

MINUTES
SPECIAL MEETING
HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
706 Laguna Street, Santa Barbara, California
3:30 P.M. – September 25, 2019

I. CALL TO ORDER/ROLL CALL

3:30 P.M. Chair Wheatley presiding

Board Members present: Lucille Boss, Geoff Green, Lawrence Larsson, David Rowell, Patricia Wheatley

Board Members Absent: David Gustafson, Victor Suhr

Staff Members present: R. Fredericks, S. Szymanski, D. Aazam, B. Peirson and J. Schipa

II. PUBLIC COMMENT – None

III. CONSIDERATION OF MINUTES – None

IV. BILLS AND COMMUNICATIONS – None

V. CONSENT CALENDAR – None

VI. REPORT OF EXECUTIVE DIRECTOR

1. Recommendation that the Commission review a set of recommendations by the Commission's ad-hoc committee regarding forthcoming proposed amendments to the Average Unit Size Density Incentive Program Ordinance; and if deemed appropriate, direct the Executive Director and designees to communicate the Housing Authority's recommendations to the City of Santa Barbara's City Council and Planning Commission.

DOCUMENTS

- September 23, 2019 Executive Director's Report prepared by Administrative Specialist

SPEAKERS

Staff: R. Fredericks

Secretary Fredericks provided a PowerPoint presentation on the AUD program and overview of the Authority's recommendations for the amendments to the AUD program to be forwarded to City Council. Jessica Metzger, Project Planner with the City of Santa Barbara, who is helping oversee AUD amendments, was present and added a few comments to the Housing Authority's presentation. She noted the AUD trial period should last until fall or winter of 2020, and added that for smaller projects (four or less units) there are no inclusionary requirements.

Commissioner Rowell inquired of Mr. Peirson his thoughts on being able to receive a proforma on an application from a developer that is getting a loan, are there any disclosure laws and whether that is something that can be obtained as part of an AUD application. Housing Authority counsel, Mark Manion, was present and answered by stating one of the issues with density bonus is that one has to show financial harm, and it is up to the applicant/developer to present information to satisfy that requirement; so if there is a link between an issue related to financial liability and the project and the ability to proceed with the development, under certain circumstances it is possible.

The following members of the public provided comments:

(1) Maureen M. Masson: Ms. Masson noted she did not write anything down and did not find out about this meeting until last night. She stated she is a native and noted there is not the infrastructure to accommodate the housing that is being proposed. She inquired where the water would be coming from, where is the sewage going to go, what about the schools, what has happened to our streets and whether we want Santa Barbara to look like

every other city. She noted the reason people are not shopping downtown is Paseo Nuevo and there is no parking anymore. She stated, "You can only get so many sardines in a can" as her point.

(2) Christine Neuhauser: Ms. Neuhauser stated that she did not know this meeting was happening until someone told her today, and that more people would have been here today to object if they had known about it. She noted that there have been several community meetings and that it sounds like the City was listening to people and that some of the large things that seemed like a win for the Eastside the Housing Authority now wants to take away. She objects to the overlay high density on the Eastside, she stated, because it is the gateway to the Riviera, the most beautiful view in the city. She noted that the land on the Eastside is called underdeveloped land, i.e. cheap land, and that is why it is being looked at, and seems like that part of town is being taken advantage of. She noted the three projects included in the PowerPoint by the Housing Authority are said to work, but stated how does the public really know how they work or if they do. She ended by stating the AUD program was a trial, and for the Housing Authority to come along and state it should be permanent so the developers know what they are going to do seems premature and not how the program was started.

(3) Chris Barros: She noted that like everyone else she just found out about this and opposes the Housing Authority's recommendations. She added that she is a resident on the Eastside since 1965, and feels that the AUD program so far is ruining the neighborhood. She spoke of the monstrosity of the development to be built at 711 N. Milpas Street on the Eastside that despite neighborhood objections was approved, and are now talking about a hotel on lower Milpas St. She added that she lives in a mobile home park on the Eastside, currently in the medium high density area, and states they have the AUD overlay on them as well which includes approximately 100 low-income senior citizens, many disabled and many that are Veterans, and that if the AUD were to be implemented on their homes, there would be 100 people displaced. She ended by stating she respectfully requests the Board remove AUD from the Milpas St. corridor.

(4) Anna Marie Gott: Ms. Gott stated that she just found out about this meeting late last night and would not have known about it unless someone had emailed her. She stated that there is no call for having a Special Meeting today and it should have been noticed for a longer period so residents could actually understand what was wanted and maybe provide some additional ideas. She noted that she provided the Board with her thoughts, of which the Board was provided a copy. Ms. Gott stated that she does not approve of increasing the overlay along Milpas. Milpas is a historic corridor which was one of the fights regarding the 711 N. Milpas project, and everything is one and two stories, and building more stories would be inappropriate in that area, and is simply pushing the residents out. She notes that the Eastside has problems not just with parking but also with people taking advantage of the AUD process. She added that a visitor from Los Angeles viewed an apartment complex owned by Edward St. George, where college students are living six in a unit, renting them out by the bed, and we should not permit this in an AUD. Dormitories and group residences should be eliminated, as a requirement. Ms. Gott noted she has a list of ideas she requests the Board to consider and that the Housing Authority needs to consider not just for additional proposals to the Planning Commission and City Council, but think about what we are doing to our current residents, which she states is that we are pushing them out and replacing them with other people. She added that the only people providing affordable housing is the Housing Authority and that the four units noted in the presentation that were affordable were a mistake and not a result of the AUD program. Ms. Gott stated that this program is destroying lives and we never should have approved it with so many loopholes and certainly should have made massive changes way before now. But because of political concerns, she stated, no one did anything. Now that we are doing something, this should not be permanent. She added that the Board should look at it as if we are continuing to create high cost, residential homes; we are not creating ownership, co-ops or housing for those in 80%-120% AMI, and it is not going to happen with 10% inclusionary or the \$25 per square foot fee because it will take a decade to create one unit. Ms. Gott stated we need a task force that is going to look at how we actually accomplish that, and maybe it is through a public private partnership. She added that for Colorado's inclusionary housing in Boulder, all the units are not owned by the developer, but are immediately taken out of that and are owned by the city or the person that bought that unit. She stated that we need far better solutions and that passing the recommendations before the Board today are not representative of the community's need. She added a comment about off-street parking being reduced because of a police station and the recommendations are inadequate. She stated she wanted the Board to not pass it today but let the community think about it and come back, as it is promoting

more gentrification in Santa Barbara and displacement of everyone on the Eastside. Ms. Gott ended by commenting on the in-lieu parking fees should only be applicable to those housing 80%-120% AMI and not subsidizing market-rate housing.

(5) Victor Reyes: Mr. Reyes stated that he just found out about an hour ago about this meeting, so his comments are off the cuff. He commented on the extensive presentation comparing it to the City's regarding the police station and stated his interpretation of the reaction of the staff to the speakers as not in approval. He stated he hoped the speakers were being heard today. He commented on climate change and feels being packed like sardines in places as is being proposed, will affect how people are going to find access to emergency roads or higher ground. Mr. Reyes noted that this needs to be well thought out for the future and to think outside of the box. He stated that he grew up in Santa Barbara when Laguna St. was a lagoon and now there are tall structures blocking the view. He ended by stating he has seen a lot of change and it is not good.

(6) Jose Arturo Gallegos: Mr. Gallegos noted he was born and raised in Santa Barbara and notes the changes including traffic issues and population growth. He mentioned the traffic lights on the 101 in Santa Barbara and its history. He stated AUD's are supposed to be affordable for our workers in the City, but they are not affordable. He added that he is on Social Security and Section 8 and there is no way he or a working class family can afford the AUD units. Mr. Gallegos commented on an interaction with the owner of the 711 N. Milpas property regarding whether he would accept a Section 8 Voucher. He added that Santa Barbara is losing its old time, Mediterranean and Spanish charm and turning into a mini Manhattan, NY with the high buildings. He stated per a conversation with a realtor, the average price of a home on the Eastside is \$1M, which makes it impossible for most working class families to afford a home.

(7) Natalia Govoni: Ms. Govoni commented that she just found out about this meeting and is disappointed that the Commission would not have notified the Eastside district of the meeting. She added that she lives and works on the Eastside and states that she is vehemently opposed to having more AUDs, and more traffic and more of anything on the Eastside of town. She stated that the Housing Authority's presentation is unrealistic in that people are not going to ride bikes or skateboards nor walk on Milpas St. in its current condition. She stated that you have to ask yourselves if you would do it; she added she doubts it, as most drive to work and back. She urges the Board to reconsider.

(8) Bonnie Donovan: Ms. Donovan inquired of Secretary Fredericks whether he walked, rode the bus or biked to this meeting. She commented that the Housing Authority expects gardeners to walk with their lawn mowers and shovels and the house cleaners to carry their mops. She stated that we the people, the tax payers, went to the City's meetings and they listened, and now the Housing Authority wants to tell the City Council to ignore these people. She stated we have a problem in this town, there is not enough parking and little kids are growing up with no open space and walk blocks to a park to play. Ms. Donovan added that they are trying to fix the problem with the AUD program, worked with the City and how dare the Housing Authority state to the Council "don't listen to what they said. Keep Milpas. Keep the parking reduction." She stated they need parking and the parking that was removed along Cota St. is screwed up. She added that she volunteers with seniors on La Cumbre and met many from Los Angeles that are in our Housing Authority units and state they figured out how to buck the system.

Commissioner Rowell noted that Ms. Gott had many great ideas and they need to look at them. He inquired of Ms. Metzger whether high density and priority overlay are both 45' high, i.e. the density change does not alter the height limit of a building. She answered that the height limit for multi-family housing in the areas on the maps is 45' unless you have a community benefit, in which case you can go up to 60'. Commissioner Rowell further inquired what AMI constitutes a community benefit; Ms. Metzger answered that she does not have that number now. Commissioner Rowell asked whether mobile home parks are banned from having AUD priority overlay already; Ms. Metzger replied that back in 2017 City Council gave staff direction to remove mobile home parks from the AUD map. She added that due to state law, the parks couldn't be removed from the maps on the first phase, so they removed all of the incentives for those areas, and then in this phase, as part of the staff report to City Council they will be looking for ways to remove the parks from the maps. Commissioner Rowell questioned Ms. Metzger as to why there is any AUD on the Milpas corridor. She answered that from the public meetings City staff held and well as guidelines, Milpas was identified as somewhere that could support higher

density. She added that after public meetings, reviewing the general plan policies and the public outcry created from the 711 N. Milpas development proposal, staff realized that taking it from 63 units per acre to 36 was a compromise for that area. She noted that taking it down from the 63 units per acre is something that needs to happen because the transportation and improvements that were thought of back in 2011 when the general plan was made, haven't happened on Milpas so taking it off was the right approach. Commissioner Rowell noted 37 units with 4 inclusionary units versus 63 with 13 inclusionary units, and whether she would recommend raising the inclusionary level on the 37 units on the Milpas corridor. Ms. Metzger answered that at this point in time that they are not inclined to make any changes, but added that the Planning Commission and City Council can request changes to the inclusionary housing ordinance.

Commissioner Green commented that he was a member of the Commission sub-committee on this matter and would agree with much of what was said by the public tonight, and explained they are trying to react to very specific set of policy recommendations coming from City staff back to the Council and given the context that this is about affordable housing, the Housing Authority had something to offer as experts in the field. Commissioner Green noted the focus is on the eight recommendations coming from City staff and an additional three that would be useful tools to do better.

Commissioner Larsson noted Santa Barbara is a semi-arid desert with very serious droughts periodically, and his concern is whether we are prepared to live through future droughts with increased population.

Commissioner Boss inquired of staff about green efforts in the properties that have been developed, i.e. landscape and building materials. Mr. Szymanski answered that our developments are green to the extent required by the codes, and for tax credit projects the requirements have even higher standards. Additionally, staff always tries to include photovoltaic. During droughts, measures are taken to reduce water consumption.

Chair Wheatley commented that the Housing Authority's recommendations include additional caveats on AUDs to see an increase in affordability. She noted it is important to a development to consider the surrounding area including green space, egress, etc. and that the public's comments are heard, noted and highly respected. Chair Wheatley added that the Housing Authority felt strongly about providing recommendations to the City Council around affordability and the need to give its best information and feedback in this ongoing process.

Secretary Fredericks suggested the Board consider striking the recommendation to not support removing the high priority from the Milpas corridor, i.e. support the City staff's recommendation. Commissioner Rowell suggested an increase in the inclusionary on the 37 units to 20% on the Milpas corridor, stating there is ground to be made there, as not sure 10% is enough, adding land values are cheaper. He apologized stating he was not aware the high priority was such as issue, and states it is now clear. He suggested running the numbers to see if 20% works on the Milpas corridor.

Chair Wheatley noted the Board agreed with the City staff's first seven recommendations and tried to address the eighth regarding Milpas. Commissioner Rowell supports the first seven recommendations but has issues with the eighth due to the public's comments tonight and stated it may be the wrong direction. He added that staff could work with the City on the Milpas corridor to see what works and revise the Milpas recommendation.

Commissioner Green noted the Board sub-committee did not have the information Ms. Metzger mentioned regarding the lack of infrastructure to support the overlay on Milpas, and that the City believed there would be more in place by this time and whether the conversation would be different if this wasn't the case. She confirmed this, noting the differences between State St. and Milpas St. and the focus for the high density should be downtown. Commissioner Green added that the committee was pushing for the greater affordability and if density is the way to get there it should be explored, and no one is advocating gentrification redevelopment that displaces residents and raises rents. The supplemental three recommendations supported that purpose and the Board may not want to drop the eighth recommendation, as it is not clear what is possible there.

MOTION

M/S Rowell/Green moved to accept the recommendations numbered 1-7 of the City of Santa Barbara's staff regarding forthcoming proposed amendments to the AUD program ordinance and direct the Executive Director and designees to communicate the Housing Authority's recommendations to the City of Santa Barbara's City Council and Planning Commission.

VOTE

Ayes: Lucille Boss David Rowell
Geoff Green Patricia Wheatley
Lawrence Larsson
Nays: None
Abstain: None
Absent: David Gustafson, Victor Suhr

MOTION

M/S Green/Boss moved to accept the Commission ad-hoc committee's priority recommendations regarding forthcoming proposed amendments to the AUD program ordinance.

VOTE

Ayes: Lucille Boss David Rowell
Geoff Green Patricia Wheatley
Lawrence Larsson
Nays: None
Abstain: None
Absent: David Gustafson, Victor Suhr

MOTION

M/S Rowell/Larsson moved to add a fourth item to the Commission ad-hoc committee's high priority recommendations to support the City of Santa Barbara staff's eighth recommendation with the exception to increase inclusionary on the Milpas corridor, using 20% as an example at the 36 high-density level and add a fifth item to the Commission ad-hoc committee's high priority recommendations to highly consider infrastructure on Milpas corridor with AUD developments.

MOTION

M/S Rowell/Green moved to relocate the Commission ad-hoc committee's high priority item number four to the top of the high priority recommendations regarding forthcoming proposed amendments to the AUD program ordinance.

VOTE

Ayes: Lucille Boss David Rowell
Geoff Green Patricia Wheatley
Lawrence Larsson
Nays: None
Abstain: None
Absent: David Gustafson, Victor Suhr

VII. TREASURER'S REPORT – None

VIII. COMMITTEE REPORT – None

IX. UNFINISHED BUSINESS – None

- X. NEW BUSINESS – None
- XI. CLOSED SESSION – None
- XII. COMMISSION MATTERS – None
- XIII. ADJOURNMENT

Meeting adjourned at 4:54 P.M. on order of Chair Wheatley.



ROB FREDERICKS, SECRETARY

APPROVED:



PATRICIA WHEATLEY, CHAIR