

• Changes May Be Coming as Turmoil Engulfs Santa Barbara City Hall

City Administrator Paul Casey is under heavy pressure on multiple fronts, most notably the operations of the Community Development Department



Santa Barbara Mayor Cathy Murillo is a strong defender of Paul Casey, the city administrator, praising his work with State Street and the budget. (Joshua Molina / Noozhawk photo)

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Paul Casey spoke these words a month ago at a [Santa Barbara City Council](#) meeting: "This is the **worst disaster** in 100 years."

At the time, he was talking about the [COVID-19 pandemic](#), but his analysis of this time period has taken on an entirely different meaning for Santa Barbara City Hall and its Community Development Department.

Like the 1925 earthquake that toppled Santa Barbara's buildings, an unprecedented crush of criticism and controversy has rattled Santa Barbara's government with enormous force that has everyone shaking.

Behind the scenes, according to multiple City Hall sources, Casey is crafting multiple plans, one of which could result in Community Development Director George Buell announcing his retirement soon, giving Casey cover and possibly some political protection.

Casey did not comment to [Noozhawk](#) when asked about such a scenario.

"It all goes back to Paul," said Jim Knell, founder of the [SIMA Management](#). "He hires everyone underneath him. It is up to him to say, 'I am responsible for this and I will change.' But it has never happened."

Amid the COVID-19 pandemic, Casey, 54, is grappling with the kind of big-decision, career-defining moments that can make or break a bureaucrat.

Casey, who earns about \$290,000 annually, is under pressure to shake up the Community Development Department, which is based at 630 Garden St., or risk his own position as the city administrator.

The business community has been complaining for years about the sluggish pace of city permitting and approvals. State Street has long been struggling with retail and restaurant storefront vacancies in the downtown core. But the problems have exploded in recent months.

A [civil grand jury report](#) released June 2 stated that "a bias existed against growth in the city of Santa Barbara" and "this bias was most evident in the delay in approval of permits."

The grand jury determined that "there is a lack of strong leadership at several levels, insufficient coordination and communication between the Building and Safety Division and the Planning Division, an impression of a slow-growth policy, inconsistent customer service and a fee structure which could be a deterrent to building development."

The report stated that city inspectors don't communicate quickly and efficiently what corrections need to be made to projects, which leads to multiple unnecessary visits, causing delays.

In addition, the report stated that city staff does not routinely hand out checklists at the beginning of the process, enforces building standards inconsistently depending on the staff member, and that many of the employees are newly hired, lacking knowledge, training and experience.

The grand jury report was just one of the temblors.

The city in the past 18 months commissioned two consultant studies, at a cost of \$86,000 and \$84,000. Known as the Novak and Kosmont reports, they both confirmed what business leaders have been saying for years: The planning and building department is broken and in need of drastic changes.

New City Council Perspectives

But while it's not unusual for business leaders to grumble about government bureaucracy, the turmoil at City Hall stretches much deeper than just anguished property managers and business owners.

Several members of the Santa Barbara City Council — Casey's bosses — are openly calling for change.

That's likely in part because of district elections, which have infused new perspectives into City Hall. Eastside and Westside council members aren't playing the political game of necessarily ingratiating themselves to the city administrator.

Traditionally, council members have deferred to the city administrator, while focusing instead on the politics, sound bites and broad-brush policy issues.



Councilwoman Alejandra Gutierrez says City Administrator Paul Casey needs to start holding people accountable and making tough decisions. (Joshua Molina / Noozhawk photo)

For the first time in decades, however, council members are looking inside of City Hall and raising questions — and demanding answers — in ways that have not happened previously during Casey's tenure.

The seven members of the council are all going their separate political ways, and with the mayor under fire on multiple fronts, there is no unifying leadership amid the several public scandals.

"We need to start holding people accountable, and we need to start with the leadership," Councilwoman Alejandra Gutierrez said. "You have these huge reports that are basically saying the same thing that the community is complaining about. Paul, as the city administrator, he is going to have to make really tough decisions.

"We can no longer be paying \$86,000 for reports that tell us what we already know. That is a slap in the face. He is going to have to let people go."

Gutierrez brings street smarts to the council. She asks a lot of questions, and has come in hot since she ousted Jason Dominguez in November.

She said in the real world, outside of government, people learn to act sooner and quicker because it's a matter of survival.

"We literally are in a state of emergency, and we have to do what we have to do to move on," Gutierrez said.

In addition to the consultant and grand jury reports, developer Ed St. George launched a petition in February calling for Casey to be fired, and Santa Barbara resident James Fenkner launched a petition calling for Casey and top city officials to take a 30-percent pay cut amid the COVID-19 pandemic.

Casey spoke to Noozhawk about the turmoil, but said that Community Development Director George Buell would not be made available for an interview.

Buell did not respond to Noozhawk's separate requests for comment.

Multiple sources speculated to Noozhawk that Buell might announce his retirement soon, but that could not be confirmed.

"I have been here 23 years," Casey told Noozhawk. "This is easily the most challenging professional moment of my career. I wake up every day and work very hard, keeping focused on the task at hand and keeping focused on what's important, and that's making sure the city is responding to the pandemic in a thoughtful and meaningful way, that we're dealing with the worst budget crisis this city has faced in modern times, in a methodical and deliberate way."

Casey's hands are tied in terms of what he can say.

His bosses are the seven members of the City Council, some of whom have intimated that if he doesn't take action in the Community Development Department, it will be at his own risk.

He was hired as city administrator in 2015, and before that served as the community development director. Perhaps more so than any other city administrator in the past 45 years, Casey is experiencing a shift in direction from a council.

Historically, City Council members have been slow-growthers, getting elected with promises to maintain Santa Barbara's unique charm and sense of history.

Prior to district elections, the council was made up of largely retired people. Younger, newer members of the council now give the business leaders their ear, and that outside influence is showing up at City Hall.

Historical Perspective

Former Mayor Hal Conklin sees the problem as one of City Council leadership, and less about the city employees.

"It doesn't surprise me that Paul Casey and George Buell are often at a loss as to what to do, because they constantly get mixed messages from the City Council," Conklin said. "If the boat is rudderless, then it floats in circles and gets nowhere."

"Until the council sets clear measurements and holds themselves — and the staff — accountable to achieve the change they want, the ship of state will float along like the Titanic waiting for an iceberg to hit, and the community will continue to descend into distrust and anguish."



Former Mayor Hal Conklin says the city's problems stem from City Council leadership, and less about the city employees. "If the boat is rudderless, then it floats in circles and gets nowhere," he says. (Joshua Molina / Noozhawk photo)

Conklin has been holding weekly meetings under a group he formed, the Santa Barbara Leadership Team. Council members Meagan Harmon, Kristen Sneddon and Mike Jordan have spoken at the meetings, which usually attracts a few dozen attendees.

Conklin said Murillo should be the "Facilitator-In-Chief."

"It is the mayor's job to bring the community, the City Council, and the internal staff team together in tough, but honest conversations about where we should go on any subject," Conklin said. "It is easy to voice sympathy to public demands and concerns, but it is tough to step into the role of being an agent of reconciliation. So far, no one sees the mayor playing that role."

Real estate investor Richard Berti said Murillo is well-intentioned but "not qualified," and Paul Casey has too much power at City Hall.

"Paul Casey runs the mayor," Berti said. "They hire people to come in and do the work — who directs them? Paul Casey."

Berti, 83, said the council members are nice people, but political "neophytes."

"They are used to the smell they sit in," Berti said. "They can't see the problem. If it was a company trying to do business, they would get fired."

Berti, a former U.S. Marine who grew up poor and worked as a certified public accountant during the day and a janitor at night to build his life and business before becoming property owner, said the government employees have no idea what it takes to be successful."

"I have never worked with Paul. but if you go by the grand jury report, you have to clean house," Berti said.

Former [Santa Barbara Mayor Sheila Lodge](#), who also sits on the city's Planning Commission, said she met with Casey twice about two years ago.

She said she is disappointed in his performance, and believes that he cares more about what the council members think of him and "counting to 4" votes, than serving as the CEO of the organization.

Casey "seems to have dug his heels in" amid the criticisms, she said.

"Paul's policy needs to change, in the way he runs the city," Lodge said. "If he doesn't change it, he is likely to get fired. He better go the other route, which will give him some time."

Lodge said when she was a council member in 1975, the council fired then-City Administrator John Scott.

He was a decent, capable man and sometimes very knowledgeable, Lodge said, but he lacked firmness and the ability to give direction.

"He used to sit there at meetings and look like we were going to bite his head off, and one day we did," Lodge said. "You have to have someone running the organization with a little bit of an SOB in him."

For Knell, it's just a lot of lip service and false promises. He regularly beats the drum of discontent with City Hall and Casey.

His company manages Victoria Court on the 1200 block of State Street.

Knell said his company developed a plan to significantly upgrade Victoria Court, but a series of building department orders and inconsistencies in direction, cost the project to balloon from \$400,000 to \$1 million, in addition to \$125,000 in architecture and engineer fees, and SIMA ended up shelving the project.

"This city is not going anywhere," Knell said. "It is not prepared to build prosperity for the future. It is not set up to do that."

The problem stretches back to when Casey was the community development director, he said, and has intensified with recent council members.

"Every council has pushed this ball down the road," Knell said. "You really have to ask yourself what has changed in the past five to seven years? Nothing."

More Public Controversies

And now, Casey finds himself enveloped in a new public relations crisis.

About a month ago, Casey pulled over [Anthony Wagner](#), the Police Department's non-sworn public engagement officer, to City Hall to serve as public information officer, and to help the city better communicate its story, message and response in coping with the pandemic.

It was also an effort to better package Murillo, who at the time was under fire for a lack of leadership in addressing the community's business concerns during the pandemic.

Wagner immediately filmed Murillo in "state of the city" videos, in which she talked about what the city is doing amid the pandemic. Wagner, who earns \$190,000 annually, now works at City Hall, near Casey, while still handling some of his police duties.

Now [Black Lives Matter SB](#) is calling on the city to take several actions, including creating a Police Department civilian review board, halting funding for a new Santa Barbara Police Station, reallocating money from the Police Department to community programs, and holding the department more accountable.

The activists have criticized Murillo for not reaching out to them soon enough, and refusing to take a knee at a May 31 protest.

Wagner and Murillo stood side-by-side, on the side of the police officers, during the last moments of the protest, before Murillo attempted to speak at the Black Lives Matters event, and declined to take a knee (She has since taken a knee out of respect for George Floyd at four other public events).

Murillo told Noozhawk that she is sorry for creating stress for her colleagues.

Gutierrez said she's uncomfortable having Wagner, so clearly associated with the Police

Department, as a front-line City Hall communicator on these sensitive issues regarding race and police brutality.

Casey said the times are tough, but he's doing the best he can.

"Now having to react to social unrest on top of all that in an economic climate that is really struggling, that is a lot on a plate for anyone," Casey said. "I am committed to doing my damn best to keep steering this ship, steady as it goes."

Casey added: "We're a city organization of 1,000 professionals who care deeply about providing service to this community. My staff are showing up every day, seven days a week. helping this community keep moving forward."

Councilman Oscar Gutierrez, who represents Santa Barbara's Westside, said there's a bigger problem with the culture at City Hall.

"Since Day One, I have never fully felt that I was being taken seriously," said Gutierrez, who was elected in 2018. "At times I have felt I have been undermined, disregarded, and flat-out ignored."



Councilman Oscar Gutierrez says he has felt left out of some discussions at City Hall. (Joshua Molina / Noozhawk photo)

He wasn't asked to coffees or dinners or lunches the way some other new council members were approached.

It is not something he takes personally, Gutierrez said, but it's a snub to his constituents who rely on him to be their advocate.

He added that things need to change soon.

"This whole status-quo mentality that a lot of department heads have had for a long time, that is no longer a mode of thinking that is going to help them survive," Oscar Gutierrez said. "If you can't adapt and evolve, then you are gone."

He said Casey "doesn't have an easy job," but that's no excuse.

"He definitely could do better," Gutierrez said.

He also wants Casey to take a pay cut.

"Since day one, I said the city managers need to take a pay cut," Oscar Gutierrez said. "It almost feels like he is waiting for us to force him. When it comes to leadership, that speaks volumes."

Casey has made no public announcement about a pay cut, but Wagner, in response to a Noozhawk question, said "effective July 1, Paul will be taking a 5% total compensation cut."

Murillo Backs Casey's Performance

Murillo is a strong defender of Casey, and if there's an uprising of council members looking to replace the city administrator, Murillo is not part of it.

She stands by his efforts to open State Street, create parklets and allow restaurants to expand dining into the street. She said he moved to hire an economic development manager after the Kosmont Report.

"Paul has been hiring the right people and responding to State Street," Murillo said.

She also credited him for building \$33 million in reserves.

"He is a good budget manager," Murillo said.

She said one of the reasons the property managers are upset is because of the big shift in how people shop.

"It's the change in retail that is behind all of this," Murillo said.

She also said Casey has done well during emergencies.

"Paul was a great leader and manager during the Thomas Fire and debris flow," Murillo said.

Murillo was less specific about the Community Development Department.

"We all want positive change at the Community Development Department, and there may be a way to get there without firing people," Murillo said. "Paul is working to get their executive staff to improve the process. We are all focused on it."

Councilman Eric Friedman said Casey needs to give more attention to the Community Development Department and the Novak and Grand Jury reports, but that overall he is doing a fine job.

"I think it is extremely challenging, and he is doing what he needs to do to understand the issues," Friedman said.

The civil grand jury report, however, has other conclusions.

"Now more than ever, considering the effects of the COVID-19 pandemic, the need for a vibrant local economy requires that the Community Development Department be an efficient, can-do agency, working to get Santa Barbara revitalized," the report states. "The leadership needs to shepherd the department toward promoting vibrant growth in the city of Santa Barbara."

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