

COUNCIL AGENDA REPORT

TO: Mayor and City Council

FROM: Chenin Dow, Community Development Director

DATE: May 5, 2026

SUBJECT: Adoption of a Resolution Approving Skylight Homes Planned Development Permit Request for a Time Extension

Description:

The City Council will consider adopting a Resolution approving a request for a two-year Time Extension (A2026-0004) to Planned Development Permit (PD2022-0006) for People's Self-Help Housing to construct 49 affordable single-family residences with associated private streets and infrastructure improvements in a PD/R-1 (Planned Development/Single-Family Residential) district.

Environmental Notice: The project was adequately covered in a previously adopted Mitigated Negative Declaration (MND) for People's Self-Help Housing General Plan Land Use and Zone Amendment (GPZ2021-0001).

RECOMMENDATION:

Adopt a Resolution approving Permit Amendment A2026-0004 granting a two-year time extension for Planned Development Permit PD2022-0006 located at 3170 Santa Maria Way.

BACKGROUND:

On December 7, 2022, the Planning Commission recommended the City Council approve a Planned Development Permit (PD2022-0006) for People's Self-Help Housing's Skylight Homes project consisting of the subdivision of the nine-acre site located at 3170 Santa Maria Way (formerly the Hi-Way Drive-In) and the construction of 49 affordable single-family residences (Attachment B – Vicinity Map). The City Council approved both the Tentative Tract Map (TR2022-0005) and Planned Development Permit (PD2022-0006) on January 17, 2023. The previously approved PD2022-0006 plan set (Attachment E), and permit conditions (Attachment F) are attached for reference.

Per Municipal Code Section 12-35.109, approved Planned Development Permits become valid the 15th calendar day after the decision-making body grants the issuance of the permit, in this case February 1, 2023. Section 12-35.501 further states that the Planned Development Permit will no longer be valid if building permits have not been issued within three years of this date. To date, the project has not been constructed, and the subject parcels are vacant.

DISCUSSION:

The applicant has completed the 50-lot subdivision review process with the City, with the Final Map for Tract 6033 having been recorded in 2025. However, the separate Planned Development permit approval will expire on February 1, 2026. In order for the applicant to have time to obtain building permits and begin construction of the homes, the applicant is requesting to extend the validity of the Skylight Homes Planned Development Permit by two additional years to February 1, 2028. Municipal Code Section 12-35.501(d)(1) authorizes the original decision-making body (in this case, the City Council) to extend the permit to allow additional time for implementation of a project, if the decision-making body finds:

“that there has been adequate due diligence to implement and complete the permit, or that there are significant economic factors that justify additional time.”

In this case, the applicant cites insufficient financing at this time to construct the project (Attachment C). The applicant is actively pursuing local, state, federal and private funds to finance the construction and development of the project. To date, they have secured \$4.04 million from the California Department of Housing and Community Development (HCD) and \$150,000 from the County of Santa Barbara Permanent Local Housing Allocation Program (PLHA). Additional funding applications for New Market Tax Credits and private equity are currently underway. The applicant submitted building permit applications in December of 2025 and is currently working through the plan check process. As noted earlier, the applicant has completed the subdivision submittal and review effort, achieving the milestone of Final Map recordation on April 8, 2025. Therefore, in light of the time and effort the applicant has expended on this project, staff is recommending that the City Council approve this request to extend the expiration date of the Planned Development Permit to February 1, 2028.

Alternative(s)

The City Council could determine that there has not been adequate due diligence to implement and complete the permit, or that there are no significant economic factors that justify the additional time and the Planned Development Permit would expire. If this were to occur, should the applicant wish to move forward with the project in the future, they would be required to repeat the entitlement process from the beginning.

Environmental Review

The project was adequately covered in a previously adopted Mitigated Negative Declaration (MND) for People’s Self-Help Housing General Plan Land Use and Zone Amendment (GPZ2021-0001) and there is no substantial evidence in the record that the project, as mitigated, may have a significant effect on the environment. There is no substantial evidence in the whole record before the City Council supporting a fair argument that the project as described in the MND will produce the conditions as provided in Section 15162 of the CEQA Guidelines under which a subsequent Negative Declaration must be drafted and distributed for public review. No further environmental review is required.

Fiscal Considerations

A time extension of PD2022-0006 will not create any immediate fiscal impacts for the City. Over the long term, the development of Skylight Homes will generate increased property tax revenue.

Impact on the Community

Granting the two-year time extension allows the Planned Development Permit to remain active and allows for the completion of 49 affordable single-family homes available to the residents of the City.

ATTACHMENT(S)

- A. Resolution
- B. Vicinity Map
- C. Applicant's Time Extension Request
- D. Permit A2026-0004
- E. Approved Plan Set (PD2022-0006)
- F. Approved Permit (PD2022-0006)