



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** July 16, 2013

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Municipal Code Amendments For Implementation Of The Average Unit-Size Density (AUD) Incentive Program

**RECOMMENDATION:** That Council:

- A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Adding Chapter 28.20 to the Santa Barbara Municipal Code and Amending Sections 28.43.040, 28.66.050, 28.69.050, 28.72.050, 28.73.050 to Implement the City's 2011 General Plan Average Unit-Size Density Incentive Program; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting Environmental Findings Pursuant to the California Environmental Quality Act Regarding the Implementation of the Average Unit-Size Density Incentive Program.

### **DISCUSSION:**

On July 2, 2013, the City Council held a public hearing to consider the proposed ordinance amendments related to the Average Unit-Size Density (AUD) Incentive Program. The Council received a Staff presentation detailing the key components of the program and implementing ordinance, including the density and average unit size ranges, and development standards.

Concern was expressed by several members of the public regarding the application of the AUD Program development standards to properties subject to the S-D-2 overlay zone requirements in the Upper State Street Area. In response, Staff offered the following options for consideration, to which the majority of the Council agreed:

- In the Medium-High designated areas with an S-D-2 overlay, AUD development standards would only apply to rental projects developed on commercially zoned properties. Ownership projects would be required to comply with the S-D-2 overlay zone standards.

- In the High Density designated areas with an S-D-2 overlay, AUD Program development standards would apply to all projects.
- In the Medium-High Residential designated areas with an S-D-2 overlay, the AUD Program R3/R4 development standards would apply to all residential projects.

Another issue, of whether the maximum average unit sizes for the Medium-High Density should be increased to allow for improved marketability of market rate ownership units, was also considered. Council agreed that the upper end of the average unit size range for the Medium-High Density would be retained at 1,450 SF. However, the lower end (805 SF) would be increased by 100 SF to 905 SF, and a gradual increase of the average unit sizes in between (840 to 1,040 SF) would be acceptable.

Given these revisions to the AUD Program Ordinance language, the City Attorney recommended that a revised ordinance return on July 16, 2013 for introduction and subsequent adoption. The City Council voted 6/1 to approve these revisions and directed Staff to return with the ordinance as outlined below:

- Statement of Intent – Include the first paragraph of the Executive Summary of the July 2, 2013 Council Agenda Report as a Statement of Intent.
- Unit Sizes for Medium-High Density – Revise the maximum average unit size range for the Medium-High Density to reflect a range of 905 SF to 1,450 SF.
- S-D-2 Area – Rental projects developed on commercially zoned properties in the designated Medium-High Density areas would apply the AUD Program; market rate ownership projects would apply the S-D-2 overlay zone standards. All projects in the High Density areas would apply the AUD Program standards. Residential projects in the Medium-High designated areas on R3/R4 zoned properties would apply the AUD Program R3/R4 standards.
- Variable Density Projects – Change ordinance to allow existing variable density projects to add additional bedrooms if the lot has the density capacity.
- Interior Setback in Commercial Zone – Change the *Interior Setback Adjacent to Residential Zone* standard for AUD Projects on commercially zoned properties from a fixed six (6) foot setback to a variable six (6) foot setback.

In a separate motion, the Council requested that Staff return in the near future to discuss the review process for AUD projects. Specifically, whether there should be a trigger of when AUD projects are reviewed by the Planning Commission (e.g., projects larger than 10,000 SF, number of units, etc.). Council members also noted the importance of both the design review process and support for the AUD program, to

which staff concurred. Staff indicated that a discussion to address this issue would take place with the Planning Commission before returning to the City Council.

In addition, Staff will be presenting draft Measures of Success for the AUD Program at the next Joint Council/Planning Commission worksession. These measures will focus on the 250 units located in the High Density and Priority Housing overlay areas, per Council direction at the time of the General Plan update adoption. Information such as location of employment (Downtown, South Coast region, other), price point of rental and affordable units, and turnover of units/vacancy rates will be obtained through surveys.

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

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

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