. Forward the Mills Act Program to the Ordinance Committee for review.

### EXECUTIVE SUMMARY:

For several years, the City has supported a Historic Preservation Work Program that identifies and creates regulations to protect historic resources. Planning staff and the Historic Landmarks Commission encourage property owners to maintain, repair and rehabilitate older historic structures to maintain historic integrity. At previous Council meetings, owners of historic resources have indicated a strong desire for financial or zoning relief incentives to assist in maintenance and repair of these properties.

Staff recommends several incentives, particularly the adoption of the Mills Act Tax Abatement Program as the key financial incentive that will allow property owners of City Landmarks, Structures of Merit and buildings within Historic Districts to possibly reduce their property tax bill while entering into a contract with the City to maintain and repair their properties. Staff also proposes additional zoning or code relief incentives to promote flexibility in existing regulations, and to encourage property owners to invest in the maintenance of their historic properties. Those incentives will proceed and be reviewed by the Ordinance Committee separately.

---

REVIEWED BY: \_\_\_\_\_ Attorney

---

Agenda Item No. \_\_\_\_\_

Staff believes that these incentives combined will prove beneficial as the City moves forward in its Historic Resources Survey work, and in anticipation of possible designations of City Landmarks, Structures of Merit and Historic Districts.

An estimate of the fiscal impact of participation in the Mills Act Tax Abatement Program suggests that Santa Barbara would lose property taxes in the approximate range of \$6,000 to \$15,000 per year, if contracts were limited to a recommended ten per year. The range reflects the fact that the abatement depends on the current assessed values of participating properties.

## **DISCUSSION:**

### **Background:**

On July 3, 2007, City Council authorized staff to proceed with several incentives, including the implementation of a Mills Act Program. Staff has researched financial and other incentives that work well in other municipalities. Based on a review of available economic incentives, the Mills Act is the most important economic incentive program available in California for use by the private property owners of qualified historic structures. Following is a description of the Mills Act and its potential financial impact on City revenues.

### **State Mills Act:**

The Mills Act is a state law enacted in 1972, which could enable owners of designated City Landmarks to enter into an agreement (contract) with the City to preserve, maintain and possibly rehabilitate the structure. Such agreements provide a reduction of property taxes in exchange for the continued preservation of the property. Many communities are participating in this type of Mills Act program (see Attachment 1).

The Mills Act requires the County Tax Assessor to re-evaluate the property using a capitalization method rather than the market value. In other words, the County Tax Assessor determines the value of the historic property based upon its current net operating income, rather than the upon the traditional assessed valuation method. Property valuation is determined by the "income" method set out in Revenue and Tax Code Section 439.21.9. The result is a substantial reduction in property taxes for post-Proposition 13-qualified historic properties. The money saved on taxes will be available for use in maintaining and restoring the property. The agreement runs for ten years and can renew annually each year thus extending the agreement term unless a notice of cancellation is filed by the owner (see Attachment 2).

Some communities and counties have had success with this thirty-year-old program, notably the Cities of Los Angeles, San Diego, Anaheim and Orange (see Attachment 3). Some cities require that owners of historic properties spend the tax money saved on

preserving or restoring their property. Cities require different levels of documentation to verify that the property is being maintained or improved with actual expenditures.

Mills Act Agreement applications do not necessarily require the payment of any fees unless the City adopts a fee requirement to recover some of the costs of having staff review and execute the contracts. The property value and property taxes are recalculated by the County Tax Assessor and do not involve City staff. The contracts could be more easily managed if they are limited in number.

### Potential Financial Impact of Mills Act to City Revenues

The Office of Historical Preservation of the State of California offers the information that Mills Act contracts may result in a reduction in property taxes from 40-60% for each re-assessed house.

The impact of the Mills Act on a property's assessment may vary depending on how recently the property was purchased. Properties purchased before the passage of Proposition 13 in 1978 are unlikely to receive a reduction, as they are already determined to be at baseline threshold values under the taxation and revenue code."

Staff survey of other California cities' participation in the Mills Act program (see Attachment 3) reveals that the average reduction in assessed values of participating residential properties ranges from 39% in Ontario to 63.1% in Santa Monica.

An estimate of the fiscal impact of participation in the Mills Act Tax Abatement Program suggests that Santa Barbara would lose property taxes in the approximate range of \$6,000 to \$15,000 per year, if contracts were limited to a recommended ten per year. The range reflects the fact that the abatement depends on the current assessed values of participating properties. This estimate is being reviewed with the Tax Assessor's office for accuracy.

While most California cities have not placed limits on their participation in the Mills Act program, a few have adopted one of two measures to respond to the potential loss of property tax income. Los Angeles and Coronado have capped the potential revenue that could be lost, with Los Angeles limiting the amount to \$1,000,000 per year. In addition, some cities have placed a limit on the number of new contracts added each year. For example, City of Orange restricts additional contracts to 20 per year, and Anaheim has a cap of 30 new contracts per year.

### Eligibility Criteria for Mills Act Contract Applications

To apply for a Mills Act Agreement, a property must be listed on the official local, state or National Register of Historic Places. For Santa Barbara, it is recommended that the historic structure must already be a designated City Landmark, Structure of Merit or contributing resource to a Historic District.

Staff intends to create program guidelines that further explain eligibility and review criteria for all Mills Act contract applications. Specific information will be required to be submitted for each application to outline a ten-year rehabilitation plan (See Example Contract, Attachment 4). All work must meet all City requirements and follow the Secretary of Interior Standards for Rehabilitation. Staff recommends that the City adopt application fees, program guidelines, application instructions to implement this program and set an annual limit of ten new contracts per year.

Staff is recommending that applications be reviewed and ranked by the Historic Landmarks Commission Designations Subcommittee to determine priority for each tax year. Final contract approval would be executed by City Council. Eligibility criteria that the Historic Landmarks Commission would consider are: the historic significance of the structure, level of community benefit, date of application submittal, and expenditure level of rehabilitation planned or underway.

#### Potential Staff Time Impacts

Depending on the number of Mills Act contracts approved per year, staff time will be necessary to process, analyze and complete inspections to administer Mills Act contract applications. Some cities fully monitor Mills Act contracts compliance by performing annual site visits, reviewing construction expenditures in detail and checking work progress to ensure consistency with the contract agreements. Planning staff recommends basic monitoring as part of the program implementation. Staff plans to initially review the properties to confirm the existing physical condition of the property. Annual reports would be submitted to staff to help document the rehabilitation work completed. Staff would also monitor the rehabilitation work to verify that the planned repairs or improvements were being made. If insufficient progress on rehabilitation work was resulting, the agreement would be cancelled. No additional field inspections of construction related work are planned unless irregular work is proposed and investigation is required.

The Mills Act applications and contracts are typically processed together and approved by City Council during a set time period each year. Staff would review all applications and the rehabilitation plan to determine if eligibility criteria had been met. Approximately 40 to 60 hours of staff time would be necessary to process ten Mills Act contract applications every year. That time estimate could increase if extended contract monitoring requirements are adopted. The estimate is, therefore, based on processing a set limit of contract agreements per year, initial inspections of properties, and only a limited review of annual report submittals. Staff recommends that the Finance Committee confirm the fiscal impact

estimates, review the scope and number of Mills Act contracts that could be offered and forward the Mills Act Program for adoption by City Council.

- ATTACHMENTS:**
1. Communities Participating in Mills Act Program
  2. Mills Act Program Information
  3. Examples of Mills Act Fiscal Impact on Other Cities
  4. Example of Mills Act Application and Contract

**PREPARED BY:** Jaime Limón, Senior Planner II

**SUBMITTED BY:** David Gustafson, Acting Community Development Director

**APPROVED BY:** City Administrator's Office

## COMMUNITIES PARTICIPATING IN MILLS ACT PROGRAM

Jurisdiction	County	# of Contracts	Ordinance	Certified Local Government
Berkeley	Alameda	1	YES	YES
Fremont	Alameda	2	YES	NO
Chico	Butte	2	NO	NO
Danville	Contra Costa	4	YES	YES
Orinda	Contra Costa			NO
Claremont	Los Angeles	1	NO	NO
Covina	Los Angeles	0	YES	NO
Glendale	Los Angeles	6	YES	YES
Glendora	Los Angeles	5	YES	NO
La Verne	Los Angeles	6	NO	NO
Long Beach	Los Angeles	22	YES	YES
Los Angeles (county)	Los Angeles	2	NO	NO
Los Angeles (city)	Los Angeles	185	YES	NO
Monrovia	Los Angeles	63	YES	NO
Norwalk (pending)	Los Angeles			
Pasadena	Los Angeles	12	YES	YES
Pomona	Los Angeles	0	YES	NO
Redondo Beach	Los Angeles	43	YES	YES
San Gabriel	Los Angeles	1	YES	NO
Santa Monica	Los Angeles	18	YES	YES
Sierra Madre	Los Angeles	14	YES	NO
South Pasadena	Los Angeles	3		YES
West Hollywood	Los Angeles	68	YES	YES
Whittier	Los Angeles	24	YES	NO
Belvedere	Marin	1	YES	NO
Larkspur	Marin	1	YES	NO
Monterey (city)	Monterey	5	YES	YES
Monterey (county) (pending)	Monterey			YES
Napa (city)	Napa	0	NO	YES
St. Helena	Napa	0	YES	NO
Anaheim	Orange	97	YES	NO
Brea	Orange	5	NO	NO
Dana Point	Orange	5	YES	NO
Irvine	Orange	1		NO
Laguna Beach	Orange	5	YES	NO
La Mesa	Orange	0		NO
Orange (city)	Orange	74	YES	NO
San Clemente	Orange	16	YES	YES
San Juan Capistrano	Orange	1		NO
Santa Ana	Orange	10	YES	YES
Tustin	Orange	6	YES	YES
Placer (county)	Placer	0	YES	NO
Corona	Riverside	5	YES	NO
Palm Springs	Riverside	1	YES	NO
Sacramento (city)	Sacramento	29	YES	YES
Colton	San Bernardino	12	YES	YES
Highland	San Bernardino	2	NO	YES
Ontario	San Bernardino	11	NO	YES
Rancho Cucamonga	San Bernardino	22	YES	NO
Upland	San Bernardino	28	NO	NO

COMMUNITIES PARTICIPATING IN MILLS ACT PROGRAM

Jurisdiction	County	# of Contracts	Ordinance	Certified Local Government
Chula Vista	San Diego	29		NO
Coronado	San Diego	0	YES	NO
Escondido	San Diego	54	YES	YES
La Mesa	San Diego	7	YES	NO
National City	San Diego	3	YES	NO
San Diego (city)	San Diego	473	YES	YES
San Diego (county)	San Diego	13	YES	YES
San Francisco (city and county)	San Francisco	1	YES	YES
Paso Robles	San Luis Obispo		YES	NO
San Luis Obispo (city)	San Luis Obispo	19	YES	NO
Redwood City	San Mateo	5	YES	YES
San Mateo (city)	San Mateo	1	YES	NO
South San Francisco	San Mateo	6	YES	NO
Gilroy	Santa Clara			
Los Altos	Santa Clara	5	YES	YES
Morgan Hill	Santa Clara	1	YES	NO
Palo Alto	Santa Clara	2	YES	YES
San Jose	Santa Clara	3	YES	YES
Santa Clara (county)	Santa Clara	4	NO	NO
Saratoga	Santa Clara	0	YES	YES
Sunnyvale	Santa Clara	3	YES	YES
Benicia	Solano	12	YES	NO
Vallejo	Solano	2	YES	YES
Modesto	Stanislaus	12	YES	NO
Jamestown (unincorporated)	Tuolumne	1	YES	YES
Soulsbyville (unincorporated)	Tuolumne	1	YES	YES
Tuolumne (unincorporated)	Tuolumne	1	YES	YES
Tuttletown (unincorporated)	Tuolumne	1	YES	YES
Ojai	Ventura	1	YES	NO
Ventura (City)	Ventura	0	YES	NO
Ventura (county)	Ventura	1	YES	YES

# Mills Act Property Tax Abatement Program

## Technical Assistance Bulletin #12

### CALIFORNIA OFFICE OF HISTORIC PRESERVATION Department of Parks & Recreation

1416 9<sup>th</sup> Street Room 1442-7  
Sacramento, CA 95814

PO Box 942896  
Sacramento, CA 94296

916-653-6624  
[calshpo@ohp.parks.ca.gov](mailto:calshpo@ohp.parks.ca.gov)  
[www.ohp.parks.ca.gov](http://www.ohp.parks.ca.gov)



This publication has been financed in part with Federal funds from the National Park Service, Department of the Interior, under the National Historic Preservation Act of 1966, as amended, and administered by the California Office of Historic Preservation. The contents and opinions do not necessarily reflect the views or policies of the Department of the Interior, nor does the mention of trade names or commercial products constitute endorsement or recommendation by the Department of the Interior. Under Title VI of the Civil Rights Act of 1964 and Section 504 of the Rehabilitation Act of 1973, the U.S. Department of the Interior strictly prohibits unlawful discrimination on the basis of race, color, national origin, age, or handicap in its federally-assisted programs. If you believe you have been discriminated against in any program, activity, or facility as described above, or if you desire further information, please write to Office for Equal Opportunity, U.S. Department of the Interior, National Park Service, Box 37127, Washington DC 20013-7127.

December 2004

## Table of Contents

Mills Act Property Tax Abatement Program .....	1
Purpose of the Mills Act Program .....	1
Benefits to Local Governments.....	1
Benefits to Owners .....	1
Qualified Historic Property .....	2
OHP's Role.....	2
For Additional Information.....	2
California State Codes Relating to Mills Act Program .....	3
California Government Code, Article 12, Sections 50280 - 50290.....	3
California Revenue and Taxation Code, Article 1.9, Sections 439 – 439.4.....	6

# Mills Act Property Tax Abatement Program

## ***Purpose of the Mills Act Program***

Economic incentives foster the preservation of residential neighborhoods and the revitalization of downtown commercial districts. The Mills Act is the single most important economic incentive program in California for the restoration and preservation of qualified historic buildings by private property owners.

Enacted in 1972, the Mills Act legislation grants participating local governments (cities and counties) authority to enter into contracts with owners of qualified historic properties who actively participate in the restoration and maintenance of their historic properties while receiving property tax relief.

## ***Benefits to Local Governments***

The Mills Act allows local governments to design preservation programs to accommodate specific community needs and priorities for rehabilitating entire neighborhoods, encouraging seismic safety programs, contributing to affordable housing, promoting heritage tourism, or fostering pride of ownership. Local governments have adopted the Mills Act because they recognize the economic benefits of conserving resources and reinvestment as well as the important role historic preservation can play in revitalizing older areas, creating cultural tourism, building civic pride, and retaining the sense of place and continuity with the community's past.

A formal agreement, generally known as a Mills Act or Historical Property Contract, is executed between the local government and the property owner for a minimum ten-year term. Contracts are automatically renewed each year and are transferred to new owners when the property is sold. Property owners agree to restore, maintain, and protect the property in accordance with specific historic preservation standards and conditions identified in the contract. Periodic inspections by city or county officials ensure proper maintenance of the property. Local authorities may impose penalties for breach of contract or failure to protect the historic property. The contract is binding to all owners during the contract period.

## ***Benefits to Owners***

Owners of historic buildings may qualify for property tax relief if they pledge to rehabilitate and maintain the historical and architectural character of their properties for at least a ten-year period. The Mills Act program is especially beneficial for recent buyers of historic properties and for current owners of historic buildings who have made major improvements to their properties.

Mills Act participants may realize substantial property tax savings of between 40% and 60% each year for newly improved or purchased older properties because valuations of Mills Act properties are determined by the Income Approach to Value rather than by the standard Market Approach to Value. The income approach, divided by a capitalization rate, determines the assessed value of the property. In general, the income of an owner-occupied property is based on comparable rents for similar properties in the area, while the income amount on a commercial property is based on actual rent received. Because rental values vary from area to area, actual property savings vary from county to county. In addition, as County Assessors are required to assess all properties annually, Mills Act properties may realize slight increases in property taxes each year.

### ***Qualified Historic Property***

A qualified historic property is a property listed on any federal, state, county, or city register, including the *National Register of Historic Places*, *California Register of Historical Resources*, California Historical Landmarks, State Points of Historical Interest, and locally designated landmarks. Owner-occupied family residences and income-producing commercial properties may qualify for the Mills Act program.

### ***OHP's Role***

OHP provides technical assistance and guidance to local governments and property owners. OHP maintains a current list of communities participating in the Mills Act program and copies of Mills Act ordinances, resolutions, and contracts that have been adopted. OHP does not participate in the negotiations of the agreement and is not a signatory to the contract.

### ***For Additional Information***

Contact the planning department of the city or county within which the historic property is located.

California's four largest cities (Los Angeles, San Diego, San Francisco, and San Jose) as well as more than 75 other city and county governments have instituted Mills Act programs. A list of communities participating in the Mills Act Program is available online at [http://www.ohp.parks.ca.gov/default.asp?page\\_id=21412](http://www.ohp.parks.ca.gov/default.asp?page_id=21412).

For additional information on the Mills Act, please contact Maryln Lortie in the Office of Historic Preservation, PO Box 942896, Sacramento CA 94296-0001, (916) 653-8911, [mlort@ohp.parks.ca.gov](mailto:mlort@ohp.parks.ca.gov).

## California State Codes Relating to Mills Act Program

### *California Government Code, Article 12, Sections 50280 - 50290*

#### **50280.** Restriction of property use.

Upon the application of an owner or the agent of an owner of any qualified historical property, as defined in Section 50280.1, the legislative body of a city, county, or city and county may contract with the owner or agent to restrict the use of the property in a manner which the legislative body deems reasonable to carry out the purposes of this article and of Article 1.9 (commencing with Section 439) of Chapter 3 of Part 2 of Division 1 of the Revenue and Taxation Code. The contract shall meet the requirements of Sections 50281 and 50282.

#### **50280.1.** Qualified historic property.

"Qualified historical property" for purposes of this article, means privately owned property which is not exempt from property taxation and which meets either of the following:

- (a) Listed in the National Register of Historic Places or located in a registered historic district, as defined in Section 1.191-2(b) of Title 26 of the Code of Federal Regulations.
- (b) Listed in any state, city, county, or city and county official register of historical or architecturally significant sites, places, or landmarks.

#### **50281.** Required contract provision.

Any contract entered into under this article shall contain the following provisions:

- (a) The term of the contract shall be for a minimum period of 10 years.
- (b) Where applicable, the contract shall provide the following:
  - (1) For the preservation of the qualified historical property and, when necessary, to restore and rehabilitate the property to conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation, and the State Historical Building Code.
  - (2) For the periodic examinations of the interior and exterior of the premises by the assessor, the Department of Parks and Recreation, and the State Board of Equalization as may be necessary to determine the owner's compliance with the contract.
  - (3) For it to be binding upon, and inure to the benefit of, all successors in interest of the owner. A successor in interest shall have the same rights and obligations under the contract as the original owner who entered into the contract.
- (c) The owner or agent of an owner shall provide written notice of the contract to the Office of Historic Preservation within six months of entering into the contract.

**50281.1. Fees.**

The legislative body entering into a contract described in this article may require that the property owner, as a condition to entering into the contract, pay a fee not to exceed the reasonable cost of administering this program.

**50282. Renewal.**

(a) Each contract shall provide that on the anniversary date of the contract or such other annual date as is specified in the contract, a year shall be added automatically to the initial term of the contract unless notice of nonrenewal is given as provided in this section. If the property owner or the legislative body desires in any year not to renew the contract, that party shall serve written notice of nonrenewal of the contract on the other party in advance of the annual renewal date of the contract. Unless the notice is served by the owner at least 90 days prior to the renewal date or by the legislative body at least 60 days prior to the renewal date, one year shall automatically be added to the term of the contract.

(b) Upon receipt by the owner of a notice from the legislative body of nonrenewal, the owner may make a written protest of the notice of nonrenewal. The legislative body may, at any time prior to the renewal date, withdraw the notice of nonrenewal.

(c) If the legislative body or the owner serves notice of intent in any year not to renew the contract, the existing contract shall remain in effect for the balance of the period remaining since the original execution or the last renewal of the contract, as the case may be.

(d) The owner shall furnish the legislative body with any information the legislative body shall require in order to enable it to determine the eligibility of the property involved.

(e) No later than 20 days after a city or county enters into a contract with an owner pursuant to this article, the clerk of the legislative body shall record with the county recorder a copy of the contract, which shall describe the property subject thereto. From and after the time of the recordation, this contract shall impart a notice thereof to all persons as is afforded by the recording laws of this state.

**50284. Cancellation.**

The legislative body may cancel a contract if it determines that the owner has breached any of the conditions of the contract provided for in this article or has allowed the property to deteriorate to the point that it no longer meets the standards for a qualified historical property. The legislative body may also cancel a contract if it determines that the owner has failed to restore or rehabilitate the property in the manner specified in the contract.

**50285. Consultation with state commission.**

No contract shall be canceled under Section 50284 until after the legislative body has given notice of, and has held, a public hearing on the matter. Notice of the hearing shall be mailed to the last known address of each owner of property within the historic zone and shall be published pursuant to Section 6061.

**50286. Cancellation.**

Mills Act Property Tax Abatement Program  
OHP Technical Assistance Bulletin #14

(a) If a contract is canceled under Section 50284, the owner shall pay a cancellation fee equal to 12 1/2 percent of the current fair market value of the property, as determined by the county assessor as though the property were free of the contractual restriction.

(b) The cancellation fee shall be paid to the county auditor, at the time and in the manner that the county auditor shall prescribe, and shall be allocated by the county auditor to each jurisdiction in the tax rate area in which the property is located in the same manner as the auditor allocates the annual tax increment in that tax rate area in that fiscal year.

(c) Notwithstanding any other provision of law, revenue received by a school district pursuant to this section shall be considered property tax revenue for the purposes of Section 42238 of the Education Code, and revenue received by a county superintendent of schools pursuant to this section shall be considered property tax revenue for the purposes of Article 3 (commencing with Section 2550) of Chapter 12 of Part 2 of Division 1 of Title 1 of the Education Code.

**50287. Action to enforce contract.**

As an alternative to cancellation of the contract for breach of any condition, the county, city, or any landowner may bring any action in court necessary to enforce a contract including, but not limited to, an action to enforce the contract by specific performance or injunction.

**50288. Eminent domain.**

In the event that property subject to contract under this article is acquired in whole or in part by eminent domain or other acquisition by any entity authorized to exercise the power of eminent domain, and the acquisition is determined by the legislative body to frustrate the purpose of the contract, such contract shall be canceled and no fee shall be imposed under Section 50286. Such contract shall be deemed null and void for all purposes of determining the value of the property so acquired.

**50289. Annexation by city.**

In the event that property restricted by a contract with a county under this article is annexed to a city, the city shall succeed to all rights, duties, and powers of the county under such contract.

**50290. Consultation with state commission.**

Local agencies and owners of qualified historical properties may consult with the State Historical Resources Commission for its advice and counsel on matters relevant to historical property contracts.

**California Revenue and Taxation Code, Article 1.9, Sections 439 – 439.4**

**439.** Historical Property Restrictions; enforceably restricted property.  
For the purposes of this article and within the meaning of Section 8 of Article XIII of the Constitution, property is "enforceably restricted" if it is subject to an historical property contract executed pursuant to Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.

**439.1.** Historical Property; definitions.  
For purposes of this article "restricted historical property" means qualified historical property, as defined in Section 50280.1 of the Government Code, that is subject to a historical property contract executed pursuant to Article 12 (commencing with Section 50280) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. For purposes of this section, "qualified historical property" includes qualified historical improvements and any land on which the qualified historical improvements are situated, as specified in the historical property contract. If the historical property contract does not specify the land that is to be included, "qualified historical property" includes only that area of reasonable size that is used as a site for the historical improvements.

**439.2.** Historical Property; valuation.  
When valuing enforceably restricted historical property, the county assessor shall not consider sales data on similar property, whether or not enforceably restricted, and shall value that restricted historical property by the capitalization of income method in the following manner:

(a) The annual income to be capitalized shall be determined as follows:

(1) Where sufficient rental information is available, the income shall be the fair rent that can be imputed to the restricted historical property being valued based upon rent actually received for the property by the owner and upon typical rentals received in the area for similar property in similar use where the owner pays the property tax. When the restricted historical property being valued is actually encumbered by a lease, any cash rent or its equivalent considered in determining the fair rent of the property shall be the amount for which the property would be expected to rent were the rental payment to be renegotiated in the light of current conditions, including applicable provisions under which the property is enforceably restricted.

(2) Where sufficient rental information is not available, the income shall be that which the restricted historical property being valued reasonably can be expected to yield under prudent management and subject to applicable provisions under which the property is enforceably restricted.

(3) If the parties to an instrument that enforceably restricts the property stipulate therein an amount that constitutes the minimum annual income to be capitalized, then the income to be capitalized shall not be less than the amount so stipulated. For purposes of this section, income shall be determined in accordance with rules and

regulations issued by the board and with this section and shall be the difference between revenue and expenditures. Revenue shall be the amount of money or money's worth, including any cash rent or its equivalent, that the property can be expected to yield to an owner-operator annually on the average from any use of the property permitted under the terms by which the property is enforceably restricted. Expenditures shall be any outlay or average annual allocation of money or money's worth that can be fairly charged against the revenue expected to be received during the period used in computing the revenue. Those expenditures to be charged against revenue shall be only those which are ordinary and necessary in the production and maintenance of the revenue for that period. Expenditures shall not include depletion charges, debt retirement, interest on funds invested in the property, property taxes, corporation income taxes, or corporation franchise taxes based on income.

(b) The capitalization rate to be used in valuing owner-occupied single family dwellings pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest 1/4 percent.

(2) A historical property risk component of 4 percent.

(3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.

(4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(c) The capitalization rate to be used in valuing all other restricted historical property pursuant to this article shall not be derived from sales data and shall be the sum of the following components:

(1) An interest component to be determined by the board and announced no later than September 1 of the year preceding the assessment year and that was the yield rate equal to the effective rate on conventional mortgages as determined by the Federal Housing Finance Board, rounded to the nearest 1/4 percent.

(2) A historical property risk component of 2 percent.

(3) A component for property taxes that shall be a percentage equal to the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.

(4) A component for amortization of the improvements that shall be a percentage equivalent to the reciprocal of the remaining life.

(d) Unless a party to an instrument that creates an enforceable restriction expressly prohibits the valuation, the valuation resulting from the capitalization of income method described in this section shall not exceed the lesser of either the valuation that would have resulted by calculation under Section 110, or the valuation that would have resulted by calculation under Section 110.1, as though the property was not subject to an enforceable restriction in the base year.

(e) The value of the restricted historical property shall be the quotient of the income determined as provided in subdivision (a) divided by the capitalization rate determined as provided in subdivision (b) or (c).

(f) The ratio prescribed in Section 401 shall be applied to the value of the property determined in subdivision (d) to obtain its assessed value.

**439.3. Historical Property; notice of nonrenewal.**

Notwithstanding any provision of Section 439.2 to the contrary, if either the county or city or the owner of restricted historical property subject to contract has served notice of nonrenewal as provided in Section 50282 of the Government Code, the county assessor shall value that restricted historical property as provided in this section.

(a) Following the hearing conducted pursuant to Section 50285 of the Government Code, subdivision (b) shall apply until the termination of the period for which the restricted historical property is enforceably restricted.

(b) The board or assessor in each year until the termination of the period for which the property is enforceably restricted shall do all of the following:

(1) Determine the full cash value of the property pursuant to Section 110.1. If the property is not subject to Section 110.1 when the restriction expires, the value shall be determined pursuant to Section 110 as if the property were free of contractual restriction. If the property will be subject to a use for which this chapter provides a special restricted assessment, the value of the property shall be determined as if it were subject to the new restriction.

(2) Determine the value of the property by the capitalization of income method as provided in Section 439.2 and without regard to the fact that a notice of nonrenewal or cancellation has occurred.

(3) Subtract the value determined in paragraph (2) of this subdivision by capitalization of income from the full cash value determined in paragraph (1).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 439.2, discount the amount obtained in paragraph (3) for the number of years remaining until the termination of the period for which the property is enforceably restricted.

(5) Determine the value of the property by adding the value determined by the capitalization of income method as provided in paragraph (2) and the value obtained in paragraph (4).

(6) Apply the ratios prescribed in Section 401 to the value of the property determined in paragraph (5) to obtain its assessed value.

**439.4. Historical Property; recordation.**

No property shall be valued pursuant to this article unless an enforceable restriction meeting the requirements of Section 439 is signed, accepted and recorded on or before the lien date for the fiscal year in which the valuation would apply.

City of Anaheim  
Example-Fiscal Impact Discussion

PM



CITY OF ANAHEIM, CALIFORNIA

Community Development Department  
Housing and Neighborhood Preservation Office  
201 S. Anaheim Blvd., 2nd Floor  
Anaheim, CA 92805  
Telephone: (714) 765-4320  
FAX: (714) 765-4331

DATE: DECEMBER 12, 2000

TO: CITY MANAGER/CITY COUNCIL

FROM: COMMUNITY DEVELOPMENT DEPARTMENT

SUBJECT: ESTABLISHMENT OF A MILLS ACT PROGRAM FOR THE PRESERVATION OF HISTORIC STRUCTURES

RECOMMENDATION:

That the City Council, by motion, approve a Mills Act Program for the preservation of historic structures.

DISCUSSION:

The Mills Act is a state law enacted in 1972 that encourages the preservation and maintenance of qualified historic structures. The Act permits cities to enter into agreements with owners of Qualified Historic Structures to preserve and maintain their properties, in exchange for the County Assessor assessing their property by utilizing a formula established by the State.

In recent times, staff has received numerous inquiries from owners of historic structures in the Anaheim Colony Historic District, asking whether the City of Anaheim would implement such a program. Staff researched Mills Act programs in Orange County and Los Angeles County and is recommending establishment of such a program for Anaheim.

With Council approval of the attached program guidelines, the Mills Act program can be implemented for owners of eligible Qualified Historic Structures. This program will have a positive impact on the Historic District as well as individual homes, serving as an incentive for property owners to restore, rehabilitate, and maintain their properties in accordance with standards established by the United States Secretary of the Interior.

Establishment of the Mills Act Program was discussed on two recent occasions at the Anaheim Colony Neighborhood Council, which endorsed the program. This item was also brought as an action item on November 13, 2000 to the

City Manager/City Council  
Mills Act Program  
Page 2

Anaheim Redevelopment and Housing Commission. The Redevelopment and Housing Commission recommended Council approval of the Mills Act Program.

**IMPACT ON THE BUDGET:**

Estimated impact to the General Fund of \$6,000 per year.

Respectfully submitted,



Bertha Chavoya  
Housing Manager

Concurred by,



Elisa Stipkovich  
Executive Director

Attachments

## City of Anaheim Mills Act Program

---

### Background

The Mills Act, enacted in 1972, permits the City to enter into agreements with persons owning Qualified Historical Structures reducing property taxes based on a State formula. Mills Act participants may realize a property tax saving of approximately 50% per year.

### Program Purpose

To establish guidelines permitting persons owning Qualified Historic Structures to enter into agreements implementing the Mills Act in Anaheim. The guidelines will establish the means by which such owners can apply for Mills Act agreements. These guidelines will encourage purchase and rehabilitation of historical structures.

### Qualified Historical Properties

1. Listed on the National Register of Historical places.
2. Listed on the City of Anaheim's List of Historical Structures and in compliance with all housing codes and the Department of Interior Standards.

### Required Contract Provisions

1. Term is for 10 years with an evergreen provision providing one year automatic extensions annually.
2. Property must be maintained in accordance with United States Department of the Interior Standards and City Housing Code and State Historical Building and Housing Codes.
3. Property shall be available for periodic examinations by the City, County Assessor and State Officials.
4. Each party may file a Notice of Non-Renewal; however the City may cancel the Contract if the Owner has breached any of the conditions only after holding a public hearing.

## Historical Property Valuation

The County Assessor does not consider sales data to set value, but rather utilizes the capitalization of income approach. The property tax is set by using estimated market rent minus expenses, divided by a capitalization rate set by State regulations.

## Procedures

- Staff will process a maximum of 30 Agreements per calendar year.
- Fee: No fee will be charged for processing of applications.
- A letter explaining the provisions of the Mills Act program and application will be sent to the 160 property owners whose houses were surveyed in depth.
- Applications will be processed on a first-come first-served basis, with priority given to those applications that are complete.
- Following receipt of a completed application, NPO staff will review the application and inspect the property for improvements made to the exterior of the structure for compliance with the U.S. Secretary of Interior Standards and proposed improvements.
- If the structure is in non-compliance, the applicant will have 6 months to make the improvements, with a 6-month extension if the applicant has shown good-faith efforts to make the improvements.
- The Mills Act Agreement for the property is prepared and executed by the property owner and Executive Director of the Community Development Department.
- The Agreement is recorded with the County Recorder and forwarded to the Orange County Tax Assessor's office for calculation of the tax savings.



City of Santa Monica  
 Examples of Contracts-Fiscal Impact  
 2004

Attachment L  
 2004 -- SUMMARY OF FINANCIAL ANALYSIS FOR MILLS ACT CONTRACTS\*\*

Property Address	Assessed Value (Prop. 13)	Est. Assessed Value (MILLS ACT)	Current Tax (Prop. 13)	Est. Tax (MILLS ACT)	Est. Mills Act Tax as a % of Current Tax	City Revenue (Prop. 13)	City Revenue (MILLS ACT)	City Revenue Reduction
140 Hollister Avenue #1	\$424,820	\$229,091	\$5,027	\$2,371	47.2%	\$804	\$379	(\$425) -52.8%
140 Hollister Avenue #2	\$408,363	\$229,091	\$4,849	\$2,371	48.9%	\$776	\$379	(\$396) -51.1%
140 Hollister Avenue #3	\$481,014	\$229,091	\$5,332	\$2,371	44.5%	\$853	\$379	(\$474) -55.5%
140 Hollister Avenue #4	\$390,922	\$229,091	\$4,586	\$2,371	51.7%	\$734	\$379	(\$354) -48.3%
2034 La Mesa Drive	\$3,570,000	\$840,000	\$39,113	\$8,695	22.2%	\$6,258	\$1,391	(\$4,867) -77.8%
147 Georgina Avenue	\$2,714,000	\$1,145,455	\$29,266	\$11,857	40.5%	\$4,683	\$1,897	(\$2,785) -59.5%
2511 Beverly Avenue	\$2,100,000	\$397,091	\$23,100	\$4,110	17.8%	\$3,696	\$658	(\$3,038) -82.2%
2402 4th Street #4	\$540,000	\$160,364	\$4,593	\$1,660	36.1%	\$735	\$266	(\$469) -63.9%
2621 2nd Street	\$1,350,000	\$290,182	\$14,850	\$3,004	20.2%	\$2,376	\$481	(\$1,895) -79.8%
822 3rd Street	\$1,988,636	\$613,718	\$21,875	\$6,353	29.0%	\$3,500	\$1,016	(\$2,484) -71.0%
406 Adelaide Drive	\$4,584,900	\$2,290,909	\$50,026	\$23,714	47.4%	\$8,004	\$3,794	(\$4,210) -52.6%
<b>Total</b>						\$32,419	\$11,021	-\$21,398 -66.0%

\*\*This worksheet provides only an estimate analysis. The County of Los Angeles Office of the Assessor is responsible for calculating official Mills Act property tax assessments.

City of Santa Monica  
 Examples of Contracts-Fiscal Impact  
 2005

Attachment I  
 2005 -- SUMMARY OF ESTIMATE FINANCIAL ANALYSIS FOR MILLS ACT CONTRACTS\*\*

Property Address	Assessed Value (Prop. 13)	Est. Assessed Value (MILLS ACT)	Current Tax (Prop. 13)	Est. Tax (MILLS ACT)	Est. Mills Act Tax as a % of Current Tax	City Revenue (Prop. 13)	City Revenue (MILLS ACT)	City Revenue Reduction
331 Palisades Avenue	\$4,600,000	\$840,000	\$50,729	\$8,695	17.1%	\$8,117	\$1,391	(\$6,725) -82.9%
710 Adelaide Place	\$2,200,000	\$687,273	\$22,773	\$7,114	31.2%	\$3,644	\$1,138	(\$2,505) -68.8%
1911 La Mesa Drive	\$3,839,078	\$916,364	\$42,345	\$9,486	22.4%	\$6,775	\$1,518	(\$5,257) -77.6%
1333 Ocean Avenue	\$2,940,000	\$2,305,333	\$32,538	\$23,864	73.3%	\$5,206	\$3,818	(\$1,388) -26.7%
1337 Ocean Avenue	\$2,705,000	\$1,798,333	\$29,779	\$18,615	62.5%	\$4,765	\$2,978	(\$1,786) -37.5%
2619 3rd Street	\$1,361,146	\$519,273	\$15,100	\$5,375	35.6%	\$2,416	\$860	(\$1,556) -64.4%
404 Georgina Avenue	\$2,485,000	\$534,545	\$27,323	\$5,533	20.3%	\$4,372	\$885	(\$3,486) -79.7%
142 Adelaide Drive	\$3,197,655	\$916,364	\$34,940	\$9,486	27.1%	\$5,590	\$1,518	(\$4,073) -72.9%
<b>Total</b>						<b>\$40,884</b>	<b>\$14,107</b>	<b>-\$26,777</b> -65.5%

\*\*This worksheet provides only an estimate analysis. The County of Los Angeles Office of the Assessor is responsible for calculating official Mills Act property tax assessments each year.

City of Santa Monica  
 Examples of Contracts-Fiscal Impact  
 2006

Attachment C

2006 -- SUMMARY OF ESTIMATE FINANCIAL ANALYSIS FOR MILLS ACT CONTRACTS\*\*

Property Address	Assessed Value (Prop. 13)	Est. Assessed Value (MILLS ACT)	Current Tax (Prop. 13)	Est. Tax (MILLS ACT)	Est. Mills Act Tax as a % of Current Tax	Est. Reduction in Property Tax	City Revenue (Prop. 13)	City Revenue (MILLS ACT)	City Revenue Reduction
2614 2nd Street	\$729,175	\$267,273	\$7,971	\$2,767	34.7%	-\$5,204	\$1,275	\$443	-\$833
501 24th Street	\$2,700,806	\$763,636	\$31,757	\$7,905	24.9%	-\$23,852	\$5,081	\$1,265	-\$3,816

\*\*This worksheet provides only an estimate analysis. The County of Los Angeles Office of the Assessor is responsible for calculating official Mills Act property tax assessments each year.

## City of Riverside Planning Department

### Mills Act Application

Thank you for your interest in the City of Riverside's Mills Act Program. In order for your property to be considered for a contract you must have a designated historic resource listed on any city, county, state or federal register. City designations are: Landmark, Structure of Merit, and contributor to a designated Historic District or Neighborhood Conservation Area.

The City of Riverside accepts seven (7) Mills Act contracts per year – five residential and two commercial, or up to seven residential if no commercial applications are submitted. Applications will be accepted during the month of June and must be submitted with a non-refundable application fee of \$25. Incomplete applications will not be considered. The seven (7) contracts will be randomly selected for the program. Once accepted, a contract initiation fee of \$300 will be due. All contracts are reviewed by the Cultural Heritage Board and referred to the City Council for approval.

A ten-year rehabilitation plan is required as part of the application and will be re-evaluated every five (5) years or as needed. Upon acceptance to the program your property will be subject to an initial inspection by Cultural Heritage staff to assist you in finalizing the rehabilitation plan and to photo document the current condition of the property. You will be required to submit annual reports on completed project(s), along with copies of receipts and building permits where applicable. City staff will conduct annual property inspections to ensure that proposed work has been completed and meets all applicable City standards.

This packet is designed to assist you in completing the Mills Act Application. The application packet is also available on line at [www.riversideca.gov](http://www.riversideca.gov). If you have any questions please contact Janet Hansen, Historic Preservation Specialist at (951) 826-5463.

This packet includes:

- Mills Act Fact Sheet
- City Mills Act Resolution
- Application Checklist
- Application
- Financial Analysis
- Ten-year Rehabilitation Plan Form
- Potential Project List
- Property Owner Annual Report
- Description of the Monitoring Program
- State Mills Act Legislation
- Secretary of the Interior's Standards for Rehabilitation

EXHIBIT 4

## Mills Act Application Checklist

- Completed Application Form
- Tax Savings Calculation
- Ten year plan for property improvements
- Grant Deed with legal description of property
  - \$25 Non-Refundable Application Fee

## City of Riverside Mills Act Application

### Property Information

Property Address \_\_\_\_\_

APN: \_\_\_\_\_

Owner \_\_\_\_\_

Owner Address \_\_\_\_\_

Owner Telephone Number: Daytime \_\_\_\_\_ Evening \_\_\_\_\_

Use of Property \_\_\_\_\_

### Eligibility for Program:

- City Landmark                       City Structure of Merit
- County Landmark                       California Register
- State Landmark                       State Point of Historical Interest
- National Register                       National Historic Landmark
- Contributor to a Designated Historic District
- Contributor to a Designated Neighborhood Conservation Area

Name of District or NCA \_\_\_\_\_

Date of Designation \_\_\_\_\_

**CITY OF RIVERSIDE MILLS ACT FINANCIAL ANALYSIS FORM**

Please complete the following form. Instructions are included in the *Checklist for Mills Act Contract*

		YEARS			
	CURRENT	ONE	TWO	THREE	FOUR
<b>INCOME</b>					
1. Monthly Rental Income	_____	_____	_____	_____	_____
2. Annual Rental Income	_____	_____	_____	_____	_____
<b>ANNUAL EXPENSES</b>					
3. Insurance	_____	_____	_____	_____	_____
4. Utilities	_____	_____	_____	_____	_____
5. Maintenance / Repairs	_____	_____	_____	_____	_____
Management	_____	_____	_____	_____	_____
7. Other	_____	_____	_____	_____	_____
8. Total	_____	_____	_____	_____	_____
<b>NET OPERATING INCOME</b>					
9. Net Operating Income	_____	_____	_____	_____	_____
<b>CAPITALIZATION RATE</b>					
10. Interest Component	_____	_____	_____	_____	_____
11. Historical Property Risk Component	_____	_____	_____	_____	_____
12. Amortization Component	_____	_____	_____	_____	_____
13. Property Tax Component	_____	_____	_____	_____	_____
14. Capitalization Rate	_____	_____	_____	_____	_____
<b>TAXES</b>					
15. Mills Act Assessment Value	_____	_____	_____	_____	_____
16. Mills Act Taxes	_____	_____	_____	_____	_____
17. Current Taxes	_____	_____	_____	_____	_____
18. Tax Savings	_____	_____	_____	_____	_____

## How to Complete the Mills Act Financial Analysis

### Income:

1. Monthly Rental Income:

When a property is owner-occupied, the determination of "income" is based on what a property could reasonably be expected to yield, or an amount stipulated in the contract as the minimum income to be used. The income projected for owner-occupied property is based on comparable rents for similar property in the area, or, if insufficient rental information is available, the income that it could reasonably be expected to produce under prudent management. In the case of income producing property, the income amount is based on rent actually received and on typical rentals received for similar property in similar use. Two suggested methods for documenting comparable rents are through newspaper advertisements or a real estate or management company comparables.

2. Annual Rental Income:

Annual Rental Income is calculated by multiplying the monthly rental income by twelve (12) months. Subtract a reasonable amount or percentage for vacancy and collection. 3-5% is a reasonable percentage.

### Annual Expenses:

- 3-8. Add typical expenses such as insurance, utilities, maintenance and repairs, and management fees to arrive at annual expenses. Excluded expenses include debt service, depletion charges, and interest on funds invested in the property.

### Net Operating Income

Subtract annual expenses (Line 8) from Income (Line 2)

### Capitalization Rate

The capitalization rate for both owner-occupied and income-producing property includes an interest component, an historical property risk component, an amortization component, and a property tax component.

9. An interest component is determined by the State Board of Equalization and announced no later than September 1 of the year preceding the assessment year (the yield rate is equal to the effective rate on conventional mortgages as determined by the Federal Home Loan Bank Board, rounded to the nearest ¼ percent)
10. The historical property risk component is 4% in the case of owner-occupied single-family dwellings. In all other cases, the property risk component is 2%.

11. The amortization component is a percentage equal to the reciprocal of the remaining life of the improvements. Although this calculation varies by individual structure, as an estimate, the typical remaining life of a frame building would be 20 years; for masonry buildings, the remaining life might be up to 50 years.
12. The property taxes component is defined as the “percentage of the estimated total tax rate applicable to the property for the assessment year times the assessment ratio.” This component will be 1% (0.1 post-Prop 13 tax rate X 100% assessment ratio). Special district assessments are not included in this component. The Riverside Tax Assessor’s Office has the latest tax rate area information at (951) 955-6250.
13. The capitalization rate is the sum of Line 9 to 12.

#### Taxes

14. Calculate the Mills Act Assessment by dividing the net operating income by the capitalization rate
15. Calculate the tax under the Mills Act by multiplying the Mills Act Assessment (Line 14) by .01142593 and then add in the direct assessments as shown on your tax bill. (The Mills Act does not allow a reduction in direct assessment taxes)
16. Write in the current total taxes due. (The subsequent years are increased by 2%)
17. Calculate the tax savings by subtracting the current tax under the Mills Act. (Line 15)

**MILLS ACT PROGRAM TEN-YEAR REHABILITATION PLAN**  
City of Riverside

Year	Proposed Project*	Estimated Cost
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		
Year 7		
Year 8		
Year 9		
Year 10		

To be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit D.

\*See attached for list of potential projects. Use additional sheets if necessary.

Projects may be interior or exterior, but must utilize all of your tax savings. All projects that affect the exterior of the residence are subject to Cultural Heritage Board/Staff review and approval before work begins. Work must meet all City requirements and the *Secretary of the Interior's Standards for Rehabilitation* (see attached).

Retain copies of all receipts and permits for submittal with the required annual reports.

## MILLS ACT PROGRAM – LIST OF POTENTIAL PROJECTS

Projects may include but are not limited to:

- Access Modifications – Exterior
- Access Modifications – Interior
- Accessory Structure Repair or Replace
- Annual Maintenance & Repairs
- Appliance Vent
- Architectural – Remove Non-historic Feature & Restore to Original
- Architectural Trim – Repair
- Architectural Trim – Replace
- Architectural Trim – Install New
- Balcony/ Decks – New Railings
- Balcony/ Decks – Repair or Replace
- Basement – Access – Repair or Replace to Code
- Basement – New or Rebuild
- Cabinets – New Built-in Bathroom
- Cabinets – New Built-in Kitchen
- Cabinets – New Built-in Other
- Carpentry – Remove window & reframe shower including Siding/Caulking
- Chimney – Inspect and Clean
- Chimney – New
- Chimney – Rebuild or Repair
- Code Repair Item
- Column – Replace or Rebuild
- Corbels/ Structural Brackets Replace or Repair
- Door – Repair or Replace Screen Door
- Door – Hardware
- Door – New Basement Hatch Cover and Base
- Door – Repair
- Door – Replacement
- Drain for Deck – Install & or Repair
- Drainage Protection or Correction
- Dry-Rot Remove, Repair and or Replace
- Electrical – Rewire or Install New Outlets
- Electrical – Complete Rewire and Service Upgrade
- Electrical – Ground & Service Entry
- Electrical – Install New Circuits
- Electrical – Lighting Fixtures
- Electrical – New Service Lines to Garage
- Electrical – Security Lighting and Alarm
- Electrical – New Outlets
- Fence – Repair or New
- Flashing
- Floor Furnace – Remove or Restore floor

Flooring – Carpet  
Flooring – Repair  
Flooring – Repair Wood Floors  
Flooring – Replacement  
Foundation – Bolting and Seismic Work  
Foundation – New  
Foundation – Repair  
Gable or Attic – Re-screening  
Garage Door  
Gutters & Downspouts  
House Relocation  
HVAC – Complete New System  
HVAC – Maintenance & Replacement/Plumbing Service & Painting  
Insulation – Walls – Blown-in  
Insulation – Attic  
Interior Trim – Refinish  
Kitchen – New Counters  
Masonry – New  
Masonry – Repair or Replace Tile Hearth  
Masonry – Repair or Repoint  
Masonry – Repoint Brick  
Mechanical – Air Conditioning  
Mechanical – Heating Unit  
Mechanical – Ventilation – New Kitchen/Bath Fan & Duct Work  
Mechanical – Venting & Duct  
Mechanical – Venting & Duct Work  
Minor Painting and Exterior Repairs  
Painting – Exterior  
Painting – Interior  
Painting – Removal of Lead Based Paint  
Painting – Exterior Trim  
Patio – Repair  
Plastering – Remove, Replace, or Refinish  
Plumbing – DWV, Drain, Waste & Vent  
Plumbing – Fixtures  
Plumbing – Install new supply lines  
Plumbing – Install Sump Pump & Discharge Drain  
Plumbing – Minor Repairs  
Plumbing – New Supply  
Plumbing – Service Lines  
Plumbing – Sewer  
Plumbing Repairs  
Porch - Ceiling replacement  
Porch – Rebuild or Replace  
Porch – Repair  
Porch – Repoint Brick

Porch Railing – Repair or Replace to Code  
Porches – Resurface  
Remove Substandard Construction (Tin Shed)  
Repair Eaves and/or Overhangs  
Repair Exterior Stucco  
Repair Garage  
Replace Garage  
Replace Non-Historic Feature  
Roof- Minor Repair  
Roof- Reroof  
Roof- Strip and Install New  
Security Lighting and Alarm System  
Seismic Retrofitting – Other than Foundation  
Siding – Remove Asbestos Siding & Restore  
Siding – Repair  
Skylights – Replace  
Stair – Repair  
Stair – Replacement  
Stonework  
Stoop – Repair  
Stoop – Replacement  
Structural – New Framing or Repairs  
Structural Bracing  
Structural Modifications  
Structural Repairs – Roof and/or Ceiling Joists  
Termite Treatment  
Termite Treatment and Repair  
Tile – Replace, Repair or Repoint  
Utility Enclosure – New  
Ventilation – Attic Fan  
Waterproofing  
Weatherproofing  
Window – Screens or Hardware  
Windows – Repair  
Windows – Replacement in kind

**MILLS ACT PROGRAM  
PROPERTY OWNER ANNUAL REPORT**

Property Address: \_\_\_\_\_ Date \_\_\_\_\_

What were your tax savings this year? \_\_\_\_\_

What was your project(s)? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

What was the cost of the project(s)? \_\_\_\_\_

Based on the results of this project would you like to revise your Ten-Year Plan? \_\_\_\_\_

If so, how? \_\_\_\_\_

\_\_\_\_\_

Comments/ Suggestions:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(Attached additional sheets if necessary)

Name \_\_\_\_\_ Signature \_\_\_\_\_

**IMPORTANT:** Attach copies of Receipts and Permits to this form for documentation

Return form by December 30<sup>th</sup> to:

Janet Hansen  
Historic Preservation Specialist  
City of Riverside  
City Hall  
3900 Main Street, 3<sup>rd</sup> Floor  
Riverside, CA 92522

**MILLS ACT PROGRAM  
CITY STAFF ANNUAL INSPECTION REPORT**

Date of inspection: \_\_\_\_\_  Drive-by  Site Visit

Staff Name: \_\_\_\_\_

Was work completed in accordance with all City requirements?  Yes  No

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature: \_\_\_\_\_

## **MILLS ACT PROGRAM PROPERTY INSPECTION INFORMATION**

### Initial Inspection:

If you are selected to participate in the Mills Act, City Cultural Heritage staff will complete an initial inspection of your property to help finalize your Ten-Year Rehabilitation Plan and to photo document the current condition of the property. Photographs will be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit C. The inspection will be scheduled at a time that is convenient for you and will include a walk-through of the residence and any accessory buildings as well as a general inspection of the property.

### Yearly Inspection:

City Cultural Heritage staff will inspect your property annually (during the month of January, following submittal of your Annual Report) to ensure that work has been completed in accordance with the Ten-Year Rehabilitation Plan and all City requirements. Exterior work that is easily visible from the street may be inspected without an appointment. Interior work will require an inspection appointment. Photographs will be taken as part of the inspection for inclusion in you file.

## ATTACHMENT 2

*Ordinance Committee  
Discussion Draft  
August 4, 2009*

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING CHAPTER 22.22 OF THE MUNICIPAL CODE TO ESTABLISH A PROCESS FOR HISTORIC PROPERTY PRESERVATION CONTRACTS BETWEEN THE OWNERS OF CITY HISTORIC PROPERTIES AND THE CITY PURSUANT TO THE AUTHORITY OF THE STATE MILLS ACT.

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

**Section One:** Chapter 22.22 of Title 22 of the Santa Barbara Municipal Code is hereby amended to add a new section, Section 22.22.160 (entitled "Incentives for Preserving Historic Resources"), which reads as follows:

### **Section 22.22.160 Incentives for Preserving Historic Resources**

**A. Legislative Intent; Administrative Regulations.** In enacting this section, the City Council seeks to adopt a City program of incentives to encourage the maintenance and preservation of historic resources within the city of Santa Barbara. In order to carry out this program more effectively and equitably and to further the purposes of this section, the Council may also, by resolution, supplement these provisions by adopting administrative regulations and standardized forms for a broad City program of economic and other incentives intended to support the preservation, maintenance, and appropriate rehabilitation of the City's significant historic resources.

**B. Preservation Incentives under the State Mills Act- Government Code Sections 50280-50290.** Preservation incentives may be made available by the City to owners of properties that are "Qualified Historic Properties" (as that term is used by Government Code section 50280.1) such as individually designated City landmarks or structures of merit or those properties that are deemed to contribute to designated City Historic Districts

(or Districts listed in the National Register) as determined appropriate by the City Council.

**C. Qualified Historic Property Mills Act Contracts.**

**1. Purpose.**

a. The purpose of this Section is to implement state Government Code Sections 50280 through 50290 in order to allow the City approval of Qualified Historic Property Contracts by establishing a uniform City process for the owners of qualified historic resource properties within the City to enter into Mills Act contracts with the City.

b. The City Council finds and determines that entering into Qualified Historic Property Contracts, as hereinafter provided, is an incentive for owners of designated historic resources to rehabilitate, maintain, and preserve those properties.

c. The City Council further finds that, in some instances, the preservation of these properties will assist in restoring, maintaining, and preserving the City's existing stock of affordable housing and support the goals and objectives in the Land Use Element of the City General Plan concerning the preserving of historically and architecturally significant residential structures.

**2. Limitations on Eligibility For a Mills Act Contract.**

a. In approving this program, it is the intent of the City Council that unrealized revenue to the City from property taxes not collected due to executed Qualified Historic Property Contracts shall not exceed a total of \_\_\_\_\_ annually, or \_\_\_\_\_ for any one individual property, unless exceeding this limit is specifically approved by the Council.

b. In furtherance of this policy, Qualified Historic Property Contracts shall be limited to a maximum of \_\_\_\_\_ contracts each year consisting of \_\_\_\_\_ ( ) residential properties each year and \_\_\_\_\_ ( ) commercial or industrial properties each year, unless the Council approves additional contracts beyond these limits. In addition, no single-family residence approved for a City contract pursuant to this section may have an assessment value in excess of \_\_\_\_\_ (\$\_.\_ million) nor may the assessed value of any non-single family home property (i.e., a multi-family residential,

commercial, or industrial property) exceed a value of  
\_\_\_\_\_ (\$\_.\_) or

c. For the purpose of this Subparagraph (2), "assessed valuation" does not include any portion of the value of a mixed-use structure which is already exempt from payment of property taxes by a determination of the County Assessor in compliance with Sections 4(b) and 5 of Article XIII of the California Constitution and Sections 214, 254.5, and 259.5 of the Revenue and Taxation Code.

### **3. Required provisions of Qualified Historic Property Contracts.**

a. The required provisions of a Qualified Historic Property Contract between the City and the property owner shall be those required by State law (Government Code Sections 50281 and 50286) expressly including the following specifications:

(i) The contract shall be for the minimum ten (10) year term, with automatic renewal yearly by either the City or the property owner on the anniversary of the contract date in the manner provided in Government Code section 50282.

(ii) The fundamental purpose of the contract will be an agreement to assist the property owner in the owner's restoration, maintenance, and preservation of the qualified historic resource; therefore, the plan for restoration and maintenance of the property required by the contract shall conform to the rules and regulations of the State of California Office of Historic Preservation (California Department of Parks and Recreation), the Secretary of the Department of the Interior's Standards, and the State Historical Building Code.

(iii) The real property owner will expressly agree in the contract to permit periodic examination of the interior and exterior of the premises by the County Assessor, the City Community Development Director (or his or her designee), the State Department of Parks and Recreation, and the State Board of Equalization, as may be necessary to verify the owner's compliance with the contract agreement, and to provide any information requested to ensure compliance with the contract agreement.

(iv) The real property owner will expressly agree and the plan shall provide that any fencing or landscaping along the public right-of-way frontages of the real property will such that it allows the home or building to be visible to the public from the public rights-of-way.

(v) The contract shall be recorded by the Santa Barbara County Recorder's office and shall be binding on all successors-in-interest of the owner with respect to both the benefits and burdens of the contract.

(vi) The City shall provide written notice of the contract to the State of California Office of Historic Preservation within 180 days of entering into the contract.

(vii) The procedure for notice of non-renewal by the owner or the City, shall be as identified in State law [Government Code Section 50282 (a), (b), and (c) and Section 50285.]

(viii) The contract shall require the real property owner to file an annual report, initially, on the program of implementing the plan or restoration or rehabilitation until that has been completed to the satisfaction of the Community Development Director, and thereafter, on the annual maintenance of the property which report may require documentation of the owner's expenditures in restoring, rehabilitating, and maintaining the Qualified Historic Property.

(ix) The contract shall expressly provide for the City's authority to cancel the contract if the City determines that the owner has breached the contract either by his or her failure to restore or rehabilitate the property in accordance with the approved plan or by the failure to maintain the property as restored or rehabilitated. The manner of cancellation shall as set forth in Government Code sections 50285 and 50286.

b. Additionally, the contract shall state that the City may cancel the contract if it determines that the owner has breached any of the other substantive provisions of the contract or has allowed the property to deteriorate to the point that it no longer meets the significance criteria under which it was originally designated.

c. The contract may also provide that if the City cancels the contract for any of these reasons the owner shall pay the State of California a cancellation fee of twelve and one-half percent of the full value of the property at the time of cancellation, as determined by the County Assessor without regard to any restriction on the property imposed by the Historic Property Contract.

d. The contract shall require that in the event preservation, rehabilitation, or restoration of the Qualified Historic Property becomes infeasible due to damage caused by natural disaster (e.g., earthquake, fire, flood, etc.), the City may cancel the contract without requiring the owner to pay the State of California the above-referenced cancellation fee as a penalty. However, in this event, a contract may not be cancelled by the City unless the City determines, after consultation with the State of California Office of Historic Preservation, in compliance with Public Resources Code Section 5028, that preservation, rehabilitation, or restoration is infeasible.

e. The City Community Development Department shall prepare and maintain a sample "Historic Property Contract" with all required provisions specified by this Subparagraph (3).

#### **4. Procedures for application for and approval of Historic Property Contracts.**

a. An owner of a qualified historic property (as listed in Paragraph (B) above) may file an application for entering into an Historic Property Contract with the City.

b. Each application shall be accompanied by a complete legal description of the property and,

c. within sixty (60) days of the submission of the application a plan for the restoration or rehabilitation of the property.

d. In January of each year, the City may notify, either by mailing or published notices, the owners of qualified historic properties of the period of application for and process for City Historic Property Contracts for that calendar year.

e. Application forms, as prescribed by the City, shall be mailed to any property owner who requests the application forms.

e. Upon submission of an application and the plan for restoration or rehabilitation of the property, the application and plan shall be reviewed for completeness by the City's Urban Historian within sixty (60) of the submission. In connection with this review, the Urban Historian shall complete an initial inspection of the Qualified Historic Property, obtain photo documentation of the existing condition of the property and utilize the inspection information to revise the plan for restoration or rehabilitation where necessary.

f. All applications and plans for restoration or rehabilitation deemed complete and acceptable to the City's Urban Historian shall, within sixty (60) days of being deemed complete, be submitted to the City's Historic Landmarks Commission. Such application and plans shall be evaluated by both the Urban Historian and the Commission for compliance with established City criteria that will include, but not be limited to, the following:

(i) the plan will substantially contribute to the preservation of an historic and unique City resource which is threatened by possible abandonment, deterioration, or conflicting regulations, and it will enhance opportunities for maintaining or creating affordable housing, or it will facilitate the preservation and maintenance of a property in cases of economic hardship.

(ii) the plan will support substantial reinvestment in a historic resource and rehabilitation of a historic structure in the expanded State Enterprise Zone and other areas where the City is concentrating resources on facade improvements, home rehabilitation, or similar revitalization efforts.

(iii) the Community Development Director has certified that the property does not now consist of any unpermitted or unsafe construction or building elements, is not the subject of a pending City code enforcement matter, and is current on the payment of all property taxes.

(iv) whether the plan calls for any new construction, in particular new construction or additions which might impact the eligibility for the structure to qualify as a Qualified Historic Resource, as that term is used in the Mills Act.

g. Upon completion of the Historic Landmarks Commission review of the application and plan, the Commission shall make a recommendation to the City Community Development Director for the City approval or disapproval of the contract.

h. If an application is recommended for approval by the Historic Landmarks Commission and the Urban Historian, the City shall prepare a contract according to its standard contract form, which shall be deemed to have all provisions necessary for a Historic Property Contract with the City.

i. Additional provisions in the Contract desired by the owner shall be subject to approval by the Community Development Director or, when determined appropriate by the Community Development Director, by the City Council and as to form by the City Attorney in all cases.

j. The City Finance Director shall determine that the proposed contract does not cause the total annual revenue loss to the City to exceed \$30,000 (?) or the loss from an individual property does not exceed \$3,000.(?)

k. Upon approval of the contract by the Finance Director, the contract signed by the property owners shall be submitted to the City Clerk/City Administrator and City Attorney for execution of the contract on behalf of the City and for recordation by the City Clerk's office.

l. Historic Property Contracts that exceed the limits identified in this Section shall be only be approved and executed after and upon the express approval of the City Council.

**D. Annual Report by Finance Director.** The City Finance Director shall report annually to the City Council Finance Committee on the approval of executed Mills Act contract agreements along with a report accounting for the property tax impacts on the local taxing entities resulting from such contracts.

**Section Two.** Section 22.22.020 of Chapter 22.22 of the Santa Barbara Municipal Code is hereby amended to add a new definition subsection, subsection M, in order to define the term "Historic District" as follows:

M. "**Historic District.**" A delineated geographic area of the City (or a non-contiguous grouping of real properties within the City) where most of the properties within the

district are thematically architecturally related and possess historical significance, special character, or aesthetic value including, but not limited to, a distinct section of the City possessing a significant concentration of cultural resources which are united historically or aesthetically either by plan or by physical development, as such a district is designated by the City Council, acting by resolution or by ordinance, as being worthy of protection under this Chapter.

Swiley/ord/Mills Act - draft002  
July 22, 2009

## City of Santa Barbara Planning Division

### Mills Act Application

Thank you for your interest in the City of Santa Barbara's Mills Act Program. In order for your property to be considered for a contract you must have a designated historic resource listed on any city, county, state or federal register. City designations are: Landmark, Structure of Merit, and contributor to a designated Historic District or Landmark District.

The City of Santa Barbara accepts seven (8) Mills Act contracts per year – six residential and two commercial, or up to seven residential if no commercial applications are submitted. Applications will be accepted during the month of June and must be submitted with a non-refundable application fee of \$42. Incomplete applications will not be considered. The seven (8) contracts will be randomly selected for the program. Once accepted, a contract initiation fee of \$450 will be due. All contracts are reviewed by the Historic Landmarks Commission and referred to the City Council for approval.

A ten-year rehabilitation plan is required as part of the application and will be re-evaluated every five (5) years or as needed. Upon acceptance to the program your property will be subject to an initial inspection by Cultural Heritage staff to assist you in finalizing the rehabilitation plan and to photo document the current condition of the property. You will be required to submit annual reports on completed project(s), along with copies of receipts and building permits where applicable. City staff will conduct annual property inspections to ensure that proposed work has been completed and meets all applicable City standards.

This packet is designed to assist you in completing the Mills Act Application. The application packet is also available on line at [www.SantaBarabraCa.gov](http://www.SantaBarabraCa.gov). If you have any questions please contact Jake Jacobus, Associate Planner/Urban Historian at (805) 564-5470.

This packet includes:

- Mills Act Fact Sheet
- Application Checklist
- Application
- Financial Analysis Information
- Ten-year Rehabilitation Plan Form
- Potential Project List
- Property Owner Annual Report
- Property Inspection Information
- Secretary of the Interior's Standards for the Treatment of Historic Properties
- City Mills Act Contract (sample)
- State Mills Act Legislation

## Mills Act Fact Sheet

- The Mills Act (a state sponsored legislation enacted in 1972) is a self-directed, economic incentive program for owners of historic buildings that are listed in the National Register of Historic Places or on a state, county, or city official register. Although it is applicable to any income producing property, it is the single most important economic incentive program available in California for private property owners of qualified historic buildings. A Mills Act program must be developed according to two California State Codes: California Government Code, Article 12, Sections 50280-50290 and California Revenue and Taxation Code, Article 1.9, Sections 439-439.4.
- Under the program, property owners receive a significant reduction in local property taxes in exchange for their promise to actively participate in restoring, rehabilitating, repairing and preserving their properties. Participants enter into a perpetual 10-year contract with the City.
- Contracts are automatically renewed each year and are transferred to new owners when the property is sold.
- City, county, or state officials may periodically inspect properties to ensure proper maintenance.
- Penalties may be imposed for breach of contract or failure to maintain the historic property.
- The county assessor's office re-assesses property taxes based on a capitalization of income formula rather than on market value. Mills Act participants may realize a property tax savings of approximately 50% each year depending on property value, net operating income, and other variables.

## • Mills Act Application Checklist

- Completed Application Form
- Tax Savings Calculation
- Ten year plan for property improvements
- Grant Deed with legal description of property
- \$42 Non-Refundable Application Fee

# City of Santa Barbara Mills Act Application

## Property Information

Property Address \_\_\_\_\_

APN: \_\_\_\_\_

Owner \_\_\_\_\_

Owner Address \_\_\_\_\_

Owner Telephone Number: Daytime \_\_\_\_\_ Evening \_\_\_\_\_

Use of Property \_\_\_\_\_

## Eligibility for Program:

- |  |   |
|--|---|
| <input type="checkbox"/> City Landmark                                 | <input type="checkbox"/> City Structure of Merit            |
| <input type="checkbox"/> County Landmark                               | <input type="checkbox"/> California Register                |
| <input type="checkbox"/> State Landmark                                | <input type="checkbox"/> State Point of Historical Interest |
| <input type="checkbox"/> National Register                             | <input type="checkbox"/> National Historic Landmark         |
| <input type="checkbox"/> Contributor to a Designated Historic District |   |
| <input type="checkbox"/> Contributor to a Designated Landmark District |   |

Name of District \_\_\_\_\_

Date of Designation \_\_\_\_\_

## Historical Property Tax Adjustment Worksheet Guide

The following is an example showing the possible tax benefits to the historical property owner of an owner-occupied single-family dwelling. ***This form is a guideline only. Your reduced property tax under a Mills Act contract is not guaranteed to match this calculation.***

Single-family Dwelling  
Current Assessed Value = \$100,000  
Estimated Monthly Rent = \$800

### A. Determine Annual Income and Annual Operating Expenses

\$800 per month income minus approximately \$100 per month expenses for maintenance, repairs, insurance, utilities, and gardener equals a net income of \$700 per month. Multiply by 12 months to for an annual net income of \$8,400. (Mortgage payments and property taxes are not considered expenses.)

### B. Determine Capitalization Rate

Add the following together to determine the Capitalization Rate:

The Interest Component is determined by the Federal Housing Finance Board and is based on conventional mortgages. While this component will vary from year to year, the State Board of Equalization has set this at 6.75% for 2007.

The Historical Property Risk Component of 4% (as prescribed in Sec. 439.2 of the State Revenue and Tax Code) applies to owner-occupied single-family dwellings. A 2% risk component applies to all other properties.

The Property Tax Component (Post-Prop. 13) of .01 times the assessment ratio of 100% (1%).

The Amortization Component is a percentage equal to the reciprocal of the remaining life of the structure and is set at the discretion of the County Assessor for each individual property. **In this example the remaining life of a wood frame building is typically 20 years.** The amortization component is calculated thus:  $100\% \times 1/20 = 5\%$ . Use 5% for your calculation.

Now add the following:

$6.75\% + 4.0\% + 1.0\% + 5.0\% = 16.75\%$  Capitalization Rate (Single-family dwelling)

### C. Calculate New Assessed Value and Estimated Tax Reduction

The new assessed value is determined by dividing the annual net income (\$8,400) by the capitalization rate .1675 (16.75%) to arrive at the new assessed value of \$50,149.

Lastly, determine the amount of taxes to be paid by taking .01 (1%) of the assessed value \$52,500. Compare with current property tax rate for land and improvements only (be sure to voter indebtedness, direct assessments, tax rate areas and special districts items on your tax bill):

Before the Mills Act: 1% of original assessed valuation of \$100,000 ( $\$100,000 \times .01 = \$1,000$ ).

After the Mills Act: Mills Act property tax: 1% of new assessed value of \$50,149 is \$501.

Annual property taxes have been reduced by \$499 ( $\$1,000 - \$501$ ), a 50% property tax reduction.

\*\*The Mills Act applies ONLY to general levy property taxes. Be sure to DEUCT the portions of your tax bill that include sewer assessment, bond issues, etc. when calculating what portion of your property tax will be reduced by the Mills Act.

\*\* Single-family applicants may find that a realtor can assist in determining a monthly rental figure.

**STEP 1: DETERMINE ANNUAL INCOME OF PROPERTY**

ANNUAL PROPRETY INCOME	CURRENT
1. Monthly Rental Income	
2. Annual Rental Income	

EXPLANATION
Even if property is owner-occupied, an estimated monthly rental income is needed as a basis for this formula.
Multiply line 1 with line 2.

**STEP 2: CALCULATE ANNUAL OPERATING EXPENSES**

ANNUAL OPERATING EXPRESS	CURRENT
3. Insurance	
4. Utilities	
5. Maintenance	
6. Management	
7. Other Operating Expenses	
8. TOTAL EXPENSES	

EXPLANATION
Fire, Liability, etc.
Water, Gas, Electric
Maintenance includes: Painting, plumbing, electrical, gardening, cleaning, mechanical, heating repairs, and structural repairs.
Security, services, etc. Provide breakdown on separate sheet.
Add lines 3 through 7.

**STEP 3: DETERMINE ANNUAL NET INCOME**

NET OPERATING INCOME	CURRENT
9. Net Total	

EXPLANATION
Line 2 minus line 8.

**STEP 4: DETERMINE CAPITALIZATION RATE**

CAPITALIZATION	CURRENT
10. Interest Component	6.75%
11. Historic property Risk Component	
12. Property Tax Component	1%
13. Amortization Component (Reciprocal of life of property)	
14. TOTAL = CAPITALIZATION RATE	

EXPLANATION
As determined by the State Board of Equalization for 2008
Single-family home =4% All other property =2%
.01 times the assessment ratio of 100%
If the life of the improvement is 20 years, use $100\% \times 1/20 = 5\%$ .
Add lines 10 through 13.

**STEP 5: CALCULATE NEW ASSESSED VALUE**

NEW ASSESSED VALUE	CURRENT
15. Mills Act Assessed Value	

EXPLANATION
Line 9 divided by line 14 Example: Line 9 divided by .1575 (15.75%)

**STEP 6: DETERMINE ESTIMATED TAX REDUCTION**

NEW TAX ASSESSMENT	CURRENT
16. Current Tax	
17. Tax under Mills Act	
18. Estimated Tax Reduction	

EXPLANATION
General tax levy only – do not include voted indebtedness or other direct assessments
Line 15 multiplied by .01
Line 16 minus 17

# Mills Act Financial Analysis Form

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
--	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

- 1. Monthly Rental Income
- 2. Annual Rental Income

Annual Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
-----------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

- 3. Insurance
- 4. Utilities
- 5. Maintenance
- 6. Management
- 7. Other Operating Expenses
- 8. TOTAL EXPENSES

Net Operating Income	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
----------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

- 9. Net Operating Income

Capitalization Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
---------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

- 10. Interest Component
- 11. Historic Property Risk Component
- 12. Property Tax Component
- 13. Amortization Component
- 14. TOTAL = CAPITALIZATION RATE

New Assessed Value	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
--------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

- 15. Mills Act Assessed Value

New Tax Assessment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
--------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------

- 16. Current Tax
- 17. Tax under Mills Act
- 18. ESTIMATED TAX REDUCTION

**MILLS ACT FINANCIAL ANALYSIS FORM (part 1)**

	<b>YEARS</b>				
	<b>CURRENT</b>	<b>ONE</b>	<b>TWO</b>	<b>THREE</b>	<b>FOUR</b>
<b>INCOME</b>					
1. Monthly Rental Income	_____	_____	_____	_____	_____
2. Annual Rental Income	_____	_____	_____	_____	_____
<b>ANNUAL EXPENSES</b>					
3. Insurance	_____	_____	_____	_____	_____
4. Utilities	_____	_____	_____	_____	_____
5. Maintenance / Repairs	_____	_____	_____	_____	_____
6. Management	_____	_____	_____	_____	_____
7. Other	_____	_____	_____	_____	_____
8. Total	_____	_____	_____	_____	_____
<b>NET OPERATING INCOME</b>					
9. Net Operating Income	_____	_____	_____	_____	_____
<b>CAPITALIZATION RATE</b>					
10. Interest Component	_____	_____	_____	_____	_____
11. Historical Property Risk Component	_____	_____	_____	_____	_____
12. Amortization Component	_____	_____	_____	_____	_____
13. Property Tax Component	_____	_____	_____	_____	_____
14. Capitalization Rate	_____	_____	_____	_____	_____
<b>TAXES</b>					
15. Mills Act Assessment Value	_____	_____	_____	_____	_____
16. Mills Act Taxes	_____	_____	_____	_____	_____
17. Current Taxes	_____	_____	_____	_____	_____
18. Tax Savings	_____	_____	_____	_____	_____

**MILLS ACT FINANCIAL ANALYSIS FORM (part 2)**

	<b>YEARS</b>				
	<b>FIVE</b>	<b>SIX</b>	<b>SEVEN</b>	<b>EIGHT</b>	<b>NINE</b>
<b>INCOME</b>					
1. Monthly Rental Income	_____	_____	_____	_____	_____
2. Annual Rental Income	_____	_____	_____	_____	_____
<b>ANNUAL EXPENSES</b>					
3. Insurance	_____	_____	_____	_____	_____
4. Utilities	_____	_____	_____	_____	_____
5. Maintenance / Repairs	_____	_____	_____	_____	_____
6. Management	_____	_____	_____	_____	_____
7. Other	_____	_____	_____	_____	_____
8. Total	_____	_____	_____	_____	_____
<b>NET OPERATING INCOME</b>					
9. Net Operating Income	_____	_____	_____	_____	_____
<b>CAPITALIZATION RATE</b>					
10. Interest Component	_____	_____	_____	_____	_____
11. Historical Property Risk Component	_____	_____	_____	_____	_____
12. Amortization Component	_____	_____	_____	_____	_____
13. Property Tax Component	_____	_____	_____	_____	_____
14. Capitalization Rate	_____	_____	_____	_____	_____
<b>TAXES</b>					
15. Mills Act Assessment Value	_____	_____	_____	_____	_____
16. Mills Act Taxes	_____	_____	_____	_____	_____
17. Current Taxes	_____	_____	_____	_____	_____
18. Tax Savings	_____	_____	_____	_____	_____

**MILLS ACT FINANCIAL ANALYSIS FORM (part 3)**

	TEN	Not required	YEARS Not required	Not required	Not required
<b>INCOME</b>					
1. Monthly Rental Income	_____	_____	_____	_____	_____
2. Annual Rental Income	_____	_____	_____	_____	_____
<b>ANNUAL EXPENSES</b>					
3. Insurance	_____	_____	_____	_____	_____
4. Utilities	_____	_____	_____	_____	_____
5. Maintenance / Repairs	_____	_____	_____	_____	_____
6. Management	_____	_____	_____	_____	_____
7. Other	_____	_____	_____	_____	_____
8. Total	_____	_____	_____	_____	_____
<b>NET OPERATING INCOME</b>					
9. Net Operating Income	_____	_____	_____	_____	_____
<b>CAPITALIZATION RATE</b>					
10. Interest Component	_____	_____	_____	_____	_____
11. Historical Property Risk Component	_____	_____	_____	_____	_____
12. Amortization Component	_____	_____	_____	_____	_____
13. Property Tax Component	_____	_____	_____	_____	_____
14. Capitalization Rate	_____	_____	_____	_____	_____
<b>TAXES</b>					
15. Mills Act Assessment Value	_____	_____	_____	_____	_____
16. Mills Act Taxes	_____	_____	_____	_____	_____
17. Current Taxes	_____	_____	_____	_____	_____
18. Tax Savings	_____	_____	_____	_____	_____

## MILLS ACT PROGRAM TEN-YEAR REHABILITATION PLAN

City of Santa Barbara

Year	Proposed Project*	Estimated Cost
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		
Year 7		
Year 8		
Year 9		
Year 10		

To be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit D.

\*See attached for list of potential projects. Use additional sheets if necessary.

Projects may be interior or exterior, but must utilize all of your tax savings. All projects that affect the exterior of the residence are subject to Cultural Heritage Board/Staff review and approval before work begins. Work must meet all City requirements and the *Secretary of the Interior's Standards for the Treatment of Historic Properties* (see attached).

Retain copies of all receipts and permits for submittal with the required annual reports.

## MILLS ACT PROGRAM – LIST OF POTENTIAL PROJECTS

Projects may include but are not limited to:

- Access Modifications – Exterior
- Access Modifications – Interior
- Accessory Structure Repair or Replace
- Annual Maintenance & Repairs
- Appliance Vent
- Architectural – Remove Non-historic Feature & Restore to Original
- Architectural Trim – Repair
- Architectural Trim – Replace
- Architectural Trim – Install New
- Balcony/ Decks – New Railings
- Balcony/ Decks – Repair or Replace
- Basement – Access – Repair or Replace to Code
- Basement – New or Rebuild
- Cabinets – New Built-in Bathroom
- Cabinets – New Built-in Kitchen
- Cabinets – New Built-in Other
- Carpentry – Remove window & reframe shower including Siding/Caulking
- Chimney – Inspect and Clean
- Chimney – New
- Chimney – Rebuild or Repair
- Code Repair Item
- Column – Replace or Rebuild
- Corbels/ Structural Brackets Replace or Repair
- Door – Repair or Replace Screen Door
- Door – Hardware
- Door – New Basement Hatch Cover and Base
- Door – Repair
- Door – Replacement
- Drain for Deck – Install & or Repair
- Drainage Protection or Correction
- Dry-Rot Remove, Repair and or Replace
- Electrical – Rewire or Install New Outlets
- Electrical – Complete Rewire and Service Upgrade
- Electrical – Ground & Service Entry
- Electrical – Install New Circuits
- Electrical – Lighting Fixtures
- Electrical – New Service Lines to Garage
- Electrical – Security Lighting and Alarm
- Electrical – New Outlets
- Fence – Repair or New
- Flashing
- Floor Furnace – Remove or Restore floor
- Flooring – Carpet
- Flooring – Repair

Flooring –Repair Wood Floors  
Flooring – Replacement  
Foundation – Bolting and Seismic Work  
Foundation – New  
Foundation – Repair  
Gable or Attic – Re-screening  
Garage Door  
Gutters & Downspouts  
House Relocation  
HVAC – Complete New System  
HVAC – Maintenance & Replacement/Plumbing Service & Painting  
Insulation – Walls – Blown-in  
Insulation – Attic  
Interior Trim – Refinish  
Kitchen – New Counters  
Masonry – New  
Masonry – Repair or Replace Tile Hearth  
Masonry – Repair or Repoint  
Masonry – Repoint Brick  
Mechanical – Air Conditioning  
Mechanical – Heating Unit  
Mechanical – Ventilation – New Kitchen/Bath Fan & Duct Work  
Mechanical – Venting & Duct  
Mechanical – Venting & Duct Work  
Minor Painting and Exterior Repairs  
Painting – Exterior  
Painting – Interior  
Painting – Removal of Lead Based Paint  
Painting – Exterior Trim  
Patio – Repair  
Plastering – Remove, Replace, or Refinish  
Plumbing – DWV, Drain, Waste & Vent  
Plumbing – Fixtures  
Plumbing – Install new supply lines  
Plumbing – Install Sump Pump & Discharge Drain  
Plumbing – Minor Repairs  
Plumbing – New Supply  
Plumbing – Service Lines  
Plumbing – Sewer  
Plumbing Repairs  
Porch - Ceiling replacement  
Porch – Rebuild or Replace  
Porch – Repair  
Porch – Repoint Brick  
Porch Railing – Repair or Replace to Code  
Porches – Resurface  
Remove Substandard Construction (Tin Shed)  
Repair Eaves and/or Overhangs

Repair Exterior Stucco  
Repair Garage  
Replace Garage  
Replace Non-Historic Feature  
Roof- Minor Repair  
Roof- Reroof  
Roof- Strip and Install New  
Security Lighting and Alarm System  
Seismic Retrofitting – Other than Foundation  
Siding – Remove Asbestos Siding & Restore  
Siding – Repair  
Skylights – Replace  
Stair – Repair  
Stair – Replacement  
Stonework  
Stoop – Repair  
Stoop – Replacement  
Structural – New Framing or Repairs  
Structural Bracing  
Structural Modifications  
Structural Repairs – Roof and/or Ceiling Joists  
Termite Treatment  
Termite Treatment and Repair  
Tile – Replace, Repair or Repoint  
Utility Enclosure – New  
Ventilation – Attic Fan  
Waterproofing  
Weatherproofing  
Window – Screens or Hardware  
Windows – Repair  
Windows – Replacement in kind

## **Maintenance and Rehabilitation Standards and Conditions**

### **Secretary of the Interior's Standards for Rehabilitation**

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.
3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.
4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.
5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.
6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.
7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.
8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.
9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.
10. New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

### **Property Maintenance**

All buildings, structures, yards and other improvements shall be maintained in a superior manner. All current building and zoning codes will be enforced. The following conditions are prohibited:

- a. Dilapidated buildings or features such as fences, roofs, doors, walls and windows.
- b. Abandoned or discarded objects, equipment or materials such as automobiles, automobile parts, furniture, appliances, containers, lumber or similar items stored outside but within property lines.
- c. Stagnant water or open excavations.
- d. Any device, decoration or structure, which is unsightly by reason of its height, condition or location.
- e. Peeling exterior paint or unremoved/uncovered graffiti.
- f. Overgrown landscaping, exposed bald areas within yards or grounds and broken hardscape features which could cause injury.
- g. Other substandard conditions as cited by the Cultural Heritage Commission, the Director of Planning, or the City's Historical Property Contracts Manager.

### **Conditions**

This Historical Property Contract provides the potential for property tax reduction in exchange for agreement to rehabilitate and maintain an historic building. Existing conditions not in conformance with the Secretary of the Interior's Standards, may be required to be removed and the original conditions remedied as part of this contract.

**MILLS ACT PROGRAM  
PROPERTY OWNER ANNUAL REPORT**

Property Address: \_\_\_\_\_ Date \_\_\_\_\_

What were your tax savings this year? \_\_\_\_\_

What projects did you complete? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

What was the cost of the project(s)? \_\_\_\_\_

Based on the results of this project would you like to revise your Ten-Year Plan? \_\_\_\_\_

If so, how? \_\_\_\_\_  
\_\_\_\_\_

Comments/ Suggestions: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Attached additional sheets if necessary)

Name \_\_\_\_\_ Signature \_\_\_\_\_

IMPORTANT: Attach copies of Receipts and Permits to this form for documentation.

Return form by June 30<sup>th</sup> to:

Jake Jacobus,  
Associate Planner/Urban Historian  
City of Santa Barbara  
630 garden Street, 2nd Floor  
Santa Barbara, CA 93101

## MILLS ACT PROGRAM PROPERTY INSPECTION INFORMATION

### Initial Inspection:

If you are selected to participate in the Mills Act, City Planning staff will complete an initial inspection of your property to help finalize your Ten-Year Rehabilitation Plan and to photo document the current condition of the property. Photographs will be attached to the Historic Property Preservation Agreement (Mills Act Contract) as Exhibit C. The inspection will be scheduled at a time that is convenient for you and will include a walk-through of the residence and any accessory buildings as well as a general inspection of the property.

### Yearly Inspection:

City Planning staff will inspect your property annually (during the month of January, following submittal of your Annual Report) to ensure that work has been completed in accordance with the Ten-Year Rehabilitation Plan and all City requirements. Exterior work that is easily visible from the street may be inspected without an appointment. Interior work will require an inspection appointment. Photographs will be taken as part of the inspection for inclusion in you file.

## **Mills Act – Questions and Answers:**

1. **Q: What is the Mills Act?**  
A: The Mills Act is a state act providing property tax abatement to owners of historic properties. The purpose of the Act is to encourage rehabilitation, as well as ownership of historic properties, by providing a financial incentive through property tax reduction. The Act uses an alternative equation to calculate property taxes, with the requirement that the savings be spent on qualified improvements to the historic property.
2. **Q: Who can apply for the Mills Act?**  
A: Owners of designated historic properties can apply for the Mills Act. Designated historic properties include those individually listed as Landmarks or Structures of Merit, as well as contributors to an Historic District or a Neighborhood Conservation Area.
3. **Q: How can I apply for the Mills Act?**  
A: The Mills Act Applications are extensive and require calculations and research that will likely require assistance from a professional accountant. Previous examples are also available on request. Applications are available by: 1) Picking up a copy up at the Planning Counter at City Hall on the 3<sup>rd</sup> floor, or 2) Contacting the Historic Preservation Staff at 951-826-5371 or email at [planinfo@SantaBarbaraca.gov](mailto:planinfo@SantaBarbaraca.gov) and requesting a copy via the US Mail, or 3) Downloading a Mills Act Application off of the 'Historic Preservation' portion of the planning website at <http://www.SantaBarbaraca.gov/planning/historic.htm> under 'Mills Act'. Complete applications can be dropped off at the Planning Counter on the 1st Floor or via US mail at the following address: Planning Division, Historic Preservation, 630 Garden Street, Santa Barbara, CA 93101
4. **Q: How many Mills Act Applications are accepted annually?**  
A: The City accepts 8 Mills Act contracts per year – six residential and two commercial, or up to eight residential if no commercial applications are submitted. If more applications than the allotted amount are received, the Mills Act contract recipients will be determined by a lottery system of the complete applications.
5. **Q: When are the Mills Act Applications due?**  
A: Mills Act Applications are accepted during the month of June and must be received by the last business day in June.
6. **Q: What is the application fee?**  
A: The application fee for Mills Act Contracts is \$42 at the time of application submission. Once the Mills Act application is approved by City Council an initiation fee of \$572 will be due.
7. **Q: How much will I save on my property taxes?**  
A: The Mills Act uses an alternative equation to calculate the property taxes. This alternative equation can save property owners, especially those who have recently purchased property, up to 50% on the property tax bill. If the property has been owned for more than 10 years, the County Assessor does not recommend applying for the Mills Act as the savings will be negligible.
8. **Q: When will I start to receive my savings on my tax bill?**  
A: Savings will appear on the tax bill for the fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>) following the calendar year it is recorded with the County and finalized. For Example, Mills Act participants from the 2005 year received the first tax bill savings on the fall of 2006 tax coupon, which is typical.
9. **Q: When do I start saving receipts from qualified property improvements?**  
A: Start saving receipts for qualified improvements during the fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>) following the approval with the City. For example, Mills Acts approved in 2006 will start saving receipts from qualified improvements for the fiscal year July, 2007- June, 2008.
10. **Q: Can I spend all of my 10 year savings in one fiscal year for one big improvement project?**  
A: No, the 10 year savings cannot be spent on one big project. The proposed tax savings must be spent on the historic property on an annual fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>) basis.
11. **Q: Is the Mills Act transferable if I sell my property?**  
A: Yes, Mills Act contracts are transferred to new property owners when the property is sold.

12. **Q:** Does my property get reassessed if I sell my property, thus changing the monetary value of my savings?  
**A:** Yes, Mills Act contracts are reevaluated on an annual basis with the County Tax Assessor for tax savings. One of the factors the Assessor uses in determining the Mills Act tax bill is the current assessment value of the historic property. Were the property value to change, the tax savings could also see a change.
13. **Q:** During what time frame do the property improvements need to occur?  
**A:** Qualified improvements need to take place during the fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>) following the approval, and subsequent fiscal years thereafter for 10 years. For example, Mills Act contracts approved in 2006 will start completing qualified improvements during the fiscal year July, 2007- June, 2008.
14. **Q:** What property improvements are eligible?  
**A:** Most improvements are eligible for the Mills Act, as the intention is to encourage property owners to continue to provide maintenance for the historic properties. The improvements need to be a permanent part of the property and/or property. For example:
  - A new outdoor seasonal gazebo would not qualify, but a permanent gazebo that is attached to a foundation would qualify.
  - New furniture would not qualify, but new built-in cabinetry or shelving would qualify.
15. **Q:** Can I count the cost of labor for the improvements made to my property?  
**A:** Yes, the cost of labor can be included in the total cost of improvements to the property, as long as the labor has been completed by a qualified individual that can produce a verifiable receipt for the labor. Property owners cannot include the cost for the owner's personal labor. For Example:
  - If a property owner were to have the outside of the historic property painted by a painting company, the full cost of the bill could be counted as a qualified improvement.
  - If a property owner were to paint the property utilizing the property owner's own labor to apply the paint, the only costs that could count as an improvement are the cost of paint and paint prepping materials used to complete this qualified task.
16. **Q:** How do the property inspections work?  
**A:** Members from the Planning Division's Historic Preservation staff will visit the historic property once a year, one initial visit and annually on subsequent years near the end of the fiscal (July 1<sup>st</sup> to June 30<sup>th</sup>) year to verify the projects that have been completed. These appointments will be scheduled in advance.
17. **Q:** Can I change things on my submitted "10 Year Rehabilitation plan" for work on my property?  
**A:** Yes, previous submissions on the "10 Year Rehabilitation plan" can be changed. Although Historic Preservation Staff ask for the Rehabilitation plan up front, changes are allowed on an annual basis. These changes must be submitted to the Historic Preservation staff in the Planning Division in writing prior to completion of the proposed qualified task.
18. **Q:** How long is my Mills Act Contract good for?  
**A:** Participants enter into a perpetual 10 year contract with the City. Mills Act contracts are automatically renewed each fiscal year (July 1<sup>st</sup> to June 30<sup>th</sup>). The contract is renewable at the City's discretion for subsequent years after the 10 year contract is complete.
19. **Q:** Who approves the contract I have with the City for my Mills Act Property?  
**A:** The City Council approves the Mills Act contract before the end of the application's calendar year.
20. **Q:** What happens if I do not fulfill my obligation to the Mills Act?  
**A:** The Mills Act is a privilege given to those who have willingly applied and been accepted through the extensive application process. The Mills Act is an incentive for those who own historic properties by providing financial assistance through tax savings. However, the Mills Act is also a legal contract and is enforceable by law. Penalties may incur if owners do not fulfill the obligation required by the contract to spend the tax savings on the repair and maintenance of the historic property.



# City of Santa Barbara

## MILLS ACT INFORMATION FREQUENTLY ASKED QUESTIONS (FAQ'S)

### What is the Mills Act?

The Mills Act is property tax reduction for designated historic properties. The tax savings can be used to help maintain that historic property.

### Why is it called the Mills Act?

The legislation is named for the author of the legislation -- historian, statesman, and writer Jim Mills. State Senator Mills is well known for being an advocate of mass transportation, for creating the current San Diego Trolley system, and for his many years as chairman of the board of the San Diego Metropolitan Transit Development Board (MTDB).

### Why would the City of Santa Barbara bring the Mills Act here?

The City of Santa Barbara encourages preservation of historically significant properties. By giving back a percentage of tax money, it creates incentive to restore older properties. A Mills Act contract reduces the amount of property tax collected by the city, but the city doesn't miss very much money. That's because for every dollar of property tax collected, about 85 cents or so goes directly to the County of Santa Barbara. It is the County Assessor's Office that calculates the tax savings for Mills Act contracts. It is well known, that restoring historic buildings is good for everybody's property values. The homeowner wins, Santa Barbara wins, and the neighborhood wins.

### Do other local cities have the Mills Act?

Yes. The Mills Act has been very successful in the other cities in California. Currently, there are about approximately over 5,000 buildings in California that are under a Mills Act contract.

### Will any old building qualify for the Mills Act?

No. In order to qualify, the structure must be a locally designated historic building and listed on a Federal, state or local register. In Santa Barbara, based on local selection criteria only certain residential properties could qualify for the Mills Act.

### How do I get my home locally designated if it was not designated in the past?

The City of Santa Barbara conducts surveys of properties, identifies and places these properties on inventory list of potential historic properties. Many buildings that were not previously surveyed or listed may still qualify for City Landmark or Structure of Merit status. In addition a group of properties may also qualify for historic district status. As a general rule, to qualify as historic, a building must be at least 50 years old and be a good example of a particular architectural style or be associated with a person or event of local historic importance.

The Historic Landmarks Commission (HLC) initiates these types of historic designations. The City has created a process in which the HLC or property owners could nominate their buildings for local historic designation. For more information, contact the City's Urban Historian.

**I would like to benefit from the Mills Act, but I've heard that historic designation would place restrictions on my building. Is this true?**

Yes and no. Historic designation is a means of helping preserve your building for the future, so preserving your building must be one of your goals. In theory, we should all be stewards of our property and should seek to be true to the building's original architectural style. By seeking or accepting historic designation, you are acknowledging your role and responsibility in keeping this structure as authentic as possible a contributing member to Santa Barbara historic neighborhoods. The City would

In Santa Barbara, there are existing architectural review controls already in place that require some level of design review if exterior alterations are proposed on properties on buildings over 50 years of age. For example, if your building is granted historic status, then this means you would not replace wood windows with aluminum ones, cover original wood with stucco or vinyl siding, or put an addition on the building that is visible from the sidewalk in front of your home. In fact, if any of these unsympathetic "improvements" were done to your building, and your building does qualify as historic, you could use your tax savings under the Mills Act to undo the damage done by previous owners.

By getting your building historically designated, you are helping preserve Santa Barbara's architectural legacy and adding your name to the ranks of those who care about where we live.

**If I apply for the Mills Act, what am I committing to doing?**

The Mills Act is a 10-year, "endlessly renewable," legally binding contract with the City of Santa Barbara. After your building is historically designated, you would fill out a Mills Act application and submit it to the city with a minor fee. When your Mills Act application is approved, you will be sent a contract to sign and have notarized. By signing this document, you are agreeing, in principle, that in return for the tax savings you are going to preserve your building.

Your Mills Act contract, if you are in good standing and not in violation of the ordinance, is endless renewable: it will always have 10 more years on it, unless for some reason you wished to cancel the contract. (You won't want to cancel. See related question below.)

**Can the City of Santa Barbara cancel the contract on me? If so, would I have to pay back the tax savings?**

The City may only cancel the contract for non-compliance issues. If cancellation is desired, annual property tax increases gradually at 10% per year for 10 years to bring the property up to current assessment. The contract will be as legally binding on the City of Santa Barbara as it will be on you. There will be no need to pay back the tax savings because of the City canceling a contract.

**How much money can I expect to save with the Mills Act?**

Tax savings can be big often up to 60 percent. However, there are some properties in the city of San Diego that are benefiting from a savings of almost 90 percent. The County Assessor's Office determines the tax savings by applying a complex formula to the current amount of taxes being paid to determine the new amount.

**When would I see the tax savings with the Mills Act?**

The application cycle for Santa Barbara has not yet been determined. In other cities, however, an owner would apply any time during the year, with usually an autumn cut-off date, in order for the tax savings to be reflected in the April tax bill.

**Do I have to open my home to the public if I have a Mills Act contract?**

No, you never have to open your home to the public. Occasionally, local preservation groups conduct tours of historic properties but it usually involves historic property homeowners who have offered to open their homes for the tours.

**Under a Mills Act contract, will I have to open my home for inspection by city officials?**

Often there is language as part of the ordinance that would allow for an inspection by city officials, but an inspection would usually only be requested if the City suspected that an owner was violating the Mills Act contract. In other cities in California with the Mills Act, a yearly drive-by inspection is usually all that the Planning Division does to be sure that the building under contract is being cared for.

**What happens if I sell my historic building before I have the Mills Act for 10 years?**

The new owner assumes the benefits of the Mills Act contract. Properties with this type of tax abatement agreement with a set Mills Act contract may be considered more desirable in comparison to other similar properties.

**Can I ever cancel my Mills Act contract?**

The Mills Act contract agreements are voluntary. If for some reason you do want to cancel, you can give written notice that you want to cancel, and in 10 years your contract would be void. If you wanted to cancel sooner, you would have to repay your tax savings and possibly submit a fine

H:\Group Folders\PLAN\Handouts\Draft and Obsolete Handouts\Design Review\Mills Act FAQ.doc

Revised April 8, 2009



Agenda Item No. \_\_\_\_\_

File Code No. 410.01

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Mayor and Councilmembers

**FROM:** City Administrator's Office

**SUBJECT:** Employee Recognition – Service Award Pins

**RECOMMENDATION:**

That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through August 31, 2009.

**DISCUSSION:**

Since 1980, the City Employees' Recognition Program has recognized length of City Service. Service award pins are presented to employees for every five years of service. Those employees achieving 25 years of service or more are eligible to receive their pins in front of the City Council.

Attached is a list of those employees who will be awarded pins for their service through August 31, 2009.

**ATTACHMENT:** August 2009 Service Awards

**SUBMITTED BY:** Marcelo A. López, Administrative Services Director

**APPROVED BY:** City Administrator's Office

**AUGUST 2009 SERVICE AWARDS**

August 4, 2009 Council Meeting

**5 YEARS**

Deborah Bush, Executive Assistant to Mayor/Council, Mayor and City Council  
Daniel Trejo, Warehouse Lead, Finance  
Clare Turner, Human Resources Analyst, Administrative Services  
Deana McMillion, Administrative/Clerical Supervisor, Community Development  
Juan Ramirez, Water Distribution Operator II, Community Development  
Robert Garcia, Custodian, Airport

**10 YEARS**

Brandon Beaudette, Administrative Assistant, Public Works  
Bradley Klein, Maintenance Worker, Public Works  
Frederic Dewitt, Heavy Equipment Technician, Public Works  
Anne Van Belkom, Administrative Assistant, Public Works

**15 YEARS**

Leanna Pencek, Legal Office Supervisor, City Attorney  
John Ornelas, Senior Water Distribution Operator, Public Works  
Rob Fair, Senior Wastewater Collection Systems Operator, Public Works  
Pete Concepcion, Jr., Senior Airport Maintenance Worker, Airport

**20 YEARS**

Anastasia Wilson, Associate Transportation Planner, Public Works  
Juan Gutierrez, Water Distribution Operator, Public Works

**25 YEARS**

Larry Beesley, Accounting Assistant, Finance  
Judd Conley, Waterfront Maintenance Supervisor, Waterfront

**30 YEARS**

George Hansen, Police Officer, Police



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009  
**TO:** Mayor and Councilmembers  
**FROM:** Recreation Division, Parks and Recreation Department  
**SUBJECT:** City Of Santa Barbara 2009 Youth Leadership Award Recipient

**RECOMMENDATION:**

That Council congratulate the 2009 Santa Barbara Youth Leader.

**DISCUSSION:**

On June 1, 2009, the City of Santa Barbara held its 8<sup>th</sup> Annual Youth Leadership Awards Banquet. The event, hosted by the Parks and Recreation Department, recognized 48 youth in the community who were nominated by over 25 agencies for outstanding community service, academic achievement, or successfully overcoming an obstacle.

During the evening, on behalf of the Mayor, Councilman Grant House announced the 2009 Santa Barbara Youth Leader, Maria Amante, a Dos Pueblos High School junior. Maria was described by many of her contemporaries as being "very well liked," "very helpful to others, both peers and adults alike," and one who "goes out of her way to help others."

Maria is an outstanding member of the Quasar to Sea program sponsored by the Santa Barbara Museum of Natural History. She dedicates several community hours to this program. In addition, she ranks among the top 20 in her class and is a member of the honor role. She has clocked over 400 hours of community service, including time spent tutoring other students. Maria accomplished all of this in spite of being homeless with no family support since the 8<sup>th</sup> grade. Though she could have made excuses for her plight in life, she survived by "couch surfing from friend to friend for several years," setting the standard for making positive things happen for oneself. In spite of her own challenges, she has been extremely supportive to other students, using her struggles to set the example for others.

The Southern California Gas Company has been a strong supporter of youth programs in our community and for the past 2 years has donated to our youth leadership program. Their donation makes it possible to provide a cash award to our Youth Leader. Tim Mahoney, District Manager, will speak on behalf of the Gas Company, recognizing the 2009 Youth Leader.

**PREPARED BY:** Susan Young, Recreation Supervisor  
**SUBMITTED BY:** Nancy L. Rapp, Parks and Recreation Director  
**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## REGULAR MEETING July 14, 2009 COUNCIL CHAMBER, 735 ANACAPA STREET

---

---

### CALL TO ORDER

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

### PLEDGE OF ALLEGIANCE

Mayor Blum.

### ROLL CALL

Councilmembers present: Iya G. Falcone, Dale Francisco, Roger L. Horton, Grant House, Helene Schneider, Das Williams (2:01 p.m.), Mayor Blum.

Councilmembers absent: None.

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

### CEREMONIAL ITEMS

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

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through July 31, 2009.

#### Speakers:

Staff: City Administrator James Armstrong and service award recipients Carol Carpenter, Housing Loan Officer, and Connie Styrowoll, Human Resources Analyst.

(Cont'd)

1. (Cont'd)

By consensus, the Council recognized the following employees:

5-Year Pin

Philip Nevarez, Maintenance Worker II, Public Works  
Craig Hove, Electrician, Public Works  
Robert Garcia, Custodian, Public Works  
David De Ponce, Custodial Crew Leader, Airport  
Esteban Zambrano, Senior Wastewater Collection Systems Operator, Public Works

10-Year Pin

Christopher Bell, City TV Production Specialist, City Administrator's Office  
Victoria Johnson, Project Engineer I, Public Works

15-Year Pin

John Stoney, Police Sergeant, Police  
Alexander Cruz, Police Officer, Police  
Marylinda Arroyo, Police Sergeant, Police

20-Year Pin

Larry Doria, Streets Maintenance Crew Leader, Public Works  
Chito Macario, Treatment Plant Technician, Public Works  
Sandy Dietz, Airport Maintenance Coordinator, Airport

25-Year Pin

Connie Styrwoll, Human Resources Analyst, Administrative Services  
Carol Carpenter, Housing Loan Officer, Community Development

**PUBLIC COMMENT**

Speakers: David Daniel Diaz; Gert Walter; Monica Jones, Friends of Los Banos; Kate Smith.

**ITEM REMOVED FROM CONSENT CALENDAR**

15. Subject: Contract For Construction For The West Downtown Pedestrian Improvement Project (530.04)

Recommendation:

A. That the Redevelopment Agency (RDA) Board authorize the expenditure of \$2,852,845 for the West Downtown Pedestrian Improvement Project (Project);

(Cont'd)

15. (Cont'd)

- B. That Council reject the bid protest and award and authorize the Public Works Director to execute a contract with C.S. Legacy Construction, Inc. (Legacy), waiving minor irregularities, in their low bid amount of \$2,299,220, for construction of the Project, Bid No. 3481, and authorize the Public Works Director to approve expenditures up to \$230,000 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment, and to accept the final contract amount, with approved changes, and file all Notices of Completion (NOC) with the County Clerk-Recorder's Office;
- C. That Council authorize the Public Works Director to execute a contract with Penfield & Smith in the amount of \$50,325 for design support services during construction;
- D. That Council authorize the General Services Manager to issue a Purchase Order to Fugro in the amount of \$12,000 for material testing services and to approve expenditures of up to \$2,000 for extra services of Fugro that may result from necessary changes in the scope of work; and
- E. That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving and Adopting the Findings Required by Health and Safety Code Section 33445 for Funding of Capital Improvements to the West Downtown Pedestrian Improvement Project.

Documents:

- July 14, 2009, joint report from the Public Works Director and the Community Development Director/Deputy Director.
- Proposed Resolution.
- July 14, 2009, letter from COAST (Coalition for Sustainable Transportation).
- July 14, 2009, written comments submitted by Michael Self.

The title of the resolution was read.

Speakers:

- Members of the Public: Frank Hotchkiss and Michael Self, Santa Barbara Safe Streets; Jim Westby; Kellam deForest; Bonnie Donovan; Alex Pujo, Santa Barbara Walks.
- Transportation & Circulation Committee: Chair David Pritchett.
- Staff: Housing & Redevelopment Manager Brian Bosse.

(Cont'd)

15. (Cont'd)

Motion:

Council/Agency Members House/Horton to approve the recommendations; City Council Resolution No. 09-061; City Council Contract Nos. 23,136 and 23,147.

Vote:

Majority voice vote (Noes: Council/Agency Member Francisco).

**CONSENT CALENDAR (Item Nos. 2 - 13 and 16 - 19).**

The titles of the ordinances and resolution related to the Consent Calendar were read.

Motion:

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

Vote:

Unanimous roll call vote.

CITY COUNCIL

2. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of June 16, 2009.

Action: Approved the recommendation.

3. Subject: Adoption Of Amendment Of Zoning Ordinance For Non-Residential Construction Projects Regulations (Measure E) (640.09)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 28.87.300 of Chapter 28.87 of Title 28 of the Municipal Code Regarding Limitations on Non-Residential Development Within the City.

Action: Approved the recommendation; Ordinance No. 5493.

4. Subject: Adoption Of Amendments To The Purchasing Code, Chapter 4.52 Of The Municipal Code (340.02)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 4.52 of Title 4 of the Santa Barbara Municipal Code Providing Procedures for the Purchase of Equipment, Supplies and Services.

Action: Approved the recommendation; Ordinance No. 5494.

5. Subject: Introduction Of Ordinance Establishing A Building Safety Assessment Placard System (640.04)

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Title 22 of the Santa Barbara Municipal Code to Add Chapter 22.09 Establishing a Building Safety Assessment Placard System.

Action: Approved the recommendation (July 14, 2009, report from the Community Development Director; proposed ordinance).

6. Subject: Used Oil Recycling Block Grant Application - Fifteenth Cycle (630.01)

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Finance Director to Submit an Application to the State of California Integrated Waste Management Board for Fiscal Year 2010 Used Oil Recycling Block Grant - Fifteenth Cycle, in the amount of \$22,812;
- B. If the grant is funded, accept the Used Oil Recycling Block Grant - Fifteenth Cycle, in the amount of \$22,812, for Fiscal Year 2010; and
- C. Increase Fiscal Year 2010 Miscellaneous Grants Fund estimated revenue and appropriations by \$22,812, for the Used Oil Recycling Block Grant.

Action: Approved the recommendations; Resolution No. 09-060 (July 14, 2009, report from the Finance Director; proposed resolution).

7. Subject: Agreement For Funding Of Swimming Programming (570.07)

Recommendation: That Council:

- A. Authorize the Parks and Recreation Director to execute an agreement for funding of swimming programming with the Friends of Los Baños del Mar Pool; and
- B. Appropriate \$9,100 in revenue and expenditures to the Parks and Recreation Miscellaneous Grants Fund.

Action: Approved the recommendations; Agreement No. 23,145 (July 14, 2009, report from the Parks and Recreation Director).

8. Subject: Execution Of Amendment To License Agreement With Santa Barbara Certified Farmer's Market (180.02)

Recommendation: That Council approve and authorize the City Administrator to execute Amendment No. 1 to the existing License Agreement No. 21,535 with Santa Barbara Certified Farmer's Market, Inc., for the operation of the Old Town Farmer's Market located in the 500-600 Blocks of State Street, the Downtown Farmer's Market located in the Cota Commuter Parking Lot at 119 East Cota Street, and the Coast Village Farmer's Market located in the 1100-1200 Blocks of Coast Village Road.

Action: Approved the recommendation; Agreement No. 21,535.1 (July 14, 2009, report from the Public Works Director).

9. Subject: Contract For Design Services For The Escondido And Bothin Water Pump Stations Rehabilitation (540.06)

Recommendation: That Council authorize the Public Works Director to execute a contract with AECOM, USA, Incorporated (AECOM), in the amount of \$109,065 for design services for the Escondido and Bothin Water Pump Stations Rehabilitation, and authorize the Public Works Director to approve expenditures of up to \$10,900 for extra services of AECOM that may result from necessary changes in the scope of work.

Action: Approved the recommendation; Contract No. 23,146 (July 14, 2009, report from the Public Works Director).

10. Subject: Purchase Order For Powdered Activated Carbon For The William B. Cater Water Treatment Plant (540.10)

Recommendation: That Council waive the formal bidding process, as authorized by Municipal Code Section 4.52.080(k), and authorize the City General Services Manager to issue a Blanket Purchase Order to Mead West Vaco Corporation in the amount of \$57,420 for the purchase of up to 66,000 pounds (two loads) of Mead West Vaco's Aqua Nuchar Powdered Activated Carbon (PAC) for use at the William B. Cater Water Treatment Plant (Cater).

Action: Approved the recommendation (July 14, 2009, report from the Public Works Director).

11. Subject: Revised 2008-2009 Substantial Action Plan Amendment For Use Of 2009 Community Development Block Grant Recovery Act Funds (610.05)

Recommendation: That Council approve the proposed revised substantial amendment to the City's 2008-2009 Consolidated Action Plan to include utilizing \$289,274 in American Recovery and Reinvestment Act of 2009 funds.

Action: Approved the recommendation (July 14, 2009, report from the Community Development Director; 2008-2009 Substantial Action Plan Amendment).

12. Subject: Set A Date For Public Hearing Regarding Appeal Of Planning Commission Denial For 415 Alan Road (640.07)

Recommendation: That Council:

- A. Set the date of November 10, 2009, at 2:00 p.m. for hearing the appeal filed by Steven Amerikaner of Brownstein Hyatt Farber Schreck, LLP, Agent representing Mr. and Mrs. Andrew Seybold, of the Planning Commission denial of an application for their property located at 415 Alan Road, Assessor's Parcel No. 041-091-024, A-1/SD-3 One-Family Residence Zone and Coastal Overlay Zone, General Plan Designation: Residential, One Unit Per Acre. The proposed project involves the request to initiate a Zone Change, General Plan Amendment and Local Coastal Program Amendment for a portion of the parcel; and
- B. Set the date of November 9, 2009, at 1:30 p.m. for a site visit to the property located at 415 Alan Road.

Action: Approved the recommendations (June 18, 2009, letter of appeal).

#### REDEVELOPMENT AGENCY

13. Subject: Agency Board Approval Of Grant Of Easement At Railroad Depot And Council Introduction Of Ordinance Approving Grant Of Easement On City Property Near The Moreton Bay Fig Tree For The Lower Mission Creek Project (530.03)

Recommendation:

- A. That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Grant of Easement to Santa Barbara County Flood Control and Water Conservation District for the Lower Mission Creek Project; and

(Cont'd)

13. (Cont'd)

- B. That the Agency Board approve the Grant of Easement to Santa Barbara County Flood Control and Water Conservation District for the Lower Mission Creek Project and authorize the Executive Director to execute the easement.

Action: Approved the recommendations (July 14, 2009, joint report from the Public Works Director and the Community Development Director/Deputy Director; proposed City Council ordinance).

Item No. 14 appears in the Redevelopment Agency minutes.

16. Subject: Purchase Order For Additional Soil And Groundwater Sampling At 631 Garden Street (540.10)

Recommendation:

- A. That the Agency Board authorize the expenditure of \$34,400 for additional soil and groundwater sampling efforts at 631 Garden Street; and
- B. That Council authorize the General Services Manager to execute a Purchase Order Contract with Trak Environmental (TRAK), in an amount not to exceed \$28,670, and up to \$5,730 for extra services for additional soil and groundwater sampling at 631 Garden Street.

Action: Approved the recommendations; City Council Contract No. 23,148 (July 14, 2009, joint report from the Public Works Director and the Community Development Director/Deputy Director).

## NOTICES

- 17. The City Clerk has on Thursday, July 9, 2009, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.
- 18. The site visit and appeal hearing scheduled for July 13, and July 14, 2009, respectively, for the property located at 1642 and 1654 Calle Canon and 2418 Calle Montilla have been continued indefinitely at the request of the appellant.
- 19. Received letter of resignation from Measure P Committee Member Brendan Hamme; the vacancy will be included in the next City Advisory Group recruitment.

This concluded the Consent Calendar.

## **REPORT FROM THE FINANCE COMMITTEE**

Finance Committee Chair Roger L. Horton reported that the Committee met to consider revisions to the City's Statement of Investment Policy and loans for affordable housing at 416-424 East Cota Street and 421 Cota Street. The Committee recommended that these items be forwarded to the Council at a future date.

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

### PUBLIC WORKS DEPARTMENT

20. Subject: Cabrillo Boulevard Bridge Replacement Project (330.03)

Recommendation: That Council adopt, by reading of title only, A Resolution of Necessity by the Council of the City of Santa Barbara for Permanent and Temporary Easements Located on Real Property Commonly Known as 22 W. Cabrillo Boulevard, 6 and 10 State Street, and 13 E. Cabrillo Boulevard, Assessor's Parcel Numbers 033-102-017; 033-111-011, -012, and -006.

#### Documents:

- July 14, 2009, report from the Public Works Director.
- Notice of Hearing prepared by Staff.
- July 14, 2009, PowerPoint presentation prepared and made by Staff.
- Proposed Resolution.
- July 8, 2009, letter from William Rogers.
- July 9, 2009, letter from Steven Amerikaner.

The title of the resolution was read.

#### Speakers:

- Staff: Public Works Director Christine Andersen, City Attorney Stephen Wiley, Project Manager Harold Hill.
- Members of the Public: Steven Amerikaner on behalf of Virginia Castagnola-Hunter; William Rogers on behalf of Rusty's Pizza.

#### Motion:

Councilmember Falcone/Mayor Blum to approve the recommendation; Resolution No. 09-062.

#### Vote:

Unanimous roll call vote.

## **RECESS**

Mayor Blum recessed the meeting at 3:28 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 21. No reportable action is anticipated.

**CLOSED SESSIONS**

- 21. Subject: Conference With Real Property Negotiators - Encroachment Permit And Possible Temporary Lease (330.03)

Recommendation: That Council hold a closed session to consider instructions to City Staff regarding real property negotiations for the real property located at 1200 Punta Gorda Street, Santa Barbara, California, pursuant to the authority of Government Code Â§54956.8. Instructions to negotiator concern the terms of an encroachment permit allowing an encroachment over a City interest in the real property and the terms of a short-term lease for the property. Property: Cypress Tree Apartments, 1200 Punta Gorda Street (APN 017-334-01). City Negotiator: Public Works Real Property Staff and the City Attorney’s office. Negotiating Party: Board of Directors of Cypress Tree Apartments (Ms. Veronica Smith, President, and Matt Estes, Charles Huller and Ema Sequoia, Directors). Under Negotiation: Term of an encroachment permit and a possible short-term lease or leases.

Scheduling: Duration, 20 minutes; anytime  
Report: None anticipated

Documents:

July 14, 2009, report from the City Attorney.

Time:

3:31 p.m. - 4:02 p.m.

No report made.

**ADJOURNMENT**

Mayor Blum adjourned the meeting at 4:02 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK’S OFFICE

ATTEST:

\_\_\_\_\_  
MARTY BLUM  
MAYOR

\_\_\_\_\_  
BRENDA ALCAZAR, CMC  
DEPUTY CITY CLERK



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## REGULAR MEETING July 21, 2009 COUNCIL CHAMBER, 735 ANACAPA STREET

---

---

### CALL TO ORDER

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

### PLEDGE OF ALLEGIANCE

Mayor Blum.

### ROLL CALL

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

Councilmembers absent: None.

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

### PUBLIC COMMENT

Speakers: Ruth Wilson; Bob Hansen; Jack Villa, American Postal Workers Union; Daniel Knapp.

### CONSENT CALENDAR (Item Nos. 1 – 10 and 12)

The titles of ordinances and resolutions related to Consent Calendar items were read.

Motion:

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

Vote:

Unanimous roll call vote.

1. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of June 23, 2009.

Action: Approved the recommendation.

2. Subject: Introduction Of Ordinance For Seven-Year License Agreement With Web Laundry Service Company, L.L.C. (330.04)

Recommendation: That Council approve a license with Web Service Company, L.L.C., and introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Seven-Year License Agreement with Web Service Company, L.L.C., Effective August 29, 2009, for a 156 Square-Foot Laundry Room at 307 Shoreline Drive.

Action: Approved the recommendation (July 21, 2009, report from the Waterfront Director; proposed ordinance).

3. Subject: Adoption Of Ordinance Establishing A Building Safety Assessment Placard System (640.04)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Title 22 of the Santa Barbara Municipal Code to Add Chapter 22.09 Establishing a Building Safety Assessment Placard System.

Action: Approved the recommendation; Ordinance No. 5495.

4. Subject: Adoption Of Ordinance Approving Grant Of Easements On City Property Near The Moreton Bay Fig Tree For The Lower Mission Creek Project (530.03)

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Grant of Easement to Santa Barbara County Flood Control and Water Conservation District for the Lower Mission Creek Project.

Action: Approved the recommendation; Ordinance No. 5496.

5. Subject: Statement Of Investment Policy And Delegation Of Investment Authority For Fiscal Year 2010 (260.01)

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Investment Policy for the City and Rescinding Resolution No. 08-068; and
- B. Authorize the City Administrator/City Clerk/City Treasurer to invest or reinvest funds, or to sell or exchange securities so purchased for the City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara for Fiscal Year 2010.

Action: Approved the recommendations; Resolution No. 09-063 (July 21, 2009, report from the Finance Director; proposed resolution).

6. Subject: Proposed Minor Amendments To City Fee Resolution (230.05)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 09-043 to Clarify Consent Review Fees for Design Review, Adjust Residential Parking Permit Fees in the Downtown Parking Program, and Add a Convenience Fee for On-Line Payment of Police Department Charges.

Action: Approved the recommendation; Resolution No. 09-064 (July 21, 2009, report from the Finance Director; proposed resolution).

7. Subject: Contract With Jacobs Consultancy For Airport Concessions Program (560.04)

Recommendation: That Council authorize the Airport Director to execute a contract with Jacobs Consultancy for specialized services in the development of a concession and advertising program for the Airline Terminal Improvement Project, in an amount not to exceed \$59,270.

Action: Approved the recommendation; Contract No. 23,156 (July 21, 2009, report from the Airport Director).

8. Subject: Sole Source Yearly Maintenance Agreement With Accela, Inc., For Land Development Team Permit Tracking Software (610.01)

Recommendation: That Council:

- A. Approve and authorize the General Services Manager to execute a maintenance agreement for \$34,288 with Accela, Inc., as the only known source for such services for the City's permit tracking software; and

(Cont'd)

8. (Cont'd)

- B. Authorize the renewal of the maintenance agreement on an annual basis for the next five years, subject to annual budget approval.

Speakers:

Staff: Community Development Director Paul Casey.

Action: Approved the recommendations; Agreement No. 23,157 (July 21, 2009, report from the Community Development Director).

9. Subject: Community Promotion Contract With Old Spanish Days (230.02)

Recommendation: That Council authorize the Finance Director to execute a Community Promotion contract with Old Spanish Days in an amount of \$99,298 covering the period from July 1, 2009, to May 31, 2010.

Action: Approved the recommendation; Contract No. 23,158 (July 21, 2009, report from the Finance Director).

10. Subject: Purchase Order For UCP / Work, Incorporated (320.01)

Recommendation: That Council find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code Section 4.52.080 (k), and authorize the General Services Manager to issue a purchase order to UCP / Work, Incorporated, for janitorial services at the Waterfront Department for Fiscal Year 2010 in an amount not to exceed \$220,000.

Action: Approved the recommendation (July 21, 2009, report from the Waterfront Director).

Agenda Item No. 11 appears in the Redevelopment Agency minutes.

## NOTICES

12. The City Clerk has on Thursday, July 16, 2009, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

This concluded the Consent Calendar.

## REPORT FROM THE ORDINANCE COMMITTEE

Ordinance Committee Chair Das Williams reported that the Committee met to consider proposed changes to Municipal Code Chapter 8.04 to specify new fire sprinkler requirements for both commercial and residential property. The Committee approved the amendments, which will be submitted to Council for introduction and subsequent adoption.

## REDEVELOPMENT AGENCY REPORTS

### 14. Subject: Loans For Affordable Housing At 416-424 East Cota Street (660.04)

Recommendation: That the Redevelopment Agency Board and the City Council take the following actions regarding the proposed 56-unit "Artisan Court" affordable housing project at 416-424 East Cota Street to be developed by the Housing Authority of the City of Santa Barbara using new City and Agency loans totaling \$3,200,000:

- A. That the Agency Board approve loans of \$2,000,000 to the Housing Authority of the City of Santa Barbara and \$284,583 to Artisan Court L.P., using Redevelopment Agency Housing Setaside funds, appropriate these amounts from the Agency's housing fund unappropriated reserves, approve subordination of the loans to the construction financing and regulatory agreements required under the tax credit program, if required, and authorize the Executive Director or Deputy Director to execute loan agreements and related documents in a form approved by Agency Counsel;
- B. That the Agency Board approve amending the terms of the Agency's 2006 site acquisition loan of \$2,000,000 to the Housing Authority so that the terms of the existing Agency loan are made consistent with the terms of the new Agency loan and to approve subordination of the existing loan to the construction financing and regulatory agreements required by the tax credit program, if required, and authorize the Executive Director or Deputy Director to execute the required documents in a form approved by Agency Counsel;
- C. That Council approve a loan of \$915,417 of federal Home Investment Partnerships Program (HOME) funds to Artisan Court L.P. and authorize the Community Development Director to execute a loan agreement and related documents in a form approved by the City Attorney;
- D. That Council and the Agency Board adopt, by reading of title only, A Joint Resolution of the Council of the City of Santa Barbara and the Redevelopment Agency of the City of Santa Barbara Finding that the Use of Redevelopment Agency Housing Setaside Funds for Development of Affordable Housing Located Outside the Central City Redevelopment Project Area (CCRP) at 416-424 East Cota Street Will Be of Benefit to the CCRP;

(Cont'd)

14. (Cont'd)

- E. That Council and the Agency Board approve the subordination of their affordability control covenant to the lien of the construction lender and to regulatory agreements required under the tax credit program, and make the finding that there is no reasonably available and economically feasible alternative for financing this project without subordination of the affordability control covenant; and
- F. That the Agency and Council take the above actions subject to the condition that Artisan Court L.P. receives approval of a commitment of low income housing tax credits according to their application to the California Tax Credit Allocation Committee dated June 9, 2009.

Documents:

- July 21, 2009, report from the Community Development Director/Agency Deputy Director.
- Proposed Resolution.

The title of the resolution was read.

Speakers:

- Staff: Housing Programs Supervisor Steven Faulstich, Community Development Director/Agency Deputy Director Paul Casey.
- Housing Authority of the City of Santa Barbara: Deputy Executive Director Rob Fredericks.

Motion:

Council/Agency members House/Horton to approve the recommendations; City Council Resolution No. 09-065 and Agreement No. 23,159; Redevelopment Agency Resolution No. 1016 and Agreement Nos. 519 and 520.

Vote:

Unanimous roll call vote.

15. Subject: Loan For Mom's Place Affordable Housing Project Sponsored by Transition House At 421 East Cota Street (660.04)

Recommendation: That the City Council and Redevelopment Agency Board take the following actions regarding the proposed "Mom's Place" affordable housing project at 421 East Cota Street to be developed by Mom's L.P. using a new City loan of \$680,000:

- A. That Council approve a loan of \$680,000 of federal Home Investment Partnerships Program (HOME) funds to Mom's L.P. and authorize the City Administrator or Community Development Director to execute a loan agreement and related documents in a form approved by the City Attorney;

(Cont'd)

15. (Cont'd)

- B. That Council approve funding the proposed new HOME loan subject to the condition that Mom's L.P. receives low income housing tax credits and state loan funds, or other comparable financing as approved by staff and the City Attorney;
- C. That the Agency Board approve amending the Agency's 1999 acquisition loan and 2009 predevelopment loan to Transition House so that the terms of the existing loans are consistent with the proposed new HOME loan, approve assigning the two existing Agency loans to Mom's L.P., and authorize the Executive Director or Deputy Director to execute the required documents in a form approved by Agency Counsel;
- D. That the Agency Board approve subordination of the Agency loans to a new bridge loan, to a new permanent loan from the State of California, and to the regulatory agreements and covenants required under the Low Income Housing Tax Credit Program and the state's Supportive Housing Program, and authorize the Executive Director or Deputy Director to execute required documents in a form approved by Agency Counsel; and
- E. That Council and the Agency Board approve a new replacement affordability control covenant with Mom's L.P. covering all 16 units and approve subordination of the covenant to the liens of the bridge loan and the state's loan and to regulatory agreements and covenants required under the Low Income Housing Tax Credit Program and the state's Supportive Housing Program, make the finding that there is no reasonably available and economically feasible alternative for financing this project without subordination of the affordability control covenant, and authorize the City Administrator or Community Development Director to execute required documents in a form approved by the City Attorney.

Documents:

July 21, 2009, report from the Community Development Director/Agency Deputy Director.

Speakers:

- Staff: Project Planner Simon Kiefer.
- Transition House: Executive Director Kathleen Baushke.

Motion:

Council/Agency members Falcone/House to approve the recommendations; City Council Agreement No. 23,160.

Vote:

Unanimous voice vote.

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

### **FINANCE DEPARTMENT**

16. Subject: Proposed New Business Sector Trash And Recycling Rates (630.01)

Recommendation: That Council:

- A. Receive a report on the outreach provided to the business sector on the new proposed rates for trash, recycling, greenwaste and foodscraps collection services; and
- B. Direct staff to initiate the noticing process per Proposition 218 requirements and schedule a public hearing at City Council in October 2009 regarding new Business Trash and Recycling Rates.

Documents:

- July 21, 2009, report from the Finance Director.
- PowerPoint presentation prepared and made by Staff.

Speakers:

- Staff: Assistant Finance Director Robert Samario, Environmental Services Supervisor Stephen MacIntosh.
- Member of the Public: Steve Hyslop, Greater Santa Barbara Lodging and Restaurant Association.

Councilmember Francisco left the meeting at 3:29 p.m. and returned at 3:37 p.m.

Motion:

Councilmembers Horton/Williams to approve recommendation B.

Vote:

Unanimous voice vote.

## **COUNCIL AND STAFF COMMUNICATIONS**

Information:

Councilmember Falcone reported on her attendance at a summit sponsored by the League of California Cities regarding the issues of California state governance and fiscal reform.

**CHANGES TO THE AGENDA**

Item Removed From Agenda

The following item was removed from the agenda due to withdrawal of the related appeal:

- 13. A City Council site visit is scheduled for Monday, July 27, 2008, at 1:30 p.m. to the property located at 3750 Meru Lane, which is the subject of an appeal hearing set for July 28, 2009, at 2:00 p.m.

**ADJOURNMENT**

Mayor Blum adjourned the meeting at 4:11 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

\_\_\_\_\_  
MARTY BLUM  
MAYOR

ATTEST: \_\_\_\_\_  
SUSAN TSCHECH, CMC  
DEPUTY CITY CLERK



Agenda Item No. \_\_\_\_\_

File Code No. 700.08

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Fire Department

**SUBJECT:** Landscaping Grant From Santa Barbara Beautiful For The Fire Station No. 1 Seismic Renovation Project

### **RECOMMENDATION:**

That Council accept a \$6,000 donation from Santa Barbara Beautiful for a portion of the landscaping for the Fire Station No. 1 Seismic Renovation Project and increase estimated revenues and appropriations in the Redevelopment Agency Capital Projects Budget.

### **DISCUSSION:**

In May 2009, Santa Barbara Beautiful, a well known local non-profit organization, awarded the Fire Department a \$6,000 grant to assist with the re-landscaping at Fire Station No. 1, 121 W. Carrillo St.

Santa Barbara Beautiful has a long history of supporting City Park projects and tree planting. This contribution will assist with the conversion from predominantly turf landscaping to a low water use design.

Construction of the new irrigation system and landscaping has already begun and should be completed by mid-August 2009.

### **BUDGET/FINANCIAL INFORMATION:**

Staff has negotiated a reasonable cost proposal of \$15,564 for landscape planting and irrigation improvements with the current construction contractor, McGillivray Construction, Incorporated. Staff has approved a contract change order for \$15,564 using existing Council authorized change order authority. The \$6,000 Santa Barbara Beautiful grant constitutes approximately 39% of the contract change order, with the remaining funded by the existing Redevelopment Agency project budget.

**SUSTAINABILITY IMPACT:**

This project replaces predominantly turf landscaping with low water use landscaping. Staff projects an 83% decrease in irrigation water use from the re-landscaping.

**PREPARED BY:** Peter Ramsdell, Administrative Services Manager

**SUBMITTED BY:** Andrew DiMizio, Interim Fire Chief

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Mayor and Councilmembers

**FROM:** Transportation Division, Public Works Department

**SUBJECT:** Sole Source Vendor For Clean Air Express Passes

### **RECOMMENDATION:**

That Council find it in the City's best interest to approve the City of Lompoc as the sole source vendor for purchase of Clean Air Express passes for city employees participating in the Work Trip Reduction Incentive Program, without bids, as authorized by Municipal Code Section 4.52.080 (k).

### **DISCUSSION:**

On January 23, 2007, Council received a report from staff describing proposed enhancements to the City's existing Alternative Transportation Demand Management Program. This program was refashioned into the Work Trip Reduction Incentive Program. The program's purpose is to help the City meet both its Sustainability and Circulation Element Goals by setting the example as a model employer, and reducing the employee drive-alone rate by providing commuter benefits.

Among the benefits and incentives the City offers employees is a 75% subsidy towards long distance bus passes. The Clean Air Express is the only service to provide long distance transit from Santa Maria and Lompoc to Santa Barbara.

### **BUDGET/FINANCIAL INFORMATION:**

Currently, the City of Lompoc is the only vendor from which to purchase the Clean Air Express service. The cost for this year's expenses for the Clean Air Express is estimated to be \$35,000, making adjustments for potential fee increases and anticipated increased participation. Last year's cost was \$27,500. Program participation showed a 50% increase in monthly ridership from the beginning of last fiscal year. There are sufficient funds in Transportation's Journey to Work Fund to cover the cost of the services.

**SUSTAINABILITY IMPACT:**

The Clean Air Express, with its current employee participation, saves over 250,000 miles per year of drive-alone trips.

Since the Work Trip Program's initiation on July 1, 2007, over 970,000 miles have been cut out of City employee commutes, a reduction of 27,000 workplace trips and 46,000 gallons of fuel. As a result, 900,000 pounds of emissions were reduced and over \$500,000 in employee commuting costs were saved. Over the last two years, 296 employees have chosen not to drive alone to the workplace and the program has achieved over an 18% participation rate.

**PREPARED BY:** Browning Allen, Transportation Manager/SG/kts

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Approval Of Single Source Vendor For Back-Up Power Generators At Water Resources Facilities

**RECOMMENDATION:** That Council:

- A. Find it to be in the City's best interest to approve Quinn Corporation, Inc. (Quinn), as the vendor for maintenance, repair, upgrades, and new installation of Caterpillar generators at Water Resources Facilities, without bids, as authorized by Municipal Code Section 4.52.080 (k); and
- B. Authorize the General Services Manager to award purchase order contracts to Quinn for such services and equipment as needed for the next five-year period.

### DISCUSSION:

The Water Resources Division has benefited from using Caterpillar generators for emergency back-up power at their critical facilities since the early 1980's. Standardizing on generators has provided Water Resources with efficient and reliable emergency power supplies, at a cost savings by having to stock minimal spare parts and specialized tools, along with allowing staff to focus their training on a single generator system. Caterpillar generators are known to be durable and reliable, which are important qualities for an emergency power source.

Quinn is the only local certified dealer who is authorized to supply and maintain Caterpillar generators. Using a local dealer provides the City with a quick response time for maintenance and repairs of the generators. The Water Resources Division has existing maintenance and repair contracts with Quinn for Fiscal Year 2010 for the William B. Cater Water Treatment Plant (\$13,125), El Estero Wastewater Treatment Plant (\$15,000), Water Distribution System (\$15,000), and Wastewater Collection System (\$10,000).

Water Resources is planning to install two new generators for emergency backup power at the El Cielito and Campanil Pump Stations. With the recent fires and power outages, the Caterpillar generators and the Quinn service provider have proven their value to the City. Staff believes it is in the City's best interest for Water Resources to continue with Quinn's service and Caterpillar generators for emergency power at the Water Resources facilities.

Section 4.52.080 (k) of the Municipal Code authorizes Council to purchase supplies, equipment and services without complying with the formal bid procedure when it is found to be in the best interests of the City. Quinn has provided reliable repair and maintenance services to the City since 1993. Staff recommends that Council approve Quinn as the vendor and service provider of Caterpillar generators for Water Resources facilities for a period of five years.

If a new local company becomes available that is certified and authorized to maintain, repair, and install Caterpillar generators, the City reserves the right to obtain a competitive quote for labor and maintenance costs and issue purchase orders to the new company.

**BUDGET/FINANCIAL INFORMATION:**

All monies to be spent on Quinn generator projects have been clearly identified and approved in the annual budget for the Water Fund. Starting in Fiscal Year 2010, there will be approximately \$450,000 associated with the two new generator installations planned for El Cielito and Campanil Pump Stations, and approximately \$53,125 for the maintenance and repair contracts for existing Caterpillar equipment. Water Resources expenditures on Quinn purchase orders will not exceed the amounts Council has approved in the budget.

At their meeting on July 13, 2009, the Board of Water Commissioners voted 5/0 to concur with staff's recommendation.

**PREPARED BY:** Catherine Taylor, Water System Manager/dm

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office



Agenda Item No. \_\_\_\_\_

File Code No. 530.01

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2008

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Resolution To Execute Non-Monetary, Temporary, And Voluntary Rights Of Entry To Property For Public Works Projects

### RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Public Works Director to Execute Non-Monetary, Temporary, and Voluntary Rights of Entry to Property Required for Public Works Projects.

### DISCUSSION:

Public Works staff routinely requires temporary Rights of Entry for access on or through portions of private or other properties in order to facilitate the installation or construction of public improvements, and to conform with existing onsite private improvements.

On August 28, 1987, Council authorized the Public Works Director to administratively execute construction related Rights of Entry, and other documents with property owners, to allow for temporary access to alter and construct onsite private improvements as necessary to conform with new public improvements.

Council granted the prior authorization without adopting a formal resolution. Since no resolution was ever adopted by Council, and because this authorization occurred many years ago, staff recommends that Council now adopt this proposed Resolution authorizing the Public Works Director to sign non-monetary, temporary, and voluntary Rights of Entry, using formats approved by the City Attorney.

**PREPARED BY:** Pat Kelly, Assistant Public Works Director/City Engineer/DT/sk

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SANTA BARBARA AUTHORIZING THE PUBLIC WORKS  
DIRECTOR TO EXECUTE NON-MONETARY,  
TEMPORARY, AND VOLUNTARY RIGHTS OF ENTRY TO  
PROPERTY REQUIRED FOR PUBLIC WORKS PROJECTS

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS  
FOLLOWS:

SECTION 1. The Public Works Director of the City of Santa Barbara is hereby authorized, subject to the review and approval by the City Attorney as to form, to execute necessary non-monetary, temporary and voluntary rights of entry with affected parties relating to access on private and other properties adjacent to City Public Works projects by City personnel, City contractors, and others, as necessary to:

- a) enter and use real property.
- b) control access during ongoing work.
- c) alter onsite facilities affected by public works improvements.
- d) provide incidental construction staging areas.
- e) alter, relocate or install onsite utilities.
- f) clear physical obstructions.
- g) perform environmental review and mitigations.
- h) perform such other actions as are necessary or convenient to complete public works projects.

SECTION 2. The authority to execute similar rights of entry for Public Works projects previously given to the Public Works Director by Council on August 28, 1987, is hereby rescinded.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Mayor and Councilmembers

**FROM:** Housing and Redevelopment Division, Community Development Department

**SUBJECT:** Application For Homelessness Prevention And Rapid Re-Housing Program Funding

**RECOMMENDATION:** That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Submittal of an Application for the American Recovery and Reinvestment Act Funds – Homelessness Prevention and Rapid Re-Housing Program; and
- B. Authorize the Community Development Director to execute all required certifications, apply for, and accept a State of California Homelessness Prevention and Rapid Re-Housing Program (HPRP) grant of not more than \$1.6 million and to sign the Standard Agreement and any subsequent amendments thereto, and perform any and all responsibilities in relationship to such contract.

### **DISCUSSION:**

The State of California issued a Notice of Funding Availability (NOFA) on July 8, 2009 for Homelessness Prevention and Rapid Re-Housing Program (HPRP), under Title XII of Division A of the American Recovery and Reinvestment Act of 2009. The City of Santa Barbara was not a direct entitlement jurisdiction for HPRP funding from Housing and Urban Development (HUD). However, the City and/or non-profit agencies providing services in the City are eligible to apply for these funds under the competitive State NOFA.

Staff held an informational meeting on July 21, 2009 to see if there was interest in applying as a multi-agency collaboration. Several non-profit service providers expressed interest; however none of them have the capability to serve as the Lead Agency. City staff offered to submit the application as the Lead Agency and administer the grant if it is received.

As a multi-agency applicant, each partner in the collaborative can request up to \$300,000, not to exceed \$1.6 million total.

The purpose of the HPRP is to provide homelessness prevention assistance to households who would otherwise become homeless and to provide assistance to rapidly re-house persons who are already homeless. Assistance can be in the form of financial assistance (rent, security and utility deposits, utility payments, moving costs, motel and hotel vouchers) and housing relocation and stabilization services to assist participants with housing stability and/or placement (case management, outreach and engagement, housing search and placement, legal services, credit repair).

The HPRP application is due by August 6, 2009 to the State Department of Housing and Community Development. The application process requires adoption and submittal of a resolution by the applicant. Awards will be announced in mid-September and contracts will be executed on or about September 30, 2009

**BUDGET/FINANCIAL INFORMATION:**

If awarded, the City would receive 1% of the grant for administration as well as up to 11% for data collection and evaluation. It is anticipated that the partner agencies would receive a portion of the data collection and evaluation funds for staff costs associated with preparing reports. In addition, the 11% for data collection and evaluation would include the purchase of Homeless Management Information System (HMIS) software, training and staff time associated with the collection and reporting of data required by the HPRP grant.

The application also includes funding for the Rental Housing Mediation Task Force Program for information, staff consultation and mediations for persons at-risk of imminent homelessness.

**PREPARED BY:** Sue Gray, Community Development Programs Supervisor

**SUBMITTED BY:** Paul Casey, Community Development Director

**APPROVED BY:** City Administrator's Office

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SANTA BARBARA APPROVING THE SUBMITTAL OF AN  
APPLICATION FOR AMERICAN RECOVERY AND  
REINVESTMENT ACT FUNDS – HOMELESSNESS  
PREVENTION AND RAPID RE-HOUSING PROGRAM

WHEREAS, the State of California, Department of Housing and Community Development, Division of Financial Assistance, issued a Notice of Funding Availability under the American Recovery and Reinvestment Act- Homelessness Prevention and Rapid Re-Housing Program (HPRP);

WHEREAS, the City of Santa Barbara is a local government that is eligible, and wishes to apply for and receive an HPRP grant; and

WHEREAS, if the City of Santa Barbara receives a grant from the HPRP, it certifies that all uses of the funds will be in compliance with the HPRP Regulations and Contract.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Santa Barbara hereby authorizes the Community Development Director to execute all required certifications, apply for, and accept the Homelessness Prevention and Rapid Re-Housing Grant in the amount of not more than \$1,600,000, and to sign the Standard Agreement and any subsequent amendments thereto, and perform any and all responsibilities in relationship to such contract.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Community Development Department

**SUBJECT:** Response To The Report Of The 2008-2009 Santa Barbara County Civil Grand Jury Entitled "SBCAG - A Road Not Taken"

**RECOMMENDATION:**

That Council authorize the Mayor to send the attached letter as a response to the report of the 2008-2009 Santa Barbara County Civil Grand Jury entitled "The Road Not Taken."

**DISCUSSION:**

California Penal Code Section 933.05 requires that the "governing body" of each public agency which is the subject of a report from the County Civil Grand Jury comment on those findings and recommendations contained in the report which are relevant to that particular public agency.

Attached is the proposed response to the Santa Barbara County Civil Grand Jury report concerning "SBCAG - A Road Not Taken." The recommended Council action would authorize the Mayor to send the letter to the Civil Grand Jury.

- ATTACHMENTS:**
1. Response to the Report of the 2008-2009 Santa Barbara County Civil Grand Jury Entitled "SBCAG – A Road Not Taken"
  2. Report of the 2008-09 Santa Barbara County Civil Grand Jury Entitled "SBCAG – A Road Not Taken"

**SUBMITTED BY:** Paul Casey, Community Development Director

**APPROVED BY:** City Administrator's Office



**City of Santa Barbara**  
Office of the Mayor

**ATTACHMENT**

[mblum@santabarbaraca.gov](mailto:mblum@santabarbaraca.gov)

[www.SantaBarbaraCA.gov](http://www.SantaBarbaraCA.gov)

August 5, 2009

Marty Blum  
**Mayor**

City Hall  
735 Anacapa Street  
Santa Barbara, CA  
93101-1990

Mailing Address:  
P. O. Box 1990  
Santa Barbara, CA  
93102-1990

Tel: 805-564-5321  
Fax: 805-564-5475

The Honorable Judge J. William McLafferty  
Superior Court  
1100 Anacapa Street, 2<sup>nd</sup> Floor  
P.O. Box 21107  
Santa Barbara, CA 93121-1107

Dear Judge McLafferty:

Thank you for the opportunity to respond to the report of the 2008-09 Santa Barbara County Civil Grand Jury entitled "SBCAG – A Road not Taken". This is an area of great interest to me personally and I think the Grand Jury did a very good job of highlighting appropriate concerns about regional planning in the County of Santa Barbara.

The following are my responses to the findings and recommendations of the Grand Jury:

**Finding 1a:** Santa Barbara County Association of Governments has authority to do regional land use planning through its Joint Powers Agreement.

Response – Agree

**Finding 1b:** The staff has developed recommendations for regional land use planning approved by Santa Barbara County Association of Governments

Response – Agree

**Finding 1c:** The regional land use planning recommendations adopted by Santa Barbara County Association of Governments have not been implemented

Response – Partially agree. This finding may be a bit too broad for the point the Grand Jury is trying to make. A number of the reports make recommendations that are to be implemented at the local level, and a number of the local agencies have implemented recommendations from some of the studies referenced in the Grand Jury report.

As an example, the 2007 Regional Growth Forecast recommended phasing new commercial growth with residential development to minimize future impacts to the jobs/housing balance issues in the County. The City of Santa Barbara, since 1990, has had a commercial growth control ordinance called Measure E which restricts the amount of new commercial development in the City in favor of promoting additional housing development. The City has also participated



Please consider the environment before printing this letter.

in a number of regional task forces dealing with water quality, affordable housing, and other issues, which has been recommended in a number of reports.

**Recommendation 1:** That Santa Barbara County Association of Government and each respective jurisdiction implement already adopted recommendations that deal with regional land use planning

Response: I agree with this recommendation. The City of Santa Barbara's General Plan and past practices have always supported regional collaboration and planning. As the Grand Jury Report outlines, the issues of transportation, housing, and open space are regional issues, with regional concerns, that do not respect existing political boundaries. Collaborative and informed regional decision making is necessary and important, and the City of Santa Barbara will support such efforts as we have done in the past.

**Finding 2:** Santa Barbara County Association of Governments has not developed a fully integrated regional plan coordinating jobs, housing and transportation that includes all the County's jurisdictions.

Response – Agree

**Recommendation 2:** That the Santa Barbara County Association of Governments develop a fully integrated regional plan.

Response – Agree. I have spoken in favor of developing a fully integrated regional plan at SBCAG Board meetings in the past, and continue to think it is a good idea. Over the next few years, recently adopted State Legislation (SB 375) will require SBCAG to prepare such a plan. I believe such a plan will be beneficial for the County and will be supported by the City of Santa Barbara.

**Finding 3:** Santa Barbara County Association of Governments refused to apply for state funds for comprehensive regional planning

Response – Agree. As the City's representative to the Board, I spoke in support of applying for these funds. Although I missed the actual vote when the SBCAG Board voted to not apply for these funds, I am sorry the Board decided not to pursue the opportunity at that time.

The Honorable Judge J. William McLafferty  
August 5, 2009  
Page Two of Three

**Recommendation 3:** That Santa Barbara County Association of Governments aggressively pursue funding for comprehensive regional planning.

Response – Agree. SBCAG should pursue any and all opportunities to receive funding to support the development of a comprehensive regional plan.

Sincerely,

Marty Blum  
Mayor

cc: City of Santa Barbara Councilmembers  
Jim Armstrong, City Administrator  
SBCAG Board Members

**SBCAG - A Road Not Taken**



## **SBCAG - A ROAD NOT TAKEN**

**"If you don't know where you're going,  
you might wind up someplace else."**

**Yogi Berra**

### **SUMMARY**

Santa Barbara County is facing many critical challenges as it strives to maintain and improve the quality of life for all its residents. Air quality is threatened, open spaces are being challenged, agricultural land is in jeopardy and our roads are increasingly clogged. In addition, the County must face the reality of growth with a population shift to the north, parochialism significant enough to initiate a county-split referendum in 2006, a crisis in affordable housing, and a widening bifurcation of society based on wealth and age.

There is one organization in the County that has the ability to address these important issues and to develop viable solutions: the Santa Barbara County Association of Governments (SBCAG). The SBCAG Board is comprised of 13 members including all five Santa Barbara County Supervisors and a mayor or council member from each of the County's eight cities. SBCAG was established "to examine common problems and suggest solutions."<sup>1</sup> The organization is designed to be a regional, multi-jurisdictional, forum for collaborative discussion and resolution of problems and issues.<sup>2</sup>

The 2008-2009 Santa Barbara County Civil Grand Jury (Jury) conducted a review of SBCAG's regional approach to its many challenges. As a point of departure, the Jury reviewed a number of planning documents and reports issued by SBCAG from 1989 to the present. While these reports thoroughly addressed individual issues, they reflect a lack of cohesion across subject areas, jurisdictions, and time. In response to these anomalies, the Jury focused its attention on the SBCAG's approach to the overall issue of comprehensive regional planning, and in this regard identified four themes in the majority of reports approved by the SBCAG Board:

- 1) A recognition of the need to address countywide problems on a regional level
- 2) A lack of regional land use planning and coordination
- 3) A disproportionate emphasis on transportation
- 4) A reluctance on the part of the Board to address regional issues other than traffic

The State of California has offered "no strings attached" \$250,000 grants to counties willing to initiate regional approaches to solving regional problems. Of the 58 counties in the State, Santa Barbara is the only county that declined the offer and refused to participate.

---

<sup>1</sup> SBCAG *Regional Growth Forecast 2005-2040*

<sup>2</sup> Joint Powers Agreement for Santa Barbara County, 1966

SBCAG did make a significant foray into the regional planning arena with a 2004 study, *Taking Action Regionally, The Inter-Regional Partnership for Jobs, Housing, & Mobility*. This comprehensive report addressed the need to develop tools to analyze and deal with cross-jurisdictional challenges. The report clearly stated SBCAG's understanding of the importance of a broad-based approach:

*Many of the issues that face local governments and the people they serve, such as: ...traffic, housing, air quality, and growth, extend beyond jurisdictional boundaries. SBCAG's primary purpose is to assist local governments in solving common problems and addressing public policy issues that are regional or multi-jurisdictional. SBCAG's broad responsibilities for planning and programming ensure that it can effectively establish or influence the policy-making process within the county.*

The Grand Jury agrees. Regrettably, SBCAG essentially shelved the report and its recommendations. In contrast, San Luis Obispo County, geographically and culturally similar to Santa Barbara, was an early participant and recipient of State funds to develop a regional “plan”, completed in 2008.<sup>3</sup> This collaborative effort among that county, its cities and citizens, is not so much a detailed document as it is a broad overview of their region and its possible future. Their approach, including public outreach, provides a basis for collaboration among the constituent members and a framework for future planning. These documents are not a threat to county or city members' autonomy in the planning arena, since their general plans continue to define the character of those jurisdictions within the overarching framework of this regional view. This Jury concluded that if other counties can overcome their internal resistance to collaborate and plan for housing their populations and protecting their natural resources, we can, and must, do the same.

## **BACKGROUND**

Many would like Santa Barbara to remain as it was when they arrived, and there have been many efforts to achieve this. For example in 1989 the City of Santa Barbara passed Measure E which placed a limit on non-residential development and thereby limited job creation and the need for more housing. It resulted in limited success as the nature of work changed, while jobs continued to grow.

The pressures to develop housing to meet the needs of those who are employed here, versus the desire of those wishing to keep the County just as it was, have resulted in a morass of ineffective planning decisions. The 10 separate planning commissions that control all development in the County have created a patchwork quilt

“We have met the enemy, and he is us.”<sup>4</sup>

---

<sup>3</sup> San Luis Obispo *Community 2050* Blueprint plan, Sept. 2008

<sup>4</sup> SBCAG sponsored report, *Taking Action Regionally, The Inter-Regional Partnership for Jobs, Housing, & Mobility*, July 2004. (As used in the report the Walt Kelly quote from Pogo refers to Santa Barbara County)

of policies, ordinances, zoning regulations and enforcement procedures that lack cohesion, coordination, and create the potential for urban sprawl and its consequences.

Despite successful efforts to encourage carpooling and bus ridership, congestion continues to increase. The Jury found that there have been hundreds of dedicated individuals and numerous organizations and agencies which have proposed remedies to address this and other regional issues. Yet from these efforts there has been limited change.

Over the years the SBCAG Board has focused its attention on regional transportation issues, particularly capital roads projects, rather than integrating these with other important issues that impact transportation such as its relationship to jobs and housing. Land use planning is particularly important as it includes the concerns of open space, agriculture and the environment, in addition to jobs and housing issues. These remain unaddressed by SBCAG in any collaborative regional manner.

In 2004, SBCAG thoroughly studied<sup>5</sup> the above problems and presented five key assumptions that communities and the entire region need to consider as they move toward the future:

- 1) *Whether we like it or not, the overall area's population is increasing through both net immigration and natural increase (births over deaths). There is no local mechanism that will halt the pressure for further internal and external growth from occurring.*
- 2) *No one city or region will be able to buffer itself from the impacts of continued development and redevelopment. Nor can we "build our way out of" these growth pressures.*
- 3) *Regional problems require regional solutions.*
- 4) *Meaningful change will require the development of interregional partnerships and alliances that heretofore have not been nurtured.*
- 5) *"Big Picture" policy changes will require a regional approach that can effectively exert political influence at the state-level through strategic cooperation at the local level.*

In other words, change is on the way, and the most satisfactory way to control it is through cooperative, inter-jurisdictional collaboration. SBCAG is the only entity in the county that has the authority and resources to address these issues in a comprehensive way.

---

<sup>5</sup> SBCAG sponsored report, *Taking Action Regionally, The Inter-Regional Partnership for Jobs, Housing, & Mobility*, July 2004

## **METHODOLOGY**

The Jury reviewed legislation that pertains to housing in California, including:

- 1934 – National Housing Act: Created the Federal Housing Administration (FHA)
- 1965 – Department of Housing and Urban Development Act (HUD)
- 1969 – State Housing Element Law, Regional Housing Needs Assessment (RHNA)
- 2002 – AB 1493: California’s Vehicle Global Warming Law
- 2005 – Regional Blueprint Program
- 2006 – AB 32: Global Warming Solutions Act
- 2008 – SB 375: Transportation planning, travel demand models, sustainable communities strategy, environmental review

Documents reviewed included:

- California Health and Safety Code, Division 13, Part 1.5, State Housing Law
- Studies from the Urban Land Institute
- Publications from the California Department of Housing and Community Development
- SBCAG reports (see Appendix IV)
- Reports by the Housing Authority of the County of Santa Barbara
- Reports by the Housing Authority of the City of Santa Barbara
- Studies prepared by the Santa Barbara Region Economic Community Project
- The Central Coast Survey
- Previous Santa Barbara County Civil Grand Jury reports
- Community 2050 San Luis Obispo Blueprint, Sept. 2008

The Jury interviewed SBCAG Board members and staff, present and former members of the Santa Barbara County and City planning and housing staffs, architects, industry representatives, attorneys, representatives from non-profits, and advocates for and against the development of housing in the County.

## **OBSERVATIONS AND ANALYSIS**

Communities are not isolated but are interdependent within the region in terms of housing, transportation, jobs, shopping, recreation, health care, etc. Regional planning serves as a basis for county jurisdictions to work together to create a strategy that protects and enhances the communities and its residents. For instance, plans need to be developed to encourage the use of transit-oriented land use planning to facilitate walking, biking and transit ridership, thus meeting the State's mandate to reduce greenhouse gases.

California recently launched a program, with funding, to encourage counties to undertake such comprehensive regional planning. It was meant to develop a consensus between the public and regional leaders on a vision for the long-range development of their counties.

There was no mandate regarding housing, transportation patterns or environmental benchmarks. Recognizing this, SBCAG stated: “There is an overall **lack of ownership** (emphasis theirs) of the problem by the community at large. In spite of the existence of regional coordinating agencies, regional collaboration efforts across municipal and county lines have thus far been either non-existent or ineffective.”<sup>6</sup> Nevertheless Santa Barbara County is the only county in the state that refused to participate.

The Grand Jury has reviewed the regional planning documents, which were developed by other counties and has found them to be useful and comprehensive. They not only set out land use plans, but more importantly offer all members of the community a chance to participate in shaping the future of their community.

### **Legislative Initiatives**

For the past 75 years both the Federal and California governments have attempted to promote and encourage local jurisdictions to plan for their growing populations. Some legislation has provided incentives while others threatened punitive action for failure to comply. Recent significant legislation also addressed global warming, greenhouse gases and freeway congestion. This requires comprehensive planning, incorporating transportation with jobs and housing, while encouraging communities to develop their own solutions to these problems (see Appendix I). Embracing these State programs will increase the potential for transportation funds and access to State housing and other grant funds to bring about these needed changes. Santa Barbara County and its eight incorporated cities, which form SBCAG, have consistently resisted what has been perceived as State interference into local land use policies and decisions. Even voluntary State programs have been rejected by SBCAG, including one that offered \$250,000 in grant money to support comprehensive regional planning.

### **Jobs-Housing Imbalance**

A major quality of life issue in the county is traffic congestion. The primary cause of this congestion is due to the imbalance between the locations of jobs and housing in the region. A widely used planning technique for local governments to gauge this imbalance is the ratio of jobs to housing in a given area (the jobs/housing imbalance). The ideal would be for jobs and available housing to be roughly equal, but achieving a balance goes well beyond trying to attain numerical equality. There is a qualitative aspect to this ratio, as the goal is to make housing suitable to the lifestyles and income levels of the workforce. In 2005, Santa Barbara County hosted roughly 188,000 jobs and had 138,000 housing units, for a 1.3 job/housing ratio.<sup>7</sup> The ratios within the various jurisdictions in Santa Barbara County range from 0.69 to 2.08<sup>8</sup> and directly impact regional travel patterns, work-trip lengths and congestion levels. For example, while Lompoc has a 1.0 ratio, many residents commute to jobs on the South Coast.<sup>9</sup> It is apparent from the chart

---

<sup>6</sup> Ibid.

<sup>7</sup> SBCAG *Regional Growth Forecast 2000-2030*

<sup>8</sup> SBCAG *Regional Housing Needs Allocation (RHNA) Plan 2007-2014*

<sup>9</sup> SBCAG *VISION2030:2008 REGIONAL TRANSPORTATION PLAN*, September 2008

below that SBCAG projects jobs to increase faster than population in most areas, portending even greater imbalances.

**Population and Employment – 2000 to 2030<sup>10</sup>**

Sub-Region	Population		Percent Change	Jobs		Percent Change
	2000	2030		2000	2030	
South Coast	201,000	240,300	+20%	108,207	155,331	+44%
Santa Maria & Cuyama	118,200	177,800	+50%	41,508	60,927	+47%
Lompoc	58,300	75,200	+29%	20,202	28,283	+40%
Santa Ynez	21,800	27,400	+26%	8,528	12,249	+44%
<b>County Total</b>	<b>399,300</b>	<b>521,700</b>	<b>+31%</b>	<b>180,445</b>	<b>258,820</b>	<b>+43%</b>

Housing starts on the South Coast have been curtailed in large part due to the public pressure on appointed and elected officials. Various planning commissions have reduced the density of developments, thereby escalating housing costs, leaving urban areas underutilized and perpetuating urban sprawl. If the increase of jobs, population and commuting continues without establishing collaborative regional planning, the quality of life in the community of Santa Barbara as we know it will deteriorate, and it will continue to have the least affordable housing in the nation.<sup>11</sup>

**The Human Cost of Commuting**

The principal impact felt by the residents of the County resulting from the job/housing imbalance is the continuing increase in traffic congestion. A common lament is that there are too many people in the area. The reality is that traffic congestion results from more workers commuting to their workplaces. Analysis of traffic statistics shows that commuting in the County increased 800% between the years of 1960 and 2000.<sup>12</sup> And yet the SBCAG Board continues to back away from addressing this congestion in a regional manner. It is estimated that more than 10,000 workers commute daily from residences in the North County to the South Coast. Between 1990 and 2000 the traffic from Ventura increased 61% and today it is estimated that there are 15,500 daily commuters from Ventura. Traffic from Ventura is projected to increase 51% during the next 20 years. Commuters from San Luis Obispo County has increased 36% during this same period and is expected to increase 74% during the next 20 years.

“A one-hour daily commute between Santa Maria and Santa Barbara equates to 500 hours of time spent in travel over a year’s time, which is 25% of a normal work year, and equivalent to 12.5 weeks of vacation.”

SBCAG’s *VISION2030: 2008 REGIONAL TRANSPORTATION PLAN*

<sup>10</sup> 2002 UCSB Economic Outlook Project Report (Report totals)

<sup>11</sup> Ibid.

<sup>12</sup> SBCAG *VISION2030: 2008 REGIONAL TRANSPORTATION PLAN*, September 2008

The number of trips per household, minutes per trip, trip distances and vehicle miles traveled are all projected to increase significantly.<sup>13</sup>

SBCAG found that:

*Week to week and month to month, residents of Northern Santa Barbara County,(and) Santa Barbara South Coast... are confronted with more time-consuming commutes, as well as higher costs of home ownership and rental housing. The result is a shrinking middle class. Major employers close their doors and move away; service workers are forced to find housing in distant towns; people who can't afford to commute double up in a shrinking supply of homes, cottages and apartments. Health and safety organizations are increasingly challenged to hire and keep qualified personnel, jeopardizing health care services at the most basic level.*<sup>14</sup>

As an example, the Jury's investigation found that 35% of our safety officers do not live in the County. While the majority of out-of-County workers commute from Ventura and San Luis Obispo, some live as far away as San Bernardino and Fresno. As described in the 2008 Regional Transportation Plan,<sup>15</sup> the Board has the responsibility to "...encourage local land use decisions that shape demand for transportation services."

The Board has concentrated on transportation issues including carpooling, express lanes, and the creation of regional bikeway networks. However, a major unaddressed task before SBCAG, and not to be understated, is the need for regional land use planning which would reduce urban sprawl and promote worker housing near job centers. If implemented, these improvements would, at the very least, work in conjunction with recent State laws requiring, among other things, the reduction in greenhouse gases

## **SBCAG**

### **Board of Directors and Staff**

SBCAG was established in 1966 under a Joint Powers Agreement executed by Santa Barbara County and each of its cities. SBCAG is an agency now governed by a 13-member Board of Directors consisting of all five county supervisors and one city council member from each of the other jurisdictions.

SBCAG currently operates with a budget in excess of \$33 million, including \$2.4 million for salaries and benefits, and is administered by a staff of 20 responsible to the Board of Directors. The majority of funds are used for capital transportation projects. Two professional standing committees, in turn, support this staff: the 11-member Technical

---

<sup>13</sup> Ibid.

<sup>14</sup> SBCAG sponsored report, *Taking Action Regionally, The Inter-Regional Partnership for Jobs, Housing, & Mobility, July 2004*

<sup>15</sup> SBCAG VISION2030: 2008 REGIONAL TRANSPORTATION PLAN, September 2008

Planning Advisory Committee (TPAC) and the 13-member Technical Transportation Advisory Committee (TTAC) (see Appendix II).

SBCAG’s annual 2008 Overall Work Program states: “Many of the issues that face local governments and the people they serve, such as traffic, housing, air quality, and growth, extend beyond jurisdictional boundaries...” It is clear from the partial list of its functional responsibilities (see Appendix III) and publications (see Appendix IV), that the organization has chosen to concentrate principally on capital projects related to transportation issues.

**SBCAG Board and Staff Disconnect**

The high quality of the numerous studies, reports and plans produced by the SBCAG staff with the support of the advisory committees is undeniable. These documents are routinely reviewed and approved by the Board. The documents feature a consistent theme – the need for a multi-jurisdictional focus on the issues facing the County. Nonetheless, the message of the need for collaboration on a regional basis appears to have been lost on the SBCAG Board.

“The South Coast is a geographic and economic region.... Its residents drink from the same water supply, breathe the same air, ride on the same highways, and do much of their shopping in the same stores... *It makes no sense for a region such as ours to adopt a piecemeal approach to the future.*” (emphasis theirs)

*Impacts of Growth Study, 1974*

The SBCAG staff is aware of the problems facing the County and has stated repeatedly “...regional problems require regional action”,<sup>16</sup> yet the Board refuses to take on the responsibility for cooperative, collaborative planning. We are now behind every other county in the State in acquiring the technology and establishing the groundwork to address our problems collectively. The Jury confirmed this defensive approach by reviewing Board minutes and videos of Board meetings.

At its monthly meetings, members generally face an agenda laden with complex subjects, staff presentations, and background issues. Thirteen members with localized views respond individually to issues of growth, transportation, water, affordable housing, farm-worker housing, urban density, protection of open spaces, State intrusion on self-determination, etc. There is no existing, documented, overarching framework to guide or anchor the decision-making process. In its review of SBCAG meeting videos and minutes, the Jury confirmed reluctance on the part of the Board to adopt a collaborative approach to countywide problems. Rather than treating issues as opportunities for collective decision-making, the typical approach has been to frame them as threats to local autonomy, particularly if the State was involved. Every city, plus the unincorporated county, has its own General Plan which serves as the backdrop to the SBCAG’s deliberations. The staff has on more than one occasion proposed a regional planning approach to the Board. The Board has rejected it – repeatedly and emphatically.

---

<sup>16</sup> Ibid.

## CONCLUSION

Over the years efforts have been made by many in the community to tackle the problems of growth within our County. We want to maintain and enhance the beauty of Santa Barbara County. Change is inevitable, but change with proper planning can be used to improve what we all treasure.

If we are to have more effective livable communities, then jobs, housing, and transportation must be integrated into the planning process. If open space is to be preserved, it must be identified and prioritized. Housing must be planned so it does not encroach on productive agricultural land. Solutions will cross jurisdictional lines. Cooperation and collaboration among and between SBCAG Board members and their constituents can make this happen.

“...The absence of an area-wide policy is thus, itself a form of policy: if the jurisdictions of the regions do not form a common compact charting a common future, they will be left to mean-spirited squabbles in which each tries to gain at the expense of the others – and to the detriment of all.”

*Impacts of Growth Study, 1974*

## FINDINGS AND RECOMMENDATIONS

### Finding 1a

Santa Barbara County Association of Governments has authority to do regional land use planning through its Joint Powers Agreement.

### Finding 1b

The staff has developed recommendations for regional land use planning approved by Santa Barbara County Association of Governments.

### Finding 1c

The regional land use planning recommendations adopted by Santa Barbara County Association of Governments have not been implemented.

### Recommendation 1

That Santa Barbara County Association of Governments and each respective jurisdiction implement already adopted recommendations that deal with regional land use planning.

### Finding 2

Santa Barbara County Association of Governments has not developed a fully integrated regional plan coordinating jobs, housing and transportation that includes all the County's jurisdictions.

### Recommendation 2

That Santa Barbara County Association of Governments develop a fully integrated regional plan.

**Finding 3**

Santa Barbara County Association of Governments refused to apply for State funds for comprehensive regional planning.

**Recommendation 3**

That Santa Barbara County Association of Governments aggressively pursue funding for comprehensive regional planning.

**REQUEST FOR RESPONSE**

In accordance with *California Penal Code Section 933.05*, each agency and government body affected by or named in this report is requested to respond in writing to the findings and recommendations in a timely manner. The following are the affected agencies for this report, with the mandated response period for each:

**Santa Barbara County Association of Governments – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**First District Supervisor – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Second District Supervisor – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Third District Supervisor – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Fourth District Supervisor – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Fifth District Supervisor – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Mayor, City of Buellton – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Mayor, City of Carpinteria – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Mayor, City of Goleta – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Mayor, City of Guadalupe – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Mayor, City of Lompoc – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Mayor, City of Santa Barbara – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Mayor, City of Santa Maria – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

**Mayor, City of Solvang – 90 days**

Findings 1a, 1b, 1c, 2, 3  
Recommendations 1, 2, 3

APPENDIX I

Recent Legislation Regarding Planning Issues

1. California Regional Blueprint Planning Program<sup>17</sup> – A grant program sponsored by the California Business, Transportation and Housing Agency to promote regional planning. The program was intended to foster a more efficient land use pattern that:
  - 1) *supports improved mobility and reduced dependency on single-occupant vehicle trips*
  - 2) *accommodates an adequate supply of housing for all incomes*
  - 3) *reduces impacts on valuable habitat, productive farmland, and air quality*
  - 4) *increases resource use efficiency*
  - 5) *results in safe and vibrant neighborhoods*
  
2. California Assembly Bill 32 – Global Warming Solutions Act: “Establishes first-in-the-world comprehensive program of regulatory and market mechanisms to achieve real, quantifiable, cost-effective reductions of greenhouse gases (GHG).”<sup>18</sup> This legislation requires the California Air Resources Board (CARB) to:
  - 1) Establish a statewide GHG emissions cap for 2020
  - 2) Adopt a plan by January 1, 2009 indicating how emission reductions will be achieved from significant GHG sources via regulations, market mechanisms and other actions
  - 3) Adopt a list of discrete, early action measures by July 1, 2007 that can be implemented before January 1, 2010 and adopt such measures
  
3. California Senate Bill 375 – SB 375 integrates the three major planning activities currently conducted by SBCAG, 1) Regional Growth Forecast, 2) Regional Transportation Plan, and 3) Regional Housing Needs Assessment. More importantly SB 375 provides the opportunity for Santa Barbara County and city planners to incorporate into the planning process (Housing Element) the means to provide for:
  - 1) Residential development near job cores and along transportation corridors and/or transit centers
  - 2) Integration of zoning for housing, commercial and industrial clusters as “villages”
  - 3) Maximization and encouragement of walking or cycling to work, and increasing housing density levels, for all income levels
  - 4) Reduction of commuter miles driven
  - 5) "Sustainable Communities Projects" with relaxed CEQA requirements

---

<sup>17</sup> <http://calblueprint.dot.ca.gov/>

<sup>18</sup> California Air Resources Board, Fact Sheet (<http://www.arb.ca.gov/cc/factsheets/ab32factsheet.pdf>)

**APPENDIX II**

**SBCAG Advisory Committees**

Technical Planning Advisory Committee (TPAC) consists of 11 professional members:

- Eight members, one from each of the cities
- One member from the County
- One member representing the Air Pollution Control District (APCD)
- One SBCAG staff representative (Deputy Director, Planning)
- Selected ex-officio members

TPAC is SBCAG's regional planning advisory committee serving as a communication link between SBCAG and all planning agencies in the County.

Technical Transportation Advisory Committee (TTAC) consists of 13 professional members:

- Eight members, one from each of the cities
- One member from the County
- One member representing the Air Pollution Control District (APCD)
- One member representing the Santa Barbara Metropolitan Transit District (MTD)
- One representative from CALtrans District V
- One SBCAG staff representative (Deputy Director, Planning)

TTAC serves as a communication link between SBCAG and all transportation agencies in the County. TTAC reviews and makes policy recommendations on fiscal matters, fund allocations, special studies, and planning documents for submittal to the SBCAG Board.

**APPENDIX III**

**SBCAG "What We Do"<sup>19</sup>**

- Metropolitan Planning Organization (MPO)
- Regional Transportation Planning Agency (RTPA)
- Airport Land Use Commission (ALUC)
- Local Transportation Authority (LTA)
- Congestion Management Agency (CMA)
- Service Authority for Freeway Emergencies (SAFE)
- Inter-Regional Partnership Project (IRPP)

---

<sup>19</sup> <http://www.sbcag.org>

**APPENDIX IV**

**Relevant SBCAG Regional Publications**

- 1992 SBCAG Regional Housing Needs Study
- 1995 SBCAG Jobs/Housing Study
- Tri-County Socioeconomic Monitoring and Mitigation Program, June 2000
- 2002 SBCAG Regional Housing Needs for Santa Barbara County
- 2003 Congestion Management Plan, November 2003
- The Inter-Regional Partnership for Jobs, Housing, and Mobility, July 2004
- 2030 Travel Forecast for Santa Barbara County, September 2004
- 2006 Regional Transportation Improvement Program (RTIP), January 2006
- 2007 Federal Transportation Improvement Program, September 2006
- Regional Growth Forecast, 2005-2040, August 2007
- 2007 Travel Trends Report, December 2007
- SCAG Final Ventura/Santa Barbara Rail Study Report, March 2008
- 2008 Transit Needs Assessment, May 2008
- Final Regional Housing Needs Allocation (RHNA) Plan 2007-2014, June 2008
- VISION2030: 2008 REGIONAL TRANSPORTATION PLAN, September 20 2008

For a complete list of SBCAG publications go to the SBCAG Website at <http://www.sbcag.org>.



Agenda Item No. \_\_\_\_\_

File Code No. 520.03

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Mayor and City Councilmembers

**FROM:** Fire Prevention Bureau, Fire Department

**SUBJECT:** Introduction Of Ordinance For Amendments To The 2007 Fire Code Regarding Fire Sprinklers

### **RECOMMENDATION:**

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Subsection E of Section 8.04.020 and Subsections C and D of Section 22.04.020 of the Santa Barbara Municipal Code Concerning Local Requirements for the Installation of Automatic Fire Sprinklers.

### **BACKGROUND:**

On December 4, 2007 the Council adopted and amended the 2007 California Fire Code. The adoption process included local amendments with findings based on local needs. The California Fire Code and the adopting ordinance both went into effect on January 1, 2008.

At the time of the code adoption, staff at the Fire Prevention Bureau prepared sections amending the Fire Code that would require fire sprinklers in all new residential and commercial construction. The drafted requirements also called for fire sprinklers when certain square footage thresholds were reached in remodels and additions. The new proposed sprinkler sections were removed from the 2007 Fire Code adoption process due to time constraints and the desire to provide a greater opportunity for input from stakeholders. Examples of stakeholders include members of the development community, property owners, architects, general contractors and home builder associations, homeowners and sprinkler contractors.

### **DISCUSSION:**

In November 2008, the proposed fire sprinkler amendments were published in the Land Development Team Bulletin. Staff began to receive comments by phone and email and incorporated some of the suggestions into the first public meeting discussion. The first meeting was conducted at the David Gebhard Room on December 4, 2008. During and following that meeting fire prevention staff continued to receive input from stakeholders

## Council Agenda Report

### Introduction of Ordinance For Amendments To The 2007 Fire Code Regarding Fire Sprinklers

August 4, 2009

Page 2

that resulted in making adjustments in the proposed code sections. A second Land Development Team bulletin was published in January and a second public meeting was then conducted on January 22, 2009. Additional suggestions were received and the proposal was refined accordingly. On February 26, 2009, staff presented the proposed fire code sections to the Fire and Police Commission in their regularly scheduled meeting.

On March 24, 2009 the proposed changes were presented to the Ordinance Committee, which voted unanimously to forward the ordinance to City Council. The ordinance was presented to City Council on April 14, 2009. At that time, additional questions arose and Council directed staff to prepare answers to the questions before adoption. Those questions are addressed in Attachment #1, Answers to Frequently Asked Questions. In addition, questions arose from the public at the time of the meeting regarding a provision in the revised sections that required existing single family residences to install a sprinkler system for remodels exceeding 1000 square feet or 50% of the existing square footage. The speaker requested that staff consider raising the square footage threshold to 75% and eliminating the 1000 square foot threshold. Although late in the process, staff does not believe that these changes substantially alter the intent of the ordinance and have included those recommendations.

The current proposal requires that automatic fire sprinklers be installed:

1. In all new buildings, residential and commercial, regardless of square footage. This includes all new single family homes. There is an exception for small utility buildings.
2. In any commercial building undergoing an addition.
3. In all commercial structures undergoing a remodel, if the remodel involves 50% or more of the building.
4. In any residential structure where an addition or a remodel exceeds 75% of the floor area.
5. In any building undergoing a change of use to a more hazardous use.

Fire sprinklers save lives and property. Residential fire sprinklers are strongly supported by the United States Fire Administration (USFA), a Division of the United States Department of Homeland Security. In a position paper dated March 28, 2008 the USFA called for both smoke detectors and fire sprinklers in residential units. They cited research by the Center for Fire Research at the National Institute of Standards and Technology, indicating that the time available to escape a burning home has decreased dramatically over the past decade. One of the reasons is the increasing volatility of home furnishings, which are often manufactured from synthetic materials. Their research indicates that when a smoke detector is installed in a residence, a reduced fatality rate of 63% is expected. When smoke detectors are used in combination with

Council Agenda Report  
Introduction of Ordinance For Amendments To The 2007 Fire Code Regarding Fire  
Sprinklers  
August 4, 2009  
Page 3

automatic sprinklers, the risk of dying in a structure fire is reduced by 82%. We have experienced the effectiveness of residential sprinklers in Santa Barbara, with several activations in 2008, one of which saved the life of an unconscious fire victim. On September 22, 2008 the International Code Council adopted the residential sprinkler standard for inclusion into the 2011 Residential Code.

**Cost.** The National Fire Protection Association conducted a national study and found that the cost of installing sprinklers in single family residences to average \$1.61 per square foot. At the request of stakeholders we attempted to determine local costs, due to the higher overall construction costs in this area. Although it was not possible to determine an exact square footage cost, we contacted local sprinkler contractors and learned that the approximate cost for this area is approximately \$2.50 to \$3.00 per square foot. Residential insurance premium offsets vary, typically between a 5% to 20% reduction in the fire insurance portion of the policy depending on the carrier.

Among the questions posed by members of the public is whether or not the City's standard residential water meter (5/8 inch diameter, 20 Gallon per minute flow capacity) will be sufficient to supply adequate flow to a residential sprinkler system. Although in Staff's experience the 5/8 inch meter has been adequate in past installations, Staff is unable to say that the 5/8 inch meter will be sufficient in all installations. The reason is because every installation is calculated according to the particulars of the lot, home design, size and number of heads in the system, and friction loss due to pipe configuration. In the event that the 5/8 inch meter is not adequate, there may be significant costs associated with upgrading the water meter or installing a dedicated fireline. An estimate of the types of costs incurred has been added to the Answers to Frequently Asked Questions.

On July 21, 2009 the revised amendments were presented to the Ordinance Committee, which voted unanimously to forward the ordinance to the Council for introduction and adoption. If approved by the Council, the Ordinance amendments will be presented for adoption on August 11, 2009. The new sections would be incorporated into the Fire Code and would be effective 30 days from that date.

**ATTACHMENT:** Answers to Frequently Asked Questions

**PREPARED BY:** Joseph Poiré, Fire Marshal

**SUBMITTED BY:** Andrew DiMizio, Interim Fire Chief

**APPROVED BY:** City Administrator's Office



City of Santa Barbara  
Fire Prevention Bureau

## **Residential Sprinkler System Frequently Asked Questions and Facts**

### **Where do I tell people to start? Will they find fire sprinklers in the yellow pages?**

If a home builder is not familiar with contractors that install residential fire sprinklers, there are several options.

Look in the local Yellow Pages under "Sprinklers, Fire"

Ask a local or state fire marshal if contractors in your state are required to be licensed. If they are, contact the state licensing board for a current list of licensed contractors.

Contact fire sprinkler contractor associations for names of residential sprinkler contractors in your area.

An increasing number of contractors have Web pages describing their capabilities.

Any professional fire sprinkler contractor can install these systems, but for best results look for a contractor that specializes in residential fire sprinkler systems or one that has a residential sprinkler installation unit within the company.

### **How much should people expect to pay for a fire sprinkler system?**

If installed during new home construction, home fire sprinklers often cost no more than 1 to 1 ½ percent of the total building cost, which is about what they would pay for an upgrade in carpeting. The investment in a family's fire protection may be slightly lower or higher, depending on the location and complexity of the home. In Santa Barbara the cost is approximately \$2.50 to \$3.00 per square foot depending on complexity of the installation.

A review of potential water upgrade costs is detailed below, and contractor rates vary. The City Fire Department plan review and inspection fee for a single family residence sprinkler system is \$171.00.

### **How long should installation take? Can other construction work continue while the sprinklers are going in?**

Fire sprinkler installations are similar to electricity, plumbing or any other operational system in a home. The total time involved will depend on the size and complexity of the home.

Certain portions of the system (i.e. water piping) are more easily and cost-effectively installed in the earliest stages of construction, while the actual finish (i.e. installing the fire sprinkler devices, testing the system, etc.) will take place after the house is framed. Fire sprinkler systems are often completed prior to the other systems in a home, but other mechanical trades may work alongside the sprinkler contractor if necessary.

## **How are fire sprinkler systems maintained?**

A residential fire sprinkler system is basically maintenance free. The only testing required on a regular basis is opening the drain/test valve to check the alarm operation. The rest of the system is designed to operate properly for 20 years or more without any maintenance.

Some basic precautions to safeguard the fire sprinkler system are: Avoid painting or otherwise covering the fire sprinkler devices, as that will affect their sensitivity to heat.

Do not hang decorations, plants or other objects from the sprinkler or piping.

Other things to consider:

- Test the system periodically by opening the test valve and listening for an alarm bell.
- Know the location of the system shutoff valve.
- Make sure the system control valve is always open.
- Have your system reevaluated for needed upgrades when:
  - Water supply changes--addition or change of backflow device or water meter, or reduction of public water supply.
  - Building changes (walls, partitions, additions).

## **What if a home will not be connected to a public water supply?**

Homes can be protected by automatic fire sprinklers in even the most remote areas. Several manufacturers offer self-contained water tanks to supply residential fire sprinkler systems. These tanks are designed to fit in a garage or another storage area of the home, and they hold enough water to comply with the National Fire Protection Association (NFPA) Standard 13D, Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwellings and Manufactured Homes.

## **Will homeowner's insurance premiums go up?**

No. Generally insurance rates will go down because fire sprinklers will keep damage low. Shop around; the savings vary by insurance company.

## **Modern fire sprinklers provide unobtrusive protection.**

Unlike commercial fire sprinklers, residential sprinklers are small, and can be recessed into ceilings or walls. Some models are completely concealed by plates that can be matched to room paint colors. Modern residential sprinkler heads have been designed to be virtually unnoticeable even in open beam and cathedral ceilings.

## **How do fire sprinklers work?**

Automatic fire sprinklers are individually heat-activated and attached to a network of piping with water under pressure. When the heat of a fire raises the sprinkler temperature to its operating temperature (usually 135° F), a solder link will melt or a liquid-filled glass bulb will shatter to open that sprinkler, releasing water and sounding an alarm. By acting automatically at the origin of a fire, sprinklers prevent a fire from growing to a dangerous size.

## **Do sprinklers go off accidentally?**

It is possible for a sprinkler to discharge accidentally, but this is an extremely rare occurrence in systems which are properly maintained. Records indicate that only 1 in 16,000,000 sprinklers per year will open accidentally.

### **Do fire sprinklers cause widespread water damage?**

Fire department hoses typically discharge ten to a hundred times more water than that discharged by sprinklers. Since *only* the sprinkler closest to the fire is activated, the total amount of water is limited. Fire damage is also limited; most fires are put out quickly, by only a few sprinklers, in areas with a fully functional sprinkler system.

### **Will the sprinkler system be effective during a wildland fire?**

Residential fire sprinkler systems are a life safety device designed for interior compartment fires and not for exterior fires such as a wildland fire. Statistically, fires originating in the home are the most common cause of fire death. Although the Fire Department has documented one incident during the Tea Fire where the residential sprinkler system saved a home when the exterior deck ignited, that incident is the exception. The most effective life safety component in a wildland fire is evacuation. New construction requirements, defensible space and vegetation management in wildland areas are more effective defenses for structures against wildfire.

### **If we get another Tea Fire or Jesusita Fire, won't we have a lot of the sprinklers going off in the newly sprinklered homes thus causing a precipitous drop in water pressure and causing inadequate hydrant pressure during the next wildland fire?**

No. The sprinkler heads in a residential sprinkler system are activated by heat from within the compartment they are protecting, not from the exterior. In the case of the Tea Fire, the houses destroyed during that event also had their water systems and associated piping and appliances destroyed, which in turn, allowed water to run freely until the water to the property was turned off. In essence, we will have the same water pressure issues in a Tea Fire scenario regardless if houses are equipped with sprinkler systems or not.

### **Is a 5/8 inch domestic water meter adequate to supply a residential fire sprinkler system?**

The 5/8 inch water meter debate continues in fire protection circles, with engineering experts on both sides of the issue. For single family residences, the City of Santa Barbara generally installs 5/8 inch water meters that are designed to operate at a flow rate of 20 Gallons Per Minute (GPM). NFPA 13D requires 18 GPM as a general rule to operate the most remote sprinkler head. The standard domestic water meter provides 20 GPM. There are engineered options within NFPA 13D that allow the Fire Department to accept approved and listed sprinkler heads that operate at a lower GPM but still provide the same level of protection. On rare occasions when the domestic supply cannot meet the system demand tanks and/or pumps can be added to increase flow and pressure. The City has allowed the installation of home fire sprinklers as a mitigation measure in lieu of other requirements for years. In the approximately 100+ residences throughout the City that currently have automatic fire sprinkler systems it has been the experience of the Santa Barbara City Fire Prevention Bureau that a 5/8 inch water meter has worked for the majority of the applications.

That being said, a 5/8 inch water meter may not be adequate for all installations. The reason is because every installation is calculated according to the particulars of the lot such as the grade, length of the supply pipe, home design, size, number of heads and friction loss due to pipe configuration. In the event that the 5/8 inch water supply does not provide adequate water, there are options available to upgrade the water supply. Potential costs associated with water meter upgrade are estimated below.

The City water rates quoted below are from the Public Works Water Resources Fee Schedule effective July 1, 2009.

1. A standard 5/8 inch water meter has an annual fee of \$143.40 and a one time connection fee of \$2041.00. Water usage is then charged by hundred cubic feet (hcf) used.
2. To upgrade to a 1 inch meter, the annual fee is \$358.80, an increase of \$215.40 over the 5/8 inch meter. The one time connection fee of \$2506.00 is \$465.00 greater than the 5/8 inch supply.
3. City policy also allows for unmetered water for a private fireline, using a 2 inch supply. This would require the builder to trench and tap the City water main, which would involve costs that will vary according to difficulty. Currently, the City fee for tapping the water main is \$885.00. There are a limited number of contractors allowed to perform this work and estimates for a typical connection, trench and repair of the City Street range from \$4000.00 to \$8000.00. In addition to the underground installation, a backflow device is required at an approximate cost of \$300.00. Although unmetered, there is also an annual fee of \$55.92 for the private fire line.

Pipe / Meter Size of Service	5/8"	1"	2"(Fire)
Annual	\$143.40	\$358.80	\$55.92
Connection	\$2041.00	\$2506.00	\$885.00
Trench (one time fee)			\$8,000.00 (estimate)
Backflow (one Time Fee)			\$300.00 (estimate)
First Year Totals*	\$2184.40	\$2864.80	\$9240.92
Subsequent years*	\$143.40	\$358.80	\$55.92

\* Does not include the single family residence hcf usage rate of \$2.84 for the first 4 hundred cubic feet, \$4.76 for the next 16 hcf and \$5.01 for hcf over 20.

## FACTS

### **Fires kill more people in the United States every year than all natural disasters combined.**

80% of all fire deaths occur in the home. The single most effective way to prevent fire-related deaths is the installation of residential fire sprinklers. Combined with smoke alarms, they cut the risk of dying in a home fire by 82% compared to having neither.

### **Fire sprinklers can save money for developers, builders, home owners, and communities.**

Through the use of trade-ups, developers and builders can achieve reduced construction costs while providing higher value homes for their customers. In the event of a home fire, homeowners can expect financial losses 90% lower than those that occur from fires in unsprinklered homes. Communities can deploy emergency services resources more effectively by reducing the burden caused by home fires.

**Installing both smoke alarms and a fire sprinkler system reduces the risk of death in a home fire by 82%, relative to having neither.**

#### Facts & Figures

- Sprinklers typically reduce chances of dying in a fire and the average property loss by one-half to two-thirds compared to where sprinklers are not present.
- In 2002, 79% of fires occurred in the home, resulting in 2,670 fire deaths.

Only the sprinkler closest to the fire will activate, spraying water directly on the fire. Each sprinkler is individually activated by heat. Despite "sight gags" on TV sit-coms, smoke does not trigger sprinkler operation. The rest of the sprinklers in a house will not activate unless there is also a fire in that location. 90% of all home fires are contained with a single sprinkler.

**Fire hoses, on average, use more than 8 1/2 times the water that sprinklers do to contain a fire.**

According to the Scottsdale Report, a 15-year study of fire sprinkler effectiveness, a fire sprinkler uses, on average, 341 gallons of water to control a fire. Firefighters, on average, use 2,935. Reduced water damage is a major source of savings for homeowners.

**The likelihood that a sprinkler will accidentally discharge because of a manufacturing defect is extremely rare.**

Sprinkler mishaps are generally less likely and less severe than accidents involving home plumbing systems.

COUNCIL INTRODUCTION DRAFT 8/4/09  
SHOWING CHANGES FROM 4/14/09 COUNCIL INTRODUCTION DRAFT

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING SUBSECTION E OF SECTION 8.04.020 AND SUBSECTIONS C AND D OF SECTION 22.04.020 OF THE SANTA BARBARA MUNICIPAL CODE CONCERNING LOCAL REQUIREMENTS FOR THE INSTALLATION OF AUTOMATIC FIRE SPRINKLERS

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

**SECTION 1. Findings**

1. Climatic Conditions

- A. The City of Santa Barbara is located in a semi-arid Mediterranean type climate. It annually experiences extended periods of high temperatures with little or no precipitation. Hot, dry winds, (“Sundowners”) which may reach speeds of 60 m.p.h. or greater, are also common to the area. These climatic conditions cause extreme drying of vegetation and common building materials. In addition, the high winds generated often cause road obstructions such as fallen trees. Frequent periods of drought and low humidity add to the fire danger. This predisposes the area to large destructive fires. In addition to directly damaging or destroying buildings, these fires also disrupt utility services throughout the area. The City of Santa Barbara and adjacent front country have a history of such fires, including the 1990 Painted Cave Fire and the 1977 Sycamore Canyon Fire. In 2007, the city was impacted by the back country Zaca Fire and in 2008 the Tea Fire destroyed over 150 homes within the city.
- B. The climate alternates between extended periods of drought and brief flooding conditions. Flood conditions may affect the Fire Department’s ability to respond to a fire or emergency condition. Floods also disrupt utility services to buildings and facilities within the City.
- C. The city’s core area continues to become more concentrated, with new multi-storied mixed-use structures whose occupants, along

with the structures themselves, could be vulnerable to uncontrolled fires due to lack of available water. This necessitates the need for additional and on-site fire protection features.

- D. These dry climatic conditions and winds contribute to the rapid spread of even small fires originating in high-density housing or vegetation. These fires spread very quickly and create a need for increased levels of fire protection. The added protection of fire sprinkler systems and other fire protection features will supplement normal fire department response by providing immediate protection for the building occupants and by containing and controlling the fire spread to the area of origin. Fire sprinkler systems will also reduce the use of water for firefighting by extinguishing fires at an early stage.

2. Topographical conditions:

- A. Natural slopes of 15 percent or greater generally occur throughout the foothills of Santa Barbara, especially in the High Fire Hazard areas such as the Foothill and Extreme Foothill zones. With much of the populated lower elevation areas already built upon, future residential growth is and will continue to occur on steeper slopes and in areas with greater constraints in terrain such as the Foothill and Extreme Foothill zones. Geographic and land-use constraints throughout the city have resulted in greater density along with a large number of mixed use projects, combining residential with commercial occupancies.
- B. Traffic and circulation congestion is an ongoing problem throughout the region. Traffic flow in and through Santa Barbara is limited by the transverse Santa Ynez Mountains, which provide limited passage to the north, and the Pacific Ocean to the south. The narrow corridor that Highway 101 occupies is subject to traffic delays under normal conditions and emergency events can render the highway impassable. This has the double effect of preventing traffic from leaving the city and potentially preventing emergency workers, who often live out of town, from entering. This condition existed for several days during the La Conchita slide in 2005 and it disrupted the return of city workers who live in the Ventura area. At various times in the city's history, Highway 101 has also been closed north of the city due to mudslides, fires and flooding, most recently near Gaviota Pass, where a fire also temporarily closed the Rail access.

In addition, roads in the foothills are narrow, often steep and vulnerable to emergency conditions. Some of the older roadways are below current access standards and pose challenges to responding

emergency vehicles, especially fire engines. These challenges are exacerbated in the event of an evacuation, particularly in the Foothill and Extreme Foothill zones.

- C. These topographical conditions combine to create a situation which places fire department response time to fire occurrences at risk, and makes it necessary to provide automatic on-site fire-extinguishing systems and other protection measures to protect occupants and property.

3. Geological conditions:

The City of Santa Barbara region is a densely populated area that has buildings constructed over and near a vast and complex network of faults that are believed to be capable of producing future earthquakes similar or greater in size than the 1994 Northridge and the 1971 Sylmar earthquakes. Known faults in the city include the Lavigia, North Channel Slope, Mesa and Mission Ridge-More Ranch faults. Additional faults near the city would also be capable of disruption of services, including fire protection. The Southern California Earthquake Center predicts that there is an 80-90% probability of a magnitude 7.0 earthquake somewhere in Southern California before the year 2024. Regional planning for reoccurrence of earthquakes is recommended by the State of California, Department of Conservation.

- A. Previous earthquakes have been accompanied by disruption of traffic flow and fires. A severe seismic event has the potential to negatively impact any rescue or fire suppression activities because it is likely to create obstacles similar to those indicated under the high wind section above. With the probability of strong aftershocks there exists a need to provide increased protection for anyone on upper floors of buildings. The October 17, 1989, Loma Prieta earthquake resulted in one major fire in the Marina District (San Francisco). When combined with the 34 other fires locally and over 500 responses, the department was taxed to its fullest capabilities. The Marina fire was difficult to contain because mains supplying water to the district burst during the earthquake. In addition to gas mains, individual gas and electric service connections to residences may provide both fuel and ignition sources during a seismic event. This situation creates the need for both additional fire protection and automatic on-site fire protection for building occupants.
- B. Road circulation features located throughout Santa Barbara also make amendments reasonably necessary. There are major roadways, highways and flood control channels that create barriers and slow response times. Hills, particularly in the Foothill and Extreme Foothill zones, slopes, street and storm drain design

accompanied by occasional heavy rainfall, cause roadway flooding and landslides and at times may make an emergency access route impassable. Much of Sycamore Canyon lies in an area subject to geologic activity, as witnessed by the recent closure of the road due to the slide potential.

The climatic, topographical, and geological conditions described above make it prudent to rely upon automatic fire sprinkler systems to mitigate extended fire department response times. The automatic sprinkler requirements specified in this ordinance are intended to lessen life safety hazards and keep fires manageable with potentially reduced fire flow (water) requirements for a given structure.

**SECTION 2.** Subsection E of Section 8.04.020 of the Santa Barbara Municipal Code is deleted in its entirety and readopted to read as follows:

E. **Chapter 9** of the International Fire Code is amended as follows:

1. **Section 903.2 “Where required.”** of Section 903 of the International Fire Code is amended to add Section 903.2.18 to read as follows:

**903.2.18 City of Santa Barbara Local Requirements.** Approved sprinkler systems shall be provided throughout a building in connection with the projects or changes of occupancy listed in this Section 903.2.18 or as specified elsewhere in this Section 903.2, whichever is more protective.

**903.2.18.1 New Buildings, Generally.** The construction of a new building containing any of the following occupancies: A, B, E, F, H, I, L, M, R, S or U.

Exceptions: A new building containing a Group U occupancy that is constructed in the City’s designated High Fire Hazard Area is not required to provide a sprinkler system as long as the building does not exceed 500 square feet of floor area. A new building containing a U occupancy that is constructed outside the City’s designated High Fire Hazard Area is not required to provide a sprinkler system as long as the building does not exceed 5000 square feet of floor area.

**903.2.18.2 New Buildings in the High Fire Hazard Area.** The construction of any new building within the City’s designated High Fire Hazard Area.

Exception: A new building containing a Group U occupancy that is constructed in the City’s designated High Fire Hazard Area is not required to provide a sprinkler system as long as the building does not exceed 500 square feet of floor area.

### **903.2.18.3 Additions to Buildings Other than Single Family**

**Residences.** The addition of floor area to an existing building that contains any occupancy other than Group R, Division 3.

### **903.2.18.4 Remodels of Buildings Other than Single Family**

**Residences.** The remodel or alteration of the interior of an existing building that contains any occupancy other than Group R, Division 3, where the floor area of the portion of the building that is modified or altered exceeds 50% of the existing floor area of the building. For purposes of this section, all modifications or alterations to an existing building that occur after the effective date of the ordinance adopting this section shall be counted in the aggregate toward the 50% threshold measured against the floor area of the building as it existed on the effective date of the ordinance adopting this section.

### **903.2.18.5 Additions to or Remodels of Single Family**

**Residences.** The addition of floor area to, or the modification or alteration of the interior of, an existing building that contains a Group R, Division 3 occupancy, where the floor area of the portion of the building that is added, modified, or altered exceeds ~~1,000 square feet or 50~~75% of the existing floor area of the building. For purposes of this section, all additions, modifications, or alterations to an existing building that occur after the effective date of the ordinance adopting this section shall be counted in the aggregate toward the ~~1,000 square foot threshold or the~~ 5075% threshold measured against the floor area of the building as it existed on the effective date of the ordinance adopting this section.

### **903.2.18.6 Change of Occupancy to a Higher Hazard**

**Classification.** Any change of occupancy in an existing building where the occupancy changes to a higher hazard classification.

### **903.2.18.7 Computation of Square Footage.**

For the purposes of this Section 903.2.18, the floor area of buildings shall be computed in accordance with the definition of "Floor area, Gross" provided in Section 1002.1 of the California Building Code.

### **903.2.18.8 Existing use.**

Except as provided in this Section 903.2, any building in existence at the time of the effective date of the ordinance adopting this section may continue with such use if such use was legal at the time.

2. **Section 907 "Fire Alarm and Detection Systems"** of the International Fire Code is amended to add Section 907.1.5 to read as follows:

**907.1.5 Mixed Use Occupancies.** Where residential occupancies are combined with commercial occupancies, a fire alarm system shall be installed which notifies all occupants in the event of a fire. The system shall include automatic smoke detection throughout the commercial and common areas. In addition, a notification system shall be installed in a manner and location approved

by the fire code official that indicates the presence of residential dwelling units in accordance with Municipal Code Section 8.04.030 B.

**SECTION 3.** Subsections C and D of Section 22.04.020 of the Santa Barbara Municipal Code are deleted in their entirety and readopted to read as follows:

C. Section 903.2 “Where Required.” of Section 903 is amended to add Section 903.2.18 to read as follows:

**903.2.18 City of Santa Barbara Local Requirements.** Approved sprinkler systems shall be provided throughout a building in connection with the projects or changes of occupancy listed in this Section 903.2.18 or as specified elsewhere in this Section 903.2, whichever is more protective.

**903.2.18.1 New Buildings, Generally.** The construction of a new building containing any of the following occupancies: A, B, E, F, H, I, L, M, R, S or U.

Exceptions: A new building containing a Group U occupancy that is constructed in the City’s designated High Fire Hazard Area is not required to provide a sprinkler system as long as the building does not exceed 500 square feet of floor area. A new building containing a U occupancy that is constructed outside the City’s designated High Fire Hazard Area is not required to provide a sprinkler system as long as the building does not exceed 5000 square feet of floor area.

**903.2.18.2 New Buildings in the High Fire Hazard Area.** The construction of any new building within the City’s designated High Fire Hazard Area.

Exception: A new building containing a Group U occupancy that is constructed in the City’s designated High Fire Hazard Area is not required to provide a sprinkler system as long as the building does not exceed 500 square feet of floor area.

**903.2.18.3 Additions to Buildings Other than Single Family Residences.** The addition of floor area to an existing building that contains any occupancy other than Group R, Division 3.

**903.2.18.4 Remodels of Buildings Other than Single Family Residences.** The remodel or alteration of the interior of an existing building that contains any occupancy other than Group R, Division 3, where the floor area of the portion of the building that is modified or altered exceeds 50% of the existing floor area of the building. For purposes of this section, all modifications or alterations to an existing building that occur after the effective date of the ordinance adopting this section shall be counted in the aggregate toward the 50% threshold measured

against the floor area of the building as it existed on the effective date of the ordinance adopting this section.

**903.2.18.5 Additions to or Remodels of Single Family**

**Residences.** The addition of floor area to, or the modification or alteration of the interior of, an existing building that contains a Group R, Division 3 occupancy, where the floor area of the portion of the building that is added, modified, or altered exceeds ~~1,000 square feet or 5075%~~ of the existing floor area of the building. For purposes of this section, all additions, modifications, or alterations to an existing building that occur after the effective date of the ordinance adopting this section shall be counted in the aggregate toward the ~~1,000 square foot threshold or the 5075%~~ threshold measured against the floor area of the building as it existed on the effective date of the ordinance adopting this section.

**903.2.18.6 Change of Occupancy to a Higher Hazard**

**Classification.** Any change of occupancy in an existing building where the occupancy changes to a higher hazard classification.

**903.2.18.7 Computation of Square Footage.**

For the purposes of this Section 903.2.18, the floor area of buildings shall be computed in accordance with the definition of “Floor area, Gross” provided in Section 1002.1 of the California Building Code.

**903.2.18.8 Existing use.**

Except as provided in this Section 903.2, any building in existence at the time of the effective date of the ordinance adopting this section may continue with such use if such use was legal at the time.

D. [Reserved.]

**Section 4.** This ordinance shall become effective ~~on July 1, 2009~~thirty (30) days following adoption. The provisions of this ordinance shall apply to any building permit application for the construction, addition, or remodel of any structure that is submitted to the City ~~on or after July 1, 2009~~on or after the effective date of this ordinance; provided, however, the provisions of this ordinance shall not apply to an application for a building permit for the construction of a residential structure to replace a residential structure that was damaged or destroyed by the Tea Fire or the Jesusita Fire and where the ownership of the property has not changed since the date of the fire.



Agenda Item No. \_\_\_\_\_

File Code No. 640.07

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009

**TO:** Mayor and Councilmembers

**FROM:** Planning Division, Community Development Department

**SUBJECT:** Appeal Of Planning Commission Approval For 436 Corona Del Mar

### **RECOMMENDATION:**

That Council deny the appeal of James Kahan and Tony Fischer, agents for Friends of Outer State Street and uphold the Planning Commission decision to approve the Coastal Development Permit for a proposed three-story duplex and the Modification for a new garage to encroach 3' into the interior setback, making the findings in the Council Agenda Report and subject to the Conditions of Approval in Staff Hearing Officer Resolution 021-09.

### **EXECUTIVE SUMMARY:**

On May 14, 2009, the Planning Commission denied, on a 3/1 vote, an appeal of a Staff Hearing Officer approval for a Coastal Development Permit for a proposed three-story duplex and new garage and a modification for a 3' encroachment into the 6' required interior setback. The appellant requests that Council deny the project, asserting that the addition is not compatible with the surrounding neighborhood and is oversized for the property. The appellant states that there is no basis for granting a modification of the setbacks for new construction of a duplex on a 6,500 square foot level lot, that it is not necessary to secure the improvement, and that the proposed improvement is excessive (Attachment 1).

It is Staff's position that appropriate consideration has been given to the appellant's issues as part of the Architectural Board of Review, Staff Hearing Officer and Planning Commission review processes, and that the approval of the project is appropriate.

### **PROJECT DESCRIPTION:**

The project site is a relatively flat lot located mid-block on Corona del Mar, within the East Beach neighborhood. The General Plan calls for a mix of hotel and residential development.

The project site is currently developed with a single-story residence and a detached one-car garage at the rear corner of the lot. Constructed some time in the 1920s, the existing garage was permitted to be 400 square feet with zero setbacks along the interior and rear property lines, which would make it legally non-conforming to setbacks. At some point, this garage structure was reduced in size to 224 square feet.

The proposal consists of the demolition of an existing 1,326 square foot, one-story residence and 224 square foot non-conforming garage, and construction of a 3,094 square foot, three-story duplex and a 548 square foot two-car garage on a 6,594 square foot lot in the non-appealable jurisdiction of the Coastal Zone. Also proposed are 582 square feet of covered patios, 166 square foot open deck and a 400 square foot lap pool. Unit #1 would be a 2,159 square foot, two-bedroom unit and Unit #2 would be a 934 square foot, one-bedroom unit with two uncovered parking spaces. A modification is requested to allow the proposed two-car garage to encroach 3' into the required 6' interior setback. Please refer to the attached site plan.

The applicant is now proposing a 330 net square foot basement, which has not yet been reviewed as part of the project; however, it will be completely below grade and will not affect the height or appearance of the building. There are no zoning issues associated with the proposed basement. (See applicant letter, Attachment 2)

## **DISCUSSION:**

On October 6, 2008, the Architectural Board of Review (ABR) reviewed this project for the first time (see meeting minutes, Attachment 3). The proposal included rebuilding the non-conforming garage with a zero setback at the interior and rear lot lines and two tandem uncovered parking spots between the building and the driveway. The Board expressed concerns about the project's size, bulk and scale and encouraged the applicant to restudy the site layout and design, specifically referring to the third floor street elevation, the parking design and the amount of perceived hardscape as viewed from the street. The Board did not support rebuilding the non-conforming garage at the property line, and preferred not to see cars backing directly out onto the street. The Board stated that the architecture was acceptable and compatible with the neighborhood.

On November 17, 2008, the applicant returned to the ABR with a revised proposal. In response to the Board's comments, the applicant proposed a new garage which complied with the 3' rear setback, but requested a 3' encroachment into the required 6' interior setback. The height of the building remained the same at 37'-5"; however, the third-story elevation was reduced by 5'. The applicant also re-designed the parking layout by placing the two uncovered parking spaces behind the main building. This change reduced the width of the driveway and allowed cars to turn around on-site and have a forward exit from the driveway. The Board stated that the modification is acceptable and appreciated the changes that were made to the site design and layout.

On March 11, 2009, the project was presented to the Staff Hearing Officer, the Staff Report is included as part of Attachment 4. The applicant voluntarily proposed to reduce the maximum height of the building by approximately 3 feet to approximately 33'-7". The project was approved. (See the story pole installations exhibit.)

On May 14, 2009, an appeal filed on March 23, 2009 by Friends of Outer State Street was presented to the Planning Commission. The Planning Staff Report is attached as Attachment 4. The Planning Commission denied the appeal and upheld the Staff Hearing Officer Approval by a vote of 3 to 1. Overall, the Commission felt that the proposed encroachment was a result of the applicant responding to comments made by the Architectural Board and found that the proposed garage would encroach less than that of the existing building and that the garage placement was consistent with the surrounding neighborhood.

On June 1, 2009, the project returned to the Architectural Board of Review (ABR) for Preliminary and Final Approval. The Board continued the project, requesting that the applicant reduce the lower and middle plate heights. The Board carried forward with their prior comments on the modification stating that it was acceptable for the site, and had no negative aesthetic impacts.

On June 15, 2009, the applicant returned to the ABR. The applicant, in response to the ABR's comments, reduced the overall height of the building by an additional 17". Because of the change in finished grade between the front of the lot and the rear of the lot the building is 33'-4" when viewed from the street and 35'-4" when viewed from the back. The project was granted Preliminary Approval by a vote of 5 to 0.

### **Appeal Issues**

#### *Neighborhood Compatibility*

**Appellant's Position:** The three story building is proposed in a neighborhood which is primarily an area with two story buildings and the project is not compatible with the neighborhood.

**Staff's Position:** The Architectural Board of Review, the Staff Hearing Officer and the Planning Commission found the project was compatible with the surrounding neighborhood. The project is consistent with the R-4/SD-3 zone and the General Plan designation of Commerce: Hotel/Residential. The East Beach neighborhood, in which this project is located, is a mix of hotel and residential development. Immediately adjacent to the subject property, to the south, there is a three-story apartment complex and slightly further south, on Orilla del Mar, are many two and three-story hotels which front on Cabrillo Boulevard. There is also a mix of two and three story buildings to the north on Corona del Mar as you approach the Southern Pacific Railroad and Highway 101.

Although the proposed duplex includes a third story, public views of the ocean are not blocked and the proposed structure would not be visible from the public beach. In addition, the project would not affect public access, open space or public recreation areas. Therefore, the project is compatible with the surrounding neighborhood and the policies of the Local Coastal Plan.

*Inappropriate Modification*

**Appellant's Position:** There is no basis for granting a modification because the project is oversized for the lot and is not appropriate for the neighborhood. New construction near the property lines is not consistent with zoning which requires open space along the lot lines.

**Staff's Position:** The applicant, in response to comments from the ABR, has proposed a site design which allows cars to turn around on-site, and avoid backing out into the street. The ABR stated that pushing the garage out three additional feet to comply with the 6' setback would inhibit this maneuver. The ABR found that requiring the garage to conform to the 6' setback would not improve the site design and would be detrimental to the open space on-site. Additionally, the ABR found that there were no negative aesthetics impacts.

The Planning Commission found that the encroachment is minor and that it improves the existing non-conforming situation and complies with what the ABR requested, enabling cars to maneuver on site and not back out onto the street. The project is in keeping with the neighborhood and compatible. The lot size and the ABR's direction for the architectural design forced consideration for the modification because of the turn radius that is required to allow cars to exit the site facing forward. Moving the garage over three feet would encroach into the open yard area.

Staff supports this request to construct a new garage within the required interior setback because this configuration is consistent with the historic pattern of development throughout this neighborhood in which covered parking is situated towards the rear of the lot and built with zero setbacks. The new garage will provide a more conforming situation than the existing garage, and will have negligible effects on the adjacent neighbor because there is an existing structure built up against the property line, and the new structure will provide 3' of additional setback. Additionally, the new structure will have a solid wall with no window openings, and will be used for the storage of vehicles.

Staff supports this modification as it is consistent with the surrounding pattern of development, and with the purposes and intent of the Zoning Ordinance, and is necessary to provide an appropriate improvement on the lot.

*Residential Density*

**Appellant's Position:** The project violates the density limit in SBMC §28.21.080C.

**Staff's Position:** Being in the R-4 Zone, the project may use the City's Variable Density Ordinance to calculate its residential density. The Variable Density Ordinance is found in Section 28.21.080.F of the Municipal Code. The Variable Density Ordinance allows unit densities greater than those allowed in Section 28.21.080.C, as long as the number of bedrooms in the units are limited as provided in the Variable Density Ordinance. The Variable Density Ordinance does not prohibit the use of Modifications. Using the Variable Density calculation, the lot's size of 6,594 is more than sufficient to accommodate the two proposed units of one-bedroom and two-bedrooms, respectively. With approval of the requested modification, the proposed project conforms to the City's Zoning and Building Ordinances, and policies of the General Plan and Local Coastal Plan.

**CONCLUSION:**

Staff recommends that Council deny the appeal and uphold the decision of the Staff Hearing Officer and Planning Commission to grant a Coastal Development Permit for the proposed three-story duplex and the Modification for a new two-car garage to encroach 3' into the required 6' interior setback and approve the project, making the findings outlined below, and subject to the Conditions of Approval contained in Staff Hearing Officer Resolution No. 021-09 and Planning Commission Resolution No. 015-09 (see Attachment 5).

Modification Findings (SBMC §28.15.060)

The City Council finds that the Modification is consistent with the purposes and intent of the Zoning Ordinance and is necessary to secure an appropriate improvement on the lot. This configuration is consistent with the pattern of development in the neighborhood. The existing garage is non-conforming to setbacks with zero setback from the property line. The new garage location will provide a more conforming situation by being set back the required 3' from the rear property line and 3' from the interior property line and will allow vehicles to turn around on-site without backing out into the street. The proposed location will provide required parking for the project without impacts to the immediate neighbor due to the single story and flat roof design.

Coastal Development Permit Findings (SBMC §28.44.150)

1. The project is consistent with the policies of the California Coastal Act.

The project is consistent with all of the policies of the Coastal Act, including 30251, which requires new development to be visually compatible with the character of surrounding areas as discussed in Section V.D. of the Staff Hearing Officer Staff Report dated March 4, 2009. The project would not have an effect on public access or public recreation as described in Section VI of the Staff Hearing Officer Staff Report dated March 4, 2009.

2. The project is consistent with all applicable policies of the City's Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Code.

The project is found to be consistent with the policies of the Local Coastal Plan with regard to land use, neighborhood compatibility and environmental resources, and is consistent with all Zoning Ordinance requirements as discussed in Section V and VI of the Staff Hearing Officer Staff Report dated March 4, 2009.

**NOTE:** A set of the project plans and the story pole exhibit is on file for public review in the City Clerk's Office.

**ATTACHMENTS:**

1. Appellant's letter received May 26, 2009.
2. Applicant's letter dated July 18, 2009.
3. Architectural Board of Review Minutes dated October 6, November 17, 2008 and June 1 and 15, 2009.
4. Planning Commission Staff Report, May 14, 2009.
5. Planning Commission Resolution No. 015-09 and Minutes.

**PREPARED BY:** Kelly Brodison, Assistant Planner

**SUBMITTED BY:** Paul Casey, Community Development Director

**APPROVED BY:** City Administrator's Office

RECEIVED

**Tony Fischer**  
**Attorney at Law**  
**2208 Anacapa Street**  
**Santa Barbara CA 93105**  
**Tel: 805-563-6784**  
**fischlaw@cox.net**  
**May 26, 2009**

MAY 26 2009  
3:40 pm BA  
CITY CLERK'S OFFICE  
SANTA BARBARA, CA

**Mayor Marty Blum and Members of the City Council**  
City of Santa Barbara  
City Hall at De La Guerra Plaza  
Santa Barbara CA 93101

Re: Appeal Planning Commission's 3-1 vote  
to approve project and modifications at  
**436 Corona Del Mar.**

**Dear Mayor Blum and Council Members:**

Friends of Outer State Street appeals the Planning Commission approval to this proposed project and the proposed modification of the setback for this project. Friends of Outer State Street exists to promote and encourage good planning in the Outer State Street area and in other parts of the City. This appeal is based upon the following and the additional statements in the appeal from the Staff Hearing Officer decision.

This project is a clear example of one property owner seeking to change a neighborhood by excessive development.

- It is proposing a new three story project in a neighborhood which is primarily an area with two story buildings.
- It seeks a modification to the side yard setback to accommodate the oversized project. It is noted that the staff supported this oversized project in its staff report to the Staff Hearing Officer only to realize when the story poles were displayed, the staff's positive evaluation of the project was misguided and that it supported a project which was not appropriate. At the last minute, the Applicant made a slight reduction in height but the project continues to be out of scale with the size of the lot and neighborhood.
- The project violates the density limit in SBMC section 28.21.080C
- The project is not compatible with the neighborhood.
- Contrary to the Applicant's statements, it is not appropriate to build on or near the property lines when the zoning seeks to have open space along the lot lines. The neighborhood is not characterized by garages on lot lines. In fact, newer development in the neighborhood respects the setbacks and that pattern should continue.
- The project does not qualify for reduced setbacks allowed for narrower lots and the design is not appropriate.

- A smaller appropriate project will fit on this lot without waivers of recently adopted set back.

As a matter of application of the modification provisions in the zoning ordinance, there is no basis for granting a modification of the already minimal setbacks for new construction of a duplex on a 6,500+ square foot level lot. It is not necessary to secure the improvement and the proposed improvement is excessive. The property owner needs to pursue a design which conforms to the regulations and, because it is within the Coastal Zone, is compatible with the neighborhood. This development seeks to change the neighborhood.

The individual property owner and not the community benefits from this proposed reduction in setback. The lot is basically level and not unique. The direct result of the Planning Commission action is to encourage other property owners to ask for and to expect similar waivers. As a matter of policy and good planning, city officials respect setbacks and value the resulting open space regulations when approving new development. Zoning exists to provide consistency in regulation and an assurance to a property owner as to the potential development of adjacent property. The handing out of waivers or modifications should not be encouraged or supported.

Regarding the "justifications" for the modifications cited in the staff report, it is not good zoning practice to:

- (1) Suggest that a property owner has some right to reduced setbacks just because the building to be removed has non-conforming setbacks. The purpose of new regulations is to achieve development consistent with the new regulations.
- (2) Argue that under different circumstance (such as a lot 55 feet or narrower) the regulations would be different and therefore those regulations are more appropriate than the applicable regulations; or
- (3) To suggest use of regulations applicable in other circumstances to justify disregard for the applicable regulations.

This project does not meet the lot size requirements set forth in section 28.21.080 C of the Zoning Ordinance. That section sets forth the Lot Area and Frontage Regulations. Regarding existing lots which do not meet the minimum requirement of 14,000 square feet for new lots, it states:

**"Existing Lots of 5,000 to 6,999 Square Feet.** Existing lots of 5,000 to 6,999 square feet of net lot area, inclusive, may be used as a building site for two (2) dwelling units, **providing that all other regulations of the zone prescribed by this title are observed.**" (Emphasis added.)

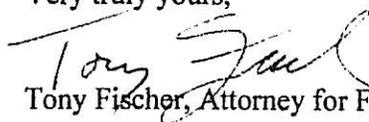
Friends-of Outer State Street would oppose, if pending, an application to modify the requirement of section 28.21.080 C. It is further noted that this section, as worded, is intended to

Appeal of 436 Corona Del Mar  
By: Friends of Outer State Street  
Date: May 26, 2009  
Page: 3

preclude modifications for lots of this size. The language "providing that all other regulations of the zone prescribed by this title are observed" has no real meaning if this section is subject to modification. There would be no need for the language. The language should not, as a matter of interpretation, be treated as surplusage. To give it meaning, a modification should not be authorized.

During City hearings regarding the recent changes to setback regulations, it was suggested that the new regulations would reduce the need for processing modifications. What is happening, as evidenced by this proposed project, is that instead of proceeding under the relaxed rules, the developer is proposing a further reduction in the setback regulations and density limits applicable to this lot. By holding out the promise of staff support for modifications, the process encourages applications for modifications with the resulting increased staff work load. The staff report suggests that the side yard restrictions recently adopted should be modified project by project. In other words, the recent reduction in setback requirements adopted by the City Council, which was seen as a way to reduce the number of modifications, will not have that impact if the Planning Commission's decision is not reversed. It is further noted that at least one Commissioner's vote in favor was based in part upon considerations totally irrelevant to the issues pending before the Commission.

Very truly yours,



Tony Fischer, Attorney for Friends of Outer State Street

cc: Friends of Outer State Street



**PUJO & ASSOCIATES**  
ARCHITECTURE AND PLANNING

735 State Street, Suite 207 • Santa Barbara, CA 93101 • (805) 962-3578 • alex@pujo.net  
FAX: (805) 965-1371

July 18, 2009

Mayor and Council  
City of Santa Barbara  
De La Guerra Plaza,  
Santa Barbara, California 93101



Re: 436 Corona Del Mar, MST2008-00420  
Kahan appeal of Coastal Development Permit approval by SHO

Mayor Blum and Council Members,

On March 11, 2009 Staff Hearing Officer (SHO) Susan Reardon approved our application for a Coastal Development Permit for the construction of a duplex in the non-appealable jurisdiction of the Coastal Zone and a Modification to allow a garage to encroach 3' into the required interior setback. On March 23<sup>rd</sup> Mr. James Kahan faxed a letter to the Community Development Department appealing this decision to the Planning Commission on behalf of a group named "Friends of Outer State Street". Mr. Kahan stated that these approvals "are not supported by the facts" and that the project's environmental review "does not qualify for a categorical exemption".

The Planning Commission heard this appeal on May 14<sup>th</sup>. Due to health problems Mr. Kahan did not attend this hearing and Mr. Fischer presented the case on his behalf. The commission denied the appeal and on May 23<sup>rd</sup> Mr. Fischer appealed this decision to Council.

My clients and I continue to be baffled by these appeals. This project has no neighborhood opposition that we are aware of. Mr. Kahan or "Friends of Outer State Street" did not attend any Architectural Board of Review (ABR) meetings or the SHO hearing, or expressed any concerns, or attempted to contact us (applicants) prior to faxing his cryptic 'notice of appeal'. We never received Mr. Kahan's promised "written amplification".

Mr. Fischer's appeal letter continues this pattern of vague claims and exaggerations. Mr. Fischer talks about an 'oversized' and 'excessive' project in 'a neighborhood with two story buildings' overlooking the fact that our lot is surrounded by massive developments. The neighborhood map on sheet T-2 clearly shows this context.

These are the facts:

This is an R-4 property of 6,594 sq. ft. located near the end of Corona Del Mar behind the Cabrillo Inn and Marmonte Hotel, a short block from Cabrillo Boulevard. The neighbor to the south is a large apartment building, and to the north and west are duplexes. Across the street are several hotels, including Pacific Crest, Motel 6, and Yacht Club.



The property contains an old, rundown, single-story residence "not historically significant" (as determined by the City Historian) of 1,326 sq. ft. At the rear corner of the lot there is a building that used to be a garage, but it was altered at some time and reduced in size to 224 sq. ft. We propose to remove both structures.

We propose to construct a 3-story, 3,094 sq. ft. duplex with a 330 sq. ft. utility basement. One of the units will have one bedroom and 934 sq. ft.; the second unit will have two bedrooms and 2,156 sq. ft. The required outdoor open yard will be provided in a single, continuous area exceeding the required 15% of the lot (989 sq. ft.). We are also proposing additional open space in the form of covered patios and balconies (583 sq. ft.) and an open deck (166 sq. ft.).

We propose to construct a 2-car garage near the location of the original one. This structure was built against the rear and side property lines. We request a modification to build the new garage with a flat roof (plus a parapet to shield solar collectors) encroaching three feet into the interior yard.

Garages in the rear corner of properties were a historic development pattern in this neighborhood and elsewhere in Santa Barbara. Just about every parcel in this block has a garage, or a series of garages, placed at or very near the rear property line. The proposed garage encroachment is much smaller than the existing encroachment and constitutes an efficient and practical means to accommodate parking in limited space. Our proposal also includes two uncovered parking spaces.

Staff prepared a very detailed report that demonstrates conformance with all plans, policies and regulations in detail, and included specific findings drawn from their analysis. The proposed project conforms to the City's Zoning and Building Ordinances, and policies of the General Plan and Local Coastal Plan. The use, size and massing of the project are consistent with the surrounding neighborhood.

The project meets or exceeds all requirements and setbacks, except for the minor garage encroachment mentioned earlier. This encroachment is justified by existing conditions, neighborhood development patterns and a site design supported by ABR as a superior alternative for this lot in terms of vehicle circulation, pedestrian character and minimization of paved areas. This small encroachment allows automobiles to turn around and exit facing the street with minimal paving.

This project is the result of several re-designs, environmental studies and input from neighbors and ABR. Reports were prepared, reviewed and accepted by staff regarding Archaeology (Phase I), Hydrology and Noise. An analysis of "Permanent Pollution Prevention Measures" was conducted to determine methods for treating storm water. These studies are the bases for the environmental review performed by staff.

The Staff Hearing Officer approved the project with 35 conditions, to which we have agreed.

The basis of the appellant's argument appears to be that setback modifications, regardless of how small, logical or commonplace in the neighborhood, should never be allowed in new construction. After working as an Architect in Santa Barbara for 27 years I find this newer and strictest interpretation of the modification provisions of the zoning ordinance highly disturbing. All lots are not created equal and one size does not always fit all.

Historically, a modicum of latitude has always been allowed, and must continue to be allowed to zoning and review boards in pursuit of the common good. There is a recognized place in the zoning ordinance for common sense in the determination of fairness. Your staff, and your appointed boards and commissions have spent long hours reviewing these issues before endorsing our project.

In closing, we request that you uphold the approvals by SHO on March 4<sup>th</sup>, PC on May 14<sup>th</sup> and ABR on June 15<sup>th</sup>.

Sincerely,



H. Alexander Pujo, Architect

c.: L. Agostino



ARCHITECTURAL BOARD OF REVIEW  
CASE SUMMARY

436 CORONA DEL MAR DR

MST2008-00420

R-DUP, 2 UNITS

Page: 1

**Project Description:**

Proposal to demolish an existing 1,362 square foot residence and detached 224 square foot garage and construct a new three-story, 3,094 square foot, two-unit residential duplex and a 548 square foot, two-car garage, on a 6,594 square foot parcel in the R-4/SD-3 Zones. Unit one is proposed to be 2,159 square feet and unit two at 934 square feet. A total of four parking spaces (two covered and two uncovered) will be provided. The proposal includes a swimming pool, a pool equipment storage shed attached to the garage, and photovoltaic solar panels. A total of 220 cubic yards of grading is proposed to be balanced on site. The parcel is located in the non-appealable jurisdiction of the Coastal Zone. The project received Staff Hearing Officer approval, and Planning Commission approval on appeal, for a Coastal Development Permit and a zoning modification to allow the garage to be built within the interior setback (Staff Hearing Officer Resolution No. 021-09 and Planning Commission Resolution No. 015-09).

**Activities:**

6/15/2009

***ABR-Preliminary Review Hearing***

*(Project requires compliance with Staff Hearing Officer Resolution No. 021-09 and Planning Commission Resolution No. 015-09.)*

*(6:50)*

*Present: Alex Pujo, Architect; and Jeff Doubet, Designer.*

*Public comment opened at 7:02 p.m. As no one wished to speak, public comment was closed.*

*An opposition letter from Paula Westbury was acknowledged by the Board.*

*Motion: Preliminary Approval and continued indefinitely to the Consent Calendar with conditions:*

- 1) The Board still finds that the modification does not have a negative aesthetic impact.*
- 2) Carry forward previous comment #4 from 06/01/09 motion: "Restudy the plant palette to incorporate more long-lived evergreen shrubs and a mixture of plant material."*

*Action: Aurell/Sherry, 5/0/0. Motion carried. (Zink/Blakeley/Gilliland/Gross absent).*

6/15/2009

***ABR-Prelim Approval - Project***

*Motion: Preliminary Approval and continued indefinitely to the Consent Calendar with conditions:*

**Activities:**

- 1) *The Board still finds that the modification does not have a negative aesthetic impact.*
  - 2) *Carry forward previous comment #4 from 06/01/09 motion: "Restudy the plant palette to incorporate more long-lived evergreen shrubs and a mixture of plant material."*
- Action: Aurell/Sherry, 5/0/0. Motion carried. (Zink/Blakeley/Gilliland/Gross absent).*

**6/1/2009*****ABR-Preliminary Review Hearing***

*(Project requires compliance with Staff Hearing Officer Resolution No. 021-09 and Planning Commission Resolution No. 015-09.)*

*(6:07)*

*Present: Alex Pujo, Architect; and Larry Agostino, Owner.*

*Public comment opened at 6:20 p.m.*

*Tony Fischer, opposition: expressed concern that the building architecture and the requested setback modification are not compatible with the level lot or the neighborhood.  
An opposition letter from Paula Westbury was acknowledged by the Board.*

*Public comment closed at 6:23 p.m.*

*Motion: Continued two weeks to the Full Board with comments*

***ARCHITECTURE:***

- 1) *Lower and middle plates are to be reduced from 9-feet 6-inches to 9-feet 3-inches, and from 8-feet 7-inches be-reduced to 8-feet 6-inches.*
  - 2) *Restudy the curved fireplace and chimney element at the interior courtyard for reduction of the massing.*
  - 3) *The Board carries forward previous comment #1 from the 11/17/08 motion: "The modification is acceptable and provides no negative aesthetic impacts. The Board appreciates the three foot separation to the property line as opposed to the original proposal on the property lines." for positive comments regarding the requested modification, and the Board continues to support their previous recommendations.*
  - 4) *Restudy the plant palette to incorporate more long-lived evergreen shrubs and a mixture of plant material.*
  - 5) *Return with complete and accurate plans and elevation drawings, specifically depicting the revised overall height, and exact floor-to-floor plate heights.*
- Action: Sherry/Rivera, 7/0/0. Motion carried. (Blakeley and Gross absent).*

**5/18/2009*****ABR-Resubmittal Received***

*Preliminary approval requested. Applicant is out of town and requests to be scheduled on either 6/1/09 or 6/15/09.*

## Activities:

*1/26/2009**ABR-FYI/Research*

*Applicant qualifies for a partial refund for one mod which will be credited to the zoning plan check fees at time of Building Permit.*

*11/17/2008**ABR-Concept Review (Continued)*

*(Second Concept Review. Comments only; project requires Environmental Assessment and Staff Hearing Officer Review for Zoning modifications and a Coastal Development Permit.)*

*(8:47)*

*Present: Alex Pujo, Pujo & Associates; Charles McClure, Landscape Architect, and Jeff Doubet, Design by Doubet.*

*Public comment opened at 8:58 p.m. As no one wished to speak, public comment was closed.*

*Motion: Continued indefinitely to the Staff Hearing Officer and return to Full Board with the following comments:*

- 1) The modification is acceptable and provides no negative aesthetic impacts. The Board appreciates the three foot separation to the property line as opposed to the original proposal on the property lines.*
  - 2) The Board appreciates the changes that were made to the design, and aesthetic style, the setbacks, and continuity with the neighborhood.*
  - 3) Applicant to return with floor plate heights on the plans.*
  - 4) The Board suggests that the third-story elevator tower element on the east elevation to be restudied to be either diminished in size and scale, eliminated or integrated into the architecture.*
  - 5) Restudy the lighting fixture adjacent to the front door and the proximity to the arch opening should be adjusted.*
  - 6) The Board acknowledges that the landscaping was addressed in the previous meeting motion.*
- Action: Mosel/Blakely, 5/0/0. Motion carried. (Zink/Sherry/Gross absent).*

*11/6/2008**ABR-Resubmittal Received*

*Received 3 sets of plans 5 sheets each.*

*10/6/2008**ABR-Concept Review (New) - PH*

*(Comments only; project requires Environmental Assessment and Staff Hearing Officer Review for Zoning modifications and a Coastal Development Permit.)*

*(5:10)*

*Present: Alex Pujo, Pujo & Associates; and Jeff Doubet, Design by Doubet.*

**Activities:**

*Public comment opened at 5:24 p.m.*

*Patrick Smyth, generally supported; expressed concerns regarding demolition dust into his swimming pool which is open to the street, street parking, and street sweeping; offered to cooperate with contractor on construction parking. ..*

*Vince Pettit, opposed, concerned about privacy issues and expressed wish to preserve boarder trees.*

*Public comment closed at 5:30 p.m.*

*Motion: Continued indefinitely to Full Board with the following comments:*

*1) The Board is concerned with granting a modification for a new project of this size, scale and lot size. The Board encourages the applicant to restudy the site layout and design. Some site issues include the parking design and the amount of perceived hardscape.*

*2) The overall architecture is well done and is in keeping with the aesthetics of the neighborhood. However, some Board members have issue with the size, bulk and scale, especially at the third floor street elevation, and encourage the applicant to further study the articulation of elements to include reducing the third story stacked mass and increasing the third story setback at the street elevation.*

*3) Simplify the architecture style, detailing and articulation of the following items: a) The chimneys on the south elevation which appear too large and out of context for the building; b) The double-cantilevered outdoor deck; c) The stairs floor-to-floor; d) The amount of perceived hardscape; and e) The stone panels, and other elements that over-complicate the building.*

*4) The use of Santa Barbara Sandstone is acceptable in both the building façade and hardscape.*

*5) Landscaping: a) Please identify all existing hedges and trees on site; b) Indicate all existing trees and hedges to be saved and those proposed to be removed; c) Mature trees and hedges on the north and south property lines are to be saved; and d) Restudy and further develop the tree canopy.*

*Action: Gross/Mosel, 7/0/0. Motion carried. (Blakely absent).*

**10/6/2008**

***ABR-Notice Prepared-PC/SHO Req***

*Prepared 9/24/2008*

**9/8/2008**

***ABR-Resubmittal Received***

*1st ABR submittal*

**9/8/2008**

***ABR-Posting Sign Issued***

*Yellow sign issued to Alex Pujo.*



# City of Santa Barbara California

## PLANNING COMMISSION STAFF REPORT

**REPORT DATE:** May 7, 2009  
**AGENDA DATE:** May 14, 2009  
**PROJECT ADDRESS:** 436 Corona del Mar (MST2008-00420)

**TO:** Planning Commission  
**FROM:** Planning Division, (805) 564-5470  
 Danny Kato, Senior Planner *DK*  
 Kelly Brodison, Assistant Planner *KAB*

### I. PROJECT DESCRIPTION

The project consists of a proposal to demolish the existing 1,326 square foot residence and 224 square foot non-conforming garage, and construct a 3,094 square foot, three-story duplex and a 548 square foot two-car garage on a 6,594 square foot lot in the non-appealable jurisdiction of the Coastal Zone. Also proposed are 582 square feet of covered patios, 166 square foot open deck and a 400 square foot lap pool. Unit #1 would be a 2,159 square foot, three-story, two-bedroom unit and Unit #2 would be a 934 square foot, one-story, one-bedroom unit with two uncovered parking spaces. One modification is requested to allow the proposed two-car garage to encroach 3' into the interior setback.

On March 11, 2009 the Staff Hearing Officer made the required findings and approved the request. The appellant, James Kahan, requests (Exhibit B) that the Planning Commission deny the project.

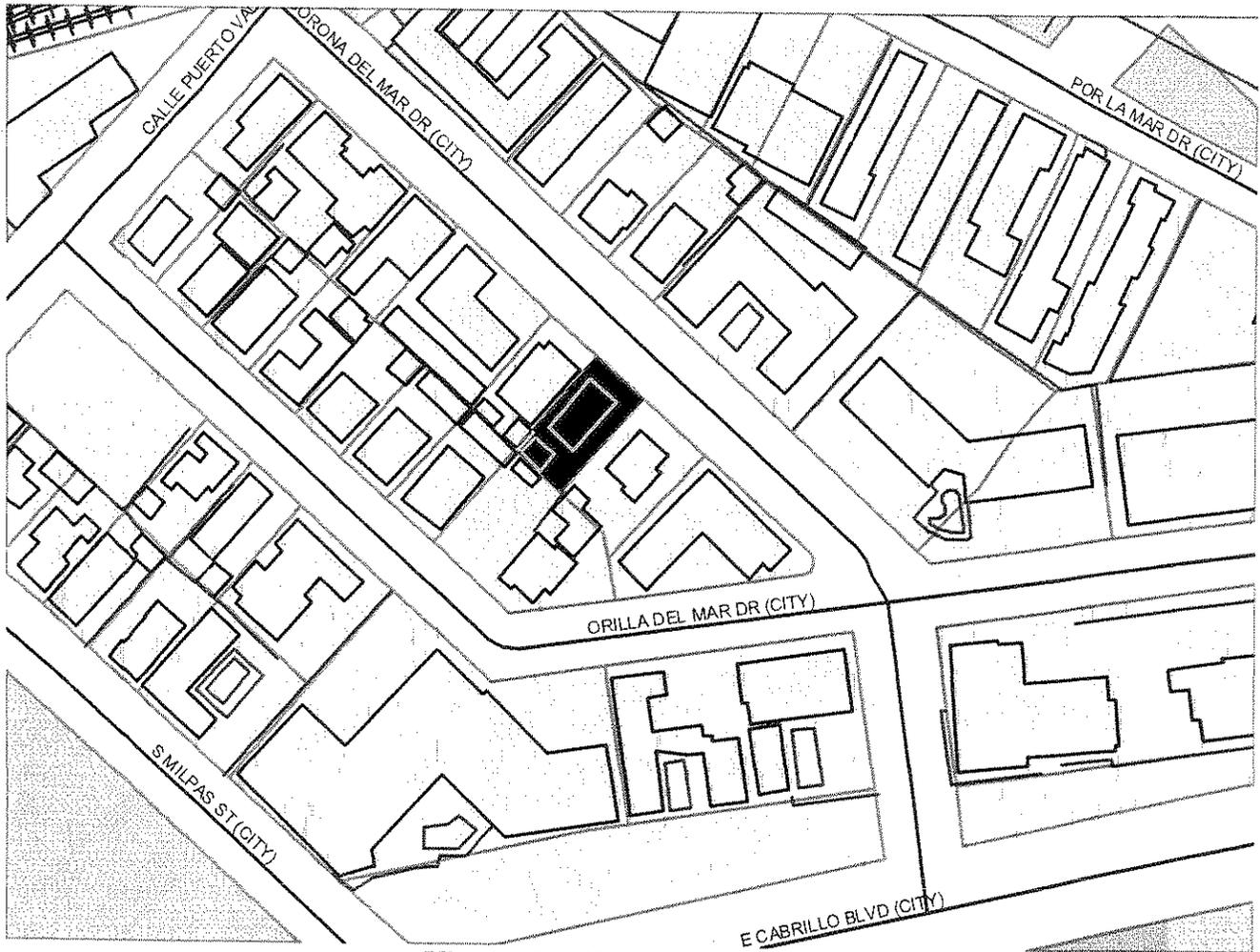
### II. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

1. A Coastal Development Permit to allow the proposed development in the non-appealable jurisdiction of the City's Coastal Zone (SBMC § 28.44.060); and
2. A Modification to allow the new garage to encroach into the required interior setback (SBMC § 28.21.060).

### III. RECOMMENDATION

Staff recommends that the Planning Commission deny the appeal of James Kahan and uphold the decision of the Staff Hearing Officer to grant a Coastal Development Permit for the proposed duplex and the Modification for the new garage to encroach 3' into the interior setback and approve the project making the findings outlined below and subject to the Conditions of Approval contained in the Staff Hearing Officer Resolution No. 021-09.



Vicinity for 436 Corona del Mar

**APPLICATION DEEMED COMPLETE:**  
**STAFF HEARING OFFICER ACTION:**

January 21, 2009  
March 11, 2009

**IV. SITE INFORMATION AND PROJECT STATISTICS**

**A. SITE INFORMATION**

Appellant: James Kahan	Property Owner: Larry & Susan Agostino
Parcel Number: 017-321-007	Lot Area: 6,594 sq. ft.
General Plan: Commerce: Hotel/Residential	Zoning: R-4/SD-3
Existing Use: Single Family Residence	Topography: ~4%
Adjacent Land Uses:	
Northeast - Motel	Southeast - Multi-Family Residential
Southwest - Duplex	Northwest - Single-Family Residential

**B. PROJECT STATISTICS**

	Existing	Proposed (Unit 1)	Proposed (Unit 2)
Living Area	1,326 sq. ft.	2,159 sq. ft.	934sq. ft.
Garage	224 sq. ft.	548 sq. ft.	N/A.
Total	1,550 sq. ft.	2,707 sq. ft.	934 sq. ft.

**V. ZONING ORDINANCE CONSISTENCY**

Standard	Requirement/ Allowance	Existing	Proposed
Setbacks -Front	10' (1 & 2 story) 15' (3 story)	~20'	10' (1 & 2 story) 20' (3 story)
-Interior	6' (1 & 2 story) 10 (3 story) 6' (garage or carport)	~10' (house) and 0'(garage)	6' (house) and 3'(garage) <i>modification requested</i>
-Rear	6' (1 story) 10' (2 & 3 story) 3' (garage or carport)	0' (garage)	3' (garage)
Building Height	3 stories or 45'	1 story	3 stories & 37'-5"
Parking	2 covered, 2 uncovered	none	2 covered, 2 uncovered
Open Yard	989 sq. ft.	~3,700 sq. ft.	1,086 sq. ft.

The proposed project would meet the requirements of the R-4 Zone related to building height, solar access, open yard requirements and parking, with the exception of a modification to allow the proposed garage to encroach 3' into the interior setback.

## VI. DISCUSSION

The original garage, constructed some time in the late 1920's, was permitted to be 400 square feet (20' x 20') with zero setbacks along the interior and rear property lines, which would make it legally non-conforming to setbacks. At some point, this garage structure has been modified by a previous owner and was reduced in size to 224 square foot. Therefore, the garage no longer qualifies as legally non-conforming and would require modifications to be re-built in the exact same location within the setbacks. The new 548 square foot garage will comply with the required 3' rear setback, however, the applicant requests a modification for the new garage to encroach 3' into the required 6' interior setback.

On March 10, 2009, the Staff Hearing Officer visited the site and surrounding neighborhood, and viewed the story poles representing the proposed 37'-5" three-story building. At the public hearing on March 11, 2009, the applicant presented revised elevations, and explained that in response to concerns raised at the site visit, the building height was reduced 3' from that which was represented by the story poles to a new height of 34'-3".

## VII. APPEAL ISSUES

The appellant's letter dated March 23, 2009, states that the approvals are contrary to law and not supported by facts, the findings were inadequate and that the project does not qualify for a categorical exemption. The Staff Hearing Officer Staff Report (Exhibit E) dated March 4, 2009 provides a thorough discussion on Staff's analysis of these issues.

### Coastal Development Permit

This project is consistent with the California Coastal Act and the Local Coastal Plan because it is not located on a coastal bluff and would not affect public access, open space or public recreation areas. Further, the structure, although it includes a third story, would not block existing public views of the ocean, nor be visible from the public beach or public lookouts along the bluff top. The project is also consistent with the multiple family and hotel development in the area and provides all required parking on site.

### Modification

Although the new garage is proposed to be located within the required interior setback, Staff supports this request because this configuration is consistent with the historic pattern of development throughout this neighborhood where covered parking is situated towards the rear of the lot and built with zero setbacks. The new garage will be more conforming than the existing garage. The location of the new garage will have negligible effects on the adjacent neighbor because there is an existing structure built right up against the property line and the new structure will provide 3' of additional setback. Additionally, the new structure will have a solid wall with no window openings and its use is limited to the storage of vehicles, it is situated towards the rear of the lot where it is least visible from the street.

The Architectural Board of Review looked at this proposed encroachment and felt that requiring the garage to conform to the 6' setback would not improve the site design and would be detrimental to the open space on site. The ABR also preferred that cars be able to turn

around on site without backing out into the street and pushing the garage out three (3) additional feet to comply with the 6' setback would inhibit this maneuver. Staff is in support of the modification as it is consistent with the surrounding pattern of development and with the purposes and intent of the Zoning Ordinance, and is necessary to provide an appropriate improvement on the lot.

Also of note is that recent amendments to the Zoning Ordinance allow the ABR to grant setback waivers on lots of 55' or less in width. This waiver allows structures specifically used for parking to have a minimum 3' interior setback. Although this lot is 65' wide, the ABR felt that a 3' interior setback was adequate and supported the request for modification.

#### Categorical Exemption

The California Environmental Quality Act provides that certain projects can be found exempt from further environmental review when they meet certain criteria. This project qualifies for a Categorical Exemption pursuant to CEQA guidelines Section 15301(l)(1) which exempts demolition and removal of individual small structures and 15303(b) which exempts the construction a duplex or similar multi-family residential structure, totaling no more than four dwelling units. In urbanized areas, this exemption applies to apartments, duplexes and similar structures designed for not more than six dwelling units.

### **VIII. FINDINGS**

#### **A. MODIFICATION (SBMC §28.92.110; §28.21.060)**

The Planning Commission finds that the Modification is consistent with the purposes and intent of the Zoning Ordinance and is necessary to secure an appropriate improvement on the lot. This configuration is consistent with the pattern of development in the neighborhood. The existing garage is non-conforming to setbacks with zero setback from the property line. The new garage location will provide a more conforming situation by being set back the required 3' from the rear property line and 3' from the interior property line and will allow vehicles to turn around on site without backing out into the street. The proposed location will provide required parking for the project without impacts to the immediate neighbor due to the single story and flat roof design.

#### **B. COASTAL DEVELOPMENT PERMIT (SBMC §28.44.150)**

1. The project is consistent with the policies of the California Coastal Act.

*The project is consistent with all of the policies of the Coastal Act, including 30251, which requires new development to be visually compatible with the character of surrounding areas as discussed in Section V.D. of the Staff Hearing Officer Staff Report dated March 4, 2009. The project would not have an effect on public access or public recreation as described in Section VI of the Staff Hearing Officer Staff Report dated March 4, 2009.*

2. The project is consistent with all applicable policies of the City's Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Code.

*The project is found to be consistent with the policies of the Local Coastal Plan, with regard to land use, neighborhood compatibility and environmental resources and is consistent with all Zoning Ordinance requirements as discussed in Section V and VI of the Staff Hearing Officer Staff Report dated March 4, 2009.*

Exhibits:

- A. Project Plans
- B. Appellant's letter dated March 23, 2009.
- C. Applicant's response letter, dated April 27, 2009
- D. SHO Resolution & Minutes
- E. SHO Staff Report
- F. ABR Minutes



11/26/03  
11/26/03  
11/26/03

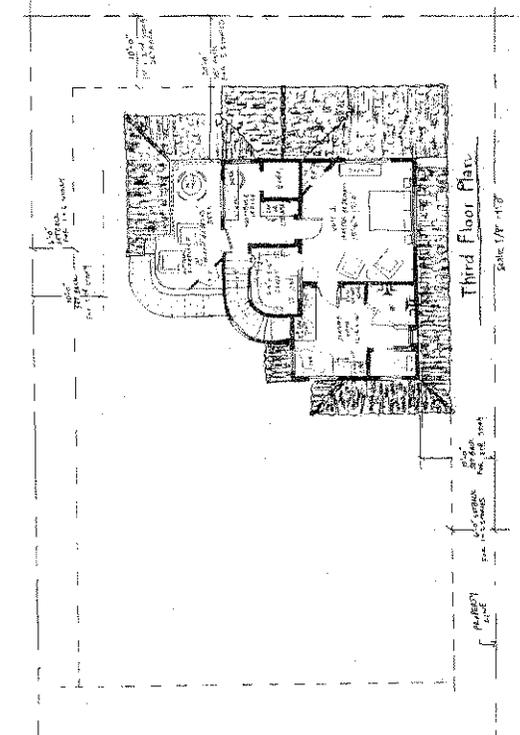
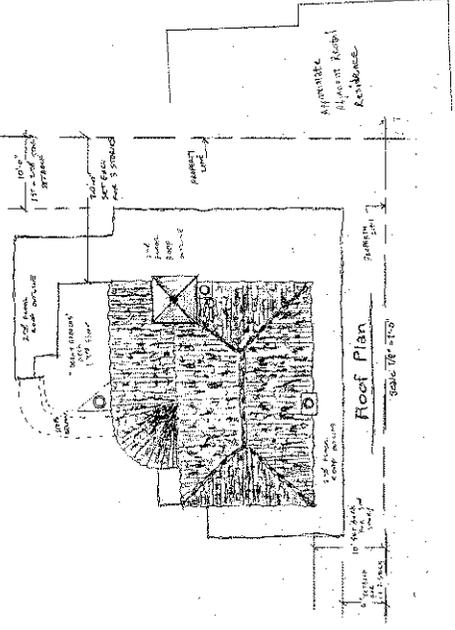
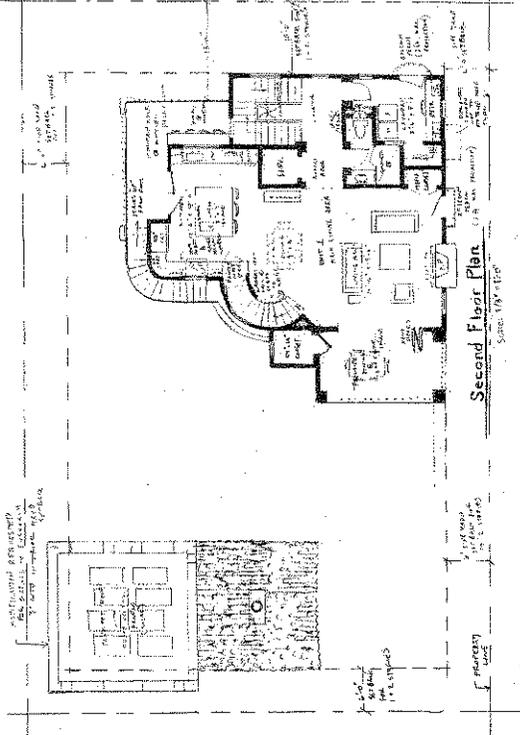
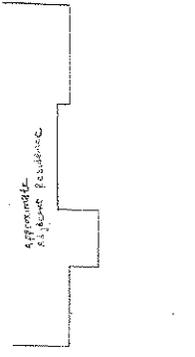
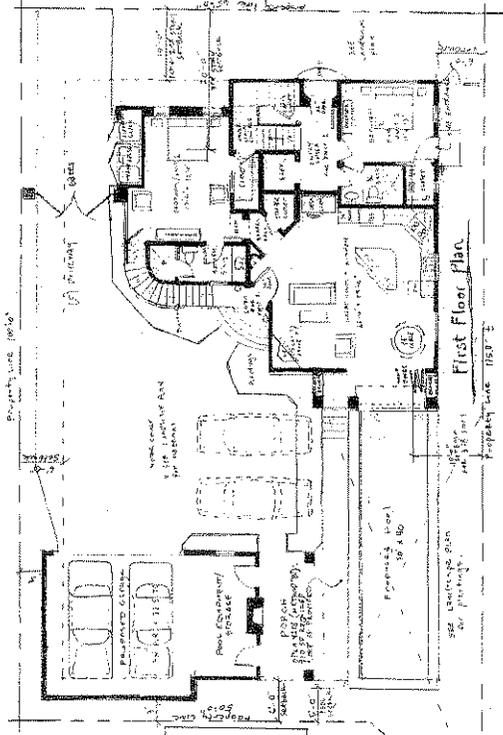
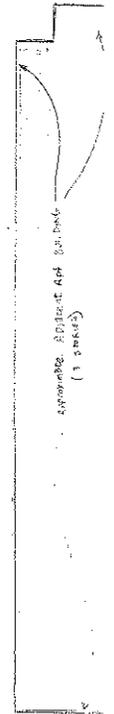
SITE PLAN  
FLOOR PLANS

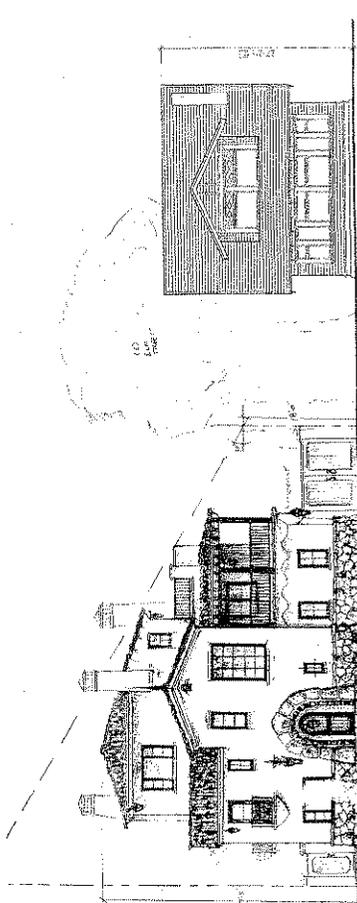
APN: 017-321-007  
436 Corona Del Mar  
NEW DUPLEX  
Santa Barbara, CA 93103

OWNER: JAMES EARLY Associates  
1001 WILSON AVE. #2  
RICHMOND, WA 98033  
PH: 206.730.2747

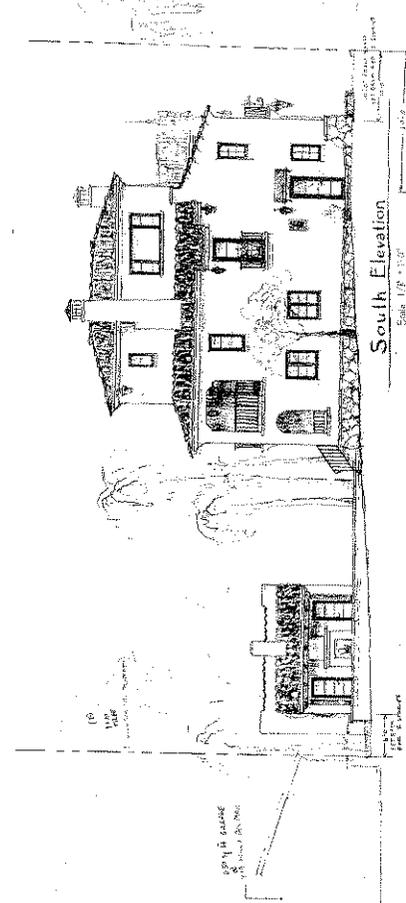
DESIGNER: JEFF BISHOP / Design by Debut  
1201 WILSON ROAD  
SANTA BARBARA, CA 93105  
PH: 909.899.8777  
FAX: 909.899.8777

ARCHITECT: ARK ARCHITECT  
ALEX PAPA / Principal & Associate  
725 STATE STREET, SUITE 207  
SANTA BARBARA, CA 93101  
PH: 909.892.5578  
FAX: (909) 866-1371

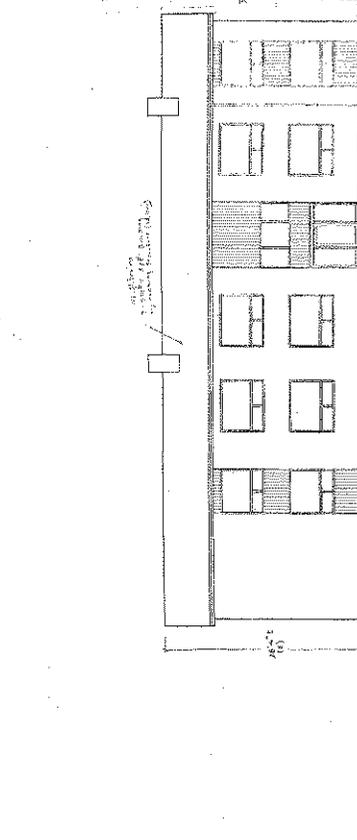




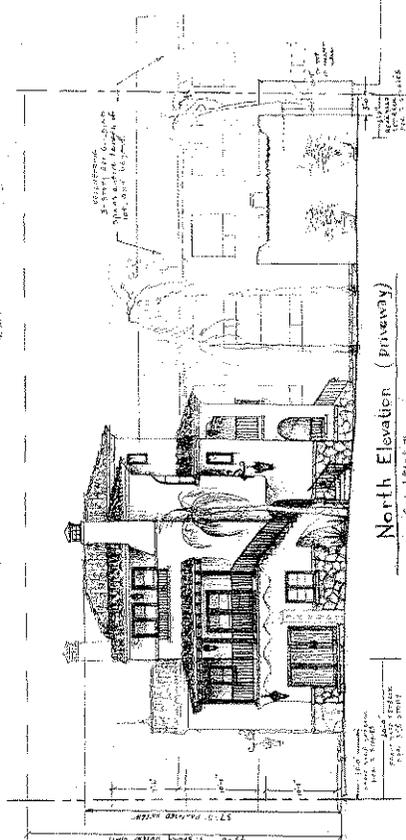
East Elevation (Corona Del Mar)  
Scale: 1/8" = 1'-0"



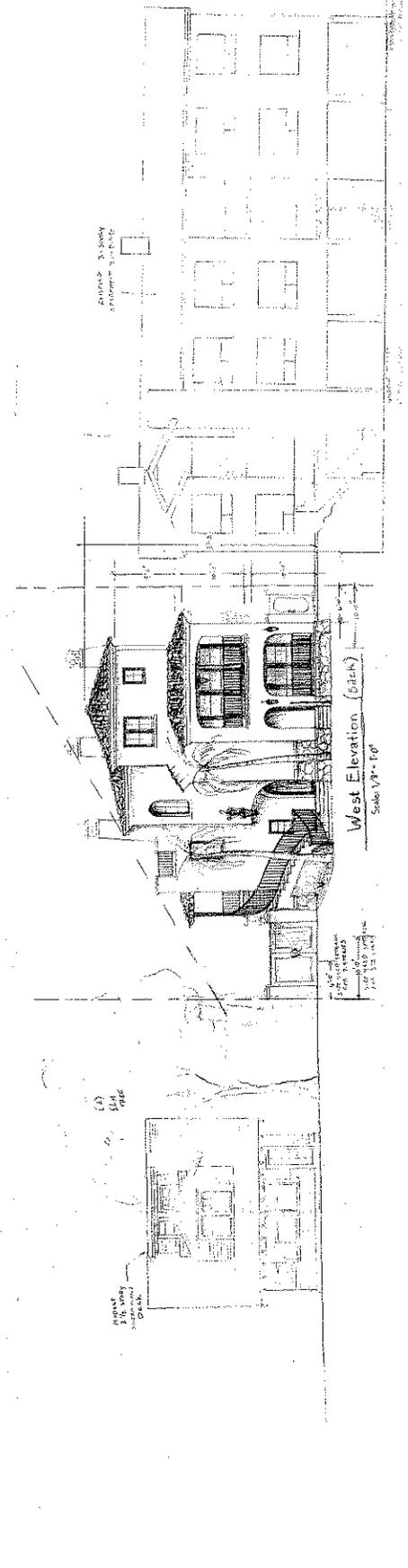
South Elevation  
Scale: 1/8" = 1'-0"



North Elevation (Driveway)  
Scale: 1/8" = 1'-0"



West Elevation (Gate)  
Scale: 1/8" = 1'-0"





PLU & ASSOCIATES  
 ARCHITECTS & PLANNERS  
 205 STATE STREET, SUITE 207  
 SANTA BARBARA, CALIFORNIA 93101  
 (805) 967-2578  
 Fax: (805) 967-1271



DESIGN BY DOUBET  
 1601 Main Street  
 Santa Barbara, CA 93105  
 (805) 884-0777  
 www.doubet.com

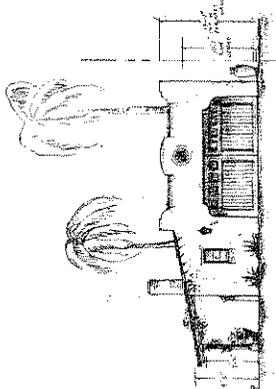
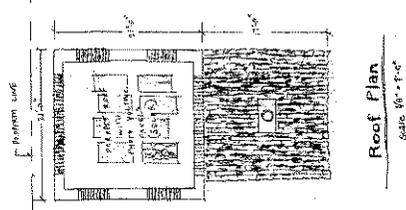
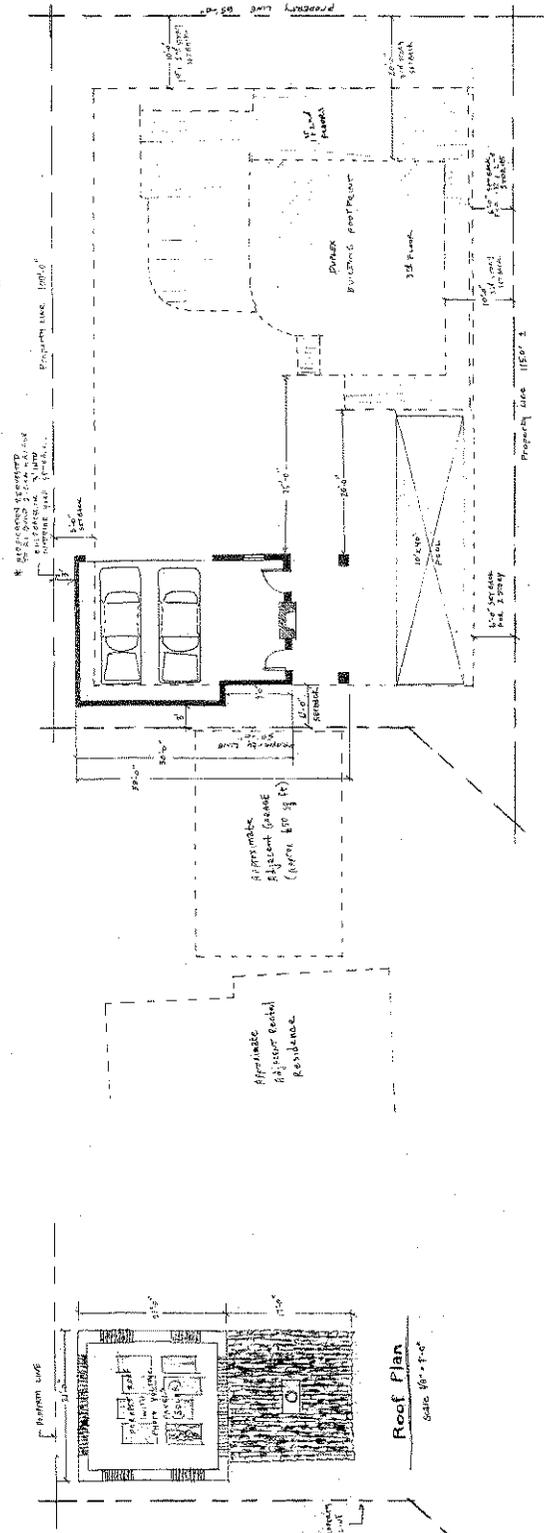
436 Corona Del Mar  
 NEW DUPLEX  
 SANTA BARBARA, CA

APN: 017-271-007  
 R-7-1/2-SD-C

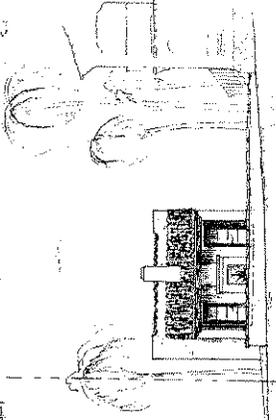
GARAGE

DATE: 11/19/18  
 DRAWN: [Signature]  
 CHECKED: [Signature]

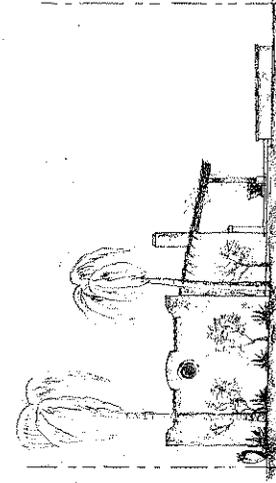
A-3



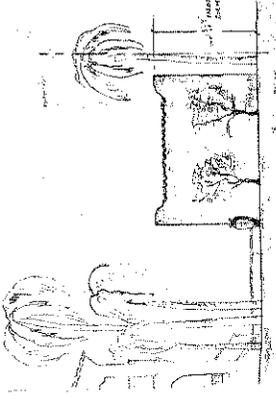
East Elevation  
 Scale 1/4" = 1'-0"



South Elevation  
 Scale 1/4" = 1'-0"



West Elevation  
 Scale 1/4" = 1'-0"



North Elevation  
 Scale 1/4" = 1'-0"

PLU & ASSOCIATES, ARCHITECTS AND PLANNERS, 205 STATE STREET, SUITE 207, SANTA BARBARA, CALIFORNIA 93101, IS THE ARCHITECT FOR THIS PROJECT. THE ARCHITECT'S RESPONSIBILITY IS LIMITED TO THE DESIGN AND CONSTRUCTION OF THE PROJECT AS SHOWN ON THESE PLANS. THE ARCHITECT DOES NOT WARRANT THE ACCURACY OF THE INFORMATION PROVIDED ON THESE PLANS. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN THESE PLANS. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY CONSTRUCTION DEFECTS OR FOR ANY DAMAGE TO THE PROJECT OR TO THE PROPERTY OF ANY OTHER PARTY. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY COSTS INCURRED BY ANY OTHER PARTY. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY DELAYS OR INTERRUPTIONS IN THE WORK. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY INDEMNIFICATION OF ANY OTHER PARTY. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY OTHER MATTERS. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY OTHER MATTERS. THE ARCHITECT SHALL NOT BE RESPONSIBLE FOR ANY OTHER MATTERS.





# JAMES O. KAHAN

ATTORNEY AT LAW

3709 DIXON STREET  
(FORMERLY MAGNOLIA LANE)  
SANTA BARBARA, CALIFORNIA  
93105-2419

TELEPHONE (805) 682-2972  
FACSIMILE (805) 682-8914  
E-MAIL kahan.jim@gmail.com

March 23, 2009

Planning Commission  
c/o Community Development Department  
630 Garden Street  
Santa Barbara, CA 93101

Re: Notice of Appeal of Staff Hearing Officer Approvals  
Date of Actions: March 11, Resolution No. 021-09  
436 Corona Del Mar

## NOTICE OF APPEAL

Friends of Outer State Street ("FOOSS") hereby appeals all approvals given by the Staff Hearing Officer on March 11, 2009 for the project at 436 Corona Del Mar. These approvals include, without limitation:

1. A Coastal Development Permit; and
2. A Modification to allow the new garage to encroach into the interior yard setback.
3. The Categorical Exemption by the Environmental Analyst.

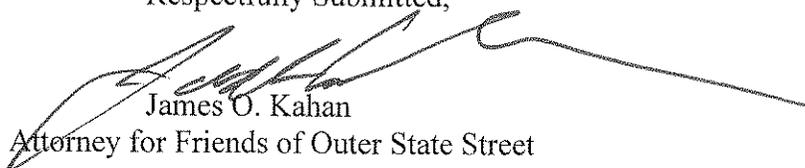
The approvals are all contrary to law and not supported by the facts. The "findings" were merely conclusions of law that did not bridge the analytic gap between the facts and the conclusion.

This project does not qualify for a categorical exemption for many reasons. Neither California Environmental Guidelines §15301 (l) or §15303 (b) are applicable

After I have more completely reviewed the recording of the hearing and other relevant documents and information, I will submit a written amplification of this appeal.

I believe that this property is in the Coastal Zone and there is no appeal fee. Out of caution, I have enclosed a check for \$180 for any appeal fee. If there is no appeal fee, please return the check to me.

Respectfully Submitted,

  
James O. Kahan  
Attorney for Friends of Outer State Street

Enclosure (Check - \$180)

EXHIBIT B

RECEIVED  
MAR 23 2009

CITY OF SANTA BARBARA



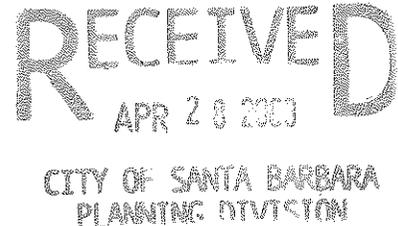


**PUJO & ASSOCIATES**  
ARCHITECTURE AND PLANNING

735 State Street, Suite 207 • Santa Barbara, CA 93101 • (805) 962-3578 • alex@pujo.net  
FAX: (805) 965-1371

April 27, 2009

Chair and Commissioners  
City of Santa Barbara Planning Commission  
Community Development Department  
630 Garden Street,  
Santa Barbara, California 93101



Re: 436 Corona Del Mar, MST2008-00420  
Kahan appeal of Coastal Development Permit approval by SHO

Chair and Commissioners,

On March 11, 2009 Staff Hearing Officer (SHO) Susan Reardon approved our application for a Coastal Development Permit for the construction of a duplex in the non-appealable jurisdiction of the Coastal Zone and a Modification to allow the new garage to encroach 3' into the required interior setback. On March 23<sup>rd</sup> Mr. James Kahan faxed a letter to the Community Development Department appealing this decision on behalf of a group named "Friends of Outer State Street". Mr. Kahan states that these approvals "are not supported by the facts" and that the project's environmental review "does not qualify for a categorical exemption".

We are surprised by this action. Mr. Kahan or "Friends of Outer State Street" did not attend any Architectural Board of Review (ABR) meetings or the SHO hearing, or expressed any concerns, or attempted to contact us (applicants) prior to faxing his cryptic 'notice of appeal'. We have yet to receive the promised "written amplification". This project has no neighborhood opposition that we are aware of. These are the facts:

The property is zoned R-4/SD-3 and it is located on Corona Del Mar near the intersection with Orilla Del Mar, a block from Cabrillo Boulevard, behind the Cabrillo Inn and Marmonte Hotel. The neighboring property to the south is a large apartment building, and the neighbors to the north and west are duplexes. Across the street are several hotels, including Pacific Crest, Motel 6, and Yacht Club.

The property is 6,594 sq. ft. and it contains an old, rundown, single-story residence "not historically significant" (as determined by the City Historian) of 1,326 sq. ft. At the rear corner of the lot there is a building that used to be a garage, but it was altered at some time and reduced in size to 224 sq. ft. We propose to remove both structures.

We propose to construct a 3-story, 3,094 sq. ft. duplex. One of the units will be a one-bedroom with 934 sq. ft.; the second unit will have two bedrooms and 2,156 sq. ft. The required outdoor open yard will be provided in a single, continuous area exceeding the required 15% of the lot (989 sq. ft.). We are also proposing additional open space in the form of covered patios and balconies (583 sq. ft.) and an open deck (166 sq. ft.).

We propose to construct a 2-car garage near the location of the original one. This structure was built almost against the rear and side property lines. We request a modification to build the new garage with a flat roof (plus a parapet to shield solar collectors) encroaching three feet into the interior yard.

Garages in the rear corner of properties were a historic development pattern in this neighborhood and elsewhere in Santa Barbara. Just about every parcel in this block has a garage, or a series of garages, placed at or very near the rear property line. The proposed garage encroachment is much smaller than the existing encroachment and constitutes an efficient and practical means to accommodate parking in limited space. Our proposal also includes two uncovered parking spaces.

Staff prepared a very detailed report that demonstrates conformance with all plans, policies and regulations in detail, and included specific findings drawn from their analysis. The proposed project conforms to the City's Zoning and Building Ordinances, and policies of the General Plan and Local Coastal Plan. The use, size and massing of the project are consistent with the surrounding neighborhood.

The project meets or exceeds all requirements and setbacks, except for the minor garage encroachment mentioned earlier. This encroachment is justified by existing conditions, neighborhood development patterns and a site design supported by ABR as a superior alternative for this site in terms of vehicle circulation, pedestrian character and minimization of paved areas.

This project is the result of several re-designs, environmental studies and input from neighbors and ABR. Reports were prepared, reviewed and accepted by staff regarding Archaeology (Phase I), Hydrology and Noise. An analysis of "Permanent Pollution Prevention Measures" was conducted to determine methods for treating storm water. These studies are the bases for the environmental review performed by staff.

The Staff Hearing Officer approved the project with 35 conditions, to which we have agreed. In closing, we request that you uphold the March 4<sup>th</sup> approval.

Sincerely,



H. Alexander Pujo, Architect

c.: L. Agostino



# City of Santa Barbara California

CITY OF SANTA BARBARA STAFF HEARING OFFICER

RESOLUTION NO. 021-09  
436 CORONA DEL MAR  
MODIFICATION AND  
COASTAL DEVELOPMENT PERMIT  
MARCH 11, 2009

APPLICATION OF ALEX PUJO, ARCHITECT FOR LARRY AND SUSAN JEAN AGOSTINO, PROPERTY OWNERS, 436 CORONA DEL MAR, APN 017-321-007, R-4/SD-3 ZONES, GENERAL PLAN DESIGNATION: COMMERCIAL – HOTEL & RESIDENTIAL (MST2008-00420).

The project consists of a proposal to demolish the existing 1,326 square foot residence and 224 square foot non-conforming garage and construct a 3,094 square foot, three-story duplex and a 548 square foot two-car garage on a 6,594 square foot lot in the non-appealable jurisdiction of the Coastal Zone. Also proposed are 582 square feet of covered patios, 166 square foot open deck and a 400 square foot lap pool. Unit #1 would be a 2,159 square foot, three-story, two-bedroom unit and Unit #2 would be a 934 square foot, one-story, one-bedroom unit with two uncovered parking spaces. One modification is requested to allow the proposed two-car garage to encroach 3' into the interior setback.

The discretionary applications required for this project are:

1. A Coastal Development Permit to allow the proposed development in the non-appealable jurisdiction of the City's Coastal Zone (SBMC § 28.44.009); and
2. A Modification to allow the new garage to encroach into the interior yard setback (SBMC § 28.21.060).

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Guidelines Section 15301(I)(1) Existing Facilities and 15303(b) New Construction.

**WHEREAS**, the Staff Hearing Officer has held the required public hearing on the above application, and the Applicant was present.

**WHEREAS**, no one appeared to speak in favor or opposition of the application, and the following exhibits were presented for the record:

1. Staff Report with Attachments, March 4, 2009.
2. Site Plans
3. Correspondence expressing concerns of the project:  
Paula Westbury, 650 Miramonte Drive

**NOW, THEREFORE BE IT RESOLVED** that the City Staff Hearing Officer:

I. Approved the subject application making the following findings and determinations:

**A. MODIFICATION (SBMC §27.07.100)**

The Modification is consistent with the purposes and intent of the Zoning Ordinance and is necessary to secure an appropriate improvement on the lot. The proposed location will provide required parking for the project without impacts to the immediate neighbor due to the single story and flat roof design. The existing garage is non-conforming to setbacks with zero setback from the property line. The new garage setback will provide a more conforming situation by being setback the required 3' from the rear property line and 3' from the interior property.

**B. COASTAL DEVELOPMENT PERMIT (SBMC §28.45.009)**

1. The project is consistent with the policies of the California Coastal Act.

*The project is consistent with all of the policies of the Coastal Act, including 30251, which requires new development to be visually compatible with the character of surrounding areas as discussed in Section V.D. of the Staff Report.*

2. The project is consistent with all applicable policies of the City's Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Code.

*The project is found to be consistent with the policies of the Local Coastal Plan, with regard to land use, neighborhood compatibility and environmental resources and is consistent with all Zoning Ordinance requirements as discussed in Section V and VI of the Staff Report.*

3. The project is consistent with the Chapter 3 (commencing with Section 30200) Policies of the Coastal Act regarding public access and public recreation.

*The project would not have an effect on public access or public recreation as described in Section VI of the Staff Report.*

II. Said approval is subject to the following conditions:

A. **Design Review.** The project is subject to the review and approval of the Architectural Board of Review (ABR). The ABR shall not grant preliminary approval of the project until the following Staff Hearing Officer land use conditions have been satisfied.

1. **Useable Common Open Space.** Adequate usable common open space shall be provided in a location accessible by all units within the development.

2. **Minimize Visual Effects of Paving.** Textured or colored pavement shall be used in paved areas of the project to minimize the visual effect of the expanse of paving, create a pedestrian environment, and provide access for all users.

3. **Screened Check Valve/Backflow.** The check valve or anti-backflow devices for fire sprinkler and/or irrigation systems shall be provided in a location screened from public view or included in the exterior wall of the building.
  4. **Permeable Paving.** Incorporate a permeable paving system for the project driveway that will allow a portion of the paved area runoff to percolate into the ground, except as necessary to meet Fire Department weight requirements. Materials in driveways and parking areas must be approved by the Public Works Director/Transportation Manager.
- B. **Recorded Conditions Agreement.** Prior to the issuance of any Public Works permit or Building permit for the project on the Real Property, the Owner shall execute a written instrument, which shall be reviewed as to form and content by the City Attorney, Community Development Director and Public Works Director, recorded in the Office of the County Recorder, and shall include the following:
1. **Approved Development.** The development of the Real Property approved by the Staff Hearing Officer on March 11, 2009, is limited to the construction a 3,094 square foot, three-story duplex, a 548 square foot garage a 400 square foot lap pool and the improvements shown on the plans signed by the Staff Hearing Officer on said date and on file at the City of Santa Barbara.
  2. **Uninterrupted Water Flow.** The Owner shall provide for the uninterrupted flow of water onto the Real Property including, but not limited to, swales, natural watercourses, conduits and any access road, as appropriate.
  3. **Recreational Vehicle Storage Prohibition.** No recreational vehicles, boats, or trailers shall be stored on the Real Property.
  4. **Landscape Plan Compliance.** The Owner shall comply with the Landscape Plan approved by the Architectural Board of Review (ABR). Such plan shall not be modified unless prior written approval is obtained from the ABR. The landscaping on the Real Property shall be provided and maintained in accordance with said landscape plan. If said landscaping is removed for any reason without approval by the ABR, the owner is responsible for its immediate replacement.
  5. **Storm Water Pollution Control and Drainage Systems Maintenance.** Owner shall maintain the drainage system and storm water pollution control devices intended to intercept siltation and other potential pollutants (including, but not limited to, hydrocarbons, fecal bacteria, herbicides, fertilizers, etc. ) in a functioning state (and in accordance with the Operations and Maintenance Procedure Plan prepared in accordance with the Storm Water Management Plan BMP Guidance Manual). Should any of the project's surface or subsurface drainage structures or storm water pollution control methods fail to capture, infiltrate, and/or treat water, or result in increased erosion, the Owner shall be responsible for any necessary repairs to the system and restoration of the eroded area. Should repairs or restoration become necessary, prior to the

commencement of such repair or restoration work, the applicant shall submit a repair and restoration plan to the Community Development Director to determine if an amendment or a new Building Permit and Coastal Development Permit is required to authorize such work. The Owner is responsible for the adequacy of any project-related drainage facilities and for the continued maintenance thereof in a manner that will preclude any hazard to life, health, or damage to the Real Property or any adjoining property.

6. **Trash and Recycling.** Trash holding areas shall include recycling containers with at least equal capacity as the trash containers, and trash/recycling areas shall be easily accessed by the consumer and the trash hauler. Green waste shall either have containers adequate for the landscaping or be hauled off site by the landscaping maintenance company.
- C. **Public Works Requirements Prior to Building Permit Issuance.** The Owner shall submit the following, or evidence of completion of the following to the Public Works Department for review and approval, prior to the issuance of a Building Permit for the project.
1. **Water Rights Assignment Agreement.** The Owner shall assign to the City of Santa Barbara the exclusive right to extract ground water from under the Real Property in an "Agreement Assigning Water Extraction Rights." Engineering Division Staff will prepare said agreement for the Owner's signature.
  2. **Drainage Calculations.** The Owner shall submit drainage calculations prepared by a registered civil engineer or licensed architect demonstrating that the new development will not increase runoff amounts above existing conditions for a 25-year storm event. Any increase in runoff shall be retained on-site.
- D. **Community Development Requirements with Building or Public Works Permit Application.** The following shall be submitted with the application for any Building or Public Works permit and finalized prior to Building or Public Works Permit issuance:
1. **Park Commission Tree Removal Approval.** Submit to the Planning Division verification of approval from the Park Commission for the landscaping changes in the parkway and in the front setback.
  2. **Tenant Displacement Assistance Ordinance Compliance.** Submit evidence of compliance with the Tenant Displacement Assistance Ordinance (SBMC Chapter 28.89).
- E. **Building Permit Plan Requirements.** The following requirements/notes shall be incorporated into the construction plans submitted to the Building and Safety Division for Building permits.
1. **Design Review Requirements.** Plans shall show all design, landscape and tree protection elements, as approved by the Architectural Board of Review, outlined in Section A above.

2. **Grading Plan Requirement for Archaeological Resources.** The following information shall be printed on the grading plans:

If archaeological resources are encountered or suspected, work shall be halted or redirected immediately and the Planning Division shall be notified. The archaeologist shall assess the nature, extent, and significance of any discoveries and develop appropriate management recommendations for archaeological resource treatment, which may include, but are not limited to, redirection of grading and/or excavation activities, consultation and/or monitoring with a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List, etc.

If the discovery consists of possible human remains, the Santa Barbara County Coroner shall be contacted immediately. If the Coroner determines that the remains are Native American, the Coroner shall contact the California Native American Heritage Commission. A Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Planning Division grants authorization.

If the discovery consists of possible prehistoric or Native American artifacts or materials, a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Planning Division grants authorization.

3. **Trash Enclosure Provision.** A trash enclosure with adequate area for recycling containers (an area that allows for a minimum of 50 percent of the total capacity for recycling containers) shall be provided on the Real Property and screened from view from surrounding properties and the street.
4. **Conditions on Plans/Signatures.** The final Staff Hearing Officer Resolution shall be provided on a full size drawing sheet as part of the drawing sets. Each condition shall have a sheet and/or note reference to verify condition compliance. If the condition relates to a document submittal, indicate the status of the submittal (e.g., Archaeologist contract submitted to Community Development Department for review). A statement shall also be placed on the above sheet as follows: The undersigned have read and understand the above conditions, and agree to abide by any and all conditions which is their usual and customary responsibility to perform, and which are within their authority to perform.

Signed:

Property Owner		Date
Contractor	Date	License No.
Architect	Date	License No.
Engineer	Date	License No.

F. **Construction Implementation Requirements.** All of these construction requirements shall be carried out in the field by the Owner and/or Contractor for the duration of the project construction. (Community Development Department staff shall review the plans and specifications to assure that they are incorporated into the bid documents, such that potential contractors will be aware of the following requirements prior to submitting a bid for the contract.)

1. **Demolition/Construction Materials Recycling.** Recycling and/or reuse of demolition/construction materials shall be carried out to the extent feasible, and containers shall be provided on site for that purpose, in order to minimize construction-generated waste conveyed to the landfill. Indicate on the plans the location of a container of sufficient size to handle the materials, subject to review and approval by the City Solid Waste Specialist, for collection of demolition/construction materials. A minimum of 90% of demolition and construction materials shall be recycled or reused. Evidence shall be submitted at each inspection to show that recycling and/or reuse goals are being met.
2. **Construction Hours.** Construction (including preparation for construction work) is prohibited Monday through Friday before 7:00 a.m. and after 5:00 p.m., and all day on Saturdays, Sundays and holidays observed by the City of Santa Barbara, as shown below:

New Year's Day	January 1st*
Martin Luther King's Birthday	3rd Monday in January
Presidents' Day	3rd Monday in February
Cesar Chavez	March 31st*
Memorial Day	Last Monday in May
Independence Day	July 4th*
Labor Day	1st Monday in September
Thanksgiving Day	4th Thursday in November
Following Thanksgiving Day	Friday following Thanksgiving Day
Christmas Day	December 25th*

\*When a holiday falls on a Saturday or Sunday, the preceding Friday or following Monday, respectively, shall be observed as a legal holiday.

When, based on required construction type or other appropriate reasons, it is necessary to do work outside the allowed construction hours, contractor shall contact the Chief of Building and Safety to request a waiver from the above construction hours, using the procedure outlined in Santa Barbara Municipal Code §9.16.015 Construction Work at Night. Contractor shall notify all residents within 300 feet of the parcel of intent to carry out night construction a minimum of 48 hours prior to said construction. Said notification shall include what the work includes, the reason for the work, the duration of the proposed work and a contact number that is answered by a person, not a machine.

3. **Construction Parking/Storage/Staging.** Construction parking and storage shall be provided as follows:
  - a. During construction, free parking spaces for construction workers and construction shall be provided on-site or off-site in a location subject to the approval of the Public Works Director. Construction workers are prohibited from parking within the public right-of-way, except as outlined in subparagraph b. below.
  - b. Parking in the public right of way is permitted as posted by Municipal Code, as reasonably allowed for in the 2006 Greenbook (or latest reference), and with a Public Works permit in restricted parking zones. No more than three (3) individual parking permits without extensions may be issued for the life of the project.
  - c. Storage or staging of construction materials and equipment within the public right-of-way shall not be permitted, unless approved by the Transportation Manager.
4. **Water Sprinkling During Grading.** The following dust control measures shall be required, and shall be accomplished using recycled water whenever the Public Works Director determines that it is reasonably available:
  - a. Site grading and transportation of fill materials.
  - b. Regular water sprinkling; during clearing, grading, earth moving or excavation.
  - c. Sufficient quantities of water, through use of either water trucks or sprinkler systems, shall be applied on-site to prevent dust from leaving the site.
  - d. Each day, after construction activities cease, the entire area of disturbed soil shall be sufficiently moistened to create a crust.
  - e. Throughout construction, water trucks or sprinkler systems shall also be used to keep all areas of vehicle movement on-site damp enough to prevent dust raised from leaving the site. At a minimum, this will include wetting down such areas in the late morning and after work is

completed for the day. Increased watering frequency will be required whenever the wind speed exceeds 15 mph.

5. **Expeditious Paving.** All roadways, driveways, sidewalks, etc., shall be paved as soon as possible. Additionally, building pads shall be laid as soon as possible after grading unless seeding or soil binders are used, as directed by the Building Inspector.
6. **Gravel Pads.** Gravel pads shall be installed at all access points to the project site to prevent tracking of mud on to public roads.
7. **Street Sweeping.** The property frontage and adjacent property frontages, and parking and staging areas at the construction site shall be swept daily to decrease sediment transport to the public storm drain system and dust.
8. **Construction Best Management Practices (BMPs).** Construction activities shall address water quality through the use of BMPs, as approved by the Building and Safety Division.
9. **Construction Equipment Maintenance.** All construction equipment, including trucks, shall be professionally maintained and fitted with standard manufacturers' muffler and silencing devices.
10. **Graffiti Abatement Required.** Owner and Contractor shall be responsible for removal of all graffiti as quickly as possible. Graffiti not removed within 24 hours of notice by the Building and Safety Division may result in a Stop Work order being issued, or may be removed by the City, at the Owner's expense, as provided in SBMC Chapter 9.66.
11. **Unanticipated Archaeological Resources Contractor Notification.** Prior to the start of any vegetation or paving removal, demolition, trenching or grading, contractors and construction personnel shall be alerted to the possibility of uncovering unanticipated subsurface archaeological features or artifacts associated with past human occupation of the parcel. If such archaeological resources are encountered or suspected, work shall be halted immediately, the City Environmental Analyst shall be notified and the applicant shall retain an archaeologist from the most current City Qualified Archaeologists List. The latter shall be employed to assess the nature, extent and significance of any discoveries and to develop appropriate management recommendations for archaeological resource treatment, which may include, but are not limited to, redirection of grading and/or excavation activities, consultation and/or monitoring with a Barbareño Chumash representative from the most current City qualified Barbareño Chumash Site Monitors List, etc.

If the discovery consists of possible human remains, the Santa Barbara County Coroner shall be contacted immediately. If the Coroner determines that the remains are Native American, the Coroner shall contact the California Native American Heritage Commission. A Barbareño Chumash representative from the

most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

If the discovery consists of possible prehistoric or Native American artifacts or materials, a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

- G. **Prior to Certificate of Occupancy.** Prior to issuance of the Certificate of Occupancy, the Owner of the Real Property shall complete the following:
1. **Repair Damaged Public Improvements.** Repair any damaged public improvements (curbs, gutters, sidewalks, roadways, etc.) subject to the review and approval of the Public Works Department per SBMC §22.60.090. Where tree roots are the cause of the damage, the roots shall be pruned under the direction of a qualified arborist.
  2. **Complete Public Improvements.** Public improvements, as shown in the improvement/building plans, including utility service undergrounding and installation of street trees.
  3. **Cross-Connection Inspection.** The Owner shall request a cross connection inspection by the Public Works Water Reclamation/Cross Connection Specialist.
- H. **Litigation Indemnification Agreement.** In the event the Planning Commission approval of the Project is appealed to the City Council, Applicant/Owner hereby agrees to defend the City, its officers, employees, agents, consultants and independent contractors ("City's Agents") from any third party legal challenge to the City Council's denial of the appeal and approval of the Project, including, but not limited to, challenges filed pursuant to the California Environmental Quality Act (collectively "Claims"). Applicant/Owner further agrees to indemnify and hold harmless the City and the City's Agents from any award of attorney fees or court costs made in connection with any Claim.

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

City and the City's Agents shall bear their own attorney fees, expenses, and costs of that independent defense.

**NOTICE OF COASTAL DEVELOPMENT PERMIT TIME LIMITS:**

Pursuant to Section 28.44.230 of the Santa Barbara Municipal Code, work on the approved development shall commence within two years of the final action on the application, unless a different time is specified in the Coastal Development Permit. Up to three (3) one-year extensions may be granted by the Community Development Director in accordance with the procedures specified in Subsection 28.44.230.B of the Santa Barbara Municipal Code.

This motion was passed and adopted on the 11th day of March, 2009 by the Staff Hearing Officer of the city of Santa Barbara.

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



\_\_\_\_\_  
Gloria Shafer, Staff Hearing Officer Secretary



\_\_\_\_\_  
Date

**PLEASE BE ADVISED:**

1. This action of the Staff Hearing Officer can be appealed to the Planning Commission or the City Council within ten (10) days after the date the action was taken by the Staff Hearing Officer.
2. If the scope of work exceeds the extent described in the Modification request or that which was represented to the Staff Hearing Officer at the public hearing, it may render the Staff Hearing Officer approval null and void.
3. If you have any existing zoning violations on the property, other than those included in the conditions above, they must be corrected within thirty (30) days of this action.
4. Subsequent to the outcome of any appeal action your next administrative step should be to apply for Architectural Board of Review (ABR) approval and then a building permit.
5. **PLEASE NOTE: A copy of this resolution shall be reproduced on the first sheet of the drawings submitted with the application for a building permit.** The location, size and design of the construction proposed in the application for the building permit shall not deviate from the location, size and design of construction approved in this modification.
6. **NOTICE OF APPROVAL TIME LIMITS:** The Staff Hearing Officer's action approving the Performance Standard Permit or Modifications shall expire two (2) years from the date of the approval, per SBMC §28.87.360, unless:
  - a. A building permit for the construction authorized by the approval is issued within twenty four months of the approval. (An extension may be granted by the Staff Hearing Officer if the construction authorized by the permit is being diligently pursued to completion.) or;
  - b. The approved use has been discontinued, abandoned or unused for a period of six months following the earlier of:
    - i. an Issuance of a Certificate of Occupancy for the use, or;
    - ii. one (1) year from granting the approval.

**ACTUAL TIME: 11:31 A.M.**

**G. APPLICATION OF ALEX PUJO, ARCHITECT FOR LARRY AND SUSAN JEAN AGOSTINO, PROPERTY OWNERS, 436 CORONA DEL MAR, APN 017-321-007, R-4/SD-3 ZONES, GENERAL PLAN DESIGNATION: COMMERCIAL – HOTEL & RESIDENTIAL (MST2008-00420).**

The project consists of a proposal to demolish the existing 1,326 square foot residence and 224 square foot non-conforming garage and construct a 3,094 square foot, three-story duplex and a 548 square foot two-car garage on a 6,594 square foot lot in the non-appealable jurisdiction of the Coastal Zone. Also proposed are 582 square feet of covered patios, 166 square foot open deck and a 400 square foot lap pool. Unit #1 would be a 2,159 square foot, three-story, two-bedroom unit and Unit #2 would be a 934 square foot, one-story, one-bedroom unit with two uncovered parking spaces. One modification is requested to allow the proposed two-car garage to encroach 3' into the interior setback.

The discretionary applications required for this project are:

1. A Coastal Development Permit to allow the proposed development in the non-appealable jurisdiction of the City's Coastal Zone (SBMC § 28.44.009); and
2. A Modification to allow the new garage to encroach into the interior yard setback (SBMC § 28.21.060).

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Guidelines Section 15301(l)(1) Existing Facilities and 15303(b) New Construction.

Present: Alex Pujo, Architect; Jeff Doubet, Designer.

Kelly Brodison, Assistant Planner, gave the Staff presentation and recommendation.

The applicant presented revised elevations and explained that in response comments from the ABR, the building height was reduced 3 feet, and pushed further back on the lot.

Mr. Reardon question whether the pool and open area would be accessible to both units, and requested clarification of the side entry to the lower unit.

Mr. Pujo responded that the pool and open area would be accessible to both units. One unit would have direct access and the second unit will have stair access. Mr. Kato explained that removal of the side entry is not necessary because the room configuration meets the city's policy for internal access.

The Public Hearing was opened at 11:49 a.m.

A letter from Paula Westbury expressing concerns was acknowledged.

The Public Hearing was closed.

Ms. Reardon announced that she read the Staff Report and visited the site and surrounding neighborhood.

Ms. Brodison reported that during the Dart process it was requested that a note be placed on the site plan or that the applicant reduce hedge along the driveway to meet hedge height requirements for safety.

**ACTION:** **Assigned Resolution No. 021-09**  
Approved the project making the findings contained in Section VII of the Staff Report dated March 4, 2009.

Said approval is subject to the Conditions of Approval contained in Exhibit A of the Staff Report dated March 4, 2009, as revised at the hearing.

The ten calendar day appeal period to the Planning Commission and subject to suspension for review by the Planning Commission was announced.

### **III. ADJOURNMENT**

The meeting was adjourned at 11:57 a.m.

Submitted by,

---

Gloria Shafer, Staff Hearing Officer Secretary

---

Date



# City of Santa Barbara California

## STAFF HEARING OFFICER STAFF REPORT

**REPORT DATE:** March 4, 2009  
**AGENDA DATE:** March 11, 2009  
**PROJECT ADDRESS:** 436 Corona del Mar (MST2008-00420)  
 Case Planner  
**TO:** Staff Hearing Officer  
**FROM:** Planning Division, (805) 564-5470  
 Danny Kato, Senior Planner *AKD for Danny Kato*  
 Kelly Brodison, Assistant Planner *AKB*

### I. PROJECT DESCRIPTION

The project consists of a proposal to demolish the existing 1,326 square foot residence and 224 square foot non-conforming garage and construct a 3,094 square foot, three-story duplex and a 548 square foot two-car garage on a 6,594 square foot lot in the non-appealable jurisdiction of the Coastal Zone. Also proposed are 582 square feet of covered patios, 166 square foot open deck and a 400 square foot lap pool. Unit #1 would be a 2,159 square foot, three-story, two-bedroom unit and Unit #2 would be a 934 square foot, one-story, one-bedroom unit with two uncovered parking spaces. One modification is requested to allow the proposed two-car garage to encroach 3' into the interior setback.

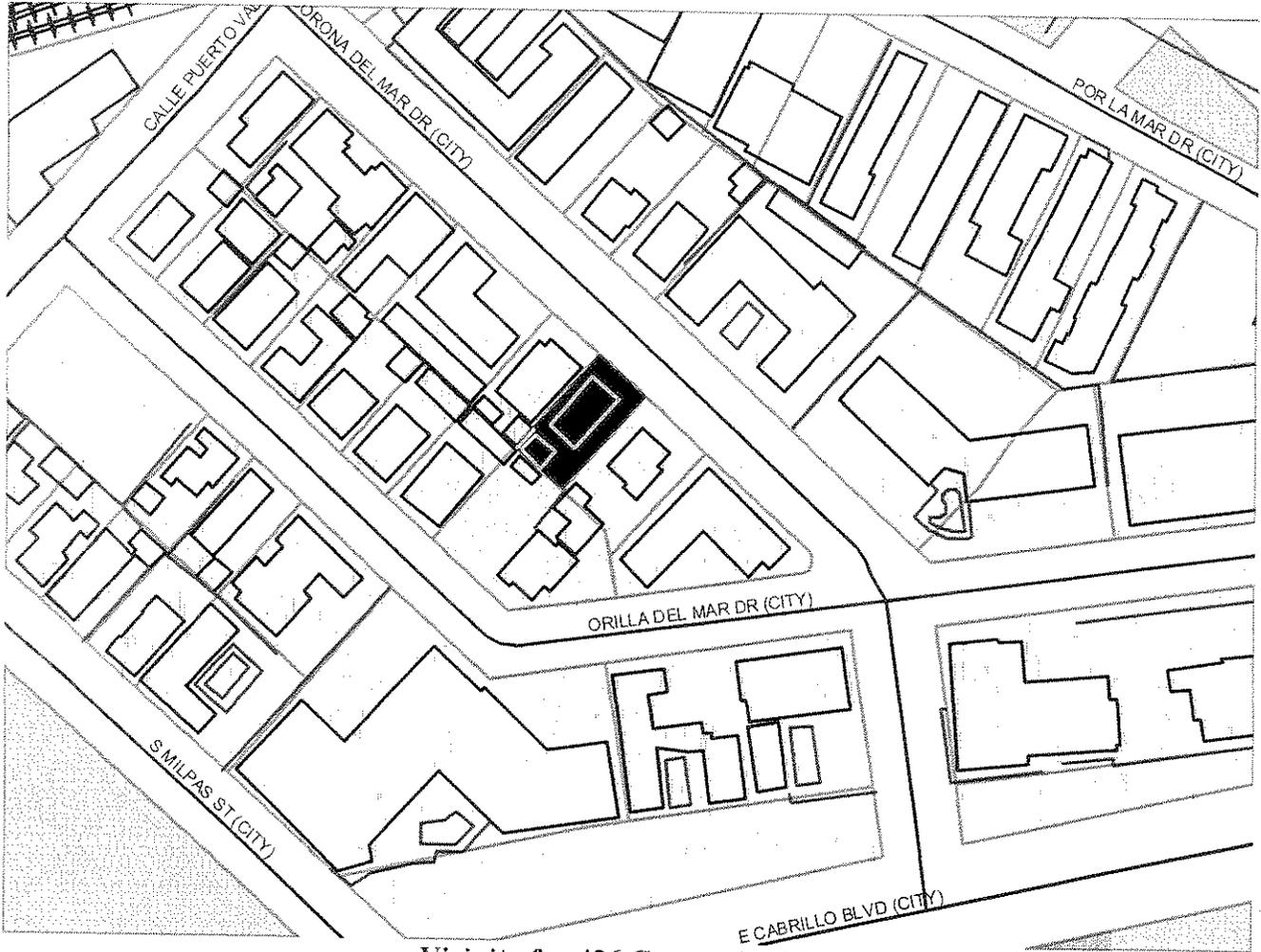
### II. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

1. A Coastal Development Permit to allow the proposed development in the non-appealable jurisdiction of the City's Coastal Zone (SBMC § 28.44.060); and
2. A Modification to allow the new garage to encroach into the required interior setback (SBMC § 28.21.060).

### III. RECOMMENDATION

Upon approval of the required Modification, the proposed project conforms to the City's Zoning and Building Ordinances, and policies of the General Plan and Local Coastal Plan. In addition, the size and massing of the project are consistent with the surrounding neighborhood. Therefore, Staff recommends that the Staff Hearing Officer approve the Coastal Development Permit, making the findings outlined in Section VII of this report, and subject to the conditions of approval in Exhibit A.



Vicinity for 436 Corona del Mar

**APPLICATION DEEMED COMPLETE:**  
**DATE ACTION REQUIRED:**

January 21, 2009  
April 21, 2009

**IV. SITE INFORMATION AND PROJECT STATISTICS**

**A. SITE INFORMATION**

Applicant: Alex Pujo, Architects	Property Owner: Larry & Susan Agostino
Parcel Number: 017-321-007	Lot Area: 6,594 sq. ft.
General Plan: Commerce: Hotel/Residential	Zoning: R-4/SD-3
Existing Use: Single Family Residence	Topography: ~4%
Adjacent Land Uses:	
Northeast - Motel	Southeast - Multi-Family Residential
Southwest - Duplex	Northwest - Single-Family Residential

**B. PROJECT STATISTICS**

	Existing	Proposed (Unit 1)	Proposed (Unit 2)
Living Area	1,326 sq. ft.	2,159 sq. ft.	934sq. ft.
Garage	224 sq. ft.	548 sq. ft.	N/A.
Total	1,550 sq. ft.	2,707 sq. ft.	934 sq. ft.

**V. ZONING ORDINANCE CONSISTENCY**

Standard	Requirement/ Allowance	Existing	Proposed
Setbacks -Front	10' (1 & 2 story) 15' (3 story)	~20'	10' (1 & 2 story) 20' (3 story)
-Interior	6' (1 & 2 story) 10 (3 story) 6' (garage or carport)	~10' (house) and 0'(garage)	6' (house) and 3'(garage) <i>modification requested</i>
-Rear	6' (1 story) 10' (2 & 3 story) 3' (garage or carport)	0' (garage)	3' (garage)
Building Height	3 stories or 45'	1 story	3 stories & 37'-5"
Parking	2 covered, 2 uncovered	none	2 covered, 2 uncovered
Open Yard	989 sq. ft.	~3,700 sq. ft.	1,086 sq. ft.

Lot Coverage		<u>Existing</u>		<u>Proposed</u>	
-Building	N/A	1,840 sq. ft.	28%	2,460 sq. ft.	38%
-Paving/Driveway	N/A	990 sq. ft.	15%	1,470 sq. ft.	22%
-Landscaping	N/A	3,764 sq. ft.	57%	2,664 sq. ft.	40%

The proposed project would meet the requirements of the R-4 Zone related to building height, solar access, open yard requirements and parking, with the exception of a modification to allow the proposed garage to encroach 3' into the interior setback.

**A. MODIFICATION**

The project site is currently developed with a single story residence and detached one-car garage. The proposed project involves demolition of the existing structures and the construction of a new three-story 3,094 square foot duplex and 549 square foot detached garage. The project has been designed with the garage at the rear of the lot.

The existing 224 square foot non-conforming garage is built with zero setbacks along the interior and rear setback. The new 548 square foot garage will comply with the required 3' rear setback. The applicant requests a modification for the new garage to encroach 3' into the required 6' interior setback.

Although the new garage is proposed to be located within the required interior setback, Staff supports this request because the new garage will provide a more conforming situation and has a solid wall along the property line, no window openings, and its use is limited to vehicle storage purposes. Additionally, the garage is situated towards the rear of the lot. Staff is in support of the modification as it is necessary to provide an appropriate improvement on the lot.

**VI. ISSUES**

**A. ENVIRONMENTAL REVIEW**

*Archaeological Resources:* Based on the City's Cultural Resource Sensitivity Map, the project site is located within two (2) Archaeological Resources Sensitivity zones: The American Period, (1870-1900) and the Early 20<sup>th</sup> Century (1900-1920). A Phase I Archaeological Report was prepared for the property and it was determined that the proposed project is not considered to have the potential to impact unknown, intact significant or important historic or prehistoric cultural remains and therefore, no mitigation measures are required.

*Water Quality:* The proposed project will result in a development of more than 4,000 square feet of hardscape and as such, is defined as a Tier 3 Large Project site by the City of Santa Barbara Storm Water BMP Guidance Manual. The applicant has submitted a Preliminary Hydrology Report and Permanent Pollution Prevention Measures Analysis. The purposes of these reports are to define and analyze the management of storm water rate, volume and quality. The proposed detention basin at the west end of the project site addresses storm water rates and volume. The Pollution Prevention Measures Analysis discusses the proposed methods of storm water treatment to be incorporated into this project development and demonstrates that there is sufficient room onsite for the proposed treatment measures. The

proposed permanent pollution prevention measures are vegetated filter strips, vegetated swale filters, and permeable pavement. This preliminary analysis indicates that the site can be developed as proposed as there is adequate area to treat the storm water runoff generated from the development of the project site as required by the City of Santa Barbara Storm Water BMP Guidance Manual.

*Conclusion:* Staff has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality guidelines Sections 15301(l)(1) Existing Facilities and 15303(a) New Construction.

#### **B. DESIGN REVIEW**

This project was reviewed by the Architectural Board of Review (ABR) on two separate occasions (meeting minutes are attached as Exhibit D). On October 6, 2008, the ABR expressed concern with the size, bulk and scale, specifically the third floor street elevation. They also requested that the applicant restudy the site layout, parking design and the amount of perceived hardscape.

The project returned to ABR on November 17, 2008. The Board found the garage placement acceptable in that there were no negative aesthetic impacts. The Board appreciated the changes that were made to the site design, aesthetic style, setbacks and neighborhood continuity were appreciated. The project will return to the Full Board for further refinement subsequent to review by the Staff Hearing Officer.

#### **C. COMPLIANCE WITH THE GENERAL PLAN**

*Land Use Element:* The proposed project is located within the East Beach neighborhood and has a General Plan designation of Commerce: Hotel/Residential. The East Beach neighborhood is bordered on the north by Highway 101, on the south by Cabrillo Boulevard, on the east by the City limits and on the west by Santa Barbara Street. The General Plan calls for a mix of hotel and residential development in this area. To the east of Milpas Street, where this project site is located, the neighborhood has hotel and apartment development adjacent to a substantial number of public facilities such as the Andree Clark Bird Refuge, the Dwight Murphy Field, Cabrillo Ball Park and the adjoining beaches beyond Palm Park. The proposed duplex complies with the General Plan Designation of Commerce: Hotel/Residential.

*Housing Element:* Santa Barbara has very little vacant or available land for new residential development and, therefore, City housing policies support build out of infill housing units in the City's urban areas where individual projects are deemed appropriate and compatible. A goal of the Housing Element is to encourage construction of a wide range of housing types to meet the needs of various household types and to assist in the production of new housing opportunities, through the public and private sector, which vary sufficiently in type and affordability to meet the needs of all economic and social groups. The project would be consistent with the Housing Element as it will contribute one new residential unit, on an R-4 zoned lot, to the City's rental housing stock. The homes are in close proximity to shopping parks, the beach front and Highway 101.

*Noise:* The project site is located in close proximity to Highway 101 and Cabrillo Boulevard. A review of the City's Noise Contour Map indicates that the site is within an area in which the noise level exceeds 60 dBA Ldn (average A-weighted sound level over a 24-hour day). The guideline for exterior noise levels for residential use is 60 dBA Ldn. The guideline for interior noise levels for residential uses is 45dBA Ldn. The applicant provided a Noise Study that concluded the proposed project complies with the exterior and interior noise levels and that no noise mitigation measures are required for this project.

#### **D. COMPLIANCE WITH THE LOCAL COASTAL PLAN**

The project site is located within the Coastal Zone and thus must be found consistent with the City's Local Coastal Plan (LCP), which implements the California Coastal Act. A Coastal Development Permit (CDP) is required for this project because it is located within the Non-Appellable Jurisdiction of the Coastal Zone, and includes an increase of 1 unit on a lot with an existing single family residence. The project is in Component Six of the Local Coastal Plan (LCP), which is located south of U.S. Highway 101 between Punta Gorda and the point where U.S. 101 and Cabrillo Boulevard intersect. The LCP states that the area east of Milpas, where the project site is located, consists of visitor-related uses with single family and multiple family dwellings scattered through this R-4 area, therefore the proposed project is consistent with the area description of Component Six.

##### **1. Visual Resources**

LCP Policy 9.1 and Coastal Act Policy 30251 serve to protect existing views to, from, and along the ocean. The project site is surrounded by one-and two-story single family residences. Even though the proposed structure includes a third story element, public views of the ocean are not blocked due to the location of the parcel away from public viewing points. The proposed structure would not be visible from the public beach. Thus, the proposed structure would not significantly impact existing views to and from the ocean, obstruct scenic view corridors, consistent with LCP Policy 9.1

##### **2. Housing/Neighborhood Compatibility.**

LCP Housing Policy 5.3 states, "*new development in and/or adjacent to existing residential neighborhoods must be compatible in terms of scale, size, and design with the prevailing character of the established neighborhood. New development which would result in an overburdening of public circulation and/or on-street parking resources of existing residential neighborhoods shall not be permitted.*"

The proposal would remain consistent with the multiple family and hotel development in the area. The project has received favorable comments from the Architectural Board of Review and will return for preliminary and final approval pending Planning Commission approval. All required parking would be provided on site and the project would not impact neighborhood circulation. In accordance with applicable LCP policies, the proposed project is compatible in terms of scale, size and design with development in the surrounding neighborhood.

The project is consistent with all of the applicable policies of the California Coastal Act and Local Coastal Plan, and all implementing guidelines because it is not located on a coastal bluff

and would not affect public access, open space or public recreation areas. Further, the structures would not block existing public views of the ocean, nor be visible from the public beach or public lookouts along the bluff top. Finally the project has been designed to be compatible with the prevailing character of the surrounding neighborhood, which includes a mix of single family homes, two story apartment buildings and hotels.

## **VII. FINDINGS**

The Staff Hearing Officer finds the following:

### **A. MODIFICATION (SBMC §27.07.100)**

The Staff Hearing Officer finds that the Modification is consistent with the purposes and intent of the Zoning Ordinance and is necessary to secure an appropriate improvement on the lot. The proposed location will provide required parking for the project without impacts to the immediate neighbor due to the single story and flat roof design. The existing is non-conforming to setbacks with zero setback from the property line. The new garage setback will provide a more conforming situation by being setback the required 3' from the rear property line and 3' from the interior property.

### **B. COASTAL DEVELOPMENT PERMIT (SBMC §28.45.009)**

1. The project is consistent with the policies of the California Coastal Act.

*The project is consistent with all of the policies of the Coastal Act, including 30251, which requires new development to be visually compatible with the character of surrounding areas as discussed in Section V.D. of the Staff Report.*

2. The project is consistent with all applicable policies of the City's Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Code.

*The project is found to be consistent with the policies of the Local Coastal Plan, with regard to land use, neighborhood compatibility and environmental resources and is consistent with all Zoning Ordinance requirements as discussed in Section V and VI of the Staff Report.*

3. The project is consistent with the Chapter 3 (commencing with Section 30200) Policies of the Coastal Act regarding public access and public recreation.

*The project would not have an effect on public access or public recreation as described in Section VI of the Staff Report.*

Exhibits:

- A. Conditions of Approval
- B. Site Plan
- C. Applicant's letter, dated December 2, 2008
- D. ABR Minutes



ARCHITECTURAL BOARD OF REVIEW  
CASE SUMMARY

436 CORONA DEL MAR DR

MST2008-00420

R-DUP, 2 UNITS

Page: 1

**Project Description:**

Proposal to demolish an existing 1,362 square foot residence and detached 224 square foot garage and construction of a new three-story, 3,196 square foot, two-unit residential duplex and a 437 square foot, two-car garage, on a 6,594 square foot parcel in the R-4/SD-3 Zones. Unit one is proposed to be 2,247 square feet and unit two at 835 square feet. A total of four parking spaces (two covered and two uncovered) will be provided. The proposal includes photovoltaic panels and a swimming pool. A total of 220 cubic yards of grading is proposed to be balanced on site. Zoning modifications are requested for the new garage to encroach into the interior and rear setbacks. The parcel is located in the non-appealable jurisdiction of the Coastal Zone. The project requires Staff Hearing Officer Review for Zoning modifications and a Coastal Development Permit.

**Activities:**

1/26/2009

*ABR-FYI/Research*

*Applicant qualifies for a partial refund for one mod which will be credited to the zoning plan check fees at time of Building Permit.*

11/17/2008

*ABR-Concept Review (Continued)*

*(Second Concept Review. Comments only; project requires Environmental Assessment and Staff Hearing Officer Review for Zoning modifications and a Coastal Development Permit.)*

*(8:47)*

*Present: Alex Pujo, Pujo & Associates; Charles McClure, Landscape Architect, and Jeff Doubet, Design by Doubet.*

*Public comment opened at 8:58 p.m. As no one wished to speak, public comment was closed.*

*Motion: Continued indefinitely to the Staff Hearing Officer and return to Full Board with the following comments:*

- 1) The modification is acceptable and provides no negative aesthetic impacts. The Board appreciates the three foot separation to the property line as opposed to the original proposal on the property lines.*
- 2) The Board appreciates the changes that were made to the design, and aesthetic style, the setbacks, and*

**Activities:**

*continuity with the neighborhood.*

3) *Applicant to return with floor plate heights on the plans.*

4) *The Board suggests that the third-story elevator tower element on the east elevation to be restudied to be either diminished in size and scale, eliminated or integrated into the architecture.*

5) *Restudy the lighting fixture adjacent to the front door and the proximity to the arch opening should be adjusted.*

6) *The Board acknowledges that the landscaping was addressed in the previous meeting motion.*

*Action: Mosel/Blakely, 5/0/0. Motion carried. (Zink/Sherry/Gross absent).*

11/6/2008

***ABR-Resubmittal Received***

*Received 3 sets of plans 5 sheets each.*

10/6/2008

***ABR-Concept Review (New) - PH***

*(Comments only; project requires Environmental Assessment and Staff Hearing Officer Review for Zoning modifications and a Coastal Development Permit.)*

*(5:10)*

*Present: Alex Pujo, Pujo & Associates; and Jeff Doubet, Design by Doubet.*

*Public comment opened at 5:24 p.m.*

*Patrick Smyth, generally supported; expressed concerns regarding demolition dust into his swimming pool which is open to the street, street parking, and street sweeping; offered to cooperate with contractor on construction parking.*

*Vince Pettit, opposed, concerned about privacy issues and expressed wish to preserve boarder trees.*

*Public comment closed at 5:30 p.m.*

*Motion: Continued indefinitely to Full Board with the following comments:*

1) *The Board is concerned with granting a modification for a new project of this size, scale and lot size. The Board encourages the applicant to restudy the site layout and design. Some site issues include the parking design and the amount of perceived hardscape.*

2) *The overall architecture is well done and is in keeping with the aesthetics of the neighborhood. However, some Board members have issue with the size, bulk and scale, especially at the third floor street elevation, and encourage the applicant to further study the articulation of elements to include reducing the third story stacked mass and increasing the third story setback at the street elevation.*

3) *Simplify the architecture style, detailing and articulation of the following items: a) The chimneys on the south elevation which appear too large and out of context for the building; b) The double-cantilevered outdoor deck; c) The stairs floor-to-floor; d) The amount of perceived hardscape; and e) The stone panels, and other elements that over-complicate the building.*

4) *The use of Santa Barbara Sandstone is acceptable in both the building façade and hardscape.*

5) *Landscaping: a) Please identify all existing hedges and trees on site; b) Indicate all existing trees and hedges to be saved and those proposed to be removed; c) Mature trees and hedges on the north and south property lines are to be saved; and d) Restudy and further develop the tree canopy.*

*Action: Gross/Mosel, 7/0/0. Motion carried. (Blakely absent).*



# City of Santa Barbara California

**DRAFT**

## CITY OF SANTA BARBARA PLANNING COMMISSION

RESOLUTION NO. 015-09

436 CORONA DEL MAR

COASTAL DEVELOPMENT PERMIT, MODIFICATION

MAY 14, 2009

**APPEAL OF JAMES KAHAN ON THE STAFF HEARING OFFICER'S APPROVAL OF THE APPLICATION OF ALEX PUJO, ARCHITECT FOR LARRY AND SUSAN JEAN AGOSTINO, PROPERTY OWNERS, 436 CORONA DEL MAR, APN 017-321-007, R-4/SD-3 ZONES, GENERAL PLAN DESIGNATION: COMMERCIAL - HOTEL & RESIDENTIAL (MST2008-00420)**

The project consists of a proposal to demolish the existing 1,326 square foot residence and 224 square foot non-conforming garage and construct a 3,094 square foot, three-story duplex and a 548 square foot two-car garage on a 6,594 square foot lot in the non-appealable jurisdiction of the Coastal Zone. Also proposed are 582 square feet of covered patios, 166 square foot open deck and a 400 square foot lap pool. Unit #1 would be a 2,159 square foot, three-story, two-bedroom unit and Unit #2 would be a 934 square foot, one-story, one-bedroom unit with two uncovered parking spaces. One modification is requested to allow the proposed two-car garage to encroach 3' into the interior setback.

The discretionary applications required for this project are:

A Coastal Development Permit to allow the proposed development in the non-appealable jurisdiction of the City's Coastal Zone (SBMC §28.45.009); and

A Modification to allow the new garage to encroach into the interior yard setback (SBMC §28.21.060).

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Act Guidelines Section 15301(l)(1) Existing Facilities and 15303 (b) New Construction.

**WHEREAS**, the Planning Commission has held the required public hearing on the above application, and the Applicant was present.

**WHEREAS**, no one appeared to speak in favor of the appeal, and no one appeared to speak in opposition thereto, and the following exhibits were presented for the record:

1. Staff Report with Attachments, May 7 2009
2. Site Plans
3. Correspondence received in support of the project:
  - a. Patrick Smyth, via email
  - b. Pamela Haldeman, via email

4. Correspondence received in opposition to the project:

- a. Paula Westbury, Santa Barbara, CA

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

Denied the appeal and upheld the decision of the Staff Hearing Officer.

This motion was passed and adopted on the 14th day of May, 2009 by the Planning Commission of the city of Santa Barbara, by the following vote:

AYES: 3 NOES: 1 (Lodge) ABSTAIN: 0 ABSENT: 3 (Larson, Jostes, White)

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

---

Date

THIS ACTION OF THE PLANNING COMMISSION CAN BE APPEALED TO THE CITY COUNCIL WITHIN TEN (10) DAYS AFTER THE DATE THE ACTION WAS TAKEN BY THE PLANNING COMMISSION.

**RECUSALS:** To avoid any actual or perceived conflict of interest, Commissioner White recused himself from hearing this item since he worked on the project at one time.

B. **APPEAL OF JAMES KAHAN ON THE STAFF HEARING OFFICER'S APPROVAL OF THE APPLICATION OF ALEX PUJO, ARCHITECT FOR LARRY AND SUSAN JEAN AGOSTINO, PROPERTY OWNERS, 436 CORONA DEL MAR, APN 017-321-007, R-4/SD-3 ZONES, GENERAL PLAN DESIGNATION: COMMERCIAL – HOTEL & RESIDENTIAL (MST2008-00420)**

The project consists of a proposal to demolish the existing 1,326 square foot residence and 224 square foot non-conforming garage and construct a 3,094 square foot, three-story duplex and a 548 square foot two-car garage on a 6,594 square foot lot in the non-appealable jurisdiction of the Coastal Zone. Also proposed are 582 square feet of covered patios, 166 square foot open deck and a 400 square foot lap pool. Unit #1 would be a 2,159 square foot, three-story, two-bedroom unit and Unit #2 would be a 934 square foot, one-story, one-bedroom unit with two uncovered parking spaces. One modification is requested to allow the proposed two-car garage to encroach 3' into the interior setback.

The discretionary applications required for this project are:

A Coastal Development Permit to allow the proposed development in the non-appealable jurisdiction of the City's Coastal Zone (SBMC §28.45.009); and

A Modification to allow the new garage to encroach into the interior yard setback (SBMC §28.21.060).

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Act Guidelines Section 15301(l)(1) Existing Facilities and 15303 (b) New Construction.

Case Planner: Kelly Brodison, Assistant Planner

Email: KBrodison@SantaBarbaraCA.gov

Kelly Brodison, Assistant Planner, gave the Staff presentation.

Tony Fisher, Friends of Outer State Street, gave the Appellant presentation.

Alex Pujo, Architect, gave the applicant presentation.

Staff clarified for the Planning Commission the recent amendment to the zoning ordinance, section 28.21.060, and how the provision did not apply to this project. Staff also explained the partial demolition of the existing garage structure which was conducted without a permit.

Chair Thompson opened the public hearing at 4:33 P.M., and with no one wishing to speak, closed the hearing.

The Commissioners made the following comments:

1. Commissioner Lodge had an issue with the designer not following the setback requirements and cannot make the finding to grant the modification.
2. Commissioner Bartlett expressed frustration that the applicant has been blindsided by this appeal as the appellant had not attended any of the ABR or SHO meetings and added that the appellant's residence has a similar interior yard setback encroachment. The proposed project encroaches 57 sq. ft. less than the existing condition. The location of the garage improves the existing situation and complies with what the ABR requested, by enabling cars to maneuver on site and not back out onto the street. Cannot support the appeal.
3. Commissioner Jacobs wonders about the interest held by the Friends of Outer State Street when the project is not in that area. The real encroachment is about 3' wide and 10 feet long. The project is in keeping with the neighborhood and compatible and there is a three-story apartment complex next door. Supports the project and feels it is elegant and attractive and will be an improvement to the neighborhood.
4. Commissioner Thompson stated that discussions about modifications will continue to take place, but the modification process exists because the City is mostly built-out, and lots are smaller than what may be desired. Feels that the lot size and the ABR's direction for the architectural design forces consideration for the modification, because of the turn radius that is required to allow cars to exit the site facing forward, . Otherwise cars would park on the street which would exacerbate the street parking situation. Another option would be to move the garage over into the open space but that would encroach into the required open yard area. Supported the modification and denial of the appeal.

**MOTION: Jacobs/Bartlett**

**Assigned Resolution No. 015-09**

Deny the appeal and uphold the decision of the Staff Hearing Officer for approval of the modification and the Coastal Development Permit.

This motion carried by the following vote:

Ayes: 3 Noes: 1 (Lodge) Abstain: 0 Absent: 3 (Larson, Jostes, White)

Chair Thompson announced the ten calendar day appeal period.

V. **NEW ITEM:**

**ACTUAL TIME: 4:42 P.M.**

**RECUSALS:** To avoid any actual or perceived conflict of interest, Commissioner Jacobs recused herself from hearing this item due to the applicant's attorney working at the same firm as her husband.

**This hearing was for Planning Commission consideration of project denial prior to initiation of environmental review. The project could not be approved at this hearing, only denied or continued.**

**APPLICATION OF PETER EHLEN, ARCHITECT FOR CAROLYN & JOSEPH MCGUIRE PROPERTY OWNERS, 1642 & 1654 CALLE CAÑON / 2418 CALLE MONTILLA, APNs 041-140-006, 008, 009, A-2 & E-1 ZONES, GENERAL PLAN DESIGNATION: MAJOR HILLSIDE (MST99-00606)**

The project consists of a subdivision of two lots of 225,285 sf and 99,333 sf into six lots. The project location is within the Alta Mesa General Plan neighborhood and in an area designated as High Fire and Major Hillside. Due to slope density requirements, each of the six proposed lots is required to provide more than the minimum lot area for the zone. The larger existing lot is zoned A-2 and currently developed with two residences accessed from a common driveway on Calle Cañon. The smaller existing lot is split-zoned A-2 and E-1 and currently developed with a single-family residence fronting Calle Montilla. The three existing single-family residences are proposed to remain. Multiple retaining walls up to approximately 20 ft in height would be necessary to construct the proposed driveways. New curb, gutter, sidewalk, and parkway are proposed along the Calle Cañon frontage.

The discretionary applications required for this project are:

1. Lot Area Modification to allow the creation of a 10,188 square foot lot (Lot 6) where a 22,500 square foot lot is required with slope density in the E-1 Zone (SBMC §28.15.080 and §28.92.110.A);
2. Street Frontage Modification to allow Lot 2 less than the required A-1 Zone 100 feet of street frontage (SBMC §28.15.080 and 28.92.110.A);
3. Street Frontage Modification to allow Lot 3 less than the required A-1 Zone 100 feet of street frontage (SBMC §28.15.080 and 28.92.110.A);
4. Street Frontage Modification to allow Lot 4 less than the required A-1 Zone 100 feet of street frontage (SBMC §28.15.080 and 28.92.110.A);
5. Wall Height Modification to allow retaining walls to exceed 3.5 feet in height within ten feet of the front lot line on Calle Cañon and on either side of the driveway for Lots 1-4 within 20 feet of the front lot line (SBMC §28.87.170.B and 28.92.110.A);
6. Tentative Subdivision Map to allow the division of two lots into six lots (SBMC 27.07);
7. Public Street Waiver to allow the creation of Lot 2 without frontage on a public street (SBMC §22.60.300);



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** August 4, 2009  
**TO:** Mayor and Councilmembers  
**FROM:** City Attorney's Office  
**SUBJECT:** Conference With Legal Counsel - Pending Litigation

**RECOMMENDATION:**

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

The pending litigation is *Landslide Repair Foundation v. City of Santa Barbara*, SBSC Number 1304297.

**SCHEDULING:**

Duration: 15 minutes; anytime

**REPORT:**

None anticipated

**SUBMITTED BY:** Stephen P. Wiley, City Attorney

**APPROVED BY:** City Administrator's Office