



City of Santa Barbara
Mayor and Council Office

Memorandum

DATE: June 10, 2020

TO: City Council

FROM: Council Member Alejandra Gutierrez
Council Member Eric Friedman

SUBJECT: 711 N Milpas Project Amendments

Handwritten signatures in blue ink, one appearing to be "AJG" and the other "EF", with a large "X" drawn over them.

Pursuant to Council Resolution 18-088 regarding the Conduct of City Council Meetings, we request that an item be placed on the Santa Barbara City Council Agenda regarding an amendment to the approved project located at 711 North Milpas Street.

- Summary of Information to Be Presented:

We have been approached by the project's new ownership group with a proposal to redesign the project in a Spanish Mediterranean-style architecture. In addition, the revised project would include 16 moderate-income affordable units, totaling almost 20% of the overall project's 82 units. The project would include 6 additional units overall, and 22 additional onsite parking spaces. The overall height would increase by 7 feet, to 52 feet overall, in order to accommodate the new architecture's pitched roof and other changes.

- Statement of Specific Action:

We would like Council to direct the City Administrator and City Attorney to work with the project's new ownership group to prepare a development agreement or other formal streamlined approval process for this proposal.

- Statement of the Reasons Why it is Appropriate and Within the Jurisdiction of the Council to Consider this Subject Matter and to Take the Request Action:

It is highly unusual to seek Council approval of streamlined development project amendments outside the "normal" City planning processes. 711 N Milpas, however, has been a highly controversial and unusual project since its inception, and it remained so right through Council approval on appeal March 2019. Since that time, the project has moved through the building permit process and could start construction as soon as this summer.

The revised project directly addresses community concerns about design compatibility, while providing 16 new moderate-income affordable units and 22 additional parking spaces. While additional height is needed to accommodate the redesign, we believe the trade-off of height to achieve a more compatible design is worthy of serious consideration.

Specifically, the proposed redesign of this project addresses residents' concern that the presently approved design is not sensitive to the eclectic neighborhood design found in the Milpas Corridor as it is reflective of the Spanish Colonial Revival Style more typically found throughout the City. Additionally, the owner's offer to commit 20% of the units as affordable at moderate income levels is 10% above what is presently required under the City's Average Unit-Size Density Incentive Program ("AUD"). The project was originally approved prior to amendment of the AUD ordinance requiring inclusionary affordable housing (or payment of an in lieu fee), and therefore, is not presently providing any level of affordable units. The redesigned project through use of a development agreement presents the City with an opportunity to streamline a Capital "A" Affordable housing project, which is greatly needed, particularly in a live-work neighborhood like the Milpas Street Corridor.

Our City's community planning processes are in transition, as are the state law underpinnings of local control. We are confident that this transition will yield a stronger, more efficient development review system that protects our neighborhoods and environment while still allowing a robust, innovative economy to thrive. Until we have defined those new, streamlined systems, it is incumbent upon the City Council to lead the effort, particularly when we are presented with solid opportunities for real, capital "A" Affordable housing. We think the redesigned 711 N Milpas project may be such an opportunity.

In order to achieve our goal of a streamlined, effective review process for this already-approved project, we believe that a statutory development agreement should be negotiated between the City and project ownership. The City has used this process most recently in 2016 with the Parker family Waterfront Hotel. We would expect the development agreement – which must be approved by 5 votes of the Council following Planning Commission review as a zoning ordinance – would address all actions necessary to streamline review of the proposed project.

We would add a cautionary note to project applicants. In general, the City Council will not intervene in the City's development review processes. As we noted at the outset, this project has been highly unusual since its inception, and it has already been to the Council on appeal. In the context of this request to Council, we wish to emphasize that all project negotiations must be conducted by and through our professional staff.

cc: Mayor and Council
City Administrator's Office