



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** October 7, 2014

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Average Unit-Size Density Incentive Program Review Process

### **RECOMMENDATION:**

That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 22.22.133 of the Santa Barbara Municipal Code Regarding Historic Landmarks Commission Referral to Planning Commission and Amending Chapter 28.20 of the Santa Barbara Municipal Code Establishing Planning Commission Review of Certain Rental Housing Projects Proposed in Accordance with the Average Unit-Size Density Incentive Program.

### **EXECUTIVE SUMMARY:**

The proposed Average Unit-Size Density (AUD) Ordinance Amendment establishes a requirement for Planning Commission conceptual review of High Density or Priority Housing Overlay rental housing projects on sites of 15,000 square feet or more.

The proposed Historic Landmarks Commission (HLC) Ordinance Amendment would allow the HLC to refer any project (not just residential projects) to the Planning Commission for comments, and would clean up some out-of-date text.

### **DISCUSSION:**

#### Background

The Average Unit-Size Density (AUD) Incentive Program was adopted by City Council in July 2013. The AUD is a General Plan initiative intended to support needed residential development, particularly rental units, in the community. The AUD program encourages housing by allowing increased densities based on unit size: the smaller the average unit size for the project, the greater the density allowed. Additionally, development standard incentives related to parking, setbacks, building height, distance between buildings, and open space are provided to help make the construction of additional residential units possible. The approach taken to develop the AUD Program involved policy tradeoffs that make AUD projects potentially more controversial.

One key objective of the AUD Program is to promote non-subsidized rental housing development. Generally, rental units do not require review or specific approvals from the Planning Commission and instead are reviewed and approved by either the Architectural Board of Review (ABR) or Historic Landmarks Commission (HLC). Currently, Planning Commission action is only required for housing projects that involve condominiums, or mixed use projects (with rental housing) if the new commercial space is more than 3,000 square feet. Development projects may be referred to the Planning Commission for comments by either the ABR or HLC at their discretion, pursuant to Santa Barbara Municipal Code Sections 22.68.050 and 22.22.133, respectively. Applicants may also voluntarily seek comments from the Planning Commission on any project.

Beginning in September 2013, the Council expressed a desire to have the Planning Commission be more involved in reviewing significant rental housing projects that are using the AUD Program. Since that time, Planning staff has met with the HLC, ABR and Planning Commission to discuss the review process for AUD projects.

On March 4, 2014, the City Council reviewed various options for involving the Planning Commission in AUD project review. The Council voted 5 to 2 to refer the issue to the Ordinance Committee to identify parameters for requiring Planning Commission review of AUD projects, with direction that the Planning Commission review would be conceptual only and would not be appealable. The Council also directed that only projects in the High Density Residential or Priority Housing Overlay areas would be subject to mandatory Planning Commission review.

Staff developed thresholds that would trigger Planning Commission review of certain AUD rental projects, and on May 6, 2014, the Ordinance Committee recommended (on a 2 to 1 vote) that City Council consider implementing those thresholds.

On June 24, 2014, the City Council reviewed the recommended thresholds and directed staff to draft an Ordinance to implement the identified review process.

On August 14, 2014 the Planning Commission reviewed the draft Ordinance and recommended that the City Council adopt the Ordinance Amendments as proposed by staff (see Attachment 1 – Planning Commission Resolution).

#### AUD Ordinance Amendment

In summary, the AUD Ordinance Amendment makes Planning Commission concept review of AUD rental projects a requirement when the following two conditions are met:

1. The project is being developed under the High Density or Priority Housing Overlay designation; and
2. The project site (defined as the lot area of all parcels included in the proposed development) is 15,000 square feet or greater.

Planning Commission review would be conceptual in nature, with majority comments forwarded to the appropriate design review board, and would not be appealable.

The proposed Ordinance Amendment would also require that a Pre-Application Review Team (PRT) application be submitted prior to Planning Commission review so that Land Development Team staff (i.e. Planning, Building & Safety, Transportation, Engineering, Fire) can review the project in a coordinated manner and provide a written report to the Planning Commission. Refer to Attachment 2 for a flowchart of the proposed review process.

#### HLC Ordinance Amendment

Staff is also recommending changes to Municipal Code Section 22.22.133, which are not in any way related to AUD projects, but are clean-up amendments that were recently identified.

As Municipal Code Section 22.22.133 is currently written, the HLC can only refer **residential** projects proposed on highly visible sites to the Planning Commission for review and comment. Staff recommends amending Section 22.22.133 to delete the adjective “residential” from the section. This minor amendment would give the HLC authority to refer any project proposed on a highly visible site to the Planning Commission and would mirror the authority currently held by the ABR pursuant to Section 22.68.050 of the Municipal Code. Additional minor amendments are proposed to update the text to use our current terminology for design review approvals.

#### 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).

A Statement of Overriding Considerations was adopted by the City Council for the 2011 General Plan, finding that the significant environmental effects of citywide development under the 2011 General Plan were outweighed by the benefits of the Plan and therefore deemed acceptable. The Statement of Overriding Considerations remains applicable for the proposed ordinance amendments.

California Environmental Quality Act (CEQA) Statutes Section 21083.3 and CEQA Guidelines Section 15183 provide that projects that are consistent with the development density established by General Plan policies and zoning for which an EIR was certified shall not require additional environmental review except as needed for project-specific effects peculiar to the project and not covered by the General Plan EIR.

The proposed AUD and HLC ordinance amendments are within the scope of review for the General Plan Update and FEIR. City Staff has determined that the proposed implementing ordinance amendments do not trigger additional environmental review requirements for the following reasons: There are no additional project-specific significant effects which are peculiar to the proposed amendments; there are 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.

Based on this analysis, no further environmental document is required for this project pursuant to the California Environmental Quality Act (Public Resources Code §21083.3 and Code of Regulations §15183- Projects Consistent with the General Plan) and the CEQA Certificate of Determination (Attachment 3). The City Council environmental findings adopted for the 2011 General Plan apply to this project. A City Council finding that the project qualifies for the §15183 CEQA determination is required.

**BUDGET/FINANCIAL INFORMATION:**

Implementation of the Ordinance Amendment regarding Planning Commission review of certain AUD Projects will result in additional workload for the Planning Division, as well as other Land Development Team staff. It is anticipated that the additional workload can be handled by existing staff. However, applicants will be required to pay fees to partially offset the cost of the review process.

The AUD Program is intended to be an incentive program, and therefore required fees are lower than those typically required for a similar-sized condominium project. The proposed fee for the new required review process would be \$2,820, which is the cost for a Planning Commission concept review hearing and would include the PRT review.

- ATTACHMENT(S):**
1. Planning Commission Resolution No. 021-14 – August 14, 2014
  2. AUD Review Process Flowchart
  3. CEQA Certificate of Determination

**PREPARED BY:** Allison De Busk, Project Planner

**SUBMITTED BY:** George Buell, Community Development Director

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



# City of Santa Barbara California

## CITY OF SANTA BARBARA PLANNING COMMISSION

### RESOLUTION NO. 021-14

#### CITYWIDE

### RECOMMENDATION TO CITY COUNCIL ON MUNICIPAL CODE AMENDMENTS RELATED TO THE AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM AND HISTORIC LANDMARKS COMMISSIONER REFERRAL TO PLANNING COMMISSION AUGUST 14, 2014

### MUNICIPAL CODE AMENDMENTS RELATED TO THE AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM AND HISTORIC LANDMARKS COMMISSION REFERRAL TO PLANNING COMMISSION.

In 2011, the City Council adopted the General Plan Update, including policies to locate new residential development near services and encourage the construction of affordable units through the Average Unit-Size Density (AUD) Incentive Program. This program allows increased density and development standard incentives to facilitate the construction of smaller residential units in selected multi-family and commercial zones. Chapter 28.20 was added to the Santa Barbara Municipal Code on August 9, 2013 to implement the AUD Incentive Program.

The purpose of this hearing was to present proposed amendments to Title 28 of the Municipal Code to establish parameters for requiring Planning Commission concept review of AUD rental projects in the High Density and Priority Housing Overlay areas on project sites of 15,000 square feet or greater.

The Planning Commission also considered an amendment to Title 22 of the Municipal Code to give the Historic Landmarks Commission authority to refer any project proposed on a highly visible site to the Planning Commission.

The Planning Commission recommendations will be forwarded to the City Council for their consideration and adoption later this year.

**WHEREAS**, the Planning Commission held the required public hearing on the above application; and

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

1. Staff Report with Attachments, August 7 2014.
2. Correspondence received in opposition to or with concerns:
  - a. Jamie Bishop, via email
  - b. Shella Comin-DuMong, Chance Housing, via email

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

Recommended that City Council consider adoption of the Municipal Code Amendments Related to the Average Unit-Size Density Incentive Program and Historic Landmarks Commission Referral to Planning Commission with two minor textual changes to Section 22.22.133.A

PLANNING COMMISSION RESOLUTION No. 021-14

RECOMMENDATION TO CITY COUNCIL ON MUNICIPAL CODE AMENDMENTS TO THE AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM AND HISTORIC LANDMARKS COMMISSION REFERRAL TO PLANNING COMMISSION

AUGUST 14, 2014

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This motion was passed and adopted on the 14<sup>th</sup> day of August, 2014 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 6 NOES: 0 ABSTAIN: 0: 1 (Campanella)

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

**PLEASE BE ADVISED:**

**Proposed AUD Review Process Flow Chart**  
**For High Density or Priority Housing Overlay Projects**  
**on Project Sites  $\geq$  15,000 Square Feet**





# City of Santa Barbara

## CEQA CERTIFICATE OF DETERMINATION

**To:** File: Average Unit-Size Density Incentive Program

**From:** Allison De Busk, Project Planner, (805) 564-5470, ext. 4552

**Subject:** Certificate of Determination for Exemption from Environmental Review under CEQA Guidelines Section 15183

**Project Location:** City of Santa Barbara, County of Santa Barbara **General Plan Designation(s):** Various

**Assessor's Parcel Number(s):** Various **Zone(s):** Various

**Project Applicant:** City of Santa Barbara

**Project Description:** Ordinance Amendments to Titles 22 and 28 of the Santa Barbara Municipal Code. Proposed amendments to Title 22, Section 22.22.133 would allow the Historic Landmarks Commission to refer any project (not just residential projects) to the Planning Commission for comments and would clean up some out of date text. Proposed amendments to Title 28, Chapter 28.20 would establish a requirement for Planning Commission concept review of High Density or Priority Housing Overlay rental projects proposed in accordance with the Average Unit-Size Density (AUD) Incentive Program.

**Project Environmental Findings:** The City of Santa Barbara evaluated the proposed project and made the following determinations:

1. The project is consistent with the density established for the site in the City of Santa Barbara General Plan.
2. A Program Environmental Impact Report was certified for the 2011 General Plan, which identified environmental effects of future citywide development under the General Plan, including significant effects, mitigated effects, and insignificant effects.
3. Pursuant to CEQA and CEQA Guidelines (Public Resources Code Section 21083.3 and California Code of Regulations, Title 14, Division 6, Chapter 3, Section 15183), environmental review for this project shall be limited to examination of any significant project-specific environmental effects not analyzed in the prior Environmental Impact Report for the 2011 General Plan.
4. Project-specific impacts:
  - The project will not result in significant project-specific environmental effects.
  - Potentially significant project-specific environmental effects will be substantially mitigated by uniformly applied development standards or policies and/or measures proposed as part of the project description, as identified in the *Preliminary Review* documentation. The project will not result in significant project-specific effects.
5. Mitigation measures:
  - Relevant mitigation measures from the General Plan Program EIR have been made part of the project.
  - No mitigation measures from the General Plan Program EIR are relevant or have been made part of the project.
6. A mitigation monitoring and reporting plan [  was  was not ] adopted for this project.
7. A Statement of Overriding Considerations was adopted by City Council for the 2011 General Plan (Resolution 11-079), finding that the significant cumulative environmental effects of citywide development under the 2011 General Plan were outweighed by the benefits of the Plan and therefore deemed acceptable. The Statement of Overriding Considerations remains applicable for the current project.
8. Findings were made pursuant to the provisions of CEQA.

**Exempt Status:** Exempt per Section 15183 of the California Environmental Quality Act (CEQA) Guidelines (Projects Consistent with Community Plan or Zoning) and CEQA Statute (Section 21083.3 of California Public Resources Code)

The Program Environmental Impact Report for the 2011 General Plan and the record of current project permit review process may be viewed by the public at the City Planning Division office at 630 Garden Street, Santa Barbara.

	Project Planner	10-1-14
Signature (City of Santa Barbara)	Title	Date



# Ordinance Amendments Related to AUD Review Process and HLC Referral to Planning Commission



October 7, 2014

The background of the slide features a blue-tinted image. On the left, two cyclists are riding a road bike. In the center and right, there is a historic building with a prominent bell tower and arches. A sign above the arches reads "LOBERO TREATY".

# Purpose of Hearing

- ◆ Consider amendments to the Municipal Code related to:
  - Establishing Planning Commission review of certain Average Unit-Size Density (AUD) Incentive Program rental projects; and
  - Historic Landmarks Commission (HLC) referral of projects to Planning Commission
  
- ◆ Introduce an Ordinance making said amendments.



# AUD Background

- ◆ Average Unit-Size Density (AUD) Incentive Program
- ◆ Encourages smaller residential units at higher densities
- ◆ AUD adopted July 2013

# AUD Review Process Discussions

- Joint CC/PC Work Session 9/12/13
- HLC Discussion 10/23/13
- ABR Discussion/Training 10/28/13
- HLC Discussion/Training 11/06/13
- PC Discussion 12/12/13
- PC Discussion 12/19/13
- City Council Discussion 3/04/14
- Ordinance Committee 5/06/14
- City Council Discussion 6/24/14
- Planning Commission Hearing 8/14/14

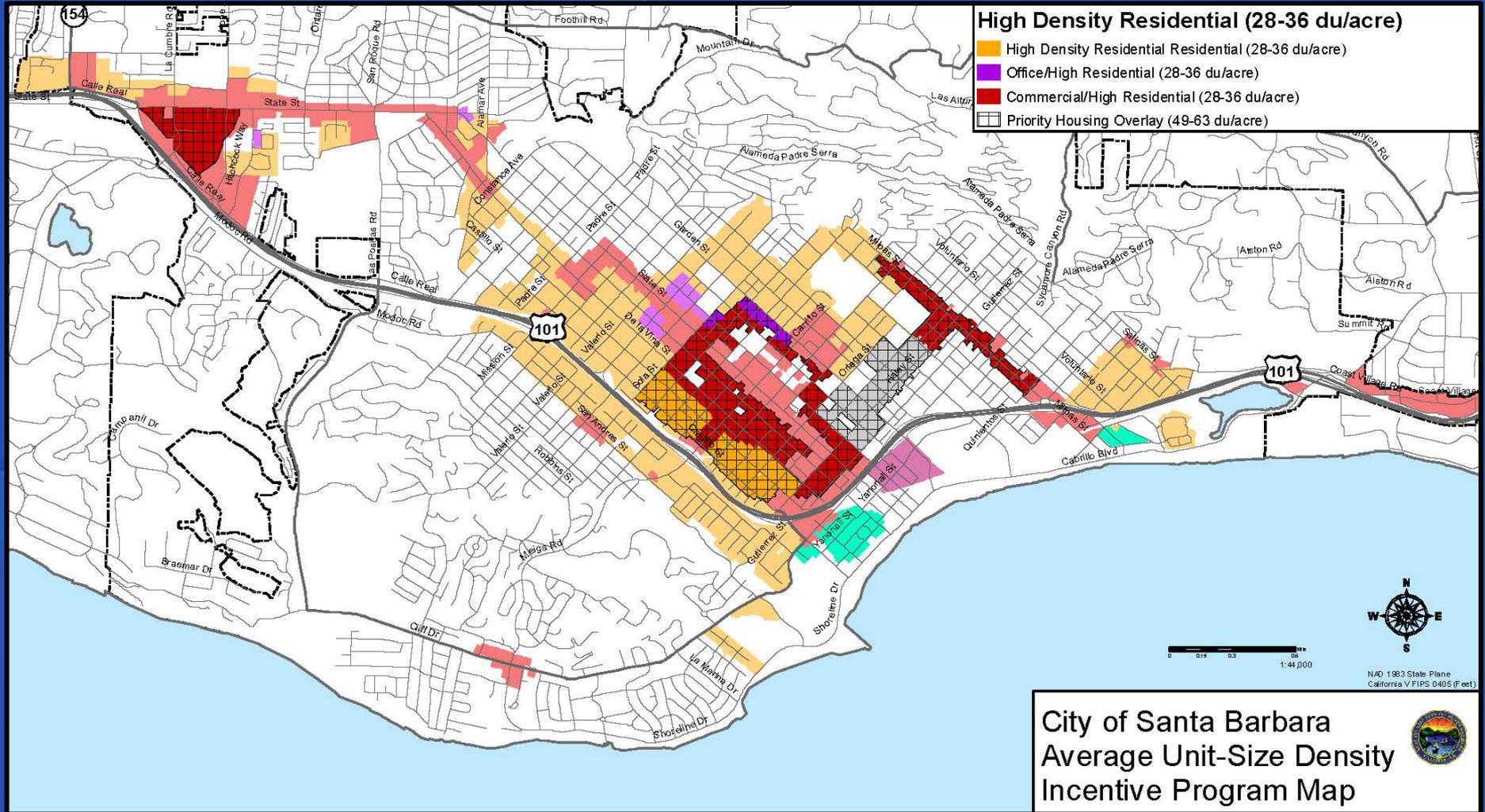


# Recommended Parameters

Planning Commission Concept Review  
Required For Residential Rental Units  
When:

- High Density or Priority Housing Overlay Area
- AND
- Project Site = 15,000 square feet or more

# Average Unit-Size Density Program



# Proposed Review Process

Project Submittal



Case Planner Assigned



1st Conceptual Design Review



Staff Involvement

- Land Development Team Staff review - PRT required
- Staff Report Prepared (GP consistency)



2nd Conceptual Design Review (optional)



Planning Commission Review

- \* Confirm GP consistency
- \* Provide comments and recommendations by majority vote



Project Design Approval



# HLC Ordinance Amendment

- ◆ Clean up amendment to HLC Ordinance to allow HLC to refer *any* project on a highly visible site to the Planning Commission.
- ◆ Currently they can only refer *residential* projects on a highly visible site.
- ◆ This would mimic the ABR's existing authority.



# Recommendation

- ◆ Review proposed Ordinance Amendments
- ◆ Introduce the Ordinance