



**SPECIAL  
PLANNING COMMISSION MINUTES  
MONDAY, FEBRUARY 25, 2008**

6:00 P.M.  
City Hall  
130 Cremona Drive, Suite B  
Goleta, California

***Members of the Planning Commission***

*Kenneth Knight, Chair  
Brent Daniels, Vice Chair  
Edward Easton, Commissioner  
Doris Kavanagh, Commissioner  
Julie Kessler Solomon, Commissioner*

*Patricia Miller, Secretary  
Linda Gregory, Recording Clerk*

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

The meeting was called to order at 6:00 p.m. by Chair Knight followed by the Pledge of Allegiance.

**ROLL CALL OF PLANNING COMMISSION**

Present: Planning Commissioners Daniels, Easton, Kavanagh, Knight, and Solomon.  
Absent: None.

Staff present: Director of Planning and Environmental Services Steve Chase, Advance Planning Manager Anne Wells, Legal Counsel Scott Porter, Housing Element Consultant Jeff Baird of Baird + Driskoll, and Recording Clerk Linda Gregory.

**PUBLIC FORUM**

None.

**AMENDMENTS OR ADJUSTMENTS TO AGENDA**

None.

## A. DISCUSSION/ACTION ITEMS

### A.1 Housing Element Amendment – Key Issues

#### Recommendation:

1. Make Recommendations to the City Council Regarding Key Issues Related to the Housing Element Amendment.
2. Make Recommendations to the City Council Regarding all other Staff Recommended Revisions to the Housing Element, if Desired.

Documents: Memorandum from staff, dated February 25, 2008, transmitting five letters regarding the General Plan Amendments which were received after the January 29, 2008, Special City Council public hearing on the City Initiated General Plan Amendments. Letter from Barbara Massey, dated February 23, 2008, regarding the Housing Element of the General Plan.

#### STAFF SPEAKERS

Director of Planning and Environmental Services Steve Chase  
Advance Planning Manager Anne Wells  
Legal Counsel Scott Porter  
Housing Element Consultant Jeff Baird of Baird + Driskoll

Advance Planning Manager Anne Wells presented and discussed a PowerPoint report entitled "Planning Commission Special Meeting, Housing Element Amendment – Key Issues, February 25, 2008".

#### SPEAKERS

Barbara Massey, Goleta, encouraged not changing policies HE 10.1, 11.2, 11.5 and 11.6, and expressed concern that the changes being proposed are unnecessary and unwanted by the community. She commented: 1) The public has stated at all the workshops that they do not want the introduction of second units into single-family residential neighborhoods. 2) Parking should be removed from the incentives because parking continues to be a problem in all neighborhoods. 3) The current inclusionary percentages represent percentages that the HCD asked for in the RHNA allocations and just need to be justified by staff. 4) The Hollister corridor is near jobs and transit and can handle the impact of an increased number of people in a small area. 5) The current 55 percent inclusionary requirement should be retained, and if not, the designated properties should be returned to their pre-General Plan zoning. 6) The inclusionary requirement for rental housing should be retained. 7) She has concerns regarding the adequacy of the public notification of this meeting.

Jennifer McGovern stated that she concurs with the staff recommendation that the inclusionary percent should be the same citywide and that she supports a 25 percent inclusionary requirement because it has been established that developers can do fairly well with that percentage in this county. She commented: 1) She believes that an inclusionary requirement lower than 20 percent would lose the ability to produce any

significant amount of affordable housing. 2) An inclusionary requirement should not apply to rental housing stating that some past studies at the County level show that it has been economically infeasible. 3) It is not appropriate to apply an inclusionary requirement to projects less than five units because it is too costly for small projects. 4) The workforce category range should be raised from “120 to 150 percent” to “120 to 200 percent” because there are a number of dual income households in Goleta in the range of \$100,000 to \$130,000 income per year based on salary studies. 5) Recommended that an economic analysis be prepared to justify the inclusionary percent that is adopted to have sound legal footing in the future.

Jerry Bunin, Government Affairs Director for the Home Builders Association, stated that he supports all of the recommendations in the letter from Michael Towbes dated January 25, 2008. He commented: 1) The Housing Element proposal is an improvement but still needs work by staff to make it more feasible to actually produce affordable housing and not be a constraint on housing. 2) The main problem is that there is no flexibility for the builder’s point of view if all discretionary authority is with the City. 3) In comparison, the State density bonus law guarantees a density bonus and other development modifications under certain circumstances. 4) A good economic analysis needs to be prepared.

Michael Towbes, The Towbes Group, Inc., stated that he believes the proposed amendments are a step in the right direction but a few modifications are needed which are outlined in his letter dated February 25, 2008. He commented: 1) A conceptual review process would save time and effort for both the applicant and staff. 2) There needs to be a variety of inclusionary options for developers including off-site construction of inclusionary units, dedication of land and payment of in-lieu fees. 3) Uncertainty in the process is counter productive to the process of expediting project review and producing affordable housing. 4) An inclusionary requirement of 15 percent is recommended, stating that it would be difficult to demonstrate it is economically feasible to have a percentage in excess of 15 percent. 5) Rental housing should be exempted. 6) The workforce housing category range should be increased from 150 to 200 percent. 7) The letter from Peter Brown, representing The Towbes Group, points out items which he believes need responses to HCD. 8) The incentives need to be more flexible and the developers need more alternatives. 9) He and others in the community would like to work with the City to produce more affordable housing.

Ann Ostrowsky expressed concern regarding demands on the water and electricity supply. She commented: 1) Solar power is needed and should be mandated. 2) There is a serious reduction in the State’s water supply. 3) The cost of housing is increasing. 4) She agrees with speaker Barbara Massey’s concern regarding the notification, although she is allergic to newsprint.

Advance Planning Manager Anne Wells stated that the outreach for this meeting included public notices in the *Santa Barbara News-Press* and the *Goleta Valley Voice*, and that the agenda and staff report were posted on the City’s website. She also noted that the meeting was discussed at the City Council public hearings on the City Initiated General Plan Amendments held on January 17 and 29, 2008.

Legal Counsel Scott Porter read the State code regarding density bonus requirements and summarized how the State density bonus law would be applied. He stated that staff would provide the Commissioners with a memorandum which further explains the density bonus law. Jeff Baird, Housing Element Consultant, stated that in addition to the density bonuses, there are incentive requirements that must be provided depending on the project.

Director of Planning and Environmental Services Steve Chase reviewed the status of the Housing Element and the Amendment process. He noted that on April 16, 2007, the City Council initiated a General Plan amendment to revise the Housing Element in order to gain certification from the State Housing and Community Development Department. He discussed key issues and suggested that the meeting focus on the inclusionary housing requirements and incentives.

Commissioner Easton commented that he believes the criteria should include how to comply with HCD certification and the intent to make the General Plan better.

RECESS HELD 7:27 P.M. TO 7:42 P.M.

The Planning Commission discussed and made recommendations to the City Council regarding the key issues related to the Housing Element Amendment and other staff recommended revisions to the Housing Element.

Commissioner Easton suggested that parking not be included as an incentive in policy HE 10.1 subpart (c) Other Incentives, which is recommended to be added in Staff Recommendation #1. He commented that parking is the one externality in the list of incentives that would be imposed upon the City as opposed to modifications within the project site.

Commissioner Daniels expressed his opinion that parking should not be removed from HE 10.1 subpart (c) stating that with respect to very low and low income units there could be support for a reduction in parking in some cases.

Commissioner Daniels requested that staff address some clerical edits that might be needed for consistency which he found when reading the first paragraph in Staff Recommendation #1 that include: 1) Policy HE 10.1 subpart (b) is not recommended to be removed. 2) The words "new IP-10H" should be changed to "new IP-10E". 3) The reference to HE 11.8 should be renumbered to HE 11.7.

MOTION: Commissioner Solomon/Vice Chair Daniels to approve Staff Recommendation #1, to the City Council, regarding policy HE 10.1 Density Bonuses and Other Incentives for Affordable Housing Developments.

Commissioner Easton expressed concern that the proposed language in HE 10.1 subpart (c) Other Incentives seems flexible and may need to be more specific to meet HCD compliance.

After discussion, Advance Planning Manager Anne Wells stated that staff would recommend that the language “shall consider incentives” be changed to “shall offer incentives” in the first sentence in HE 10.1 subpart (c).

AMENDED

MOTION: Commissioner Solomon/Vice Chair Daniels to approve Staff Recommendation #1, to the City Council, regarding policy HE 10.1 Density Bonuses and Other Incentives for Affordable Housing Developments, with the change of the word “consider” to the word “offer” in the first sentence in HE 10.1 subpart (c). (Note: The clerical edits suggested by Vice Chair Daniels will be included in Recommendation #1, if determined by staff to be needed.)

VOTE: Motion approved by unanimous voice vote.

Commissioner Easton commented that he does not believe there is enough information to justify and make a recommendation regarding inclusionary percentages. He strongly recommended that a financial analysis be prepared for review by the City Council.

Jeff Baird, Housing Element Consultant, stated that only approximately five jurisdictions in the State have prepared financial analyses, which he has reviewed, and that their inclusionary percentages were approximately 15 to 20 percent, which were justified in the analyses.

Chair Knight commented that he has worked with housing in the past and he has never seen a 55 percent inclusionary requirement. He does not believe that the 55 percent inclusionary requirement can be supported for HCD compliance.

MOTION: Chair Knight/Commissioner Daniels to approve Staff Recommendation #7, to the City Council, regarding policy HE 11.6 Inclusionary Requirement for Affordability Housing Opportunity Sites, thereby deleting policy HE 11.6 from the General Plan Housing Element.

VOTE: Motion approved by the following voice vote: Ayes: Chair Knight, Vice Chair Daniels, Commissioners Kavanagh and Solomon; Noes: Commissioner Easton.

MOTION: Vice Chair Daniels/Commissioner Easton to approve Staff Recommendation #2, to the City Council, regarding policy HE 10.3 “Designated” Affordable Housing Sites, thereby deleting policy HE 10.3 from the General Plan Housing Element.

VOTE: Motion approved by unanimous voice vote.

Advance Planning Manager Anne Wells clarified that the intent of the Staff Recommendation #6 revision to HE 11.5 subpart (a) is to build in some flexibility to provide for options regarding proposed rental projects.

MOTION: Commissioner Easton/Vice Chair Daniels to approve Staff Recommendation #6, to the City Council, regarding policy HE 11.5 subpart (a) Establishment of Unit Percentages and Income Levels.

Chair Knight supported the deletion of the inclusionary requirement for proposed rental property, stating that he does not believe the inclusionary requirement is an incentive for the development of rental property.

#### SUBSTITUTE

MOTION: Commissioners Easton/Solomon to approve Staff Recommendation #6, to the City Council, regarding policy HE 11.5 subpart (a) Establishment of Unit Percentages and Income Levels, with a change that the sentence in HE 11.5. subpart (a) shall end after the word “households”, and that the remaining language shall be deleted.

VOTE: Motion approved by the following voice vote: Ayes: Vice Chair Daniels, Commissioners Easton, Kavanagh and Solomon; Noes: Chair Knight.

(Note: The above motion retained the original language in HE 11.5 subpart (a) without the staff recommended change. The motion to approve Staff Recommendation #7, which deleted policy HE 11.6 from the General Plan Housing Element, therefore resulted in the revision recommended by staff to the first sentence in HE 11.5 to remove the reference to HE 11.6.)

Vice Chair Daniels expressed concern regarding the need to comply with inclusionary requirements for subdivisions for the purpose of condominium conversions when there are smaller units such as duplexes or triplexes.

Advance Planning Manager Anne Wells stated that staff conducted further analysis since the staff report was prepared and believes that a total inclusionary percent of 20 percent would be the most likely to succeed in HCD certification; therefore, staff recommends that the percent of the units required to be provided for “workforce” households be revised from 10 percent to five percent in HE 11.5 subpart (b).

MOTION: Vice Chair Daniels/Commissioner Easton to approve Staff Recommendation #6, to the City Council, regarding policy HE 11.5 subpart (b) Establishment of Unit Percentages and Income Levels, with the following changes in HE 11.5 subpart (b): 1) the percent shall be changed from “households earning 120 to 150 percent of the median income” to “households earning 120 to 200 percent of the median income”; 2) the percent of units required to be provided at prices affordable to moderate-income households shall be changed from “10 percent” to “5 percent”; and 3) the percent of units required to be provided at prices affordable to households earning 120 to 200 percent of the median income shall be changed from “10 percent” to “5 percent”.

VOTE: Motion approved by unanimous voice vote.

Vice Chair Daniels commented that the language “floor area” in IP-10E subpart (d), in Staff Recommendation #4, is not consistent with the rest of the discussion during this item which refers to “units”.

Commissioner Solomon suggested that the language in IP-10E subpart (d) be changed to refer to the project rather than the floor area.

Regarding the suggested change made by Commissioner Solomon in IP-10E subsection (d), Legal Counsel Scott Porter recommended the following change in order for the language in IP-10E subpart (d) to be consistent with IP-10E subpart (b): change the language from "...a significant portion of their total floor area committed to affordable housing" to read "...a significant number of affordable units."

**MOTION:** Commissioners Easton/Solomon to approve Staff Recommendation #3, to the City Council, regarding IP-10D Apply Density Bonus Zoning and Related Incentives, as recommended by staff; and to approve Staff Recommendation #4, to the City Council, regarding IP-10E Modify Procedures and Materials to Expedite Project Review, as recommended by staff, with the following changes: 1) Remove the language "by the Planning Commission" from IP-10E subpart (b); and 2) Replace the language "significant portion of their total floor area committed to affordable housing" with the language "significant number of affordable units.", in IP-10E subpart (d).

**VOTE:** Motion approved by unanimous voice vote.

**MOTION:** Vice Chair Daniels/Commissioner Kavanagh to approve Staff Recommendation #5, to the City Council, regarding HE 11.2 Applicability of Inclusionary Requirements, as recommended by staff, with a change that language shall be incorporated into HE 11.2 subpart (a) that would allow for family members of the ownership of the property to also reside in the second unit.

**VOTE:** Motion approved by unanimous voice vote.

Vice Chair Daniels clarified that the intent of the above motion was to add language to HE 11.2 subpart (a) that an impact fee on lower income housing would not need to be paid for the provision of an additional second unit if the resident is a family member because the owner is providing an additional unit to the community.

Commissioner Solomon commented that addressing fractional units would add more clarity regarding standards and requirements for inclusionary housing.

Chair Knight commented that he believes it is important to consider a financial analysis of on-going costs to the City for monitoring, managing and implementing the affordable housing projects in order for an inclusionary program to be successful.

**MOTION:** Commissioners Easton/Vice Chair Daniels approve a recommendation to the City Council to add the accounting for fractional units to IP-11A Prepare Inclusionary Housing Regulations in the New Zoning Code; and to approve a recommendation to the City Council to add the consideration of a financial analysis of on-going costs to the City for monitoring, managing and implementing the affordable housing projects being discussed to IP-11-B Monitoring and Long-Term Affordability.

**VOTE:** Motion approved by unanimous voice vote.

Director of Planning and Environmental Services Steve Chase stated that the staff report to the City Council regarding the recommended revisions to the Housing Element is tentatively scheduled for March 25, 2008. He stated that prior to the meeting staff will do the following: 1) Collect relevant financial and economic information from jurisdictions statewide regarding the justification of inclusionary percentages. 2) Examine the application of inclusionary requirements for subdivisions for the purpose of condominium conversions. 3) Examine a variety of inclusionary measures.

The Planning Commission Members expressed appreciation to staff for their work.

**B. DIRECTOR'S REPORT**

Director of Planning and Environmental Services Steve Chase reported: 1) On March 4, 2008, the City Council will conduct a public hearing on the Haskell's Landing General Plan Amendments Initiation request. 2) The report regarding the Management Partners' study of the City's Land Use Function Improvements is tentatively scheduled to be presented at the City Council meeting on March 18, 2008. 3) A fee study report will be presented to the City Council by the Finance staff in the March/April timeframe. 4) The next Planning Commission meeting will be held on March 10, 2008.

**C. PLANNING COMMISSION COMMENTS**

Commissioner Kavanagh stated that she may not be able to attend the Planning Commission meeting on March 10, 2008, due to a possible scheduling conflict.

Commissioner Easton stated that there were several relevant articles of interest on the internet today, including the rental market issue, as well as a previous newspaper article concerning the effects of the rise in rental housing costs in Key West.

Chair Knight stated that there will be cumulative impacts from both the UCSB Long-Range Development Plan, which is scheduled to be released in mid-March, and the Isla Vista Redevelopment Plan. He requested discussion regarding how the Planning Commission can review and understand the impacts. Director of Planning and Environmental Services Steve Chase suggested that this item be considered at the next Planning Commission meeting.

**D. ADJOURNMENT: 9:40 P.M.**