

REPORT RE COMMUNITY FORUMS
Santa Barbara School Districts
Feasibility Analysis of Hidden Valley & Tatum Sites

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1. Background

a. Generally.

UniDev organized and administered three (3) community meetings in order to update attendees on the status of the Feasibility Analysis and to obtain community input. The meetings were organized as a presentation by UniDev, followed by a question and answer session.¹ (A copy of the presentation is attached hereto as Appendix A.) In addition, all attendees were given comment cards that they were encouraged to fill out and return at the end of the session.

b. Meeting Schedule.

The meetings were scheduled so as to provide as many opportunities as possible for community members to attend. They were scheduled so as to span two weeks, to start at different times of the day, to provide weekday and weekend options, and they were located across the span of the school district.

The meetings were held on Friday, March 17 from 3:30 to 5:30 pm in the Globe Theater at Santa Barbara Junior High School, on Saturday, March 18 from 9:00 to 11:00 am in the Auditorium at San Marcos High School, and on Monday, March 20 from 7:00 to 9:00 pm in the Auditorium at La Cumbre Junior High School.

c. Notice.

A display ad for the meetings was published in the "A" section of the Santa Barbara News-Press on Sunday, March 12 and Wednesday, March 15. (A copy of the display ad is attached hereto as Exhibit B.) In addition, the School Districts' sent out Press Releases about the Community Forums to all major media outlets, including the News-Press.

Information about the Community forums appeared on the opening page of the School Districts' website, and the time of these meetings was announced at a public School Board meeting in January.

A flyer announcing the Community Forums (in both English and Spanish) was sent to all principals in the School Districts, who were asked to distribute them to all staff via copies in mailboxes. As a follow up, all school secretaries were called to confirm receipt and delivery. In addition, the Elementary School District sent home flyers with every child. (A copy of the flyer is attached hereto as Exhibit C.)

¹ The initial intent was to divide attendees into small, moderated discussion groups. However, attendance was light enough to keep the entire group together for the discussion portion of the meetings.

The flyer was also sent to those representatives of the neighborhood organizations adjacent to the subject sites – Coalition for Sensible Planning and Hidden Valley Residents Association – who UniDev had been told by those organizations would serve as our liaisons for communications with their members. And, the flyer was delivered to representatives of the City Planning Department, the County Planning Department, the Coastal Housing Partnership, the Parks family, and the developers of Hillside House.

d. Attendance.

A sign-in sheet was available at each of the Community Forums, providing the opportunity for each attendee to provide their name, their contact information (to be contacted in the future regarding the Feasibility Analysis), and their relationship(s) to the subject matter (e.g. SBSD employee, Hidden Valley neighbor, Tatum neighbor, City/County employee, other local employee, press, workforce housing advocate, parent of SBSD student, government official, concerned citizen). Not all attendees elected to sign in.

For the meeting held on March 17, 11 attendees signed in and approximately 15 individuals attended the meeting. Of those who signed in, 5 were SBSD teachers and 1 was a classified employee. Three attendees identified themselves as concerned citizens, 1 as a parent, and 1 as a community member and Second District Supervisor candidate.

For the meeting held on March 18, approximately 20 individuals attended.

For the meeting held on March 20, 16 attendees signed in and approximately 30 individuals attended. Of those who signed in, 5 identified themselves members of the Hidden Valley Residents Association, 1 as a member of the Veronica Springs Neighborhood Association, 4 as SBSD employees, 1 as a School Districts Board member, and the remaining 3 as interested citizens or homeowners.

2. Summary of Community Input.

A variety of opinions were expressed at each of the three Community Forums. Those comments that received the most general agreement are listed below.

- Impacts of cumulative development must be considered, not only what may be developed at each site.
- Not everyone can afford to live in Santa Barbara; not everyone has a right to live there.
- Neighbors support the concept of developing workforce housing.
- Traffic impacts are a major concern.
- Character should take into account adjacent neighborhoods.
- It is appropriate to get value out of these assets.

- Should SBSD seek to maximize the value that can be generated by these assets, or balance societal and economic concerns?

3. Specific Comments from Attendees.

The primary issues raised by attendees at each of these meetings are listed below. Note, however, that the comments listed may have been raised by one or by many individuals.

a. March 17 Meeting.

Generally

- Not everyone can afford to live in Santa Barbara; not everyone has a right to live where they want or own where they want to live; it's their choice to live somewhere expensive
- Santa Barbara is a special place; unique solutions are needed
- What type or whether there will be development on the site(s) is not a foregone conclusion

Role of School District

- Government shouldn't be in the housing development business
- Not the appropriate policy decision for government to undertake housing development; but, UCSB is providing housing for its employees
- If School District can't keep employees, how can it stay in the business of teaching?

Financial Aspects of Development

- Development will provide income to SBSD through ground lease payments
- Long-term revenue stream vs. lump sum payments upon sales
- If sales of units are prioritized to teachers who have worked 3 – 7 years, then there will be no income to SBSD because there will be very little turnover; but, the community would be developed to accommodate more than 1 type of resident
- If SBSD is going to build housing for its employees, it should do so on lower valued land (e.g. far away from the beach)
- It is SBSD's responsibility, as a steward of government money, to maximize revenue generated by its assets
- Don't subsidize employees at the expense of students
- The advantage of not trying to achieve the maximum profit upfront (and instead focus on an ongoing revenue stream) is that all the money won't be spent upfront

Beneficiaries of Housing Development

- Providing workforce housing is the only way to own or rent a home (it's too expensive otherwise)

- What happens upon retirement? This is a policy decision to be made by SBSD; if employees can stay, employer loses housing stock for other employees; if they have to sell/move upon retirement, the units may not be appealing to all employees; but owners get the benefit of some investment, even if they can't stay after retirement
- Employer has control / involvement in employees lives; but, a non-profit corporation manages the housing project
- Employee/owner does not get full appreciation upon sale; appreciation is capped and a portion is shared with the sponsor; what if the market goes down and there's no appreciation upon sale? Upfront pricing is so much lower than market that this is extremely unlikely, and this is a homebuyers risk in any purchase situation
- Good for employees to have this option
- Consider the implications of employees living together in a community (e.g. social interaction); would this add stress? Would it be like living in a dorm? But, there would be a diversity of people in the community (e.g. families, employees from across the district)
- Community benefits from having teachers as part of the community; they are able to give more to the community
- New teachers are generally young and don't expect to stay at SBSD long because they can't afford to live nearby; turnover is not good for students
- Is it fair for a teacher to get affordable housing and not a firefighter?

Character / Site Plan

- Duplexes are fine; they help with the revenue / cost balance
- Quads can be okay, if they are well designed
- Concern about privacy
- 1 level single-family units are typical in Hidden Valley neighborhood
- Laguna Court is a beautiful project, with a mix of unit types, compatible (design / character) with the neighborhood, with sufficient open space and quality construction
- High density is a disadvantage

Traffic Issues

- There's been a big traffic increase over the last 2 years at Las Positas and Modoc; a high-density development will make it worse

b. March 18 Meeting.

Generally

- Community supports the development of workforce housing at current zoning levels, but they are concerned about its impacts on their neighborhoods
- Consider cumulative impacts of all development in the area

- Who wouldn't be supportive of workforce housing for teachers? But, we're waiting to see what it will look like before supporting the development
- Upzoning requires justification

Role of School District

- Other government entities / school districts aren't in the housing business; but, more and more entities are getting involved, because they have assets, financial needs and employees with housing needs; and, privatized military housing has become extremely prevalent
- Should some property be retained for future school use? This is being taken into consideration by the School Board
- Enrollment is declining so is there really a need for housing? Kids are still entitled to a good education and there are still many SBSD employees
- Why is high turnover of employees a problem? (e.g. employees with less experience are paid less)

Financial Aspects of Development

- There needs to be a certain scale of development in order to make it feasible
- People want workforce housing, but not density; therefore, squeeze out as much costs / profit as possible to be able to afford to build less units
- Stream of income vs. intermittent income: if rental units are developed, there'll be an ongoing stream of income
- Can the value of the asset be maximized and provide workforce housing simultaneously?
- There is inherent value in the land; it would be irresponsible not to do something with this asset
- We need to get the best value out of this asset for the community; important to have an open book process
- If SBSD elects to develop workforce housing on the sites - a development option that doesn't maximize its income from the sites - it is assisting its workforce at the expense of its students; but, it would be balancing societal and economic benefits
- Workforce housing would provide an economic gain to employee owners; but, return is capped
- Will there be multiple bidders on construction? No, the intent is to have a negotiated contract
- UniDev has a financial interest in this project going forward, which makes their role as feasibility analyst suspect; but, the RFP to procure a feasibility analyst was structured so as to select a firm that could serve as the owner's representative should the School Board elect to proceed, and the School Board is not required, pursuant to its contract with UniDev, to engage UniDev to undertake the project should it elect to proceed with one

Beneficiaries of Housing Development

- No decisions have been made yet regarding who would be eligible to live in a new development
- If employees don't leave, there'll be no turnover of units

Character / Site Plan

- A mix of unit types is good
- Important to consider the safety of residents; will alleys pose a safety concern?
- Why not consider 1 type of unit on a property? This will be considered if it's appropriate for the site
- Consideration of design issues shouldn't eclipse consideration of development impacts

Traffic Issues

- Location of site is significant with respect to the impact on traffic; if the site is close to shopping / work / public transit, there's less traffic impact
- This is the number 1 issue to neighbors
- An analysis of traffic impacts needs to be prepared for each development
- CEQA exemption from traffic mitigation for affordable housing; considered an "overriding condition"

Parking Issues

- Don't overwhelm character of houses (e.g. garages facing the street)
- Need to have an adequate amount
- Consider pricing parking separately from the price of housing, to provide an incentive to use less and those who use more pay more
- Could parking be shared with adjacent school?

Other Impact Issues

- If this will be a prototype, it needs to address water / sewer issues, in addition to traffic

c. March 20 Meeting.

Generally

- Need to consider all development in the area together, not piecemeal
- Not everyone is entitled to own a home

Role of School District

- If SBSD only provides housing for a small percentage of its employees, it's not helping everyone; better to sell the property and pay higher salaries

Financial Aspects of Development

- Consider subsidizing the purchase price of existing low-end market-rate housing, rather than build more housing; but, there's a very limited inventory and significant subsidies would be required (so not an efficient way to provide affordable housing)
- Consider modular housing, to reduce construction costs
- UniDev has a financial interest in this project going forward, which makes their role as feasibility analyst suspect; but, the RFP to procure a feasibility analyst was structured so as to select a firm that could serve as the owner's representative should the School Board elect to proceed, and the School Board is not required, pursuant to its contract with UniDev, to engage UniDev to undertake the project should it elect to proceed with one

Beneficiaries of Housing Development

- What happens upon retirement of a homeowner?
- Middle and low-income people – the people who are working for the community – are being driven out of the city

Character / Site Plan

- Is there access from the Hidden Valley site to Veronica Springs? There is no current easement
- Hidden Valley neighborhood will not like 2 storey houses immediately adjacent to existing homes
- Housing needs to be compatible with the neighborhood; strike a balance

Traffic Issues

- Traffic will be the issue that controls the design of the project, not what the homes look like
- Will traffic be directed through the Hidden Valley community or onto Las Positas?
- Veronica Springs Neighborhood Association is concerned about all traffic coming out onto Veronica Springs Road; this is a narrow road and there is traffic loading at the light
- High fire hazard area, which has a significant impact on egress; but, a crash gate at Palermo would provide emergency egress

Other Impact Issues

- Creek is polluted; but, there is already a buffer zone along the creek

d. Comment Cards.

Ten comment cards were submitted by meeting participants. A summary of the comments provided are as follows.

Advantages of Residential Development

- Enables SBSD staff to stay in the area; they will then be able to assist students and have a greater connection with the community
- Higher retention of highly qualified teachers; lower turnover rates
- Helping the middle class, to help create a more balanced community
- Creates better connection with teachers, first responders, etc.
- Revenue to SBSD
- Less commute time
- Provides incentives for teachers to stay
- Less traffic on 101
- Attractive residential development can be an asset to a neighborhood
- Housing teachers is important
- Brings young families into the neighborhood
- Students receive better education from more experience school employees with a stronger tie to the community; teachers reach their maximum effectiveness after 4 – 7 years of teaching, so if they leave before, education suffers
- Teachers and other school employees are generally good people so they make good neighborhoods
- Would enable teachers to own homes in the Santa Barbara area
- Better schools because teachers will be more dedicated

Disadvantages of Residential Development

- Makes the area somewhat more crowded
- Eliminates the possibility of other uses on site
- All developed uses (even a park) will have a traffic impact
- Additional traffic and speeding on local streets
- Impact on intersections that are beyond capacity
- Loss of open space
- Concern about being able to get out of area in an emergency
- Loss of potential school site
- Increase in noise
- Could be a risky venture; School Districts have no experience with this
- Less income to SBSD than if it were to sell the sites?
- More experience employees cost more
- Higher density

Considerations Regarding Housing Types

- A mix of units will better satisfy a variety of employees' needs
- Multifamily homes will serve the greatest number of families, but they are very large and probably not consistent with the character of Santa Barbara housing
- Small lot single-family homes are large enough for families, but then fewer homes will fit on site
- Small lot single-family homes are appropriate for the Hidden Valley site, but they may not yield enough units
- Other units types (two-family home, attached single family and multifamily homes) could be acceptable, depending on how they are done; don't let parking overwhelm the design (e.g. keep garages out of sight)
- Small lot single-family homes are at an advantageous density, but a high cost; high-density multifamily homes are at an advantageous cost, but a disadvantageous level of density

Other Issues / Comments

- Providing workforce housing for a small segment of employees is unfair to those that do not directly benefit
- Don't people care about what teachers do? Everyone had a teacher who molded them and was in a position of influence; we are not asking for free housing; this would help the District and support teachers
- Are there any other properties owned by SBSD that have less development problems?
- Rather than add more housing to this already populous area, the School Board should offer to subsidize teachers' purchases of market-rate existing homes (probably condos) through a tax on the general population

APPENDIX A – PRESENTATION

[See attached]

APPENDIX B – DISPLAY AD

[See attached]

APPENDIX C – FLYER

[See attached]