



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** May 14, 2013

**TO:** Ordinance Committee

**FROM:** Planning Division, Community Development Department

**SUBJECT:** Municipal Code Amendments for Implementation of the Average Unit-Size Density (AUD) Incentive Program

### **RECOMMENDATION:**

That the Ordinance Committee consider proposed amendments to the Municipal Code for implementation of the Average Unit-Size Density Incentive Program.

### **EXECUTIVE SUMMARY:**

The proposed Average Unit-Size Density (AUD) Incentive Program carries out a key program directed by the 2011 General Plan. The Program facilitates the construction of smaller housing units by allowing increased density and development standard incentives. Housing types that provide housing opportunities to the City's workforce are encouraged and facilitated by the AUD Program.

The AUD Program ordinance amendments will be contained in a new Zoning Ordinance Chapter (28.20) to the Municipal Code. The ordinance amendments establish the parameters of the AUD Program, including purpose, definitions, density incentives, development incentives, and building height exception findings and process. The Program will be tested for a period of 8-years, or until 250 units are constructed in designated areas of the City, whichever occurs sooner. During the trial period, the existing Variable Density Program would be suspended. If at the end of the trial period (8 years or 250 units), the City Council does not extend or modify the AUD Program, the residential density standards will return to the standards in place before adoption of the 2011 General Plan.

### **DISCUSSION:**

#### **Background**

The AUD Program is directed by General Plan policies in the Land Use and Housing Elements. The Program is designed to encourage smaller units through the application of increased densities based on average unit sizes. The smaller the average unit size, the greater the densities allowed within the three designated density tiers: Medium-High, High, and Priority Housing Overlay. Increased densities would be allowed in most

multi-family and commercial zones under the Medium-High and High Density land use designations. Additional densities would be allowed for priority housing projects (i.e., rental, employer sponsored housing, and limited equity housing cooperatives) located in the Priority Housing Overlay area. The overlay applies in the High Density areas and C-M zoned properties located in the Haley/Cota corridor, as shown in the Average Unit-Size Density Incentive Program Map (Attachment 1, Exhibit A).

The AUD Program also allows reduction and/or flexibility in parking, setback, open space, distance between buildings and building height standards. These incentives are proposed to encourage development of smaller units and buildings, with particular emphasis on priority housing.

On April 10, 2012, the City Council initiated the Zoning Ordinance amendments to implement the AUD Program. Following adoption of the ordinance amendments, the AUD Program will be in effect for eight years, or until 250 units have been constructed in the High Density areas and applicable C-M zoned properties, whichever occurs sooner.

The existing Variable Density Program provisions would be suspended during the AUD Program trial period. Prior to the end of the 8-year trial period, the Council will consider whether to extend or modify the Program. If the Program is not extended or modified, the residential density will revert back to the Variable Density standards in place prior to adoption of the 2011 General Plan Update.

To further develop the AUD Program components, Staff sought feedback and direction from the Planning Commission, Design Review Boards, a technical advisory group of community members, and the public. In addition, a community forum was held with employers, developers and lenders to identify ways to create a viable and successful Employers Sponsored Housing Program.

On April 11, 2013, the Planning Commission reviewed the draft AUD Program Ordinance and unanimously voted to forward the ordinance with revisions to the Council Ordinance Committee for consideration (Attachment 2). The discussion below highlights the key comments and direction provided by the Planning Commission.

### **Housing Types**

A primary goal of the 2011 General Plan is to encourage the construction of housing that is more affordable to the City's workforce, with special emphasis on priority housing. This type of housing is considered a community benefit land use and is supported by numerous policies and programs in both the Land Use and Housing Elements, directing the implementation of the AUD Program.

The Planning Commission supports the basic premise of the AUD Program to allow higher densities in exchange for smaller units, especially for units intended to house the

City's workforce. While the Commission agrees with the parameters of the priority housing types, they recommended that the ordinance be clearer regarding the employer sponsored housing requirement that at least one person per household be employed in the south coast region of Santa Barbara County and that the units be restricted to primary residences. The Planning Commission also requested that language be added to the ordinance explicitly stating that employer sponsored housing projects offering market rate ownership units would not be subject to the City's inclusionary housing requirements.

Inclusionary units would continue to be required for market rate ownership units (excluding employer sponsored housing) developed under the AUD. This requirement promotes the City's goal of adding affordable housing units to the housing stock, as well as increasing the availability of units for middle and upper middle income households. Most Commissioners agreed with this requirement; however two Commissioners felt that imposing this provision on market rate housing developed under the AUD Program would increase the unit cost if the market rate housing were reduced by the inclusionary units. Also of concern was that counting inclusionary units would distort the 250 unit test results.

### **Unit Size**

As part of the 2011 General Plan adoption, the City Council approved density ranges for the Medium-High (15-27 du/ac), and High Density (28-36 du/ac) designations, as well as the Priority Housing Overlay (37-63 du/ac). The corresponding maximum average unit size for each density tier was later finalized by Staff with assistance from a technical advisory group. Subsequently, the unit size ranges were presented to the Planning Commission, Architectural Board of Review and Historic Landmarks Commission.

On April 11, 2013, the majority of the Planning Commission found that the maximum average unit size ranges were reasonable and appropriate. However, two Commissioners felt that the maximum average unit size range (805 SF to 1,450 SF) for the Medium-High density tier should be larger and suggested an increase from .50 FAR to .65 FAR to improve the marketability of these units.

### **Development Standards**

Policies contained in the Housing Element promote more flexibility in development standards to encourage and facilitate the construction of additional housing. In support of these policies, the AUD Program offers incentives and/or flexibility in the application of development standards related to parking, setbacks, open space, distance between buildings and building height. On April 11, 2013, the Planning Commission reviewed and accepted the proposed AUD Program development incentives with recommended revisions as described below.

### *Parking Requirements*

During the 2011 General Plan adoption, the City Council determined the parking requirement for AUD projects to be one parking space per unit and no requirement to provide guest parking. The AUD Program ordinance reflects the Council's direction. Please note that projects may choose to provide more than one parking space per residential unit; however, the reduction in parking is intended to assist with unit affordability as well as help decrease building mass. The Planning Commission did not recommend changes to this requirement.

### *Setback Requirements*

The setback requirements for AUD projects are intended to provide more flexibility, especially for 100% residential projects developed in commercial zones. Initially, the AUD Program ordinance included a provision to implement a 5' variable front setback for AUD mixed use projects developed in the C-2 and C-M zone districts (excluding State Street and first blocks of cross streets between Montecito and Sola Streets). Exclusively residential projects would apply the R-3/R-4 setback standards of the AUD Program ordinance. At the Planning Commission hearing of April 11, 2013, public comment was received from Santa Barbara for All (SB4All) requesting that development incentives related to front setbacks in commercial zones be applied similarly to mixed use and exclusively residential projects in order to incentivize residential units rather than commercial space (Attachment 3). The following describes SB4All's proposal:

- C-2 and C-M Zones: SB4All's proposal would require a 10' variable front setback for exclusively residential buildings or structures in the C-2 and C-M zones where ground floor residential units face the public street. Additionally, a variable front setback of 5' would apply for other uses within the structure (e.g., community center, parking structure). This would continue to allow community rooms, administrative office and parking garages associated with the residential use to meet the mixed use 5' variable setback requirement.
- All Other Zones: Similar to the C-2 and C-M front setback proposal described above, exclusively residential projects developed in HRC-2, R-O, C-P, C-L, C-1, and OC zones would apply a 10' variable setback for ground floor residential units facing the street. All other nonresidential uses associated with the residential use would apply a 5' variable setback.

The Planning Commission agreed with SB4All's proposal that both mixed use and exclusively residential projects in commercial zones should be further encouraged by requiring the same setback incentives. Staff concurs with the spirit of this approach, and proposes setback requirements for mixed use and exclusively residential projects in applicable commercial zones (R-O, C-P, C-L, C-1, C-2, C-M,) allow a 5' variable front setback. This helps to simplify the ordinance and provide uniformity in the application of setback requirements for all AUD projects developed in commercial zones. The HRC-2

and OC zones would continue to apply setback standards required by their respective zone until the Coastal Zone Map Amendment is completed.

### *Open Space Requirements*

There are two methods of applying outdoor living space requirements to multi-family or mixed use projects. Projects have the option of selecting one of the following methods:

1. Method A, Private Outdoor Living Space Method: Project's electing this method are required to provide the following:
  - A private outdoor living space for each dwelling unit (with specific requirements);
  - An on-grade open space area of not less than 10% of the net lot area; and
  - A common open area with minimum dimensions of 15' x 15'.

Staff initially recommended eliminating the 10% open space requirement for mixed use projects developing under the AUD Program. Exclusively residential AUD projects developed in commercial zones would be required to provide the 10% open space consistent with the R-3/R-4 standards. In an effort to further encourage 100% residential AUD projects in commercial zones, the Planning Commission supported SB4All's proposal to apply equivalent open space incentives to all AUD projects developed in commercial zones. This incentive will provide flexibility in project design, thus facilitating additional residential units as part of the project. Staff believes that offering this incentive is reasonable in order to gain additional affordable and workforce units.

2. Method B, Common Outdoor Living Space Method: Projects electing this method are required to provide a common outdoor living space of at least 15% of the net lot area, subject to the following:
  - The area must be on-grade;
  - The area may be provided on multiple locations;
  - At least one location must be a dimension of 20' x 20'; and
  - The area may include the interior and rear setbacks, but not the front yard.

Applying this method has been problematic for projects, especially those proposing at-grade parking garages. To accommodate the 15% common outdoor living space requirement on the ground projects must decrease floor area, which could result in fewer residential units. Staff proposes allowing the 15% common outdoor living space at grade or any floor of the building to help make possible more units in a project. In addition, AUD projects located within ¼ mile from a park may reduce the common outdoor living space requirement to 10%. The Planning Commission concurred with this reduction and further recommended that these incentives be applied to all AUD projects developed in commercial zones.

### **Building Heights/Findings/Process**

Implementation Action LG12.4 of the General Plan Land Use Element calls for special findings and a super majority (five affirmative votes) approval by the Planning Commission for Community Benefit projects that exceed 45' in height. To implement LG12.4, amendments to the C-2, C-M, M-1, and OM-1 zoning districts are proposed limiting building height to 45' or less unless the project is a Community Benefit project. Currently, these zones allow four stories, not to exceed 60' in height.

The Planning Commission would be the responsible body for reviewing and approving Community Benefit building heights exceeding 45'. The draft ordinance provides that a super majority vote and findings related to demonstrated need, architecture and design, livability, and sensitivity to context are required to approve these buildings. Building height decisions made by the Planning Commission would not be appealable to the City Council.

The Planning Commission discussed the process for building height exceptions and expressed concern regarding the super majority vote and the inability to appeal their decision to the City Council. During an informal straw vote, the Commission was split (3/3) that a super majority vote be required to approve building heights above 45'. Concern was voiced that this requirement is problematic when five affirmative votes are required and only four commissioners are present making it necessary to continue the item. Additionally, a majority of the Commission (4/2) was concerned with the provision that building height decisions would not be appealable to the City Council, stating that applicants should have the right to appeal this decision.

### **Recommendation**

Staff requests that the Committee review and comment on the policy basis for the ordinance as outlined above. The City Attorney will finalize the drafting of the ordinance to be considered at a subsequent Ordinance Committee meeting.

- ATTACHMENT(S):**
1. Planning Commission Staff Report, April 11, 2013
  2. Planning Commission Minutes & Resolution, April 11, 2013
  3. Letter from Santa Barbara for All, April 10, 2013

**PREPARED BY:** Irma Unzueta, Project Planner

**SUBMITTED BY:** Paul Casey, Assistant City Administrator/Community Development Director

**APPROVED BY:** City Administrator's Office



# City of Santa Barbara California

## PLANNING COMMISSION STAFF REPORT

**REPORT DATE:** April 4, 2013  
**AGENDA DATE:** April 11, 2013  
**PROJECT TITLE:** Draft Zoning Ordinance Amendments Related to the Implementation of the Average Unit-Size Density Incentive Program  
**TO:** Planning Commission  
**FROM:** Planning Division, (805) 564-5470  
 Bettie Weiss, City Planner *BLW*  
 John Ledbetter, Principal Planner *JL*  
 Irma Unzueta, Project Planner *IU*

### I. RECOMMENDATION

That the Planning Commission review and forward a recommendation to the City Council regarding the draft Zoning Ordinance language for the Average Unit-Size Density (AUD) Incentive Program.

### II. BACKGROUND

The AUD Program is directed by policies in the Land Use and Housing Elements of the General Plan and Council Resolution No. 09-058, and is intended to replace the existing Variable Density Program. The existing Variable Density provisions would be suspended during the AUD Program trial period.

Projects developed or approved under the current variable density provisions prior to the adoption of the AUD Program would remain legal and conforming land uses. Projects developed using variable density standards would be permitted to add floor area if it does not result in additional units or bedrooms, unless such additions conform to base density. Existing variable density projects could convert to AUD units if all applicable standards of the AUD Program are met. However, existing variable density projects could not demolish and rebuild under Variable Density standards.

The AUD Program is proposed to encourage smaller, more affordable units through established unit sizes in selected areas of the City (Exhibit A). It allows increased residential density incentives and flexibility of development standards, such as reduced parking requirements, to facilitate the construction of smaller residential units, particularly priority housing. Priority housing includes rental, employer sponsored housing and limited equity housing cooperatives.

On April 10, 2012, the City Council initiated Zoning Ordinance amendments to implement the AUD Program. As directed by City Council, following adoption the AUD Program will be in effect for eight years, or once 250 units have been developed in the High Density areas, whichever occurs sooner. Prior to the end of the 8-year trial period, the Council will consider whether to extend or modify the Program. If the AUD Program is not extended or modified,

the residential density will revert back to the Variable Density standards in place prior to adoption of the 2011 General Plan Update.

To formulate the mechanics of the AUD Program, Staff collaborated with a technical advisory group of community members. Specific areas of collaboration included average unit size ranges, priority housing parameters, and flexibility in development standards, including setback, open space and parking requirements. The key components of the AUD Program and proposed ordinance amendments were then presented to the Planning Commission, Architectural Board of Review and Historic Landmarks Commission in July and August of 2012.

Interest in the City's proposed Employer Sponsored Housing Program prompted the City to hold a community forum on September, 12, 2012 to begin the necessary dialogue with employers, developers and lenders to identify what is needed to create a viable and successful program. The forum included a panel discussion with community representatives who have experience in the provision of workforce housing. The benefits and challenges of an Employer Sponsored Housing Program were discussed and recommendations on ways to facilitate the viability and success of this program were identified.

Because the success of this program is dependent on employer participation, the forum served as the initial discourse between the City and local businesses regarding the opportunities and benefits that could be derived by participating in the program. Potential challenges of the program were also discussed and ideas to reduce them were identified and recommended by the forum panel. Please refer to Exhibit B for a detailed account of the forum panel discussion and recommendations.

### **III. DISCUSSION**

The key components of the AUD Program have been presented to the Planning Commission, Architectural Board of Review and Historic Landmark Commission for discussion and feedback. A brief summary of this review and the related proposed ordinance text changes are provided below. The Draft Average Unit-Size Density Incentive Program Ordinance (Chapter 28.20) is included as Exhibit C.

#### **AVERAGE UNIT SIZE RANGES AND DENSITIES**

The Variable Density program calculates residential density based on the number of bedrooms. Because the program did not regulate the size of the units, the Variable Density program unintentionally resulted in larger units and buildings. The AUD Program would regulate residential density based on the average unit size, and is designed to produce smaller units and smaller buildings located primarily in and around the Downtown.

The AUD Program is proposed for the Medium-High and High Density designated areas of the City. The Priority Housing Overlay can be applied in the High Density areas and the C-M Zone (Commercial Manufacturing) for additional residential densities when the development qualifies as a Community Benefit housing project, including rentals, employer sponsored housing, and limited equity housing cooperatives.

As part of the General Plan Update adoption in December 2011, the City Council approved density ranges for the Medium-High (15-27 du/ac) and High Density (28-36 du/ac)

designations, as well as the Priority Housing Overlay (37-63 du/ac) with maximum average unit sizes for each density (Exhibit D). Please note that while each density range identifies a maximum average unit size (not to be exceeded), it does not preclude a project from proposing a lower average unit size. For example, a Medium High Density project proposing development at 25 du/ac may not exceed a maximum average unit size of 870 square feet, but could propose a lower maximum average unit size (e.g., 500 square feet).

Note that the base density for multi-family and commercial zones (where residential is allowed) will continue to be a range of 12-18 dwelling units per acre based on zoning standards. Projects that develop at the base density are exempted from the minimum density requirements of the Medium-High and High Density designations and are not subject to unit size limitations. However, such projects cannot apply the minimum one parking space per unit or other development standard incentives allowed by the AUD Program.

## **HOUSING TYPES**

One of the primary goals of the General Plan Update is to encourage the production of affordable workforce housing, specifically rental, employer sponsored housing, and limited equity housing cooperatives. Such housing is considered a community benefit land use and supported by numerous policies and programs in both the Land Use and Housing Elements. These types of multi-unit housing fall into two categories: market rate units and priority housing, which is achieved through the Priority Housing Overlay.

### **Market Rate Units**

Market rate units are permitted under the AUD Program. These units would likely be constructed in the Medium-High and High Density designated areas, and in exchange would be required to provide smaller unit sizes to qualify for the density and development standard incentives allowed under the program. Also, market rate units, excluding employer sponsored housing, would be subject to the inclusionary housing ordinance.

### **Priority Housing**

The primary objective of the Priority Housing Overlay is to encourage the construction of long-term affordable housing, with special emphasis on rental units, employer sponsored housing, limited equity housing cooperatives. This type of housing is considered a community benefit and therefore could be allowed increased densities of up to 63 dwelling units per acre under the AUD Program.

- **Rental Units:** Rental units developed under the AUD Program would not be price or income restricted. However, in order to qualify for the Priority Housing Overlay density incentives allowed under the AUD Program, the owner must agree to maintain the units as rental for the life of the project.
- **Employer Sponsored Housing:** This type of housing is developed by an employer or group of employers and the units dedicated to households that include at least one person who works on the south coast region (from the city of Carpentry, to, and including the City of Goleta) of Santa Barbara County. In order to qualify for the density and development standard incentives allowed under the AUD Program, the owner(s) must limit the

occupancy of the residential units to include at least one person who works on the south coast region of Santa Barbara County for the life of the project.

- **Limited Equity Housing Cooperative:** This type of housing is defined as shared ownership of the entire project where individuals occupy one unit and take part in management decisions. Limited equity housing cooperatives restrict resale price, which helps maintain a specified level of affordability to subsequent shareholders. In order to qualify for the density incentives allowed under the AUD Program, a limited equity housing cooperative must be affordable to households earning from 120% to 250% of the Area Median Income as defined in the City's Affordable Housing Policies and Procedures.

## DEVELOPMENT STANDARDS

### Parking Requirements

The City Council has authorized that projects developed under the AUD Program can provide a minimum of one parking space per residential unit and would not be required to provide guest parking. The intent is to facilitate unit affordability and help decrease building mass. Reduced parking requirements are consistent with policies of the Housing Element (H17 and H17.1) that support flexibility in development standards to facilitate additional housing.

### Variable Setbacks

Currently, the C-2 and C-M zones do not require a front setback. Implementation Action LG12.3 of the General Plan Land Use Element encourages the variation of building setbacks along street frontages as it would support the City's urban forest and help soften buildings. The AUD Program ordinance includes a provision to implement a 5-foot variable front yard setback for AUD mixed use projects developed in commercial zones in which there currently is no front yard setback required (excluding State Street and first blocks of cross streets between Montecito and Sola Streets). Exclusively residential developments would apply the R-3/R-4 setback requirements of the AUD Program ordinance. The ordinance would not have any effect on existing developments.

### Open Space Requirements

There are two methods of applying outdoor living space requirements to multi-family or mixed use projects. Projects have the option of selecting either one of these methods.

**Method A:** The Private Outdoor Living Space Method (SBMC § 28.21.081.A) requires projects to provide all three of the following:

- A private outdoor living space for each dwelling unit (with specific requirements);
- An on-grade open space area of not less than 10% of the net lot area; and
- A common open area with minimum dimensions of 15'x 15'

Staff recommends eliminating the 10% open space requirement for mixed use projects developing under the AUD Program. Offering this incentive will provide flexibility in project design, thus facilitating additional residential units as part of the project. Since the 10% open space requirement was originally intended for residential uses in the multi-family zones, not

mixed use projects in commercial zones, Staff believes that eliminating this requirement would be a reasonable incentive in order to gain additional affordable and workforce units.

In July and August 2012, Staff reviewed the proposed open space changes with the Planning Commission and Design Review Boards. Although concern was expressed that eliminating the 10% requirement might raise neighborhood compatibility issues, Staff views this as an appropriate incentive to encourage the construction of smaller, more affordable units intended for lower income and workforce households. In addition, the implementation of the proposed 5-foot variable setbacks along street frontages in the C-2 and C-M zones would help to offset the elimination of the 10% open space area requirement.

**Method B:** The Common Outdoor Living Space Method (SBMC § 28.21.081.B) requires projects to provide a common outdoor living space of at least 15 percent of the net lot area, adhering to the following requirements:

- The area must be on-grade;
- The area may be provided on multiple locations;
- At least one location must have a dimension of 20' x 20'; and
- The area may include the interior and rear yard setbacks, but not the front yard

Providing the 15% common outdoor living space on grade has been problematic for projects proposing at-grade parking garages. In order to accommodate the 15% common outdoor living space requirement on the ground, projects must decrease building square footage, which could result in a reduced number of residential units. Developments with fewer units do less to address the current jobs/housing balance, which is counter to a fundamental principle of *Plan Santa Barbara*, to encourage additional residential units, especially for lower income and workforce households.

In the past, the common outdoor living space requirement has been effectively met on upper floors through the use of zoning modifications. Therefore, Staff recommends that this requirement be modified to allow flexibility in the location where the common outdoor living space is provided for AUD mixed use projects applying this requirement. In addition, Staff is proposing that the 15% common outdoor living space requirement be reduced to 10% for projects developing under the AUD program, and within ¼ mile from a park. These amendments are supported by Housing Element Implementation Action H17.2 allowing flexibility in how, where and the extent of outdoor living space required for housing development in commercial zones.

#### **Distance Between Buildings**

Exclusively residential or mixed use AUD projects would be allowed to reduce the distance between buildings on the same lot requirement, from 15 feet to 10 feet. Reducing this requirement is intended to facilitate the construction of additional housing units.

#### **Building Height**

The recently adopted General Plan Update includes Implementation Action LG12.4 directing that zoning standards be amended to require special findings and super majority (five

affirmative votes) approval by the Planning Commission for Community Benefit projects that exceed 45 feet in height. Currently only the C-2, C-M, M-1 and OM-1 zones allow building heights over 45 feet. These zones permit a height of four stories, not to exceed 60 feet. Amendments to the building height provisions of these zoning districts are proposed to restrict building heights to 45 feet unless the project is a Community Benefit project. For the purposes of the AUD Program a Community Benefit housing project would include, Affordable units, rental units, employer sponsored housing, limited equity housing cooperatives, and transitional or special needs housing.

In addition, projects developing under the AUD Program, but not a Community Benefit housing project (e.g., market rate condominiums) would be permitted four stories, not to exceed 45 feet in height. These projects would likely be developed in the R-3 and R-4 zone, which currently restricts buildings to three stories and 45 feet in height.

### **Building Height Findings**

In addition to findings required of the project application, possible criteria to be used by the Planning Commission in approving AUD projects that exceed 45 feet in height include:

- ***Demonstrated Need:*** The applicant has demonstrated a need for the project to exceed 45 feet in building height that is related to the project's benefit to the community, site constraints, or desired architectural qualities, as opposed to a purely financial justification.
- ***Architecture and Design:*** The project exhibits exemplary design and incorporates characteristics distinctive to the City of Santa Barbara.
- ***Sensitivity to Context:*** The project recognizes and complements the setting and character of the neighboring properties with superior sensitivity to adjacent federal, state, and City landmarks and other nearby designated historic resources, including City structures of merit, sites, or natural features.

## **IV. PERFORMANCE MEASURES**

Possible criterion to measure how successful the AUD Program has been during the trial period and also to gauge the program's long-term viability could include the following:

- Number of AUD units constructed
- Types of units constructed, especially priority housing units
- Location of constructed units
- Location of Employment (Downtown, South Coast Region, Other)
- Price point of rental and affordable ownership units. Are these units priced lower than those developed at base or Medium-High densities?
- Turnover of units/Vacancy rate

## **V. OTHER ZONING ORDINANCE AMENDMENTS**

As part of the AUD Program Ordinance Amendment package, Staff is proposing to amend applicable zoning districts to ensure consistency with the AUD Program ordinance. In

addition, minor changes to the municipal code are proposed in order to provide additional clarification and/or promote uniformity within the code. These amendments include:

**Building Heights:** Zoning Ordinance sections §28.66.050, §28.69.050, §28.72.050, and §28.73.050 are proposed to be amended to restrict building height to 45 feet unless the building is a Community Benefit project.

**Open Yard Encroachment:** Amend section §28.87.062.C in the General Provisions section of the Zoning Ordinance to clarify open yard encroachment requirements in the Single-Family, Two-Family (R-2), and Multi-Family (R-3/R-4) residential zones.

**Uncovered Balconies:** Amend §28.21.081.A.g to remove item number 1 stating, "*Uncovered balconies may encroach up to two (2) feet into any setback*". This provision is not appropriate for this section of the code and has made its application problematic. A similar provision is currently found in the General Provisions section of the Zoning Ordinance where its application is more appropriate.

**Open Space:** Amend sections §28.21.081.A.2.b (10) and §28.21.081.B.5.c. to include language consistent with §28.21.081.A.1.f. as follows, "...or other cantilevered architectural or building projections not providing additional floor area...".

**Common Open Area:** Amend §28.21.081.A.3 to clarify that the common open area requirement applies to lots developed with four or more dwelling units. Also, amend §28.21.081.A.3 and §28.21.081.B.4 to clarify that front setback (not the front yard) shall be excluded from the common open area.

## VI. ENVIRONMENTAL REVIEW

The Final Program Environmental Impact Report (FEIR) for the *Plan Santa Barbara* General Plan Update was certified by the Planning Commission September 2010 and by the City Council December 2011. The FEIR evaluated citywide effects on the environment from growth to the year 2030 under the proposed General Plan policies (up to 1.35 million feet of net additional non-residential and up to 2,800 additional housing units).

California Environmental Quality Act (CEQA) Statutes Section 21083.3 and CEQA Guidelines Section 15183 provide that projects which are consistent with the development density established by General Plan policies for which an EIR was certified, and rezoning consistent with the plan, shall not require additional environmental review except under specified instances.

The Average Unit-Size Density Incentive Program is within the scope of review for the General Plan Update and FEIR. The City Environmental Analyst has determined that the proposed implementing ordinance amendments for the Average Unit-Size Density Incentive Program policies do not trigger the additional environmental review requirements, for the following reasons: There are no additional site-specific or project-specific significant effects which are peculiar to the proposed zoning amendments; there is no new significant effects not addressed in the prior FEIR; and there is no new information since the FEIR that would involve more significant impacts than identified in the FEIR. Therefore, no further environmental review is required.

**NEXT STEPS**

- a. Planning Commission Review/Recommendation (April 11, 2013)
- b. Council Ordinance Committee Review (May/June 2013)
- c. Council Introduction and Adoption (June/July 2013)

Exhibits:

- A. Average Unit-Size Density Incentive Program Map
- B. Employer Sponsored Housing Forum Discussion Summary and Forum Flyer
- ~~C. Draft AUD Program Ordinance~~—Refer to Ordinance included in CAR, 5/14/13
- D. AUD Program Density Table

**Legend**

**Medium High Density Residential (15-27 du/acre)**

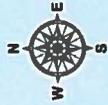
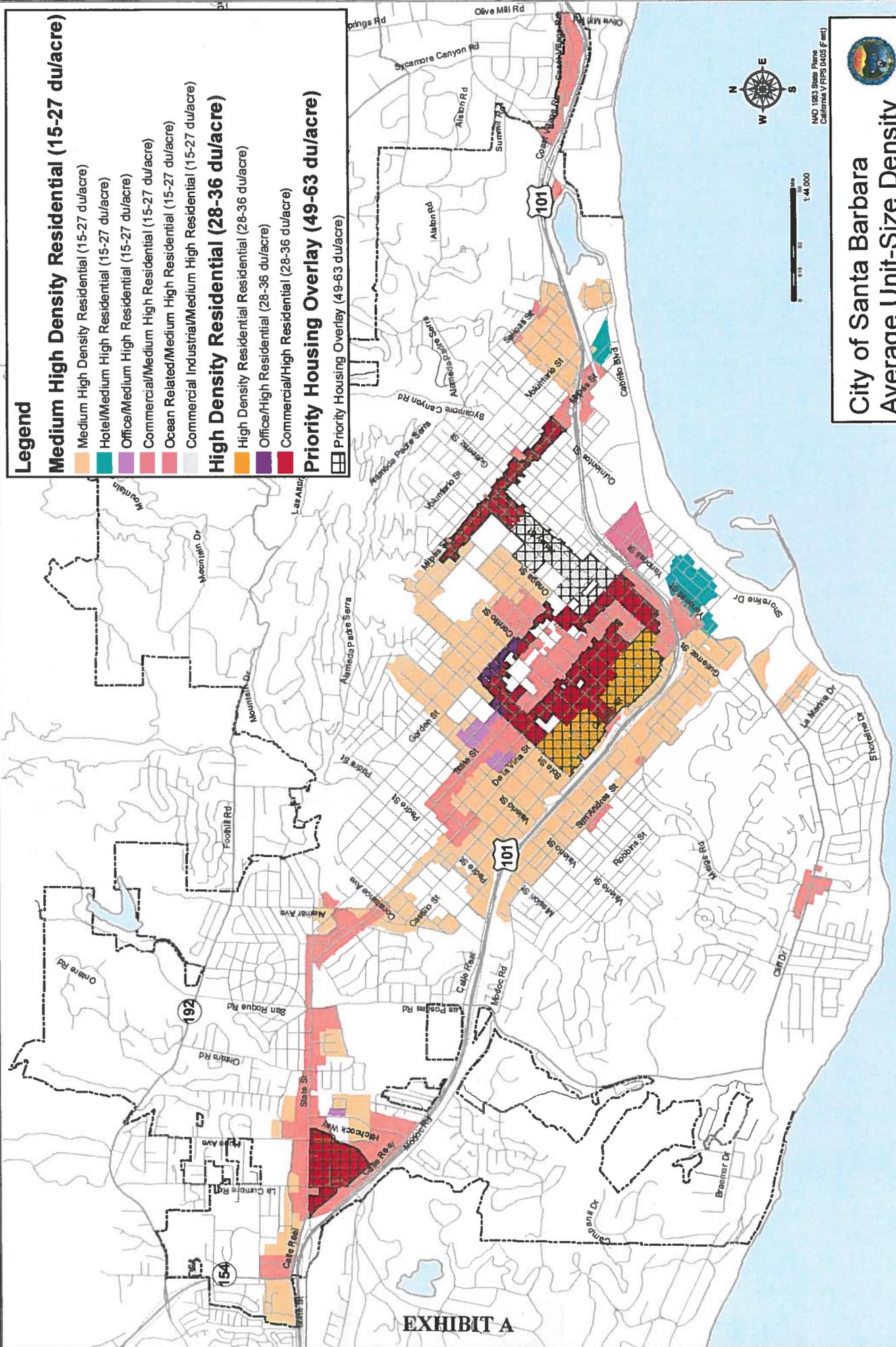
- Medium High Density Residential (15-27 du/acre)
- Hotel/Medium High Residential (15-27 du/acre)
- Office/Medium High Residential (15-27 du/acre)
- Commercial/Medium High Residential (15-27 du/acre)
- Ocean Related/Medium High Residential (15-27 du/acre)
- Commercial Industrial/Medium High Residential (15-27 du/acre)

**High Density Residential (28-36 du/acre)**

- High Density Residential (28-36 du/acre)
- Office/High Residential (28-36 du/acre)
- Commercial/High Residential (28-36 du/acre)

**Priority Housing Overlay (49-63 du/acre)**

- Priority Housing Overlay (49-63 du/acre)



NAD 1983 State Plane  
California V FIPS 405 Feet



**City of Santa Barbara  
Average Unit-Size Density  
Incentive Program Map**

Map prepared by City of Santa Barbara, Planning Division, Nov 2011

**EXHIBIT A**



## **EMPLOYER SPONSORED HOUSING FORUM**

### **DISCUSSION SUMMARY**

An Employer Sponsored Housing Forum was held on September 12, 2012 and included a panel discussion with community members experienced and actively producing workforce housing. The discussion focused on identifying what is needed to achieve a viable and successful program, as well as challenges that a participating employer might face.

#### *Program Benefits*

The panel was asked to identify what aspects of an Employer Sponsored Housing Program would persuade or motivate local businesses to participate. Recruitment and retention, economic investment, and program simplicity were identified as key reasons to take part in the program. It was also acknowledged that implementing an Employer Sponsored Housing Program would offer simultaneous benefits for employers, employees and the community.

The shortage of affordable housing continues to make it difficult for local businesses to recruit and retain quality employees. High employee turnover and the inability to recruit the most qualified person due to high housing prices can in the long-term be costly to an employer. It is estimated that it costs approximately \$70,000 to train a new employee; therefore an employer should view the program as an economic investment, because creating housing for their workforce will ultimately result in a cost benefit to their business.

Benefits to employees include the ability to purchase affordable housing where they live, reduce commute time and cost, and increase time spent in the community and with their family resulting in greater productivity and loyalty.

#### *Program Challenges*

Land and development cost, financing capital, and lack of experience and expertise were identified as potential barriers that might prevent an employer from participating in this program. Employers, especially smaller businesses are not accustomed to the role of developer and/or lender. For some employers taking on this role may be too complex and prolonged. Thus, the lack of expertise in real estate development and inexperience in the City's permitting process could discourage participation in the program.

Land cost also poses a major factor and barrier to the development of workforce housing. Only a few local employers (e.g., UCSB Westmont College, Cottage Hospital) have been successful in producing employee housing, and all have owned the land. These employers tend to be larger, own the land, and have the financial capital needed to develop employee housing. Additionally, lack of expertise in real estate development and inexperience in permit processing can discourage an employer from providing housing for their workforce.

#### *Recommendations*

Local employers such as Cottage Hospital, Westmont, and UCSB have successfully produced employee housing. However, as pointed out at the community forum, these are large employers with land, financial capital, and the expertise needed to produce housing for their workforce. Consequently, without such resources smaller employers would find it difficult to participate in the program. With this in mind, ideas were offered by the panel to help minimize the obstacles

that might dissuade an employer from participating in the program. The following ideas were recommended:

**Program Model:** Provide a model or clearinghouse approach to help employers navigate through the development process. This would save time and effort and reduce costs. The model could offer:

- Sample covenants, development agreements
- Cost/benefit analysis of recruitment and retention
- Amount of upfront capital needed
- Sample project prototypes, such as those developed by the Design Charrette conducted by the AIA during the General Plan Update process

**Land Inventory:** Conduct an inventory of available public land suitable for workforce housing.

**Private Landowners:** Identify private landowners with excess land (e.g., churches) who would donate their land. These entities are often interested in producing affordable housing, but do not have the expertise or experience.

**Small Property Owners:** Allow small property owners to participate in the program as partners.

**AUD Program:** Implement the AUD Program to allow increased densities and flexibility in development standards, such as parking, which would help reduce development costs.

**City Review:** Expedite review of employer sponsored housing projects to help reduce development cost.

**Partnerships:** Enlist large employers and/or developers (consortium approach) to serve as partners making it easier for smaller employers to participate in the Program.

**Environmental Review:** Use the General Plan Update Environmental Impact Report (EIR) to shorten and simplify the review process for employer sponsored housing projects.

# COMMUNITY FORUM ON EMPLOYER SPONSORED HOUSING

**How can the City help Employers (big and small)  
develop housing for their workers?**

The City's new Employer Sponsored Housing Program offers higher densities and more flexible development standards as incentives for employers, either individually or as a consortium to help build below market rate housing to their employees.

Please join us and learn more about how this program can work for your business!

## **FORUM PANEL INCLUDES:**

- **Steve Amerikaner**, Brownstein Hyatt Farber Schreck (Moderator)
- **Ron Biscaro**, Cottage Health Systems
- **Detlev Peikert**, Peikert Group Architects
- **Rochelle Rose**, Peoples' Self-Help Housing
- **David Rowell**, City of Santa Barbara
- **Ed Soto**, Bank of America
- **Craig Zimmerman**, The Towbes Group, Inc.

**DATE: Wednesday, September 12**

**TIME: 7:30 – 9:30 a.m.**

**LOCATION: 630 Garden Street (David Gebhard Public Meeting Room)**

**Everyone welcome! A light breakfast will be provided.**

Please RSVP your attendance to Irma Unzueta, Project Planner at  
[iunzueta@SantaBarbaraCA.gov](mailto:iunzueta@SantaBarbaraCA.gov).



## Forum Panel Bios

**Steven A. Amerikaner**, partner with Brownstein Hyatt Farber Schreck, LLP, counsels developers, public agencies, businesses and homeowners on land development issues such as securing land use permits (including coastal permits and major general plan and zoning amendments). He is also General Counsel to a regional water agency and a local sanitary district and served as Santa Barbara City Attorney from 1982-1990. He is active in a number of community organizations, including the Board of Directors of the Santa Barbara Region Chamber of Commerce and the Coastal Housing Coalition.

**Brownstein | Hyatt  
Farber | Schreck**

**Ron Biscaro**, Vice President for Housing and Real Estate Development at Cottage Health Systems since 2003. He has overseen the development of Bella Riviera, a workforce housing project for Cottage Hospital employees. Mr. Biscaro has collaborated with architects, planners, City officials, and a Housing Task Force of the Cottage Board in developing the housing project. From 1986 and 2003, Mr. Biscaro served as Administrator at the St. Francis Medical. He received a Bachelor of Science degree in Biology from McGill University and a Master's in Health Administration from the University of Ottawa. He is a diplomat of the American College of Health Care Executives.



**Detlev Peikert**, AIA is principal and founder of Peikert Group Architects, LLP. He has worked in the field of architecture for more than 30 years, and has extensive experience with a wide variety of building types. He is knowledgeable in all aspects of architectural practice including design, project management and real estate development. In 1994, he founded the Sustainability Project, a nonprofit organization dedicated to implementing the principles of sustainability as applied to the built environment, and is actively engaged with a number of community organizations including the board of the Coastal Housing Coalition, an organization dedicated to advocating for workforce housing.



**Rochelle Rose**, CFRE is Development Director for Peoples' Self-Help Housing, a nonprofit community development organization that develops affordable housing for low income families, seniors, and other special needs groups in the tri-counties. Peoples' has developed and manages 1,350 affordable apartments and has helped over 1,100 low income households build and own their first home through their 'sweat equity' model. A UCSB graduate, she has led successful fundraising efforts at many nonprofits and has served on the boards of Girls inc., Association of Fundraising Executives and others. In 2007 she was awarded the AFP Professional Fundraiser of the Year for Santa Barbara and Ventura Counties. She currently serves on the boards of the Center for Successful Aging and the Coastal Housing Coalition.



**David Rowell** is a Housing Programs Specialist at the City of Santa Barbara. Previously he was President of Sage Point Real Estate Valuations and managed the design, customer contact, business transactions and quality control of their national service. Mr. Rowell was employed for over 18 years in the real estate finance industry at Fannie Mae. He has served as Director of the Western Regional Office and managed account teams in transacting billions of dollars of mortgage business. Prior to that, he was Senior Negotiator, Account Executive, Senior Underwriter and REO Manager. Mr. Rowell holds a BS from UCSB, an MS from the University of Oregon, and a Professional Designation in Real Estate from UCLA.



**Ed Soto** is a Sr. Mortgage Loan Officer with Bank of America. He has been in the mortgage lending industry for 22 years. He is a graduate of Westmont College and majored in Economics/Business. He has achieved one of the highest recognitions for his position with Bank of America as a Sr. Mortgage Loan Officer, earning the prestigious "Platinum Club" award several times. Ed is active with the Old Spanish Days Fiesta Parade and other events sponsored by Bank of America that give back to our community.



**Craig Zimmerman** is the President of The Towbes Group, Inc., a full service real estate company based in Santa Barbara that develops and manages both residential and commercial real estate. The Towbes Group manages more than 2,100 apartment units in Santa Barbara and Ventura County including several affordable, senior, Section 8 and workforce housing communities. He also serves as a Director on the Board of Montecito Bank & Trust. Mr. Zimmerman is active in the non-profit community serving on the boards of The Scholarship Foundation of Santa Barbara, Surf Development (County Housing Authority), Santa Barbara Middle School, UCSB Economic Forecast Project and The Towbes Foundation.



Exhibit C: Prior Draft of AUD Program Ordinance from Planning Commission Staff Report dated with Agenda date, April 11, 2013, is omitted.

**AVERAGE UNIT-SIZE DENSITY (AUD) INCENTIVE PROGRAM TABLE**

Medium-High Density (15-27 du/ac)		High Density (28-36 du/ac)		Priority Housing Overlay (37-63 du/ac)	
Maximum Average Unit Size SF	Density du/ac	Maximum Average Unit Size SF	Density du/ac	Maximum Average Unit Size SF	Density du/ac
1,450	15	1,245	28	970	37
1,360	16	1,200	29	970	38
1,280	17	1,160	30	970	39
1,210	18	1,125	31	970	40
1,145	19	1,090	32	970	41
1,090	20	1,055	33	970	42
1,040	21	1,025	34	970	43
990	22	955	35	970	44
950	23	970	36	970	45
910	24			970	46
870	25			970	47
840	26			970	48
805	27			969	49
				960	50
				941	51
				935	52
				917	53
				901	54
				896	55
				880	56
				874	57
				859	58
				845	59
				840	60
				827	61
				825	62
				811	63



# City of Santa Barbara Planning Division

## PLANNING COMMISSION MINUTES

April 11, 2013

### **CALL TO ORDER:**

Chair Schwartz called the meeting to order at 1:00 P.M.

### **I. ROLL CALL**

Vice Chair Deborah L. Schwartz, Commissioners Bruce Bartlett, John P. Campanella, Sheila Lodge, June Pujo, and Addison Thompson.

**Absent: Commissioner Mike Jordan**

### **STAFF PRESENT:**

Bettie Weiss, City Planner  
John Ledbetter, Principal Planner  
Renee Brooke, Senior Planner  
David Rowell, Housing Program Specialist  
N. Scott Vincent, Assistant City Attorney  
Irma Unzueta, Project Planner  
Julie Rodriguez, Planning Commission Secretary

### **II. PRELIMINARY MATTERS:**

A. Requests for continuances, withdrawals, postponements, or addition of ex-agenda items.

None.

B. Announcements and appeals.

Ms. Brooke made the following announcements:

1. There will be a Special Joint Meeting of the City Council and Planning Commission on April 17, 2013 in the David Gebhard Public Meeting Room at 630 Garden Street.
2. The Planning Commission meeting of April 18, 2013 has been cancelled.
3. There will be a Special Meeting of the Planning Commission on April 25, 2013 in City Council Chambers beginning at 1 P.M.

C. Comments from members of the public pertaining to items not on this agenda.

Chair Schwartz opened the public hearing at 1:03 P.M. and, with no one wishing to speak, closed the hearing.

**III. RECOMMENDATION TO CITY COUNCIL:**

**ACTUAL TIME: 1:03 P.M.**

**AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM**

On April 10, 2012, the City Council initiated amendments to the City's Zoning Ordinance to carry out policies in the Land Use and Housing Elements of the 2011 General Plan pertaining to the implementation of the Average Unit-Size Density Incentive Program (AUD). The purpose of the meeting is for the Planning Commission to review and forward recommendations to the City Council concerning adding Chapter 28.20 to the Santa Barbara Municipal Code implementing the Average Unit-Size Density Incentive Program. Amendments to various sections of the Municipal Code are also proposed related to building heights, outdoor living space standards and encroachments in open yards.

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Act Statutes Sections 21083.3 and Guidelines Section 15183.

Case Planner: Irma Unzueta, Project Planner  
Email: IUnzueta@SantaBarbaraCA.gov

Phone: (805) 564-5470, ext. 4562.

Irma Unzueta, Project Planner, gave the Staff presentation.

Chair Schwartz opened the public hearing at 1:22 P.M.

The following people commented on the AUD Program

1. Bonnie Freeman is supportive of the AUD Program and was curious as to how this plan would impact her single family home and the ability to add a unit to her property.
2. Trish Allen, Suzanne Elledge Planning and Permitting Services, was supportive of the program. Expressed concern that site-constrained properties could meet the program in unit sizes, but would not reach the lowest level of the density allowed for the medium high category of the program and could miss out on incentives.
3. Brian Nelson, Architect, wanted clarification on language that could impact his future developments. Submitted handouts showing his concerns with common outdoor living space and private outdoor living space restrictions as too restrictive.
4. Lisa Plowman, SB4All, submitted a letter, dated April 10, 2013, and suggested that residential projects in commercial zones have the same setbacks as mixed use, with the exception of ground floor residential units. Suggested similar requirement for both AUD mixed use and exclusively residential projects in commercial zones.

5. Detlev Peikert, SB4All, was also in support of the AUD Program and submitted suggested ordinance revisions related to setbacks, open space and building height findings.
6. Robert Burke would like the 45' limit to be the maximum, without exception.

With no one else wishing to speak, the public hearing was closed at 1:46 P.M.

Commissioner Lodge left the dais at 4:50 P.M. and returned at 4:53 P.M.

**MOTION: Pujo/Lodge**

**Assigned Resolution No. 007-13**

Support the AUD Ordinance and make the following recommendations to City Council

I. **HOUSING TYPES:**

- o Include Average Unit-Size Density Incentive Program definition
- o Clarify that under Employee Sponsored Housing, each residential unit shall include one person who works on the south coast region of Santa Barbara County.
- o Clarify language to include that each residential unit is a primary residence for occupants.
- o Clarify that inclusionary units are not required for employer sponsored housing projects.
- o Under section D. Employer Sponsored Housing, change language from “must” to “shall” record a written instrument against the real property.
- o Allow a mix of priority housing types within a project.
- o Change Limited-Equity Housing Cooperative to be affordable to households earning ‘up to’ 250% of the Area Medium Income” and specify that it is an entry only requirement.

II. **DEVELOPMENT STANDARDS:**

a. **Setbacks (Pages 12-14):**

- o Revise AUD Ordinance, section 28.20.070, to accommodate the proposals in the SB4All correspondence, dated April 10, 2013, and related to front setbacks.

b. **Outdoor Living Space (Pages 17 and 18):**

- o Revise AUD Ordinance to accommodate the proposals in the SB4All correspondence, dated April 10, 2013, and related to outdoor living space.

III. **BUILDING HEIGHTS AND FINDINGS:**

- o Under Building Heights, remove the language “as opposed to purely financial justification”.
- o Include and define the term “Livability” in the building Heights and Findings.
- o Include definition of “Distinctive”.
- o Under Livability, include a reference to the quality of materials and amenities and proximity to goods and services.

IV. REVIEW AND APPROVAL PROCESS:

- o Under finding 3 for Community Benefit Projects, change the word "other" to "any" nearby designated historic resources.
- o Suggested that Performance Measures be included in the Ordinance.
- o Under Performance Measures, include definitions of turnover and vacancy rates.
- o Provide periodic updates to Planning Commission.

This motion carried by the following vote:

Ayes: 6 Noes: 0 Abstain: 0 Absent: 1 (Jordan)

With respect to requests for building height exceptions, Commissioners were split 3-3 on agreement for a required Super Majority vote. The Commission's straw poll for the ability to appeal the decision to City Council was 4-2 to allow an appeal.

While most Commissioners agreed with the proposed AUD Ordinance, Commissioners Campanella and Bartlett felt that the inclusionary housing requirement should not be applied to the high density market rate housing allowed under AUD Ordinance due to increased unit cost and would be counted toward the 250 unit test. Stated that the average unit sizes allowed under the Medium-High density tier should be larger and suggested that the .65 net floor area per acre seemed reasonable.

IV. ADMINISTRATIVE AGENDA

ACTUAL TIME: 5:05 P.M.

D. Committee and Liaison Reports.

1. Staff Hearing Officer Liaison Report

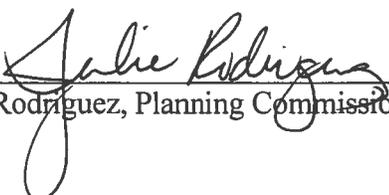
None was given.

2. Other Committee and Liaison Reports

- a. Commissioner Lodge reported on the Historic Landmarks Commission meeting of April 9, 2013.
- b. Commissioner Schwartz reported on the Downtown Parking Committee she attended earlier in the day.

V. ADJOURNMENT

Chair Schwartz adjourned the meeting at 5:08 P.M.  
Submitted by,

  
\_\_\_\_\_  
Julie Rodriguez, Planning Commission Secretary



# City of Santa Barbara California

## CITY OF SANTA BARBARA PLANNING COMMISSION

### RESOLUTION NO. 007-13

#### CITY-WIDE

#### RECOMMENDATION TO CITY COUNCIL ON

APRIL 11, 2013

### AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM

On April 10, 2012, the City Council initiated amendments to the City's Zoning Ordinance to carry out policies in the Land Use and Housing Elements of the 2011 General Plan pertaining to the implementation of the Average Unit-Size Density Incentive Program. The purpose of the meeting is for the Planning Commission to review and forward recommendations to the City Council concerning adding Chapter 28.20 to the Santa Barbara Municipal Code implementing the Average Unit-Size Density Incentive Program. Amendments to various sections of the Municipal Code are also proposed related to building heights, outdoor living space standards and encroachments in open yards.

The Environmental Analyst has determined that the project is exempt from further environmental review pursuant to the California Environmental Quality Act Statutes Sections 21083.3 and Guidelines Section 15183.

**WHEREAS**, the Planning Commission has held the required public hearing on the above application, and the Applicant was present.

**WHEREAS**, 6 people appeared to speak in favor of the program, and no one appeared to speak in opposition thereto, and the following exhibits were presented for the record:

1. Staff Report with Attachments, April 4, 2013.
2. Correspondence received in support of the project:
  - a. Lisa Plowman, SB4ALL, Santa Barbara, CA
3. Correspondence received in opposition to the project:
  - a. Paula Westbury, Santa Barbara, CA

**NOW, THEREFORE BE IT RESOLVED** that the City Planning Commission:

- I. Approved recommendation of the Average Unit-Size Density Incentive Program to City Council making the following recommendations:
  - I. HOUSING TYPES:
    - o Include Average Unit-Size Density Incentive Program definition
    - o Clarify that under Employee Sponsored Housing, each residential unit shall include one person who works on the south coast region of Santa Barbara County.
    - o Clarify language to include that each residential unit is a primary residence for occupants.
    - o Clarify that inclusionary units are not required for employer sponsored housing projects.
    - o Under section D. Employer Sponsored Housing, change language from "must" to "shall" record a written instrument against the real property.
    - o Allow a mix of priority housing types within a project.

- Change Limited-Equity Housing Cooperative to be affordable to households earning 'up to' 250% of the Area Medium Income" and specify that it is an entry only requirement.

II. DEVELOPMENT STANDARDS:

a. Setbacks (Pages 12-14):

- Revise AUD Ordinance, section 28.20.070, to accommodate the proposals in the SB4All correspondence, dated April 10, 2013, and related to front setbacks.

b. Outdoor Living Space (Pages 17 and 18):

- Revise AUD Ordinance to accommodate the proposals in the SB4All correspondence, dated April 10, 2013, and related to outdoor living space.

III. BUILDING HEIGHTS AND FINDINGS:

- Under Building Heights, remove the language "as opposed to purely financial justification".
- Include and define the term "Livability" in the building Heights and Findings.
- Under Livability, include a reference to the quality of materials and amenities and proximity to goods and services.
- Include definition of "Distinctive".

IV. REVIEW AND APPROVAL PROCESS:

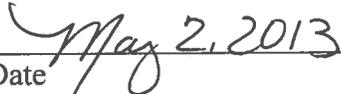
- Under finding 3 for Community Benefit Projects, change the word "other" to "any" nearby designated historic resources.
- Suggested that Performance Measures be included in the Ordinance.
- Under Performance Measures, include definitions of turnover and vacancy rates.
- Provide periodic updates to Planning Commission.

This motion was passed and adopted on the 11th day of April, 2013 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 6 NOES: 0 ABSTAIN: 0 ABSENT: 1 (Jordan)

I hereby certify that this Resolution correctly reflects the action taken by the city of Santa Barbara Planning Commission at its meeting of the above date.

  
\_\_\_\_\_  
Julie Rodriguez, Planning Commission Secretary

  
\_\_\_\_\_  
Date

## S A N T A B A R B A R A F O R A L L



April 10, 2013

Honorable Planning Commission Members  
 City of Santa Barbara  
 735 Anacapa Street  
 Santa Barbara, CA 93101

Via email

Re: Proposed Average Unit Density Incentive Program

Honorable Planning Commission Members,

Santa Barbara For All (SB4ALL), a coalition of citizens and civic groups, has been involved in Plan Santa Barbara since 2007 advocating for policies and implementation strategies that will ensure a sustainable and healthy future for our community, affordable housing for our local workforce, and protection of Santa Barbara's historic and environmental resources.

SB4ALL endorsed the original concept of PlanSB developed to improve the jobs/housing balance; to reduce long distance commuting and its associated air pollution, energy use and regional traffic; and to effectively reduce motor vehicle trips. While this document has undergone many changes in the adoption process, the concept of directing future growth towards the urban center and adjacent neighborhoods – as opposed to further development of foothills and outer City edges – has remained the core of the Plan.

Overall we are very supportive of the Draft AUD Program. We do, however, have a few comments that we believe will make the program more flexible and successful in achieving its goal – to produce a greater number of housing that is affordable to the workforce.

We respectfully submit the following comments:

1. Setbacks in the Commercial Zone District: Staff is recommending that mixed use project be required to provide a variable 5 foot front setback because of the inclusion of residential uses. The proposed AUD program would require exclusively residential projects in commercial zone districts to meet the R-3/R-4 setback requirements.

Historically, residential projects in commercial zones that wanted greater setback flexibility, would add a small office or commercial space and this would afford them the commercial setback standards – in most cases zero. This is not necessarily a desirable outcome – particularly if this program is designed to incentivize residential units rather than commercial space. Thus, we recommend that exclusively residential projects in commercial zone districts be required to provide the same setbacks as mixed use projects with the following exception: a 10 foot variable setback would be provided where ground floor residential units face the public street. This proposal is designed to allow community rooms/administrative offices and parking garages to meet the mixed use setback, while also ensuring that there is adequate space between the public realm and the ground floor units.

By revising this language, residential projects would be less likely to add unwanted commercial space to avoid setback requirements. In addition, a comfortable setback would be provided for residential uses, unnecessarily large setbacks would not be required for non-residential uses, and the variability of the setback would provide design flexibility.

2. Outdoor Living Space: Staff is recommending changes to the Outdoor Living Space requirements for mixed use projects to create incentives. For example, a mixed use project that uses the Private Outdoor Living Space method would not be required to provide 10% open space. We suggest that the incentives provided for mixed use projects also be provided to exclusively residential projects in commercial zone districts. Like the setback issue discussed above, if this incentive is limited to mixed use projects it could also compels applicants to add unwanted or unneeded commercial space to take advantage of the incentive. Again, if the goal of the AUD program is to create a greater number of residential units we believe they should be able to avail themselves of a similar incentive package.
3. Building Height: The proposed AUD program includes an exemption to the 45 foot height limitation imposed by the new General Plan for Community Benefit projects and Community Benefit Housing projects where the Planning Commission can make a series of findings with a super majority vote (five votes). As stated now, the exemption cannot be extended for “purely financial reasons”. We are concerned about this limitation. The very purpose of the Design Charrette, which was the genesis of the experimental AUD program, was to demonstrate what type of projects would be financially feasible. This restriction could be problematic for future Community Benefit Housing projects. For example, if a strict 45 foot height limit makes an apartment project financially infeasible this would seem to be counterproductive to one of the key goals of the program – providing more rental housing stock. A project that exceeds the 45 foot height requirement by a few feet would still need to be reviewed and approved by the Planning Commission (5 votes) and would still be required to undergo design review. As such, we believe that the mechanisms are in place to provide rigorous oversight of this

exemption. We recommend that the findings be revised to allow financial infeasibility to be a valid reason to increase the height of a Community Benefit Housing project.

The citizens and civic groups that constitute SB4ALL appreciate the opportunity to help shape the AUD program. We all share the same goal of developing a successful program that will produce a variety of affordable housing opportunities for our workforce.

We've attached our suggested revisions to the draft AUD program.

Sincerely,



Lisa Plowman



Detlev Peikert

Attachment 1: Proposed Policy Revisions

XC: Bettie Weiss, City Planner

## Section 28.20.070 Development Incentives

### B. Setbacks (Pages 12-14)

#### 1. C-2 and C-M Zones

##### a. Front Setback

iii. Lots Developed Exclusively with Residential Uses. Any lot developed exclusively with residential buildings or structures shall ~~provide the R-3/R-4 setback distance as required by Section 28.20.070. B.2. of this chapter~~ observe the following setback: A front setback of ten (10) feet shall be provided where residential units face the public right of way. A front setback of five (5) feet shall be provided for other uses within the structure (e.g. community center, parking garage). A portion of a structure may be located within the required front setback provided the footprint area of the portion of the structure that intrudes into the required front setback is compensated by an equal or greater area that is not covered by any building or structure outside of and adjacent to the same front setback and the setback line. The compensating area shall not be located farther from the adjacent front lot line than one half of the length of the front lot line.

#### 3. All other Zones

b. Lots Developed Exclusively with Residential Uses. Any lot developed exclusively with residential buildings or structures shall ~~provide the R-3/R-4 setback distance as required by Section 28.20.070. B.2. of this chapter~~ observe the following setback: A front setback of ten (10) feet shall be provided where residential units face the public right of way. A front setback of five (5) feet shall be provided for other uses within the structure (e.g. community center, parking garage). A portion of a structure may be located within the required front setback provided the footprint area of the portion of the structure that intrudes into the required front setback is compensated by an equal or greater area that is not covered by any building or structure outside of and adjacent to the same front setback and the setback line. The compensating area shall not be located farther from the adjacent front lot line than one half of the length of the front lot line.

### E. Outdoor Living Space. (Pages 17 and 18)

1. Mixed use projects or exclusively residential projects in commercial zone districts electing to provide outdoor living space pursuant to the private Outdoor Living Space Method specified in

Subsection A of Section 28.21.081 are required to provide the Private Outdoor Living Space as specified in Section 28.21.081.A.1 and the Common Open Area Section 28.21.081.A.3. Mixed use projects or exclusively residential projects in commercial zone districts developed under the Average Unit-Size Density Incentive Program that elect to provide outdoor living space pursuant to the Private Outdoor Living Space Method may, but are not required to, provide the Open Space specified in Section 28.21.081.A.2.

2. Mixed use projects or exclusively residential projects in commercial zone districts electing to provide outdoor living space pursuant to the Common Outdoor Living Space Method specified in Subsection B; however, if the lot is located within one quarter (1/4) mile of a park, the project may reduce the fifteen percent (15%) common outdoor living space requirement to ten percent (10%) of the net lot area. In addition, for projects developed in accordance with the Average Unit-Size Density Incentive Program, the required common outdoor living space may be located at grade or on any floor of the building(s), amending Section 28.21.081.B.4.

### **Section 28.66.050 Building Height**

#### **B. Community Benefit Projects**

1. Demonstrated Need. The application has demonstrated a need for the project to exceed 45 feet in building height ~~that is related to the project's benefit to the community, due to site constraints, or desired architectural qualities, as opposed to a purely financial justification~~ or financial feasibility.



# Average Unit-Size Density Incentive Program

Ordinance Committee

May 14, 2013



# Purpose of Hearing

- ◆ Review Policy Basis for the Average Unit-Size Density Incentive Program
- ◆ Receive Comments from Ordinance Committee



# Program Background

## AUD Program Objectives

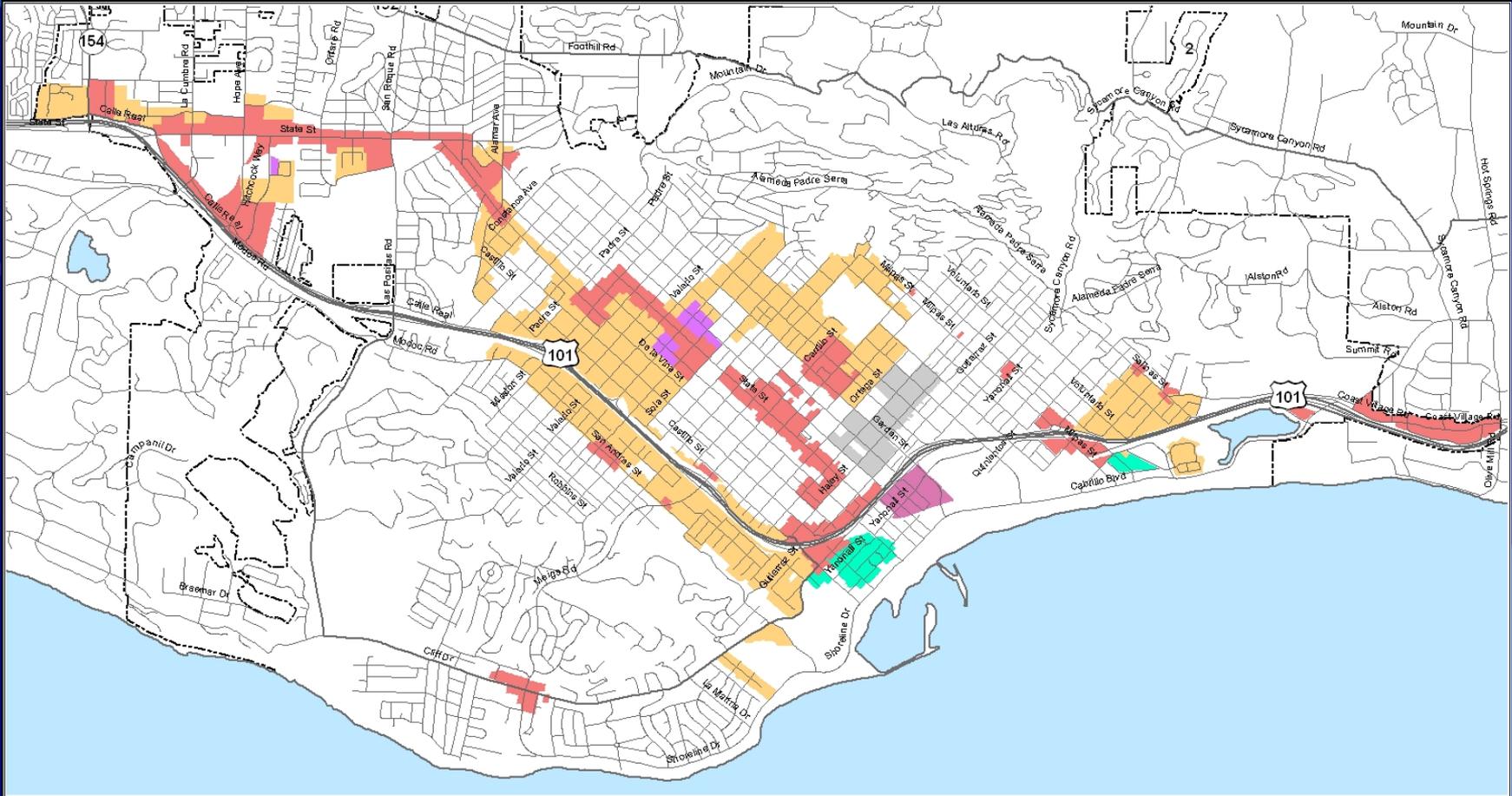
- ◆ Encourage Smaller Unit Sizes & Buildings
- ◆ Locate Housing Near Commercial Uses
- ◆ Produce Long-Term Priority Housing
- ◆ Replace Variable Density Incentive Program



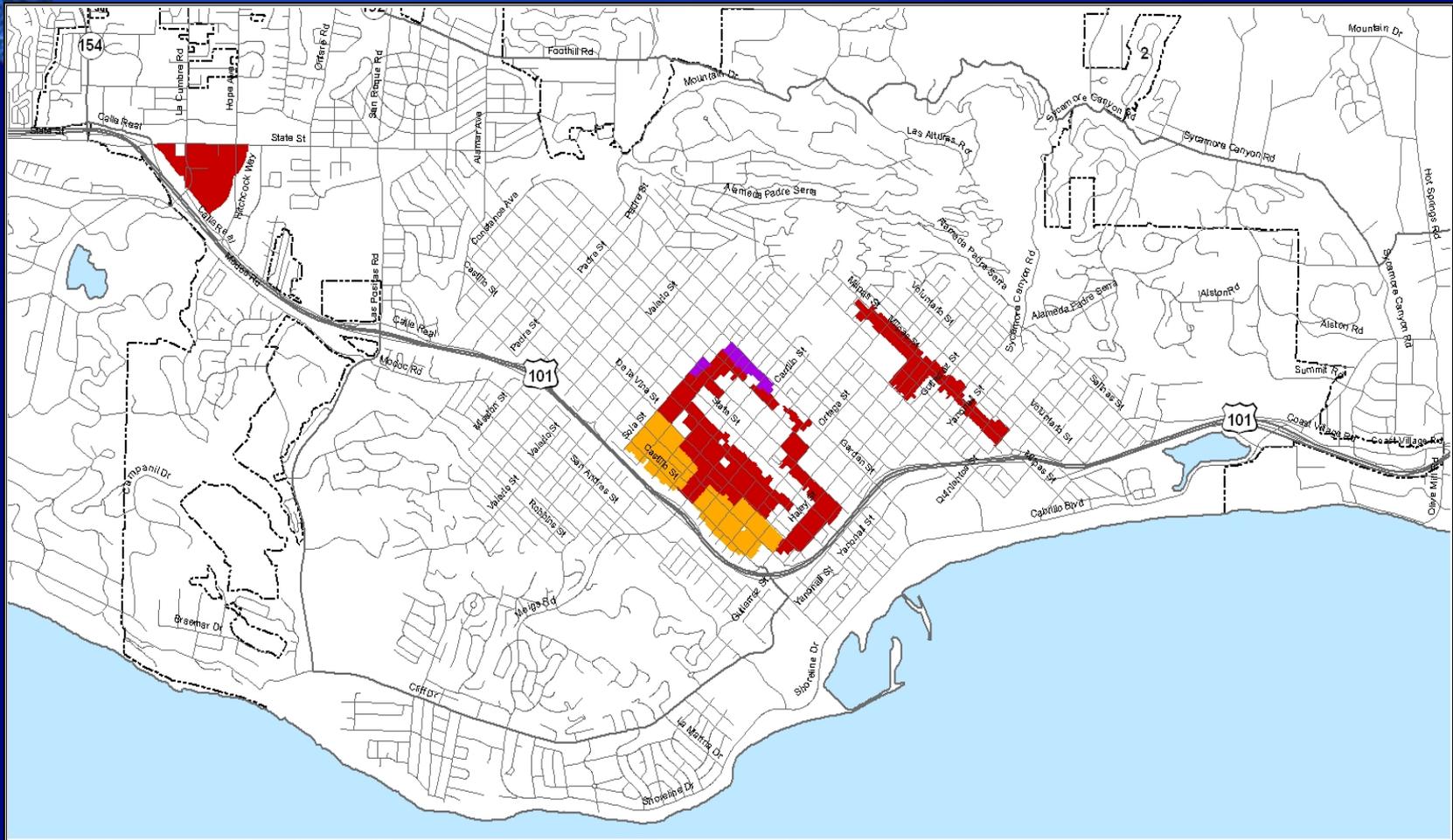
# Program Background

- ◆ Duration - 8-years or 250 units
- ◆ Locations - Multi-Family & Commercial Zones
- ◆ Densities
  - Medium-High: 15-27 du/ac
  - High: 28-36 du/ac
  - Priority Housing: 49-63 du/ac
- ◆ Parking Standard - One space per unit minimum, no guest parking

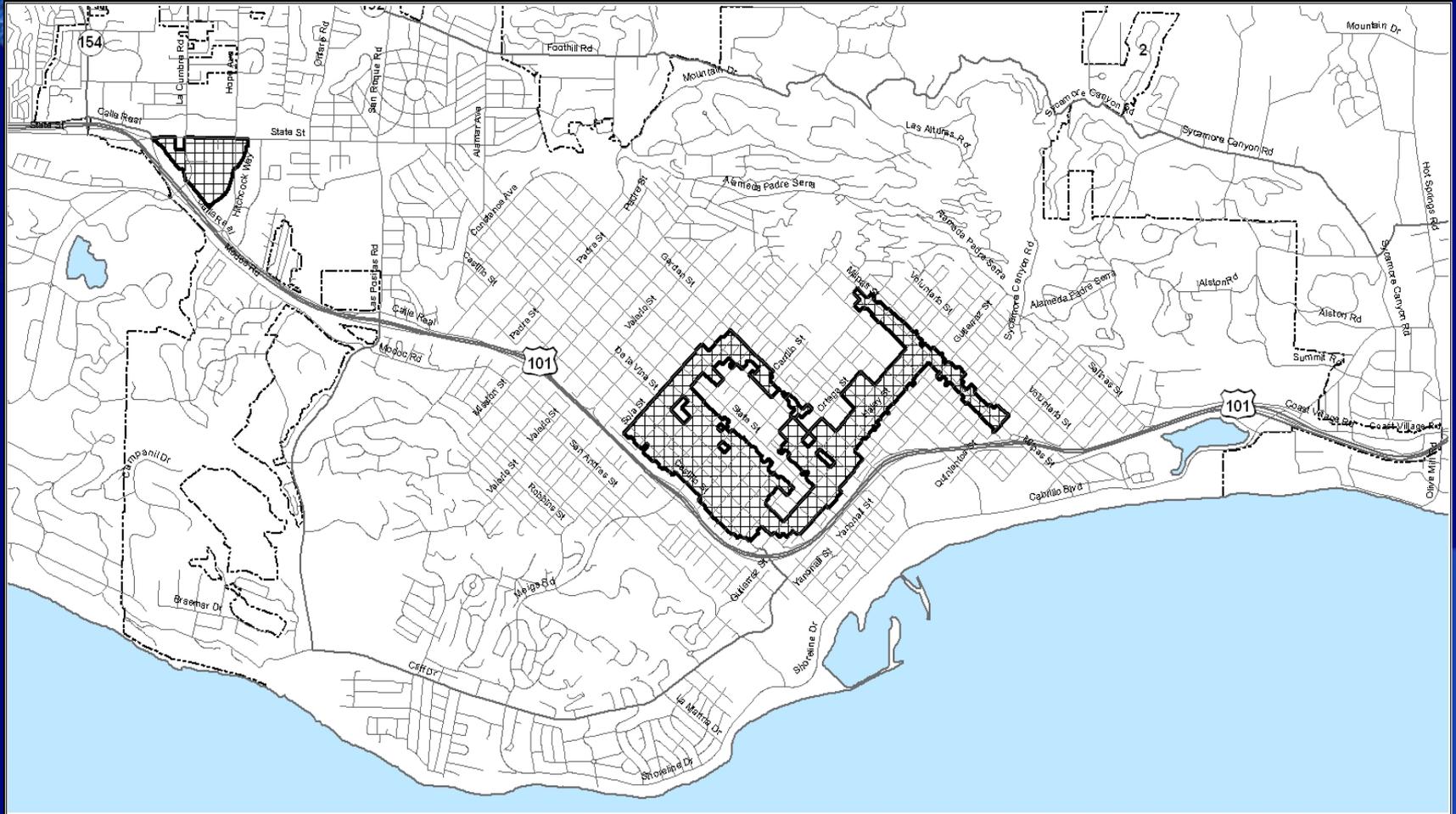
# Medium-High Density (15-27 du/ac)



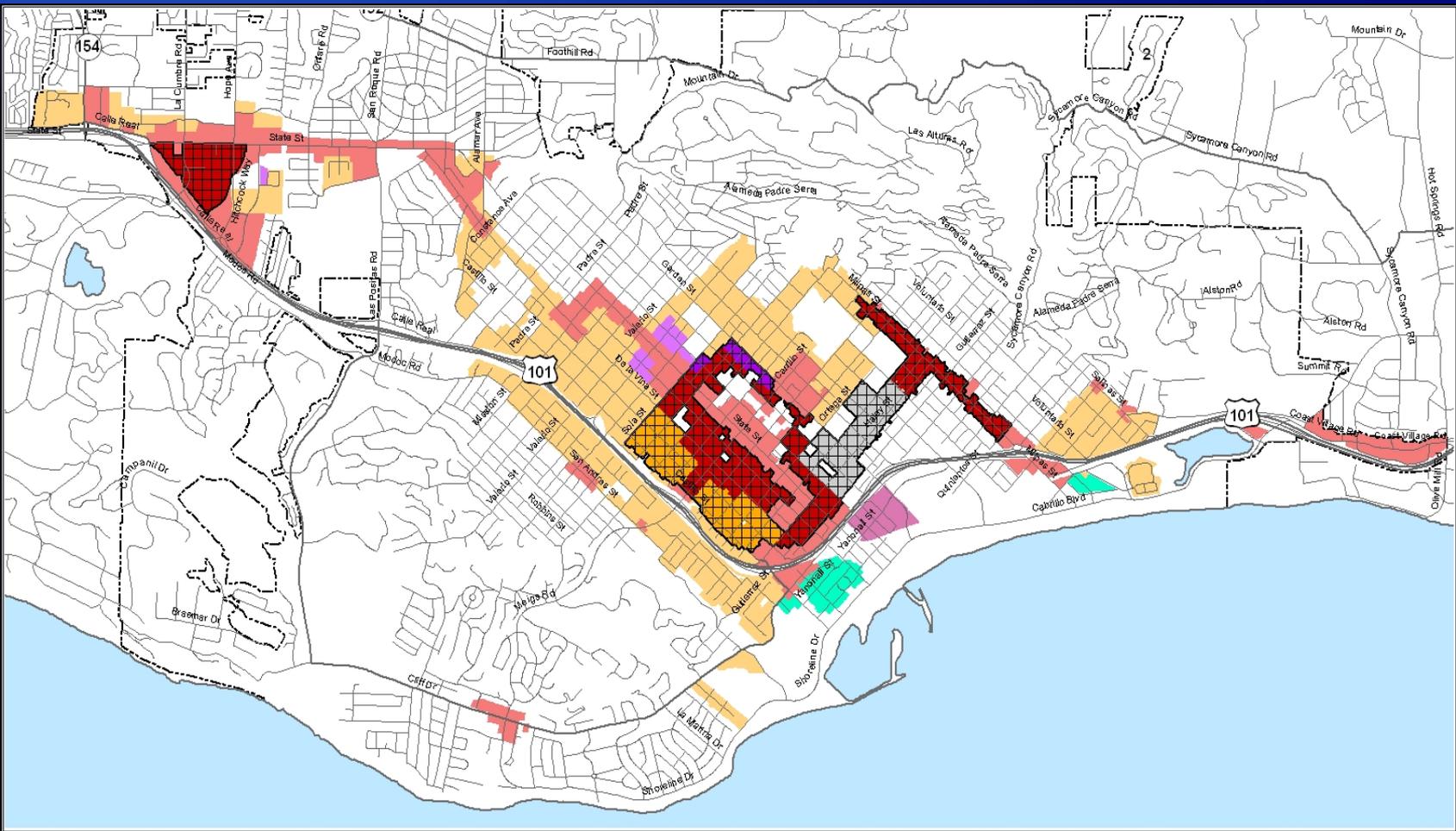
# High Density (28-36 du/ac)



# Priority Housing Overlay (37-63 du/ac)



# Average Unit-Size Density Program





# Program Background

- ◆ Ordinance Amendments Initiated
  - City Council      April 2012
- ◆ AUD Program Presentations
  - PC                      July 2012
  - ABR/HLC              August 2012
- ◆ Employer Sponsored Housing Community Forum
  - Forum                  September 2012
- ◆ Ordinance Review & Recommendations to CC
  - PC                      April 2013



# Key Program Components

- ◆ Density & Average Unit Size Ranges
- ◆ Priority Housing Types
- ◆ AUD Program Development Standards
- ◆ Building Height Findings & Approval Process

**AVERAGE UNIT-SIZE DENSITY (AUD) INCENTIVE PROGRAM TABLE**

Medium-High Density (15-27 du/ac)		High Density (28-36 du/ac)		Priority Housing Overlay (37-63 du/ac)	
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		825	62		
		811	63		



# Priority Housing Types

## ◆ Rental

- No income or price restrictions
- Remain rental for life of project

## ◆ Employer Sponsored Housing

- At least 1 person/household working in south coast region of County for life of project
- Primary residence
- Not subject to inclusionary housing requirements

## ◆ Limited Equity Housing Cooperatives

- Affordable to households earning up to 250% AMI at entry



# Development Standards

- ◆ Development standard incentives are proposed to facilitate the construction of residential units
- ◆ Development standard incentives
  - Parking
  - Setbacks
  - Open Space
  - Distance Between Buildings
  - Number of Stories



# Development Standards

## Parking

- ◆ Allow reductions to achieve objectives of AUD Program
  - Minimum 1 space/unit, no guest parking



# Development Standards

## Five-Foot Variable Setback

- ◆ Apply to AUD Projects in R-O, C-P, C-L, C-1, C-2, C-M Zones
  - No setback required for lots on State Street between Montecito & Sola Streets and first blocks east and west crossing State Street between and including Montecito and Sola



# Development Standards

## Setbacks

- ◆ Setbacks in HRC-2 and OC Zones
  - Maintain existing setbacks required by zone
- ◆ Setbacks in R-3 and R-4 Zones
  - Simplify to allow reduction of front and interior setback for buildings/structures of 3 or more stories without requiring third floor to be 50% of net lot area of first floor

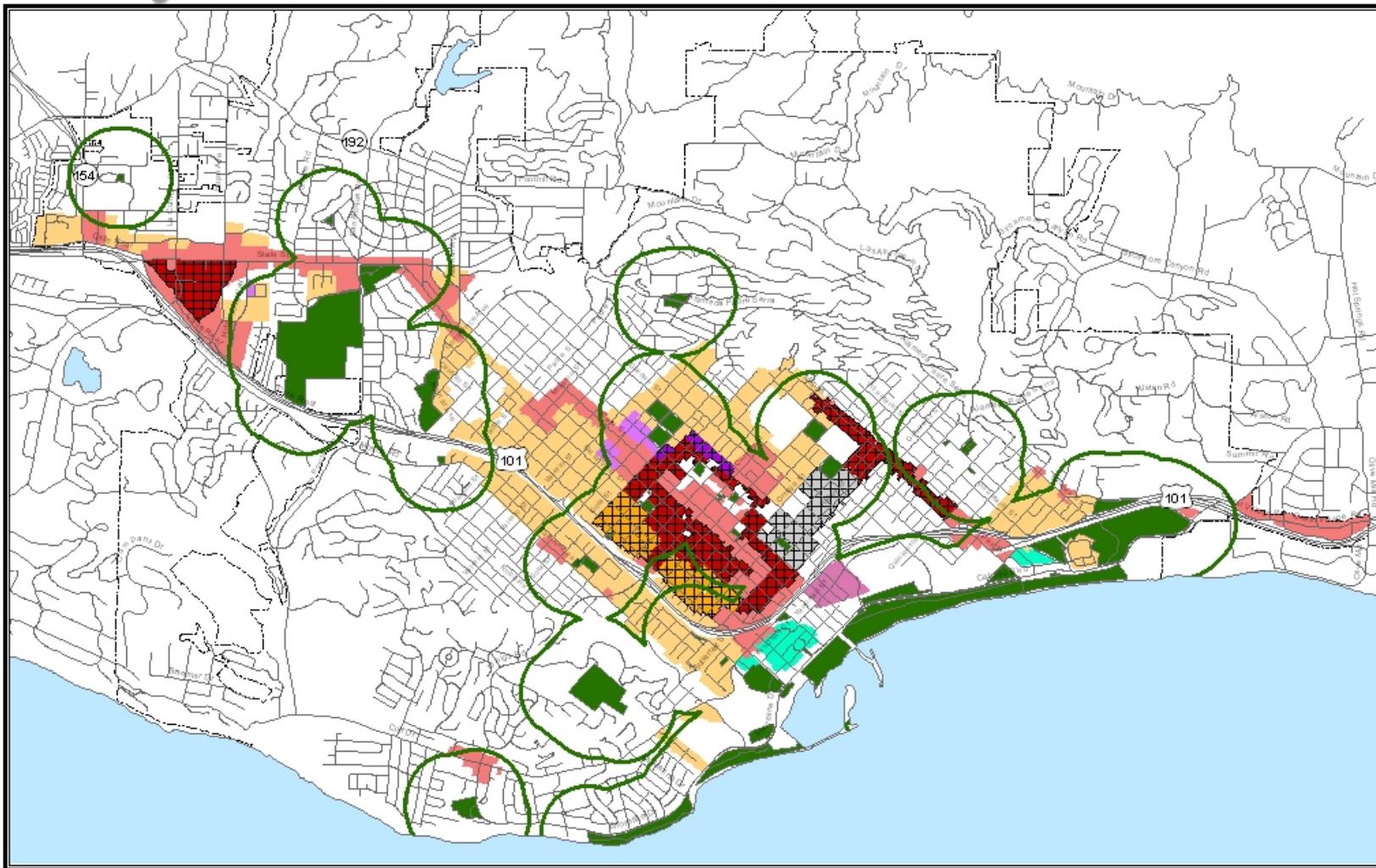


# Development Standards

## Open Space in Commercial Zones

- ◆ Applying Private Outdoor Living Space (Method A)
  - Provide private outdoor living space for each unit
  - Eliminate 10% open space on grade requirement
  - Provide common open area (15' x 15')
- ◆ Applying Common Outdoor Living Space (Method B)
  - Provide 15% common outdoor living space on grade or any floor of building
  - Provide 10% (instead of 15%) of net lot area as common outdoor living space if within ¼ mile from park

# City Parks Within ¼ Mile Radius





# Development Standards

## Distance Between Buildings

- ◆ AUD Projects reduce distance between building requirement from 15' to 10'



# Development Standards

## Building Height 45' or Less

- ◆ AUD Projects 45' or less in Height
  - Allows 4 stories, not to exceed 45' in height
- ◆ Applicable Zones
  - R-3, R-4, HRC-2, R-O, C-P, C-L, C-1, S-D-2, OC



# Building Height Over 45'

- ◆ General Plan Policy LG12.4

Building Height. Amend zoning standards to include special findings and super majority approval by the Planning Commission for Community Benefit projects that exceed 45 feet in height.

- ◆ Applicable Zones

- C-2, C-M, M-1, and OM-1 zones allow 60' building height
- Amend C-2, C-M, M-1, and OM-1 height provisions to only allow Community Benefit projects to exceed 45' in building height



# Building Height Over 45'

- ◆ Projects Exceeding 45' Must Meet the following:
  - Community Benefit Housing Project
    - Priority Housing
    - Affordable Housing (Low, Moderate, Middle)
    - Transitional/Supportive Housing
  - Building Height Findings
    - Demonstrated Need
    - Architecture and Design
    - Livability
    - Sensitivity to Context
  - Super Majority Vote Approval by PC



# Building Height Over 45'

## Review Process

- ◆ Community Benefit Housing Projects
  - Conceptual design review
  - PC approves building height over 45'
    - Making findings
    - Super majority vote (5 affirmative votes)
    - Decision appealable to City Council
  - Project approval



# Next Steps

- ◆ Council Ordinance Committee June
- ◆ Council Introduction/Adoption July/August
- ◆ Ordinance Operational 30 days from Adoption



# Discussion of Policy Points

- ◆ Housing Types
- ◆ Development Standards
  - Setbacks
  - Open Space
  - Distance Between Buildings
  - 4 stories in Buildings 45' or Less
- ◆ Building Height Findings & Approval Process



# Average Unit-Size Density Incentive Program

Ordinance Committee

May 14, 2013



# Building Height Findings

- ◆ Demonstrated Need

*"The applicant has demonstrated a need for the project to exceed 45' in building height that is related to the project's benefit to the community, site constraints, or desired architectural qualities"*

- ◆ Architecture and Design

*"The project exhibits exemplary design that is representative to the City of Santa Barbara and employs quality materials"*



# Building Height Findings (cont'd)

- ◆ Livability

*“The project provides amenities to residents and guests that ensure the livability of the project with particular attention to interior design and features such as the amount of light and air, plate heights, and cost effective finish materials”*

- ◆ Sensitivity to Context

*“The project design recognizes and complements the setting and character of the neighboring properties with superior sensitivity to adjacent federal, state and City landmarks and other nearby designated historic resources, including City structures of merit, sites, or natural features”*

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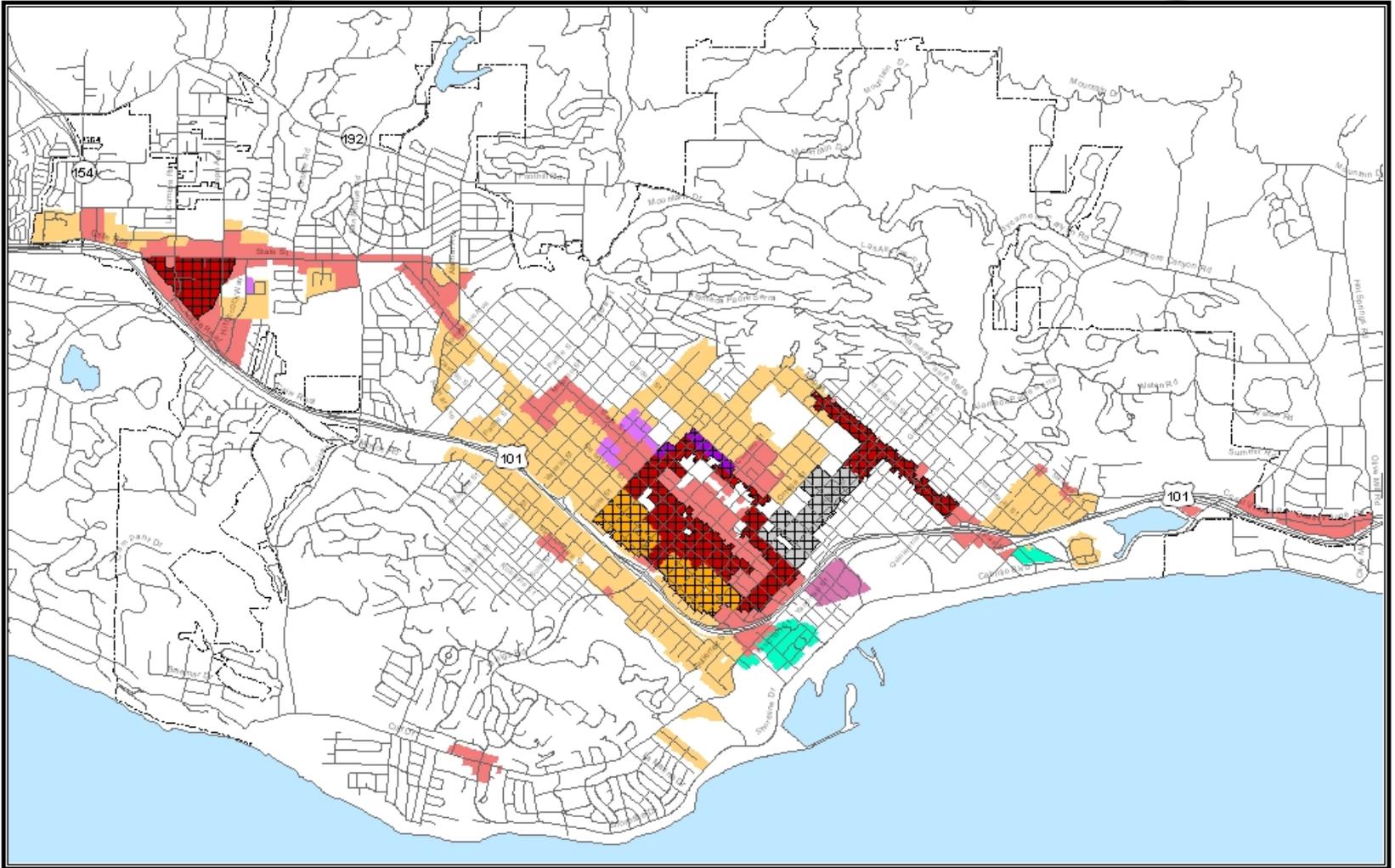
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Average Unit Size SF	Density du/ac	Total SF	FAR	Average Unit Size SF	Density du/ac	Total SF	FAR	Average Unit Size SF	Density du/ac	Total SF	FAR
1,450	15	21,750	.50	1,245	28	34,860	.80	970	37	35,890	.82
1,360	16	21,760	.50	1,200	29	34,800	.80	970	38	36,860	.85
1,280	17	21,760	.50	1,160	30	34,800	.80	970	39	37,830	.87
1,210	18	21,480	.50	1,125	31	34,875	.80	970	40	38,800	.89
1,145	19	21,755	.50	1,090	32	34,880	.80	970	41	39,770	.91
1,090	20	21,800	.50	1,055	33	34,815	.80	970	42	40,740	.94
1,040	21	21,740	.50	1,025	34	34,850	.80	970	43	41,710	.96
990	22	21,780	.50	955	35	34,825	.80	970	44	42,680	.98
950	23	21,850	.50	970	36	34,920	.80	970	45	43,650	1.00
910	24	21,840	.50					970	46	44,620	1.02
870	25	21,750	.50					970	47	45,590	1.05
840	26	21,849	.50					970	48	46,560	1.07
805	27	21,735	.50					969	49	47,460	1.09
								960	50	48,000	1.10
								941	51	48,000	1.10
								935	52	48,600	1.12
								917	53	48,600	1.12
								901	54	48,675	1.12
								896	55	49,280	1.13
								880	56	49,280	1.13
								874	57	49,815	1.14
								859	58	49,815	1.14
								845	59	49,850	1.14
								840	60	50,425	1.16
								827	61	50,425	1.16
								825	62	51,120	1.17
								811	63	51,120	1.17

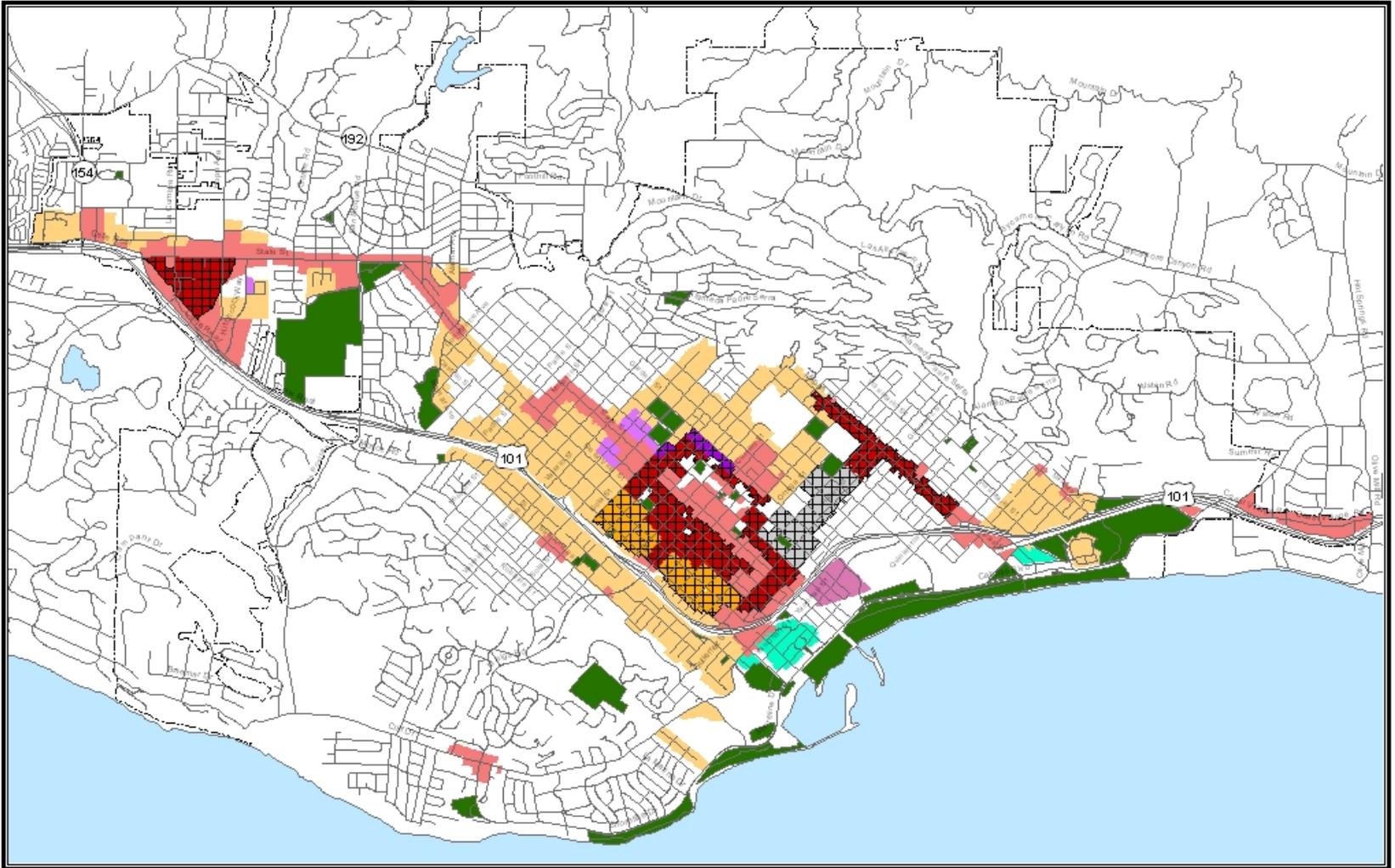
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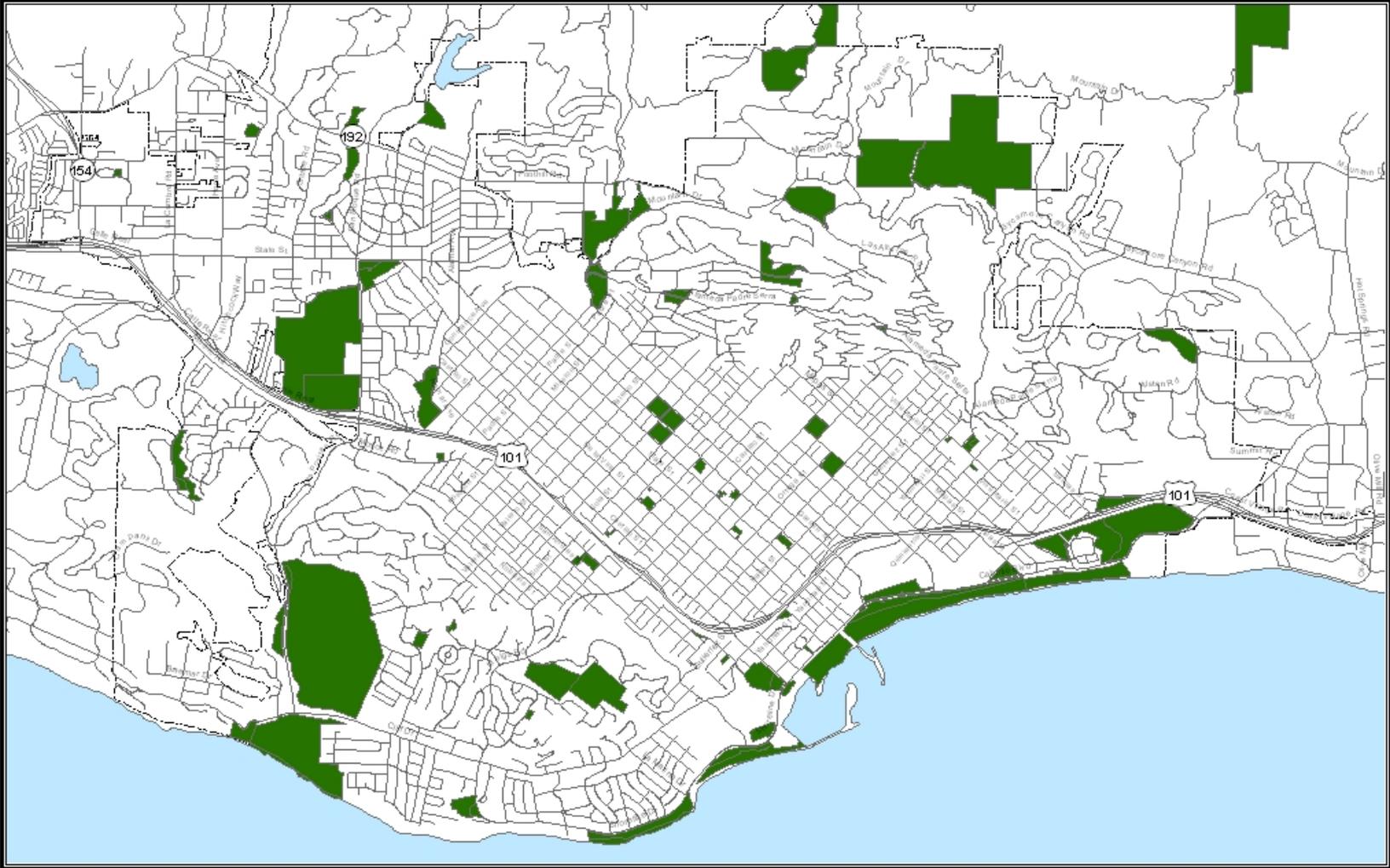
# Average Unit-Size Density Program



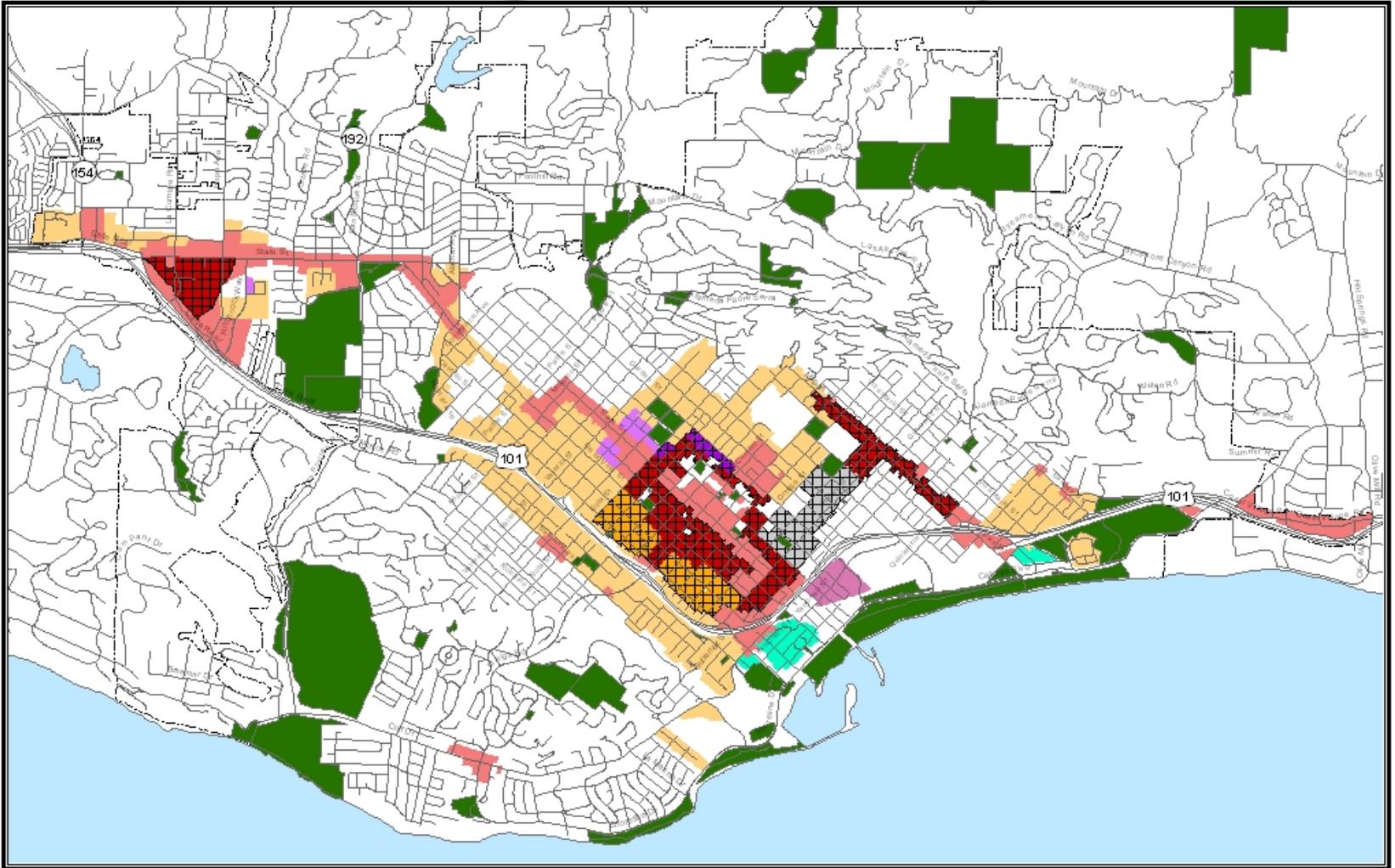
# City Parks Within ¼ Mile



# City Parks



# AUD Program with City Parks





# Other Ordinance Amendments

- ◆ Minor Amendments
  - Open Yard Encroachments
  - Uncovered Balconies
  - Open Space
  - Common Open Area





# Building Height Review Process

- ◆ ABR/HLC
  - Conceptual design review
  - PC approves building height over 45' and makes findings
  - ABR/HLC approves project
- ◆ Staff Hearing Officer
  - Conceptual design review
  - PC approves building height over 45' and makes findings
  - SHO approves project
- ◆ Planning Commission
  - Conceptual design review
  - PC approves building height over 45' and makes findings
  - PC approves project