

**CITY OF SANTA BARBARA
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City Hall
735 Anacapa Street
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**THURSDAY, MARCH 5, 2015, 9:00 A.M.
SPECIAL MEETING AGENDA
DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET**

ORDER OF BUSINESS: Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council meeting begins at 2:00 p.m. in the Council Chamber at City Hall.

REPORTS: Copies of the reports relating to agenda items are available for review in the City Clerk's Office, at the Central Library, and <http://www.SantaBarbaraCA.gov>. In accordance with state law requirements, this agenda generally contains only a brief general description of each item of business to be transacted or discussed at the meeting. Should you wish more detailed information regarding any particular agenda item, you are encouraged to obtain a copy of the Council Agenda Report (a "CAR") for that item from either the Clerk's Office, the Reference Desk at the City's Main Library, or online at the City's website (<http://www.SantaBarbaraCA.gov>). Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at City Hall, 735 Anacapa Street, Santa Barbara, CA 93101, during normal business hours.

PUBLIC COMMENT: At the beginning of the 2:00 p.m. session of each regular City Council meeting, and at the beginning of each special City Council meeting, any member of the public may address the City Council concerning any item not on the Council's agenda. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that public comment is taken up by the City Council. Should City Council business continue into the evening session of a regular City Council meeting at 6:00 p.m., the City Council will allow any member of the public who did not address them during the 2:00 p.m. session to do so. The total amount of time for public comments will be 15 minutes, and no individual speaker may speak for more than 1 minute. The City Council, upon majority vote, may decline to hear a speaker on the grounds that the subject matter is beyond their jurisdiction.

REQUEST TO SPEAK: A member of the public may address the Finance or Ordinance Committee or City Council regarding any scheduled agenda item. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that the item is taken up by the Finance or Ordinance Committee or City Council.

CONSENT CALENDAR: The Consent Calendar is comprised of items that will not usually require discussion by the City Council. A Consent Calendar item is open for discussion by the City Council upon request of a Councilmember, City staff, or member of the public. Items on the Consent Calendar may be approved by a single motion. Should you wish to comment on an item listed on the Consent Agenda, after turning in your "Request to Speak" form, you should come forward to speak at the time the Council considers the Consent Calendar.

AMERICANS WITH DISABILITIES ACT: If you need auxiliary aids or services or staff assistance to attend or participate in this meeting, please contact the City Administrator's Office at 564-5305. If possible, notification at least 48 hours prior to the meeting will usually enable the City to make reasonable arrangements. Specialized services, such as sign language interpretation or documents in Braille, may require additional lead time to arrange.

TELEVISION COVERAGE: Each regular City Council meeting is broadcast live in English and Spanish on City TV Channel 18 and rebroadcast in English on Wednesdays and Thursdays at 7:00 p.m. and Saturdays at 9:00 a.m., and in Spanish on Sundays at 4:00 p.m. Each televised Council meeting is closed captioned for the hearing impaired. Check the City TV program guide at www.citytv18.com for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENT

NOTICES

The City Clerk has on Thursday, February 26, 2015, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

WORK SESSIONS

Subject: Joint Council And Planning Commission Work Session: Planning Division Workload And Program Activities (650.01)

Recommendation: That Council hold a joint work session with the Planning Commission to receive status reports, provide direction to staff, and discuss major work program activities in the Planning Division, including: Long Range Planning and General Plan Implementation; Zoning Information and Enforcement; Design Review and Historic Preservation; and Development and Environmental Review.

ADJOURNMENT



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: March 5, 2015

TO: Mayor and Councilmembers
Planning Commission

FROM: Planning Division, Community Development Department

SUBJECT: Joint Council And Planning Commission Work Session:
Planning Division Workload And Program Activities

RECOMMENDATION:

That Council hold a joint work session with the Planning Commission to receive status reports, provide direction to staff, and discuss major work program activities in the Planning Division, including: Long Range Planning and General Plan Implementation; Zoning Information and Enforcement; Design Review and Historic Preservation; and Development and Environmental Review.

EXECUTIVE SUMMARY:

Over the last several years, joint work sessions on the Planning Division workload have been held with the Council and Planning Commission approximately every six months. The Chairs of the Architectural Board of Review (ABR) and Historic Landmarks Commission (HLC) are also invited to attend the meeting. The prior meeting was held on September 11, 2014. For today's meeting, staff will briefly review all programs in the Planning Division, highlighting accomplishments, major work underway, and projects on hold or pending.

This report and attachments provide information on particular projects within each program and some information on regular assignments. The primary topic for discussion at this meeting will be Housing Element Implementation, considering current work efforts and priorities for further actions. Status reports will also be shared on the Local Coastal Program Update, the New Zoning Ordinance, the Historic Resources Work Program, Drought Response, and recent discussions with business and property owners in the Funk Zone area about parking.

The work session helps to establish a shared understanding of the Division's workload, including the respective status of projects or programs that may be active, pending, or on the back burner. Adjustments in priorities occur when issues arise or program

improvements are needed. Council and Planning Commission feedback is invaluable for staff to stay the course or make changes as necessary.

DISCUSSION:

Long Range Planning

In the Long Range Planning Program significant resources are dedicated to the update of the Local Coastal Plan. The General Plan Implementation Program status table is included as Attachment 1, and it shows progress on active projects. A recent major milestone in this section is the adoption of the Housing Element and certification by the State Housing and Community Development Department. Housing Element implementation is a topic for discussion at this work session.

Comprehensive Local Coastal Plan (LCP) Land Use Plan (LUP) Update

This major work effort includes a staff team, including hourly staff funded by the Coastal Commission grant. A draft of the LCP update documents will be completed later this summer and public review will be occurring through the end of 2015 and into early 2016. Council approval of the plan and submittal to the Coastal Commission is required by the end of April 2016 per the grant agreement. The Draft LUP work that is currently underway includes:

- Continued research of LUP update guidelines and other recently certified LUPs per Commission staff recommendations.
- Held meetings with subcommittees of City Planning Commission, Park and Recreation Commission, and Harbor Commission to discuss project and receive early review of work products. We anticipate resuming meetings with subcommittees in March.
- Incorporated subcommittee comments and further refined the following draft LUP sections: Introduction, Land Use & New Development, Cultural Resources and Scenic Resources.
- Continued progress on the following LUP sections: Visitor Serving & Recreational Development; Coastal Dependant/Related Development; Shoreline & Bluff Top Access; Recreation & Support Facilities; Transportation, Harbor and Stearns Wharf; Public Services & Facilities and; Biological Resources, including Water Quality.
- Met with new Coastal Commission staff to establish work protocols, provide information on baseline and tour City's coastal zone. Also, met with CCC staff on February 5th to submit a rough draft of the majority of the LUP, and establish review schedule including check-in on February 23d, and working meeting on Friday, March 6th.
- Created and updated GIS data for the following maps:
 - Parks Shoreline and Bluff Top Access
 - Parks - Recreation and Support Facilities
 - Overnight Accommodations

- Component Areas
 - Waterfront
 - Harbor and Stearns Wharf
 - Biology - Potential ESHAs
 - Biology - Species and Wildlife Corridors
 - Transportation
 - Scenic Resources
 - Historic Resources
 - Archaeological Resources
 - Beachfront Ownership
 - Jurisdictional Map (requested Coastal Commission San Francisco office review of Jurisdictional Map).
- Continued progress on Bren Student Sea Level Rise Vulnerability Assessment Report. The scope of the project is two-fold. First is to better understand current and future hazards, particularly for sea level rise inundation, storm damage and cliff erosion. Second is to create a framework to evaluate five resource categories sensitive to sea level rise: critical infrastructure, human populations, sensitive ecological resources, public access, and recreational facilities. Integrating this sea level rise sensitivity with sea level rise hazards will allow the team to identify areas of higher vulnerability.

Staff will use the results of the report to determine if existing Safety Element and Climate Action Plan policies are sufficient and/or if new or revised policies should be proposed in the LUP update to further address vulnerable resources and coastal hazards.

Staff is also tracking and reviewing other sea level rise modeling and vulnerability assessments concurrently occurring in this region, including the City of Goleta and the County's efforts.

On somewhat of a related project, Planning Staff is expected to participate in the update of the County Multi-Jurisdictional Hazard Mitigation Plan. Although the project is managed by the Office of Emergency Services, staff's work on the last update was substantial and we expect it will be again as that update occurs later this year.

Housing Element

The Work Program in the 2015 Housing Element Update addresses existing and projected housing needs for the community. For each Implementation Action, the 8-Year Work Program identifies the objective, the responsible agency, the timeframe for completion, and the funding sources, if needed and/or available. These timeframes provide an estimated target date for completing the program (Attachment 2). In many cases the timeframe is specified as "ongoing", signifying that the program is currently being implemented as part of the City's planning process on an ongoing basis.

“Ongoing with annual review” means that the program will be reviewed on an annual basis most likely through the Housing Element Annual Progress Report to HCD or the Adaptive Management Program (AMP) annual monitoring report.

Staff and the Planning Commission discussed Housing Element implementation at a work session on January 22, 2015. There is a strong interest in further developing the monitoring program for the Average Unit Size Density Incentive (AUD) projects beginning to be reviewed and approved. The Planning Commission created a subcommittee that would like to work with staff on AUD monitoring.

In an effort to identify Housing Element programs that could realistically be implemented in the short-term based on compliance with State law, staffing, workload, and funding availability, Staff reviewed the 23 Housing Element Implementation Actions targeted for completion in the near term. Of these, five programs have been identified by Staff as priority programs that could be reasonably completed within five years. Please see below and review Attachment 3 for details. At the Joint Meeting, Staff and the Commission will seek general concurrence on priorities and direction on next steps, including budget considerations.

1. Update Bonus Density Ordinance (H11.5 and H5.1)
2. AUD Program Monitoring (H11.1 and H11.2)
3. Multi-Family Design Guidelines (H16.9)
4. Zoning Standards to Facilitate Housing (H17.1 and H17.2)
5. Preserve Rental Units (H13.1, H13.2, and H13.3)

Design Review & Historic Preservation

Multi-Units & Mixed Use Design Guidelines

Both the Land Use and Housing Elements provide policy direction and suggested implementation actions to use and develop design guidelines to support priority land uses such as multi-unit developments (Attachment 4, General Plan Excerpts).

Staff has recently drafted some initial objectives as a method to initiate discussions on the scope of the new Multi-Unit & Mixed Use Design Guidelines; one being to improve the effectiveness of existing guidelines. This could possibly be done by combining a number of existing guidelines into a comprehensive document and supplementing it where needed to address issues associated with multi-unit and mixed use projects. One consideration is creating a joint ABR/PC subcommittee to guide the creation of the guidelines. The subcommittee could address the sometimes expressed frustration that the different Board and Commissions have in applying guidelines consistently to effectively carryout multiple City goals and policies as recently experienced with the initial reviews of AUD projects.

This important project has been in at least two prior Housing Elements and on the pending work load list for many years. Staff has only been able to do very little to activate it, and we suggest a work program involving the use of a professional outside consultant to assist with these efforts.

Historic Resources Five-Year Work Program

As has been the case for many years, the number of special assignments in this section is considerable. A list of assignments for the Design Review & Historic Resources program has been prepared for this report (see Attachment 5). Staff continues to make progress on several program components including: completion of historic resources surveys; historic resource listings and designations; processing historic property contracts; and the creation of Historic Resource Design Guidelines and an Architectural Style Guide. Planning staff expects the Historic Districting Ordinance, which is currently being drafted, to be scheduled at the Ordinance Committee before Summer 2015.

There were delays with the website integration of the City's Historic Database due to increases in contract quotes from the original consultant. Staff re-evaluated less costly options and along with advice from Information Systems staff, and decided to stay with Civica even though additional funding is required. A contract for this project will be brought to Council in April.

Design Review

Staff continues to work on minor design guidelines amendments involving public art, outdoor lighting, electric vehicle charging stations, equipment in the Public Right of Way and backflow devices. Solar photovoltaic awards program will also be re-commenced this summer after a 3 year hiatus.

Updates to City Ordinances pertaining to the Federal Telecommunications Act and California Solar Rights Act are also workload assignments this year for the Planning Division and City Attorney's office.

The Building & Safety Division's field inspection unit has taken measures to better assure compliance with the important details that maintain the special look and feel of development within Santa Barbara. Measures taken include:

- 1) The local Architect and Contractor associations have partnered with Building & Safety by providing design compliance outreach messages to our design and construction professionals.
- 2) Every building permit issued includes a special bulletin explaining the need to follow all details within the approved plans or seek approval of revisions before constructing the revision.
- 3) Inspection staff regularly ask contractors (in the field) about possible changes and explain how to address any changes through the revision process.

While there has been an increase in the number of construction projects that are directed to submit their field revisions for review, the number of Board and Commission complaints of unapproved field changes received by Building & Safety has diminished.

Zoning

New Zoning Ordinance (NZO)

Dyett & Bhatia, the consultant firm contracted to develop the NZO, began working on the update in October of 2014. Their work has included field reconnaissance of current development in Santa Barbara; meetings with staff and the NZO Joint Committee; review of City staff/stakeholder meeting notes; an assessment of existing regulatory tools; preparation of a public outreach program; and development of an Issues and Options Paper. The Issues and Options Paper was presented to the NZO Joint Committee on February 23, 2015, and will be presented at a Community/Planning Commission Workshop on March 18, 2015. The issues paper gives a general overview of zoning, summarizes the principal findings and conclusions of the initial review of the City's Zoning Ordinance, and recommends a number of ways that the current code can be improved.

Over the next six months, the consultant will prepare an Annotated Outline. This document is intended to provide a framework for drafting the NZO, and will assist as a basis for discussing specific regulatory options with city staff prior to development of the modules. Subsequently, the consultant will develop two of the modules dealing with land use regulations and development standards. These two modules will be reviewed with the NZO Joint Committee and followed by Community/Planning Commission workshops. One of the community workshops is tentatively scheduled to occur in late June.

Zoning Plan Check

Although it has taken longer than expected, the addition of a Zoning Plan Check position has reduced the number of late plan checks significantly. For the period of July 1, 2014 – December 31, 2014, a plan check was completed an average of 2.7 days late. For the period January 1, 2015 – February 8, 2015, a plan check was completed on average of 1.3 days early. The P3 measureable objective is to complete plan checks on time at least 85% of the time; for the first part of this calendar year we have completed 91% on time.

Zoning Enforcement

Since the City re-introduced funding for hourly Zoning Enforcement Officers in 2012, the zoning enforcement unassigned backlog has been reduced from 150+ cases to a current average of 20-30 cases. This has been an impressive achievement, made even more so because during this period, enforcement officers visited every business in the city limits,

informed them of City rules and procedures for prohibited signs, then performed several sign sweeps.

Development & Environmental Review

Average Unit-Size Density (AUD) Housing Incentive Program

On October 21, 2014, City Council amended the AUD Ordinance to require Planning Commission concept review of certain rental housing projects. Although no such concept reviews have occurred to date, at least two recent project submittals would qualify for that review (15 South Hope Avenue and 800 Santa Barbara Street).

Staff continues to discuss with the Planning Commission additional criteria upon which to monitor and evaluate the AUD Program in meeting its intent to support the construction of smaller, more affordable residential units near commercial services. We anticipate reporting out on these efforts at the next work session in Fall 2015, with the annual report on the Adaptive Management Program.

Drought Response

Staff continues to play an active role in inter-Departmental coordination related to the current drought. This work includes completing environmental review and obtaining necessary approvals for reactivation of the desalination plant, should it be deemed necessary, and playing a leading role in discussions of possible changes to regulatory guidelines for new development. The Planning Commission discussion of possible drought regulations occurred on February 12, and its input for Council consideration will be included in a future drought related Council Agenda Report.

Pending Projects

In addition to the list of major pending or active development projects (see Attachment 6), staff continues to play a key role in local agency review of the Highway 101 HOV Lanes project. Several Development Review staff also regularly collaborate with other City departments to scope, review and permit key Capital Improvements Projects.

Funk Zone Area Parking Discussions

Several months ago, a group of Funk Zone property and business owners reached out to the Community Development Director and asked for the City's assistance in addressing parking issues within the Funk Zone/Waterfront area. Specifically, they requested that we establish an improvement district and Zone of Benefit for parking associated with existing and proposed development in the Funk Zone.

Prior to further engaging in their request, staff prepared background information and a summary of applicable policies and ordinances that relate to development and parking in the Funk Zone/Waterfront area, to help establish a common understanding of existing constraints and steps necessary for potential solutions (see Attachment 7). Staff met with much of the same group of interested owners on February 6th and both Steve Amerikaner and Maggie Campbell were present to contribute to the discussion on their experience with Parking and Business Improvement Districts. Attendees at the meeting thanked staff for the background report and for holding the meeting. The discussion ranged from broad points on possible parking districts and the Local Coastal Plan update effort, to specific ideas to expand capacity of the Garden Street Lot (at Cabrillo Boulevard) and individual property and project concerns. Staff encouraged the group to continue to coalesce and develop their ideas for both the short and long term. Staff also offered to arrange future meetings with the City Administrator and Council.

BUDGET/FINANCIAL INFORMATION:

There are a number of significant work assignments in the Planning Division currently underway and that will be continuing for the next few years as noted in this report. Before initiating new major projects, Staff seeks concurrence and direction on projects and priorities. The General Plan Implementation Program is proceeding through the Phase I priorities established for 2012-2017, and we are beginning to look ahead to the next Phase and discussion at the next Joint Meeting Fall 2015 when the Adaptive Management Plan report is reviewed.

More immediate is the desire to initiate priority implementation of the recently adopted Housing Element Update. Staff's thoughts on possible new projects take into account current projects, available existing staff resources and need for additional funding. Typically staff would return to a regular Council meeting for initiation and appropriation of funds. The following new major initiatives that would likely include funding requests: Multi-Unit & Mixed Use Design Guidelines – professional assistance for outreach, architectural renderings and graphics; Preservation of Rental Units/Vacation Rental Ordinances – professional assistance for research, public process and/or enforcement.

- ATTACHMENT(S):**
1. General Plan Implementation Table
 2. Housing Element Implementation
 3. Housing Element Implementation Priorities
 4. Land Use Element Excerpt Re: Guidelines
 5. Design Review and Historic Preservation Assignments
 6. Pending and Active Development Projects
 7. Funk Zone Report with Exhibits

PREPARED BY: Bettie Weiss, City Planner
SUBMITTED BY: George Buell, Community Development Director
APPROVED BY: City Administrator's Office

General Plan Implementation Program: Phase I Schedule

Project Ranking	Project Description	FY14 2013-2014 ¹	FY15 2014-2015	FY16 2015-2016	FY17 2016-2017
1	Average Unit Size Density Program Monitoring	✓ X	X	X	
2	Nonresidential Growth Management Prgm Traffic Thresholds	✓	X		
3	Interim Highway 101 Air Quality Setback Update	✓			X
4	2015 Housing Element Update Implementation: Update Bonus Density Ord., Multi-Family Design Guidelines; Zoning Standards to Facilitate Housing; Preserve Rental Units		✓	X	X
5	2012 Climate Action Plan Implementation—GHG Emissions			X	
6	Adaptive Management Program			X	
7	Alternative Transportation Demand Analysis			X	X
8	Arts Master Plan	X	X	X ²	
9	Environmental Resources Element				X
10	Local Coastal Program Update	X	X	X	
11	Multi-Jurisdictional Haz Mit Plan Update			X	
12	Renewable Energy--Electric Vehicle Infrastructure			X	X

✓ = Completed X = In progress

Major Recent Accomplishments: Housing Element Certification (2012 & 2015); Historic Resources Element Adoption; Zoning Map Amendments for consistency with GP; Climate Action Plan Adoption; Safety Element Update Adoption; Emergency Shelter Ordinance; Building Height Over 45 Feet Ordinance.

¹ Fiscal Year is from July 1 to June 31st.

² Continuing to provide minimal support

HOUSING ELEMENT IMPLEMENTATION (2015-2020)
(1-5 YEARS)

Implementation Action	Responsible Agency/Timeframe/Funding
<p>H11.5 <u>Bonus Density</u>. Continue to provide bonus density units above levels required by State law, to be reviewed on a case-by-case basis.</p> <p><i>The City's bonus density ordinance is out of date with State law. Amend Bonus Density Ordinance to comply with State law.</i></p>	<p>Responsible Agency: Administration, Housing & Human Services and Planning Divisions Timeframe: Ongoing, <i>Amend Bonus Density Ordinance - 1-2 years.</i> Funding Sources: General Fund, TBD</p>
<p>H5.1 <u>Transitional Housing</u>. Continue to fund community-based non-profit agencies, such as Transition House, to provide a range of transitional housing opportunities.</p> <p><i>Amend Zoning Ordinance Definition Chapter to include definition for Transitional Housing and Supportive Housing to comply with State law. These amendments can be processed along with the Bonus Density Ordinance changes.</i></p>	<p>Responsible Agency: Administration, Housing & Human Services Division Timeframe: Ongoing, <i>Amend the ZO definition chapter 2015.</i> Funding Sources: General Fund, HOME, CDBG, HCD</p>
<p>H11.1 <u>Affordable and Workforce Housing</u>. Explore options to promote affordable and workforce housing, including revising the variable density ordinance provisions to increase affordable housing (e.g., limit unit size), requiring a term of affordability, reducing parking standards with tenant restrictions.</p> <p>H11.2 <u>Priority Housing Overlay</u>. Encourage the construction of rental housing, employer sponsored housing, and co-operative housing in the Downtown, La Cumbre Plaza/Five Points area, C-M Commercial Manufacturing Zone and Milpas Street area by providing incentives such as:</p> <ul style="list-style-type: none"> ▪ Increased density overlays up to 63 du/ac as part of the Average Unit-Size Density Program. ▪ Higher Floor Area Ratios (FAR) when such standards are developed. ▪ More flexibility with zoning standards, (e.g., reduced 	<p>Responsible Agency: Planning and Administration, Housing & Human Services Divisions Timeframe: 1-2 years Funding Sources: General Fund</p>

Implementation Action	Responsible Agency/Timeframe/Funding
<p>parking standards).</p> <ul style="list-style-type: none"> ▪ Expedited Design Review process. ▪ Fee waivers or deferrals. <p><i>The AUD Program Ordinance was adopted in 2013 and is currently being implemented. Associated with H11.1 and H11.2 is the evaluation of the AUD Program. Measuring the program's success will involve research and monitoring to quantify the AUD Program's effectiveness and success.</i></p>	
<p>H16.9 <u>Multi-Family Design Guidelines</u>. Develop multi-family residential design guidelines and standards to address unit size, setbacks, open space, landscaping, building size, bulk and scale, and site planning (e.g., pedestrian-friendly design, front porch facing the street or courtyard, and parking located out of sight).</p> <p><i>This program is considered a top priority, particularly given the importance of neighborhood character and compatibility associated with AUD projects. Undertaking this program would require consultant assistance.</i></p>	<p>Responsible Agency: Planning and Building & Safety Divisions Timeframe: 1-2 years Funding Sources: General Fund</p> <p><i>Development of Multi-family Design Guidelines would require funding for consultant services.</i></p>
<p>H17.1 <u>Parking Requirements</u>. Consider incremental changes to the Zoning Ordinance parking requirements such as:</p> <ul style="list-style-type: none"> ▪ Reducing parking requirements for projects that develop under the Average Unit-Size Density Incentive Program to 1 space minimum per unit. ▪ Allowing tandem parking ▪ Providing more flexibility for constrained sites (e.g., allowing for more than one maneuver, use of car stacking devices or other space saving measures) ▪ Eliminating guest parking requirements for housing in the Downtown commercial area ▪ Rounding down when calculating parking requirements. <p>H17.2 <u>Zoning Standards</u>. Consider amending the Zoning Ordinance to change how, where and the extent of outdoor living space,</p>	<p>Responsible Agency: Land Development Team Timeframe: 1-2 years Funding Sources: General Fund</p>

Implementation Action	Responsible Agency/Timeframe/Funding
<p>yard and setback requirements for housing in commercial zones.</p> <p><i>H17.1 and H17.2 could be considered as part of the New Zoning Ordinance Update (NZO) and the Parking Design Guidelines which are currently being prepared.</i></p>	
<p>H13.1 <u>Preserve Rentals</u>. Explore ways to avoid condominium conversions, or alternatively, the creation of cooperative tenant ownership of previous rentals.</p> <p>H13.2 <u>Condominium Conversions</u>. Amend section 28.88.120B of the Municipal Code to require all condominium conversions to conform to the density requirements of the General Plan.</p> <p>H13.3 <u>Rental Units</u>. Allow the reconstruction or rehabilitation of existing rental apartments at non-conforming General Plan densities and zoning standards. The loss of some rental units may be considered to meet building code requirements.</p> <p><i>Associated with the preservation of rentals is the issue of vacation rentals and their effect on the available rental housing stock for local residents. Exploring ways to limit and/or regulate vacation rentals would require additional funding for research, public process and/or enforcement.</i></p>	<p>Responsible Agency: Administration, Housing & Human Services and Planning Divisions Timeframe: 3-5 years Funding Sources: General Fund, TBD</p> <p><i>Additional funding would be necessary to undertake the research, public process, development of standards and/or enforcement of vacation rentals.</i></p>
<p>H15.1 <u>Secondary Dwelling Unit Ordinance</u>. Amend the Secondary Dwelling Unit Ordinance to provide more site planning flexibility and affordable-by-design concepts such as:</p> <ul style="list-style-type: none"> ▪ Changing the existing size limitations to remove percentage of unit size and allowable addition requirements, and allowing a unit size range (300 - 700 s.f.); ▪ The square footage of the secondary dwelling unit shall be included in the floor-to-area ratio (FAR) for the entire property and shall be consistent with the Neighborhood Preservation Ordinance FAR; ▪ Eliminating the attached unit requirement; 	<p>Responsible Agency: Planning Division Timeframe: 3-5 years Funding Sources: General Fund</p> <p><i>Additional funding would be necessary to undertake research, public process, development of standards and/or enforcement; or undertake this program when other priority projects are completed (i.e., LCP, Multi-Family Design Guidelines)</i></p>

Implementation Action	Responsible Agency/Timeframe/Funding
<ul style="list-style-type: none"> ▪ Eliminating or adjusting affordability requirements; ▪ Allowing tandem parking and easing other parking requirements on a case-by-case basis; ▪ Allowing one water, gas, and electric meter and a single sewer line, or reviewing requirements for meter placement and configuration to minimize the cost of individual metering of dwelling units; and ▪ Developing guidelines and prototypes of innovative design solutions. <p><i>Associated with secondary dwelling units is the issue of vacation rentals and their effect on the available rental housing stock for local residents. Exploring ways to limit and/or regulate vacation rentals would require additional staffing for research, public process and/or enforcement.</i></p>	
<p>H20.5 <u>Illegal Dwelling Units</u>. Consider ways to legalize illegal dwelling units in accordance with the requirements of the Zoning Ordinance.</p> <p><i>The implementation timing for this program was originally “TBD”. However, HCD has directed that H20.5 be revised to provide a more specific timeframe. H20.5 has been revised with a timeline of 1-2 years. H20.5 requires completing studies to identify the methods and implications of legalizing illegal units and increased enforcement.</i></p>	<p>Responsible Agency: Planning, Building & Safety Divisions and City Attorney’s Office Timeframe: 1-2 years Funding Sources: TBD</p> <p><i>Funding from the General Fund will be necessary to complete the studies necessary to identify ways to legalize illegal units and/or increase enforcement.</i></p>
<p>H6.8 <u>Design Guidelines</u>. Adopt site and unit design guidelines for senior and disabled units, which incorporate all relevant federal, state and local laws, as well as recommendations from the Access Advisory Committee (AAC).</p>	<p>Responsible Agency: Administration, Housing & Human Services Division Timeframe: 3-5 years Funding Sources: General Fund</p>
<p>H9.1 <u>Accessible Housing Incentives</u>. Implement policies that give incentives for disabled accessible units to be included in market-rate projects.</p>	<p>Responsible Agency: Planning and Administration, Housing & Human Services Divisions Timeframe: 3-5 years</p>
<p>H10.3 <u>Building Reuse</u>. Encourage residential reuse of existing</p>	<p>Responsible Agency: Planning Division</p>

Implementation Action	Responsible Agency/Timeframe/Funding
nonresidential buildings for housing, especially for both ownership and rental affordable housing.	Timeframe: 1-2 years Funding Sources: General Fund
<p>H11.3 <u>Inclusionary Housing</u>. Amend the Inclusionary Ordinance to:</p> <p>a. Consider a 15 – 25 percent inclusionary affordable housing provision in new residential ownership developments for affordable housing to accommodate workforce (middle) income earners:</p> <ul style="list-style-type: none"> ▪ Temporarily suspend the inclusionary housing requirements or in-lieu fees during times of economic downturn if development costs are prohibitive. <p>b. Amend the payment of in-lieu fees to include the following considerations:</p> <ul style="list-style-type: none"> ▪ Eliminate or reduce inclusionary housing in-lieu fees based on preferred development, such as affordable or special needs housing projects; and ▪ Adjust the inclusionary housing in-lieu fee rate based on unit size (i.e., lower fees for smaller units). <p>c. Require a Housing Mitigation Fee for commercial development.</p>	<p>Responsible Agency: Planning and Administration, Housing & Human Services Divisions</p> <p>Timeframe: 3-5 years</p> <p>Funding Sources: General Fund</p>
<p>H11.4 <u>Density Standards</u>. Develop density standards that permit greater densities for projects that provide a greater percentage of price-restricted ownership units than required by the inclusionary housing ordinance.</p>	<p>Responsible Agency: Planning and Administration, Housing & Human Services Divisions</p> <p>Timeframe: 1-2 years</p> <p>Funding Sources: General Fund</p>
<p>H14.1 <u>Market Rate Housing</u>. Market-level housing projects in the multi-family or commercial zones (including mixed-use) shall be encouraged to:</p> <ul style="list-style-type: none"> ▪ Construct unit sizes consistent with averages and maximums set out under the City's Average Unit-Size Density Incentive Program provisions; and ▪ Have access to adequate public open space within a ½-mile radius, a dedication of sufficient useable open space on-site, 	<p>Responsible Agency: Planning Division</p> <p>Timeframe: 1-2 years</p> <p>Funding Sources: General Fund</p>

Implementation Action	Responsible Agency/Timeframe/Funding
<p>a contribution is made toward future parks through in-lieu fees, or a combination of any of these.</p>	
<p>H14.2 <u>Resource Conservation</u>. Establish criteria and standards for resource use in relation to density in the project review process, to encourage reduced resource footprint projects. Residential projects that exhibit a significantly lower resource per capita footprint would be allowed bonus density providing the building remains smaller than allowed by zoning.</p> <p>H14.3 <u>Market-Rate Incentives</u>. Prepare design standards and codify incentives for market rate developers to build smaller, “affordable-by-design” residential units that better meet the needs of our community.</p>	<p>Responsible Agency: Planning Division Timeframe: 3-5 years Funding Sources: General Fund</p>
<p>H16.4 <u>Coordinated Project Review</u>. Address issues of coordination between the Architectural Board of Review (ABR), the Historic Landmarks Commission (HLC) and the Planning Commission (PC). Identify areas where additional staff authority could be given for administrative approvals.</p> <p>H16.5 <u>Infill Project Guidelines</u>. Work with AIA, ABR and HLC members to develop guidelines and examples for small infill projects (adding 1-3 units). Consider allowing projects consistent with the guidelines to be reviewed as Consent items when appropriate.</p>	<p>Responsible Agency: Planning and Building & Safety Divisions Timeframe: 1-2 years Funding Sources: General Fund</p>
<p>H21.4 <u>Presidio Park Apartments</u>. Ensure that Presidio Park Apartments remain affordable in the interim between when their Section 8 contract expires and when the City has option to purchase (2018). Prior to 2018 develop a financial plan to purchase or preferably monetize Presidio Park Apartments and ensure they remain a long term affordable housing project.</p>	<p>Responsible Agency: Administration, Housing & Human Services Division Timeframe: 3-5 years Funding Sources: HOME, CDBG, HCD, Presidio Park Apartment funds</p>

Housing Element Implementation Priorities

As required by State law, an 8-Year Housing Element Work Program has been prepared as part of the 2015 Housing Element Update (Appendix G) to address existing and projected housing needs for the community. For each Implementation Action (program), the 8-Year Work Program identifies the objective, the responsible agency, the timeframe for completion, and the funding sources, if needed and/or available. The 8-Year Work Program will subsequently be evaluated during the next housing element update (2023) to assess the progress in implementing the City's 2015 Housing Element. This is a required component of updating the Housing Element as it serves to evaluate the effectiveness and appropriateness of the goals, policies and implementation actions in meeting the objectives of the previous Housing Element planning period.

For each program identified in the 2015 Housing Element, the 8-Year Work Program identifies timeframes for completion (ongoing, ongoing with annual review, annually, 1-2 years, 3-5 years, 6 or more years and TBD). These timeframes provide an estimated target date for completing the program. In many cases the timeframe is specified as "ongoing", signifying that the program is currently being implemented as part of the City's planning process on an ongoing basis. "Ongoing with annual review" means that the program will be reviewed on an annual basis most likely through the Housing Element Annual Progress Report to HCD or the Adaptive Management Program (AMP) annual monitoring report.

Housing Element Programs to Implement

In an effort to identify Housing Element programs that could realistically be implemented in the short-term based on compliance with State law, staffing and workload, and funding availability, Staff reviewed the 23 Housing Element Implementation Actions targeted for completion in the next five years (see attached Table). Of these, five programs have been identified by Staff as priority programs that could be reasonably completed within five years.

HOUSING ELEMENT PROGRAMS
Update Bonus Density Ordinance (H11.5 and H5.1)
AUD Program Monitoring (H11.1 and H11.2)
Multi-Family Design Guidelines (H16.9)
Zoning Standards to Facilitate Housing (H17.1 and H17.2)
Preserve Rental Units (H13.1, H13.2, and H13.3)

Update Bonus Density Ordinance: The City's Bonus Density Ordinance is currently out of date with State law. Ordinance amendments are necessary in order to bring it into compliance and are expected to be straightforward. Additionally, definitions for transitional and supportive housing consistent with State law would be incorporated into the Definitions chapter of the

Zoning Ordinance along with the Bonus Density Ordinance amendments. State law requires that transitional and supportive housing be permitted as a residential use and only subject to restrictions that apply to other residential dwellings of the same type in the same zone. In other words, transitional and supportive housing are permitted in all zones where residential uses are allowed and not subject to any restrictions not imposed on similar uses. The incorporation of these definitions into the Zoning Ordinance complies with State law.

AUD Program Monitoring: The AUD Program became effective in August 2013 with a duration period of eight years or until 250 new residential units are constructed (Certificate of Occupancy issued) in the High Density and Priority Housing Overlay areas whichever occurs sooner. The Council Resolution adopting the 2011 General Plan specified that if at the end of the trial period, the AUD Program is not extended or modified, the residential density shall revert back to the Variable Density standards in place in 2011. As such, it is important to monitor the AUD Program in order to evaluate its success and effectiveness and help inform the Council's decision to extend the Program.

To date, 89 units are under construction and 29 units have been approved for a total of 118 units that count toward the 250 unit limit. With 132 units left to reach the unit limit and 6.5 years left in the trial period, it is reasonable to assume that 250 units could be achieved before the eight year period expires. With this in mind, the Planning Commission has expressed interest in further developing criteria to evaluate the success of the AUD Program in the AMP. Staff agrees that assessment of the Program should commence soon in order to adequately measure its accomplishments. Measuring the program's success will involve research and monitoring to establish the baselines necessary to quantify the overall success and effectiveness of the AUD Program.

Multi-Family Design Guidelines: This program was carried forward from the previous two Housing Element planning cycles. Due to staffing levels and workload priorities it has not been completed. The Guidelines would provide multi-family residential design guidelines and standards to address unit size, setbacks, open space, landscaping, building size, bulk and scale, and site planning. Staff considers this program a top priority as it could be an essential tool in addressing neighborhood character and compatibility issues. Development of the multi-family design guidelines would require consultant services to prepare architectural renderings and graphics.

Amend Zoning Standards: Housing Element Program H17.1 recommends incremental changes to the parking requirements to facilitate priority housing. Portions of this program could be undertaken by the NZO Update (i.e., eliminate guest parking in Downtown) and the Parking Design Guidelines (i.e., tandem parking, stacked parking, number of maneuvers), as both are currently being prepared.

Program H17.2 is intended to provide flexibility in outdoor living space and setback requirements for all residential development, especially in commercial zones. Amending the Zoning Ordinance to make these changes could also be undertaken as part of the NZO Update.

Preserve Rental Units: Several Housing Element programs (H13.1, H13.2, and H13.3) address ways to preserve rental units. These programs would explore ways to avoid the loss of rental housing, including amending the Municipal Code to allow rental apartments to rebuild or rehabilitate at non-conforming densities.

Associated with the preservation of rentals is the concern of vacation rentals and their effect on the available rental housing stock for local residents. The trend of converting owner occupied and rental units into vacation rentals has become popular in vacation destination communities such as Santa Barbara. Although vacation rentals are permitted in zones that allow hotel use, vacation rentals are now common in most zones, including residential zones. The use of residential units as short-term vacation rentals and/or only occupied as second homes poses a housing challenge in terms of decreased available long-term housing opportunities for local residents.

The issue of vacation rentals will require additional dialogue with the community and subsequent direction from City Council regarding a course of action. Exploring ways to limit and/or regulate vacation rentals in unpermitted zones would require additional funding for research, public process, and/or enforcement.

Other Housing Element Programs to Consider

Secondary Dwelling Unit Ordinance Amendments: Housing Element Program H15.1 directs amendments to the Secondary Dwelling Unit Ordinance to provide more flexibility in unit design and site planning. Discussions during the General Plan Update revealed that permitting second units “across the board” might not be the best approach. Not all single family neighborhoods support such units; therefore it is important to assess the level of supportability for each neighborhood. Additionally, the use of secondary dwelling units as vacation rentals has also emerged as a potential challenge in preserving existing housing stock for local residents. Completing this program will be complex and require extensive outreach and conversation with neighborhoods, as well as significant staff resources and time. Given other workload priorities, Staff is not recommending this program be implemented in the short-term.

Illegal Dwelling Units: Housing Element Program H20.5 directs consideration of ways to legalize illegal units in accordance with the Zoning Ordinance. The Housing Element Work Program instructs that studies be completed to identify methods and implications of increased enforcement on illegal units. Originally this program was given a “TBD” timeframe due to the staff resource and cost that would be required to complete it. However, HCD has directed that

a more specific timeframe be identified. The timeframe to complete the studies has been revised to 1-2 years. Given other workload priorities, completing these studies would require additional staff resources and funding.

Excerpts from General Plan Land Use Element

Goals

- *Resource Allocation:* Achieve a balance in the amount, location and type of growth within the context of available resources including water, energy, food, housing, and transportation.
- *Character:* Maintain the small town character of Santa Barbara as a unique and desirable place to live, work, and visit.
- *Design:* Protect and enhance the community's character with appropriately sized and scaled buildings, a walkable town, useable and well-located open space, and abundant, sustainable landscaping.
- *Historic Preservation:* Protect, preserve and enhance the City's historic resources.

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Community Design Policies

LG12. Community Character. Strengthen and enhance design and development review standards and process to enhance community character, promote affordable housing, and further community sustainability principles.

LG13. Multi-Family Design Guidelines. Develop multi-family residential design guidelines and standards to address unit sizes, setbacks, open space, landscaping, building size, bulk and scale, and site planning (e.g., pedestrian-friendly design, front porches facing the street or courtyard, and parking located out of sight).

Community Design

What constitutes Santa Barbara's physical character? It is its street layout, and how its buildings and structures relate to the city's setting of mountains, hills and coastline, and to each other. It is the scale, thematic architecture and historic sites of the Downtown. It is its public open spaces and landscaping. It is its distinctive architecture and neighborhoods. Community Design considerations focus on what people see, and how they experience the interrelationship between buildings, the city's setting, and public spaces, be these streets, sidewalks, parks and parkways, plazas or paseos.

Part of being a sustainable community is preserving, enhancing, and building on the desirable qualities enshrined in existing private and public land uses. Preservation and adaptive reuse combined with energy efficiency can benefit the environment. These considerations are addressed in the Environmental Resources Element and Historic Resources Element policies. From the perspective of design, enhancing public spaces can increase pleasure, health and economic benefits for people using these spaces. Focusing not only on the quality and character of buildings, but also on their

relationships to each other and to their public access is critical to Santa Barbara's identity.

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During the *Plan Santa Barbara* General Plan Update process, the City and community explored new approaches and measures, and existing processes and requirements, in order to preserve and enhance Santa Barbara's visual character, while attaining an acceptable balance with sustainability goals.

For Community Design the City's visual achievements will be retained through a combination of new and old planning tools.

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Design Review

The mainstay of community design is the City's design review process and the roles played by the Architectural Board of Review, the Historic Landmarks Commission, the Single Family Design Board and the Sign Committee. This review process increasingly has a broader perspective beyond simply the buildings and the landscaping, to include the relationship of a project to the streetscape and how it influences a person's use of the adjoining public space, be they driving, walking or bicycling, or sitting on a park bench or at a sidewalk cafe. Importantly, a proposed project's relationship to adjoining or nearby historic resources, including public views to and from these resources, will continue to require careful consideration.

To help achieve this expanded review, new approaches including Floor Area to Lot Area Ratios (FARs) will be applied in combination with existing tools.

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Regulatory Ordinances

There are a number of tools that apply to land use development in the city and that help shape community character. These include: standards that apply based on zoning designations, district or land use; design guidelines that guide the aesthetic quality of the built environment; and, plans that dictate allowed land uses and regulations of an area. Many of these are either incorporated in or provided in support of regulations included in several ordinances.

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Design Guidelines

While permitted land uses are designated in the Land Use Element and the Zoning Ordinance, the character of a neighborhood is largely defined by design features of the built environment and physical characteristics of the surrounding geography. New developments are subject to a number of city guidelines that are used to evaluate the

physical design of an individual project. Some apply to development city-wide; others to specifically delineated districts.

- Architectural Board of Review Guidelines
- Chapala Street Guidelines
- El Pueblo Viejo District Guidelines
- Haley-Milpas Design Guidelines
- Harbor Master Plan Design Guidelines
- Lower Riviera Special Design District Guidelines
- Outdoor Lighting Design Guidelines
- Pedestrian Master Plan
- Single Family Residence Design Guidelines
- State Street Landscaping Guidelines
- Upper State Street Guidelines
- Urban Design Guidelines
- Waterfront Area Design Guidelines

Design Guidelines in the future may include Design Overlay areas and Floor Area Ratios (FARs) that will more effectively control the size of structures.

Design Review & Historic Preservation Section Work Assignments as of March 2015

➤ **Design Guidelines & Special Assignments- Active**

- Fire Sprinkler Valve/Backflow Prevention Permitting Procedures and Design Guidelines
- EV Charging Expedited Permitting Procedures
- Guideline Standards for Public Right Of Way Improvements
- Minor Revisions to Outdoor Lighting Design Guidelines
- Revisions to Public Art Design Guidelines
- Multi-Unit Design Guidelines- Work Program Development and Scoping

➤ **Pending – Short Term-Pending**

- Ord. Committee Revised Tree Preserv. Chapters 15.24 and 22.11
- Landscape tree removal permit issuance procedures-New handouts
- Chapala Street Design Guidelines- Addendum Update
- Building inspector training guide presentation
- Solar Awards- (No awards presentation ceremony since 2012) with Planning Intern Assistance

➤ **Pending - Long Term-On Hold**

- ABR Guidelines Update- Insertion of Photo Images
- Haley/Milpas Design Manual- Merging into ABR Guidelines
- Wireless Facility/Antenna Ordinance Amendments

➤ **Historic Preservation Work Program-Active / 5 Year Plan- On-going**

- Citywide Historic Resource Guidelines & Architectural Styles Guide- Drafts Completed. Ready for public review
- Ord. Committee discussions Re: Citywide Historic Districting Plan & Administrative Guidelines
- Public outreach and meetings for listing and designations of Potential Historic Districts
- Background Paper on Historic Incentives- Zoning Relief and Code Alternatives – Planning Intern Research Assistance- Completed
- City Landmark & SOM designations with Planning Intern Assistance

➤ Pending – Short Term- Pending

- Website Civica- Draft Services Contract approval and project initiation
- Proximity to historic resources mapping
- Archaeological sensitivity mapping at Old Mission/Possible Designations NEW
- PDF scanning of all Archaeological Reports

➤ Pending – Long Term-On Hold

- Historic Resources Element Implementation Items-(Not on 5- year plan)
- Revisions to the City's MEA Guidelines for Archaeological And Historic Resources
- Demolition by Neglect Ordinance

Recently Completed Projects

- MEA Appendices Resource List Updates-Completed but still needs HLC approval.
- Digital Documents Access Website Improvements- Completed
- Sign Program database & parcel tag updates - Completed
- Sign Committee- Sign Survey- Post Re-org evaluation- Completed and discussed with Sign Committee- No changes proposed at this time
- Wireless Facility/Antenna Database update and mapping- Completed
- (6) Mills Act Contracts for 2014- Completed
- 2015 HLC Design Awards- Completed

Pending and Active Development Projects

Current as of February 12, 2015

Pre-Application or Conceptual Design Review

1. **926 Indio Muerto** - Proposal to demolish an existing 12,000 square-foot commercial building and construct an approximately 55,000 square-foot, three-story **hotel** with 115 to 120 rooms on a 38,122 square foot lot. The project also includes a 90-space subterranean parking lot with supportive amenities.
2. **Grace Lutheran Church of Santa Barbara (3869 State Street)** – Proposed new 39,071 square-foot, three-story, 60-unit building for **affordable, senior, rental housing**.
3. **Cabrillo Pavilion Arts Center and Bathhouse (1118 E. Cabrillo Boulevard)** – Renovation of the existing building and surrounding site improvements.
4. **251 S. Hope Avenue** - Housing Authority proposal for a 45,400 square-foot, 91-unit apartment building for **very low- and low-income frail elderly** on a vacant property. Project requires City Council approval of a Specific Plan Amendment.
5. **301 E. Yanonali Street** - Proposal to construct a new 43,937 square-foot, two-story building to include a **market, offices, and retail** spaces with 150 parking spaces on the 3.16 acre lot located in the Cabrillo Plaza Specific Plan area.
6. **1925 El Camino de la Luz** – Proposed **single-family residence** on a vacant blufftop lot.
7. **1550 W. Mountain Drive** – Proposal to convert a single family residence (“Book House”) into a **museum** with limited hours.
8. **Cliff Drive/Las Positas Road Roundabout** – Conceptual review of a proposed roundabout at the intersection of Cliff Drive and Las Positas Road.
9. **2720 De La Vina Street** - Proposal to demolish the existing 4,167 square-foot commercial building and surface parking lot, and construct a new 20,746 square-foot **mixed-use building**.
10. **328 W. Montecito Street** - Proposal to construct a new 1,247 square-foot gas station and mini-mart with a **fuel pump** canopy and pump islands on the approximately 12,000 square-foot vacant lot.
11. **15 S. Hope Avenue** – Proposal for 48 **rental apartments** (under AUD Priority Housing Overlay) and 7,000 square feet of **retail** space on a 35,514 square-foot parcel abutting Arroyo Burro Creek.
12. **6100 Hollister Avenue** - Proposal to demolish all building on-site and construct a new facility for **Direct Relief**, including a new 100,000 square-foot warehouse with an attached two-story 25,000 square-foot administrative office building, a secure truck yard loading area, and approximately 152 parking spaces. The project would require a designation as a Community Benefit project by the City Council, an initial allocation of 80,000 square feet of non-residential floor area from the Community Priority category, and Development Plan approval by the Planning Commission.

13. **800 Santa Barbara Street** - Proposal to demolish an existing 1,965 square-foot one-story building and construct a 26,059 square-foot, four-story **mixed-use** development on a 18,568 square foot lot. The project consists of 865 square feet of commercial floor area and 27 rental units (under AUD Priority Housing Overlay) above a subterranean parking garage containing 28 parking spaces, storage, and service areas.

Active/Continuing Design Review, Staff Hearing Officer or Planning Commission Review

1. **121 E. Mason/121 Santa Barbara/122 Gray/120 E. Yanonali** – Proposal for a new 139,424 square-foot, four-story, 60-foot tall, **mixed-use complex** with 64 dwelling units, 37 hotel rooms, retail commercial, restaurants, fast food, office, gym, and arts-oriented uses.
2. **El Estero Drain** – Revised Remedial Action Plan/ Habitat Restoration Plan.
3. **Santa Barbara Cancer Center (540 W. Pueblo Street)** - Proposal for a new comprehensive **outpatient cancer treatment** facility for the Cancer Center of Santa Barbara, and rental housing.
4. **Santa Barbara Museum of Natural History (2559 Puesta del Sol)** – Reduced Master Plan project with annexation and Amended Conditional Use Permit focused on rehabilitating existing buildings. Appeal of Planning Commission approval pending for March 24th City Council review.
5. **340 W. Carrillo Street** - Proposal to permit the as-built conversion of an existing **automobile service station to a mini-mart**.
6. **2334 De la Vina Street** – Proposal for three new attached **residential condominium** units on a 7,405 square-foot vacant lot.

Environmental Review

(Note: Some projects are on hold and others are documents prepared by other jurisdictions)

1. **1837 ½ El Camino de la Luz** – proposal for a new **single-family residence** on vacant bluff top lot – Revised Draft EIR (response to comments stage). EIR will be updated and re-circulated.
2. **Hillside House (1235 Veronica Springs Road)** – Final EIR prepared. Applicant proposed a revision to the project, which includes a 100% rental project instead of a mix of rental and ownership. Changes were presented at a Planning Commission conceptual review, and the next step is to submit a formal application for the revision.
3. **Highway 101 South Coast High Occupancy Vehicle Lanes Project** – Final EIR was certified and has been challenged.
4. **Resource Recovery Facility** – Draft Subsequent EIR released by the County of SB with a public comment period that closed September 24, 2014. Final EIR and certification and project permitting is pending.

Approval by Design Review, Planning Commission, SHO and/or Council

(Note: Projects either on hold, getting time extensions, and/or awaiting plan check submittal)

1. **517 Chapala Street** - Proposal to construct a new three-story, **mixed-use** development on an 11,500 square foot lot, with six residential condominium units and one commercial condominium space. City Council (on appeal) granted Project Design Approval on June 22, 2010.
2. **101 S. La Cumbre Rd** – Proposal for a new, one-story, 4,737 square-foot **commercial** building and 27 space parking lot, on a 25,764 square-foot lot. The existing 1,737 square foot gas station, surface parking lot, and related structures will be demolished. Planning Commission (on appeal) granted approval on December 12, 2013.
3. **128 Anacapa Street** – Proposal to construct two **residential condominium** units on a vacant lot. The SHO approved the project on January 22, 2014.
4. **Sandman Inn (3714-3744 State Street)** – Proposal involves demolishing the existing 52,815 square-foot, 113-room hotel (Sandman Inn) and restaurant, and constructing 5,110 square feet of **office** space and 72 **residential condominiums**. Planning Commission approved the revised project on April 3, 2014.
5. **35 N. Calle Cesar Chavez** - Proposal to demolish and replace two existing one-story **storage buildings** in the same locations. Seven parking spaces are proposed to remain. The SHO approved the project on April 30, 2014.
6. **510 N. Salsipuedes Street (People’s Self-Help Housing)** - Proposal for a three-story, 40-unit **restricted-income multi-family development** with an attached 46-space garage and 3,300 square-foot community center. ABR granted Final Approval with conditions on February 10, 2014; City Council (on appeal) granted approval on May 20, 2014.
7. **Library Plaza (40 E. Anapamu)** - Proposal to upgrade landscape and hardscape areas in front of the Santa Barbara Public Library and the Faulkner Gallery along with the lower plaza area at the westerly end of Library Ave. No changes to the building are proposed. HLC granted Project Design Approval on June 18, 2014.
8. **1135 San Pascual** – Proposed three-unit **condominium** building on a lot currently developed with a single family residence and adjacent to Old Mission Creek. The existing residence is proposed to remain. The SHO approved the project on October 1, 2014.
9. **604 E. Cota Street** - Proposal to construct a new, 20,426 square foot, three-story mixed-use building with **29 residential units (under AUD Priority Housing Overlay) and 2,080 square feet of commercial space**. ABR granted Project Design Approval on November 24, 2014.
10. **Santa Barbara Museum of Art (1130 State Street)** – Approximately 8,000 square-foot addition to the existing 64,510 square-foot building; reconfigure interior gallery, circulation and office space; comprehensive electrical and mechanical upgrade, and waterproof the roof. HLC granted Project Design Approval on December 17, 2014.
11. **3435 Marina Drive** – Proposal for a new 5,990 square-foot **single-family residence** on a 1.12-acre vacant lot. City Council (on appeal) approved the project on November 18,

2014. Coastal Commission (on appeal) found No Substantial Issue on February 12, 2015.

12. **511 Brosian Way** - Proposal for a 6,689 square-foot, two-story, **single-family** home with an attached three-car garage on a vacant 2.2 acre lot in the Hillside Design District. City Council (on appeal) approved the Coastal Development Permit and granted Project Design Approval on January 27, 2014.

Pending Building Plan Check or Permit Issuance

1. **Waterfront Hotel** – Building permits were issued for a 150-room hotel. The property owners are exploring revising the project to a smaller boutique hotel. This will require a new Development Agreement, Coastal Development Permit and some level of environmental review. In the interim, the applicant is seeking approval of a new Development Agreement to extend the expiration of the current approvals.
2. **101 State Street** - Proposal to demolish an existing 714 square-foot laundry building and 40 space parking lot and construct a new 22,133 square-foot, three-story **hotel** with 34 guest rooms and a 33 space, at-grade parking garage. HLC granted Final Approval on November 6, 2013. Building permit plans currently in plan check.
3. **412-414 Anacapa Street** – Proposal for a three-lot subdivision and construction of a three-story **mixed-use** development. Building permit plans submitted February 18, 2014.
4. **La Entrada** – Revisions found to be in Substantial Conformance with prior-approved project on June 27, 2013. HLC granted Project Design Approval on August 14, 2013 and Final Approval on May 21, 2014. Building plans currently in plan check; demolition and construction of foundations has begun.
5. **Children’s Museum (125 State Street)** – Proposed 16,691 square foot, three-story building to be used as the Children's Museum of Santa Barbara with indoor and outdoor galleries, a courtyard, and roof terrace. Grading permit issued July 17, 2014; building permit issued January 15, 2015.
6. **Montecito Country Club (920 Summit Road)** – Revisions to reduce the scope of the project found to be in Substantial Conformance with the prior-approved project that was approved by Planning Commission on September 10, 2009. ABR approval granted March 17, 2014; HLC approval granted May 14, 2014. Applications for building permits submitted in Summer 2014. Grading permit for the new maintenance yard has been issued.
7. **608-614 Chapala Street** - Proposal to infill 5,121 square feet under an existing roof area of a 20,579 square-foot commercial building, and add 187 square feet to an existing 459 square-foot detached **commercial building**. Building permit issued August 28, 2014.
8. **3880 State Street** – Proposal to construct 13 new **apartment** units in a 13,323 square-foot two-story building, attached to the existing 5,442 square foot **one-story office** building at the center of the site. ABR granted PDA/Final Approval on January 21, 2014. Building permit plans submitted April 2, 2014.

9. **Arlington Village (1330 Chapala Street)** - Proposal for a three-story, **mixed-use** development on a 91,000 square-foot parcel. The project comprises 33 residential apartments (totaling 28,302 sq. ft.) and two commercial units (931 sq. ft.), and a 13,400 square-foot partially below-grade parking garage. HLC granted Project Design Approval August 14, 2014; City Council (on appeal) granted approval on October 28, 2013. Building permit plans submitted December 22, 2014.
10. **3885 & 3887 State Street** - Proposal for a mixed-use residential and commercial project including: demolition of the 22,500 square foot existing two-story **commercial building**; demolition of the existing 4,990 square foot motel; replacement of 4,500 net square feet of commercial space; the addition of **89 apartment units (under AUD Priority Housing Overlay)**; and a new subterranean parking garage. Demolition permit issued and demolition work was completed. Building Permit corrections were returned to the applicant January 13, 2015.
11. **240 W. Alamar Road** – Proposal to demolish an existing single-family residence and construct four **restricted-income ownership units** (to replace units lost at 535 E. Montecito Street). Planning Commission approved the project on July 17, 2014. Building permit plans are currently under review.



City of Santa Barbara California

Funk Zone Development: *Understanding the Past and Considering the Future*

INTRODUCTION

The purposes of this report are to present a brief history of prior planning efforts in the Waterfront area that lead to existing policies related to parking and development, provide basic facts about existing parking resources in the Funk Zone, and lay the initial groundwork for potential parking solutions within the City's existing policy framework.

Funk Zone permitting activity and community/tourist popularity has increased dramatically in the last two to three years. The Urban Wine Trail emerged along with highly successful eateries, coffee and brew houses. This burgeoning activity represents somewhat of a shift from previous land uses and presents new and unique area infrastructure needs and land development proposals. A portion of the business owners in the Funk Zone have formally requested City assistance to address rising parking demand needs and to help establish a Parking and Business Improvement Area (PBIA).

EXISTING SETTING

The area commonly referred to as the "Funk Zone," is generally bounded by Helena Street, Cabrillo Boulevard, Santa Barbara Street, and Montecito Street. For the purposes of this report, the study area is extended west to State Street and east to Garden Street, as development in those blocks relates closely to the Funk Zone (Exhibit A). The Railroad Depot, Stearns Wharf, and the Palm Park parking lots are also discussed in this report, as those parking resources also serve the Funk Zone. The entire subject area, approximately 45 acres in size, is located within the City's Coastal Zone. Highway 101 parallels Montecito Street to the north and the Union Pacific railroad tracks bisect this area, creating two dead-end street segments within the Helena Avenue right-of-way, and at the southern extent of Santa Barbara Street and Gray Avenue.

The Funk Zone includes a mix of general commercial retail, artist studios and galleries, restaurant, office, warehouse, and light industrial uses, with some mixed-use and multi-unit residential development. The area is primarily zoned Ocean-Oriented Commercial (OC), which allows ocean-dependent and ocean-oriented uses, commercial recreational uses, arts and related uses, restaurants, small stores, and mixed-use development in a limited area and under certain conditions. Historically, this area has been used for light industrial and commercial uses, and as a haven for local artists. Increased development pressure has caused the conversion of many warehouses and manufacturing facilities into tasting rooms, art galleries and restaurants, some of which have limited to no on-site parking. The outer extents of the Funk Zone, including all of lower State Street, the north side of Cabrillo Boulevard and the Garden Street corridor, is designated Hotel & Related Commerce II (HRC-2), which allows for visitor serving uses and

prohibits residential development except in a portion of the Cabrillo Plaza Specific Plan (bounded by Garden, Yanonali, and Santa Barbara Streets). This area acts as an important connection between the Downtown and Waterfront areas.

LAND USE BACKGROUND

With ratification of the Coastal Act in 1976, the California legislature mandated that all local governments lying wholly or in part within the state's coastal zone prepare a Local Coastal Program (LCP), including a Land Use Plan and Implementation Plan. Once the California Coastal Commission certifies an LCP, it transfers regulatory power from the state to the local government and the LCP acts as the blueprint for local review of individual coastal development permits. The City of Santa Barbara adopted its first Coastal Land Use Plan in May 1981, and began administering coastal development permits in 1986, upon the Coastal Commission's certification of the City's Implementation Plan. Many of the initial LCP policies remain the same today, guiding the future development within the city's six mile long stretch of shoreline area within the Coastal Zone.

Prior to 1986, the Funk Zone was primarily zoned C-M (Commercial Manufacturing). The City's waterfront area was rezoned as part of the LCP certification process to provide land for uses identified as priorities by the Coastal Act and the LCP. This included rezoning some areas from manufacturing to zones (HRC-1 and HRC-2) that allowed primarily visitor-serving, hotel and hotel-related uses.

HRC Zones Study

In 1995, a study of the interior HRC zone area was initiated by City Council and the Planning Commission with the intent of providing greater flexibility in allowed uses for property owners within the parameters of the Coastal Act and the LCP; encouraging policy changes that would lead to conformance with the LCP, and; identifying and removing barriers to LCP conformance.

As part of the HRC Zones Study, there was a desire expressed for the Funk Zone to maintain its unique character, largely due to its allowance to evolve with little interference from governmental and outside forces. Generally, it was felt that the standard application of infrastructure in this area should be avoided, and a program tailored to the specific needs of the area should be developed.

The lack of parking in the area and policy constraints related to parking was identified as the biggest limiting factor to new development and redevelopment of the area. The challenge of providing additional parking onsite or in the immediate area has limited the ability of many owners to legally change the use of their properties to other uses. A need for consolidated public and private parking and shared parking among land uses were identified as potential solutions.

Downtown/Waterfront Visioning Process

In 1997, the Santa Barbara City Council directed staff to conduct a community-driven process to craft a vision of the future for the Downtown and Waterfront areas. Over several months, more than one hundred community members met to discuss issues vital to the economic, social and environmental well-being of the City over the next twenty years. The participants became known as the Stakeholder Committee and they submitted their Final Report and Recommendations for the Downtown/Waterfront Areas to the City Council in February 1998.

The Stakeholder Committee's final report raised two discussion issues related to parking in the vicinity of Cabrillo Boulevard. One related to the possible removal of parking on Cabrillo Boulevard along Chase Palm Park. The other issue pertained to existing parking lots on the ocean side of Cabrillo Boulevard, including the Chase Palm Park parking lot. Some Stakeholder Committee members felt that the new major entrance to the Waterfront via the Garden Street extension should not end at a parking lot; others thought that existing parking in that area should be retained but not expanded. The final recommendation concluded that the existing parking lots be retained pending the completion of the Cabrillo Boulevard Master Plan, as directed in Policy 9.5 of the Circulation Element.

OC Rezone

The community's continued interest in preserving the diversity of uses in the Funk Zone resulted in the 1999 LCP Amendment application to create an OC (Ocean Oriented Commercial) Zone in the waterfront area. The LCP Amendment was certified by the Coastal Commission in 2004. The new OC Zone was applied to certain parcels in the Funk Zone and rezoned several others from HRC-2 to a dual zone of OC/HRC-2 (see Exhibit B for map of affected area). The intent was to preserve existing and encourage new ocean-dependent, ocean-oriented, arts-related, commercial and residential uses, while prohibiting new hotel, motel and related visitor-serving uses allowed under the prior HRC-2 zoning designation.

At the time of the rezone effort, the area encompassed by the OC Zone contained a mix of commercial, industrial, small businesses, residential, and arts-related facilities. Many buildings in this area are built to the edge of the street and, in many cases, with limited or no on-site parking. The OC Zone has no required setbacks in recognition of the numerous buildings built to the property lines. The intent was to provide an incentive, at least in terms of building development standards, for property owners to rehabilitate or replace older industrial buildings into more conforming ocean-oriented uses. However, the challenge of providing additional parking on-site has limited the ability of many owners to legally convert their properties to OC Zone uses.

EXISTING PARKING RESOURCES

In order to develop solutions to help address the rising parking demand in the Funk Zone, it is important to understand the mechanisms by which public parking resources can be collectively maintained and used for the benefit of private property and business owners. In addition, the development history of the existing public parking supply in and around the Funk Zone is critical in considering how it may play a role in new and existing private land development.

Downtown Parking and Business Improvement Area (PBIA)

In November 1970, an effort was initiated by downtown business and property owners to increase parking supplies and access to better compete with the newly created La Cumbre Plaza, which provided ample parking. Business leaders organized a plan to tax themselves to purchase land and build parking lots, paseos, and an improved pedestrian environment on State Street. The City's role in this endeavor was to form a Parking and Business Improvement Area (PBIA) for the purpose of collecting funds and dedicating staff to operate the parking system. Some parking structures were also funded this way prior to the creation of the Redevelopment Agency, which funded additional parking structures. Today, ongoing PBIA collections are used to partially finance the operation and maintenance of the Downtown public parking system,

operated by the Transportation Division of the Public Works Department (see Exhibit C for information related to establishing a PBIA).

PBIA charges are assessed based on three factors: 1) the type of business on the site (e.g., retail, theater, financial institution); 2) the proximity of the site to a public parking lot (the rate decreases as the distances increases); and 3) the provision of on-site parking (if any) to off-set a business's reliance on public parking lots for employee and customer use. Refer to the *City of Santa Barbara Parking and Business Improvement Area (PBIA) Final Engineer's Report of Formula and Methodology of Assessments*, dated October 5, 1999 and prepared by Penfield & Smith, for more detailed information.

In 1991, the PBIA was expanded to incorporate three additional parking structures and included the area bounded by Sola Street, Santa Barbara Street, Highway 101 and De la Vina Street. In 1999, the PBIA was again expanded to include the Railroad Depot parking lot, and extended the boundary of the PBIA south, to Cabrillo Boulevard (Exhibit D).

Zone of Benefit

Beginning in 1980, in recognition of the downtown core as a centralized destination where customers often park once to visit many nearby businesses, properties in the C-2 Zone were allowed to continue providing off-street parking at a uniform ratio of one space per 500 square feet of net building floor area, while the commercial parking rates of most other areas of the city were raised to one space per 250 square feet.

Following the Redevelopment Agency's construction of two parking structures alongside the Paseo Nuevo development, City Council adopted Resolution No. 4750 in February 1992, which formally established a Central Business District (CBD). Properties within the CBD were permitted to provide less than the required number of parking spaces based on their proximity to a public parking lot, commonly referred to as the "Zone of Benefit." At its furthest extent, the CBD is bound generally by Arrellaga Street, Garden Street, Highway 101, and De la Vina Street (Exhibit E). Any nonresidential use in the CBD, regardless of zone designation, is required to provide only one space per 500 square feet of net floor area, less the use's "Zone of Benefit." The resulting number of required parking spaces for a property is then reduced based on its proximity to a public parking lot, or its "percent of benefit" within the zone. For example, if a property is located within the same block as a public parking lot, the site is within a 100% Zone of Benefit and 100% of its required parking is allocated to the public parking source and not required to be provided on site (note: the Zone of Benefit is not available if and when the adjacent public parking supply is 85% used). However, as noted above, the business is subject to a higher PBIA fee for this amenity.

As stated above, the PBIA was extended to Cabrillo Boulevard in 1999 to encompass the majority of the study area of this report; however, the "Zone of Benefit" was not extended south of Highway 101, into the Coastal Zone. As a result, while businesses surrounding the Railroad Depot lot contribute to the PBIA for the convenience of having nearby public parking, they are not afforded the same "Zone of Benefit" reduction in on-site parking spaces as businesses are in the CBD north of Highway 101.

The PBIA could be further expanded to incorporate the recently constructed 29-space public lot on Helena Avenue for cost-sharing purposes; however, property and business owners could not benefit from being within close proximity to this public lot or the Railroad Depot lot by providing proportionally less on-site parking unless the Zone of Benefit was expanded into the

Coastal Zone. Although the concept of shared parking facilities is supported by the Circulation Element of the General Plan and LCP Policy 11.6, the City has yet to initiate a Zoning Ordinance Amendment and accompanying LCP Amendment to establish a Zone of Benefit for this area.

Existing Public Parking Lots

The Funk Zone is surrounded by ample public parking, comprised of both fee-based parking lots and on-street parking. Two public parking lots are located within the boundaries of the Funk Zone; the 207-space Garden Street Lot and the 29-space Helena Avenue Lot. All other lots described below are not within the Funk Zone proper, but are located within close proximity and can be easily accessed by crossing either Cabrillo Boulevard or State Street.

Stearns Wharf

In March 1980, the California Coastal Commission approved a Coastal Development Permit (CDP) to structurally rehabilitate Stearns Wharf after it was closed in 1973 due to its unsafe physical condition. The CDP also authorized construction of 28,410 square feet of building area and 126 parking spaces on the wharf. A condition of this approval required that, “prior to the opening of Phase II of the project [the secondary restaurant area and southern portion of the wharf], the City shall have constructed and opened for parking, the proposed 180± space public parking lot at the corner of Cabrillo Boulevard and Santa Barbara Streets [now Garden Street].”

The CDP also conditioned that employee parking (with the exception of ten spaces) be prohibited on the wharf. The decision to allow validation for restaurant patrons was left to the discretion of the City, and valet parking service for the main restaurants is at the option of the restaurant management.

There are currently 141 parking spaces on Stearns Wharf, including the area used for valet parking (the valet parking lot is managed by the Harbor restaurant and part of their lease agreement). Stearns Wharf parking is managed by the City’s Waterfront Department.

Garden Street Lot

The CDP for the rehabilitation of Stearns Wharf in 1980 contained a condition of approval that the City construct and open a “180± space public parking lot” on the northwest corner of Garden Street and Cabrillo Street (referred to as the Garden Street Lot) to accommodate parking needs of the users of Stearns Wharf. The provision of this lot was noted by the Coastal Commission as essential to the operation of a completed Stearns Wharf project.

The Garden Street Lot also provides a portion of the required parking spaces for the Chase Palm Park Expansion under its 1993 Coastal Development Permit. Based on the conclusions of the Waterfront Park and Hotel and Hostel Final EIR, the 84-space demand for the Chase Palm Park expansion was conditioned to be met with a limited amount of parking provided on the park site, a new Mason Street parking lot (discussed below), and expansion of the Garden Street Lot, to be constructed upon completion of the Garden Street extension project. Therefore, in 1996, the Garden Street parking lot was expanded and now provides a total of 207 spaces to accommodate most of the parking demand generated by the Chase Palm Park expansion. This parking lot is managed by the City’s Waterfront Department.

Mason Street Lot

The Mason Street Lot, located north of the Garden Street Lot and railroad tracks, between Santa Barbara and Gray Streets, is comprised of 44 parking spaces, roughly resembling 90-degree on-street parking.

Due to the reliance upon all existing parking spaces within the Garden Street and Mason Street Lots to meet conditions of the Stearns Wharf and Chase Palm Park expansion CDPs, careful consideration is needed before any displacement or otherwise permanently assigned parking spaces from either of these lots would be used to support new development in the area. Such a proposal would likely require amending the CDPs of the above land uses and making necessary findings for consistency with the LCP and Coastal Act.

Palm Park Parking Lot

The Palm Park Lot is located south of Cabrillo Boulevard at the terminus of Garden Street. When Skaters' Point was developed in 2000, eleven parking spaces were displaced within the Palm Park lot, resulting in 280 spaces. Those spaces were gained elsewhere in the waterfront area by restriping the East Beach lot. In addition, six new parallel parking spaces were provided at the entry driveway to the Chase Palm Park expansion off Garden Street to meet the parking demand of the skateboard facility. This parking lot is managed by the City's Waterfront Department.

Railroad Depot Lot

The public parking lot adjacent to the Railroad Depot was acquired by the Redevelopment Agency from a private developer in 1995 and is in the process of being transferred to the City (expected to be complete by mid-2015). The lot contains 170 spaces available for the train depot, Greyhound bus terminal, several other adjacent businesses, and general public parking. The lot has ingress/egress off State Street and Montecito Street, both controlled by a staffed kiosk. This is the only public parking lot south of Highway 101 that is included in the PBIA and, therefore, offers a 75-minute free period. A unique off-site parking agreement was developed for the Children's Museum, currently under construction on City-owned land at 125 State Street, which allocated 29 of its 31 required parking spaces in the Railroad Depot Lot.

Rey Road Lot (235 State Street)

The 44-space parking lot directly north of Enterprise Fish Company was purchased from Caltrans by the Redevelopment Agency in 2000, with the intent of improving the site and generating private redevelopment of the surrounding area. Prior to that, Caltrans leased the parking lot to Enterprise Fish Company for their use. Once acquired by the City, the lot was incorporated into the City's existing public parking resources, and is managed by the Downtown Parking Division.

Helena Lot

In February 2012, a 28-space public parking lot was completed at 217 Helena Avenue, just south of the Wayfarer hostel, to provide additional parking in the Lower State Street area. The property was transferred from the Redevelopment Agency to the City in 2013, and is managed by the Downtown Parking Division. The lot currently operates as a 90-minute parking lot with two electrical vehicle charging stations.

On-Street Parking Supply

On-street parking is provided throughout the Funk Zone, most of which is not subject to a time limit and thus, currently available for longer-term use by visitors, owners or employees. Most on-street parking is provided in a parallel parking configuration, with three exceptions: on-street spaces in the 00 block of East Mason are formally striped in a perpendicular configuration and limited to 90-minute parking; the 100 block of Helena is formally striped in a perpendicular configuration and not subject to a time limit; and the parking spaces along the 200 block of Gray Avenue are not formally striped but informally utilized in a perpendicular fashion, providing more on-street parking than would be provided in a parallel parking configuration. Consistent with City policy, this supply of on-street parking is available for use by anyone, and cannot be counted toward meeting the zoning parking requirement of existing businesses or proposed development. As properties redevelop or improve, opportunities do exist to minimize or reduce curb cuts and driveways in some areas, potentially creating more on-street parking spaces for use by the general public.

DEVELOPMENT CONSIDERATIONS

Prior to 1986, most of what is now zoned HRC-2 or OC was zoned for Commercial Manufacturing (C-M). Therefore, many of the existing land uses and structures are nonconforming because they were built to an earlier and different zoning standard. Between 1986 and 1998, little change actually occurred. There are several reasons why uses which do not currently conform to the requirements of the HRC or OC Zones have failed to legally transition to more conforming uses, including difficulties associated with improving nonconforming uses and structures, and policy constraints related to the provision of off-street parking in the Coastal Zone.

Nonconforming Uses and Buildings

The nature of nonconforming land uses and buildings limits the flexibility and options available to property owners and tenants. Often the placement or size of existing structures can make it difficult or impossible to bring them to current zoning or building code standards, which also limits the extent to which property owners can make improvements. Given the option of either continuing to work within the confines of an existing nonconforming structure, moving an entire business operation to another location, or facing large-scale remodeling or redevelopment to bring buildings to current standards, many property owners choose to continue the nonconforming use and make minimal improvements to nonconforming structures.

In order to help property owners and businesses make desired improvements, staff has allowed older nonconforming buildings and uses to transition into *more conforming* OC Zone uses rather than require strict adherence to the list of allowed uses, with the provision of additional parking to make up the difference necessitated by the new use. In many cases, however, an existing use may be so significantly under-parked and the site constrained to provide additional parking on-site, that the property is severely limited for use as anything more intense than the long-time industrial or warehouse use. Necessary building code upgrades can also result in improvements that further constrain the site and make it challenging or infeasible to make desired changes.

Sea Level Rise

Sea level rise is a growing concern at both a global and local level. Cliff and bluff erosion, flooding of low-lying areas, and damage to shoreline infrastructure and development will continue to affect California's coastal communities in the decades ahead. As sea level rises, the shoreline will gradually move landward. The beach that lies just east of the Harbor is affected by harbor dredge discharge, but it progressively decreases in width and artificiality from west to east. Any narrowing or loss of Leadbetter, West, or East beaches would progressively expose public facilities such as the beach pathway, public parking lots, restrooms, and development at the Santa Barbara Harbor, Cabrillo Boulevard, Stearns Wharf, and the Cabrillo Bath House to periodic flooding and/or increased damage from wave action. Many of the City beaches and facilities already periodically experience moderate levels of damage from high tides and winter storms.

The City's Environmental Resources and Safety Elements contain policies and implementation actions directing development of adaptation guidelines for sea level rise, and reviewing public improvements for potential impacts from sea level rise. For existing public improvements, such as parking lots, the beach pathway and Cabrillo Boulevard, adaptation to sea level rise could range from protecting certain facilities in place, raising facilities above projected flood heights, managing retreat, or relocating facilities. The Local Coastal Program Land Use Plan update currently underway will be required to include new and updated Hazards Policies to address sea level rise and related impacts and, in some circumstances, may not allow reconstruction of damaged structures.

The current Median High Water Line for Santa Barbara is approximately 53 inches above sea level. The most recent available data indicates that by 2050, sea level rise could range from 5 to 24 inches (resulting in a new Median High Water Line of 58 to 77 inches above sea level), and the risk of wave damage to shoreline development and infrastructure in Santa Barbara will be high. Options are limited and adaptive capacity will be moderate, with retreat being the most viable long-term option. Therefore, it's conceivable that sea level rise may eventually result in the loss of some public parking south of Cabrillo Boulevard.

In light of the potential loss or relocation of critical public parking south of Cabrillo Boulevard, consideration needs to be given to the possible future need for replacement of that parking landward of Cabrillo Boulevard, further constraining limited public parking resources.

Applicable Policies and Ordinances

Any changes to the existing land use, transportation and/or parking system in the Coastal Zone must take into consideration the policy framework embodied by the California Coastal Act and the City's LCP (applicable policies are attached as Exhibit F). Coastal Act and LCP policies emphasize maintaining and enhancing public access to coastal areas, including provision of adequate parking facilities. Any potential solutions to parking constraints in the Funk Zone must demonstrate that coastal access will not be adversely affected.

Conversion from a nonconforming use to an allowed or more conforming use may require a Coastal Development Permit, and a need for consistency with LCP Policy 11.5:

“All new development in the waterfront area, excepting Stearns Wharf, shall provide adequate off-street parking to fully meet their peak needs. Parking needs for individual developments shall be evaluated on a site-specific basis and at minimum be consistent with City Ordinance requirements.”

Even when a change of use is minor and qualifies for a Coastal Exemption (not a demolition and replacement), compliance with SBMC §28.90.001.N. requires additional parking to accommodate the change of use, which most often triggers the need for additional off-street parking.

“Whenever the type of use of any existing building is changed to another type of use that requires more parking spaces under this Chapter than were required for the prior use, there shall be provided additional permanently maintained parking spaces as required by this chapter for said building and any other existing buildings located on the parcel or parcels. The number of required additional parking spaces under this subsection shall be computed by determining if the number of parking spaces required for the new use is greater than that required for the previous use under this Chapter. If there is an increased number of parking spaces required for the new use, that increased number of additional parking spaces shall be added to the number of parking spaces required for the prior legal conforming or non-conforming use and the total of these two numbers shall be the number of parking spaces required for the new use.”

These policy and ordinance requirements often prevent the conversion of nonconforming uses to allowed or more conforming uses for several reasons:

- Existing off-street parking supply is often insufficient to meet even the current demand;
- Older, nonconforming buildings often have limited space on-site for new or additional off-street parking, and;
- The provision of adequate parking areas on small lots can severely restrict the buildable area of the lot.

The deficiency of off-street parking throughout the Funk Zone presents challenges related to circulation and access, as well as constraints for redevelopment. Few private parking lots are shared by more than one business, limiting the ability to efficiently use land for parking. Furthermore, unlike downtown businesses within the CBD and “Zone of Benefit,” properties within the Funk Zone are not currently able to take advantage of their proximity to public parking lots by providing a proportionately reduced amount of on-site parking.

The general lack of off-street parking for many businesses creates haphazard parking situations throughout the area. For instance, informal on-street parking leads to parallel parking along some streets and 90-degree parking along others. Also, more frequent use of the railroad right-of-way for overflow parking is occurring, creating a potential safety issue. Valet parking has also recently gained popularity in the Funk Zone to help manage the limited on-site parking supply, which, depending on how and where they operate, can further constrain the on-street parking supply and/or cause bottlenecks as vehicles queue up at the valet attendant station.

POTENTIAL EFFECTS OF LAND USE TRANSITION

Recently constructed and renovated buildings in the Funk Zone have both direct and indirect effects on the area. The direct effects of development include a change in the immediate character of the area due to aesthetic or infrastructure improvements (e.g., new sidewalks), changes in access or circulation patterns, and an increase in the number of people drawn to the area. Indirectly, new development can serve as a catalyst for additional development activity, raising the value of surrounding property and potentially gentrifying the area, displacing existing businesses and artist work spaces.

Several larger developments planned or under construction will generate additional parking demand in the waterfront area, including the Children's Museum, La Entrada de Santa Barbara, Waterfront Hotel, and redevelopment of 121 E. Mason Street. Pursuant to existing LCP policies, each of these developments would provide adequate off-street parking to meet their demand.

The Children's Museum, currently under construction at 125 State Street, will be a three-story, 16,691 square-foot building containing hands-on exhibits in indoor and outdoor galleries, offering services and programs for children of all ages and their families, and professional educators. Two accessible parking spaces will be provided on-site and 29 spaces will be provided in the Railroad Depot Lot directly to the north.

La Entrada de Santa Barbara includes 123 boutique hotel rooms, approximately 22,000 square feet of commercial space, a public plaza, and 264 total parking spaces; 140 spaces for the hotel use, and 124 spaces for the commercial use, accessible to the general public on a first-come, first-served basis similar to the Paseo Nuevo parking garages. This site will ultimately enhance and connect the Lower State Street area to the Waterfront area and the Funk Zone. Construction is underway and expected to be complete in late 2016.

The Waterfront Hotel, located at 300 E. Cabrillo Boulevard, just northeast of Chase Palm Park expansion area is approved for 150 hotel rooms and a separate 111 space parking lot (additional parking is provided on the existing DoubleTree hotel site). The applicant team is currently considering an alternate hotel option, and City policy would require that adequate off-street parking be provided to fully meet the hotel's peak need. In the interim, the applicant is seeking approval of a new Development Agreement to extend the current approvals.

The proposed mixed-use project at 121 E. Mason Street encompasses nearly an entire block bounded by Gray Avenue, Yanonali Street, Santa Barbara Street, and the railroad tracks. Currently being reviewed by City staff for compliance with local and state regulations, the proposal includes a new approximately 130,000 square-foot, four-story, mixed-use complex with 64 residential units, 37 hotel rooms, commercial, restaurant, and arts-oriented uses, and approximately 118 off-street parking spaces (23 spaces at-grade and 95 in automated stacked parking) rather than the 229 parking spaces required by the Zoning Ordinance. The proposal also includes 188 bicycle parking spaces (105 on-site; 83 in the right-of-way) bicycle parking spaces, use of a car-share program and valet operation to help offset the reduced number of proposed parking spaces.

POSSIBLE OPPORTUNITIES AND OPTIONS

The character of the Funk Zone may be altered if the removal of existing structures is the only way to provide required parking for new or expanded uses. The lack of off-street parking and the City's coastal policies relating to parking are the biggest limiting factor to new development in the area. Providing consolidated parking would ease the burden on individual property and business owners who would like to either expand their current business or change the use; however, the general lack of off-street parking is the primary reason that the area has retained its small scale and present mix of uses.

Several Coastal Act and LCP Policies support an equitable distribution and shared use of parking resources, and use of alternative modes of travel to and along the shoreline. Shared off-street parking could be established in existing or new private lots, so long as an adequate number of required spaces are allocated to each business relying on the lot. Opportunities also exist to

increase and enhance connections between businesses and existing public and private parking resources, increasing convenience for visitors and enabling a more efficient use of current supply.

In order to utilize public parking resources to meet private development needs, it is likely that new off-street parking spaces would need to be added to the current supply. A parking demand/supply study would determine whether or not the current supply can meet the demand of existing and anticipated future buildout of the area. As discussed earlier, local and state coastal policies, and conditions of relevant Coastal Development Permits, would then dictate the extent to which any of the current off-street public parking supply could be redistributed and allocated to other uses in the area.

To expand or establish a separate PBIA within the Funk Zone, property and/or business owners would need to follow the required steps to form such a district (see California Streets & Highways Code §36000), and City staff could be an informational resource throughout that process. Generally, owners would need to establish a formula for assessing themselves in an equitable manner, conduct outreach to, and gain support from, affected businesses, and petition City Council for their approval. Expanding the Zone of Benefit to within the Coastal Zone would require a Zoning Ordinance Amendment and accompanying LCP Amendment.

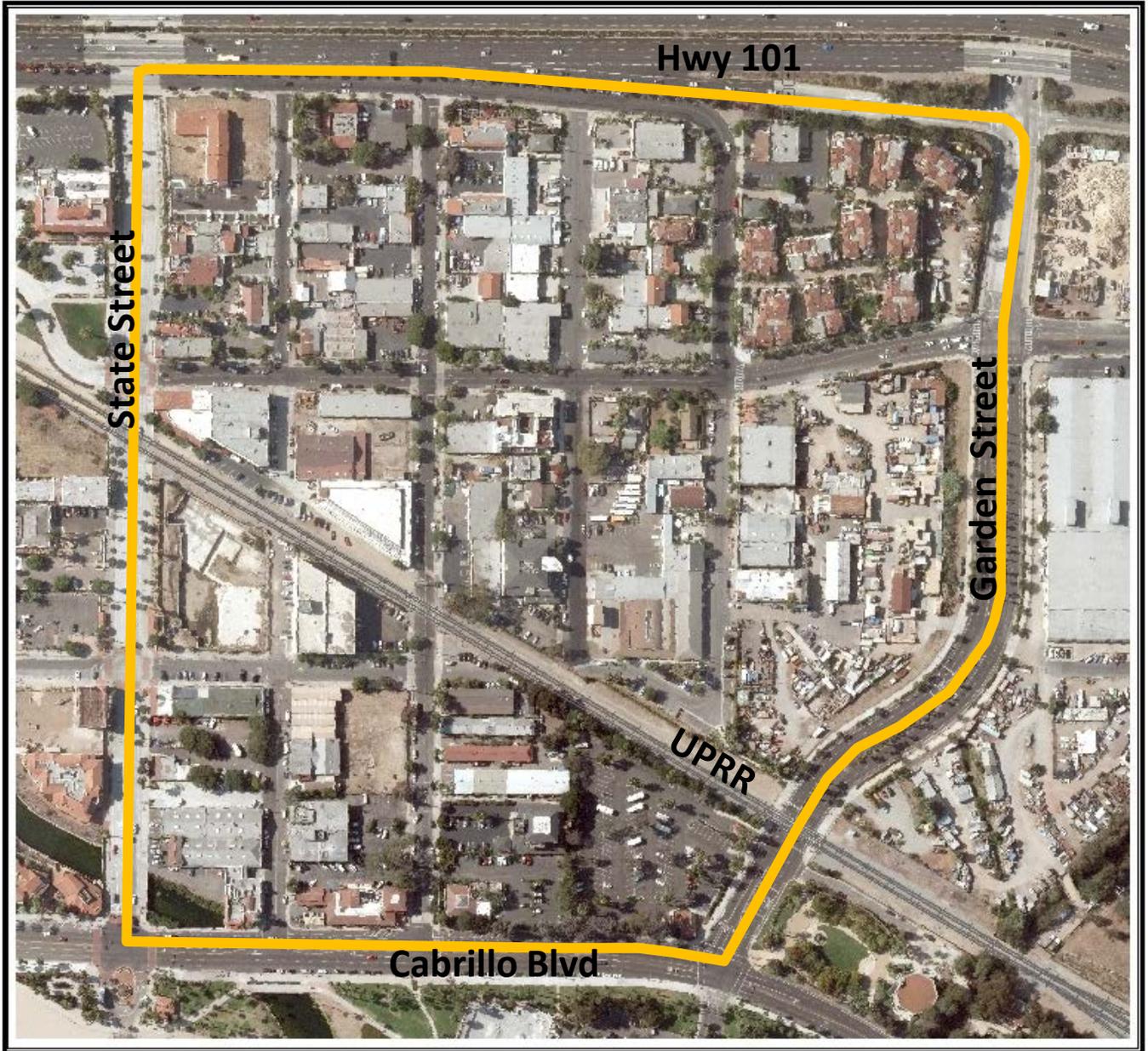
Aside from creating additional off-street parking in the Funk Zone to allow for new development or change of use, there are opportunities to expand the on-street parking supply, including modifying street circulation patterns to create a more efficient use of the public right-of-way. While this would benefit the general public and increase their ability to utilize on-street parking, City policy would not allow the creation of additional on-street parking spaces to offset demand generated by new development or a change of use.

LOCAL COASTAL PLAN UPDATE

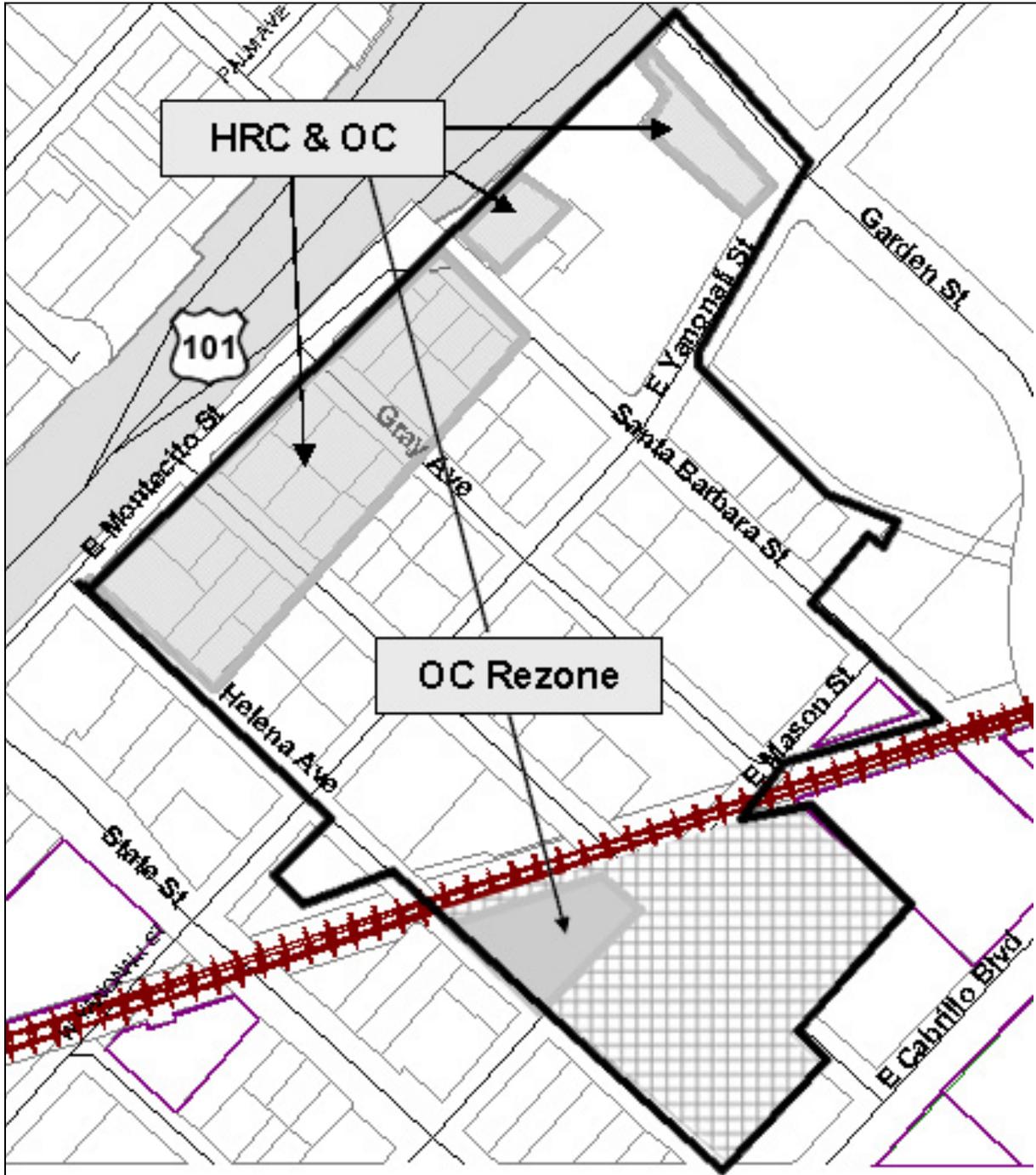
The City is in the process of updating the Land Use Plan of our certified Local Coastal Plan (LCP). Many of the policies and actions described in the 1981 LUP have been implemented and should be deleted as they are no longer relevant; other policies are still relevant and will be carried forward in the amended plan. For example, policies and actions promoting the development of multi-use parking facilities and a Waterfront Area Parking District, and encouraging alternative modes of travel are still pertinent and should be considered in the amended LUP. In addition, new LUP policies are necessary to help implement the City's existing and planned coastal resource protection measures and regulations (clean water, biological and environmental resources, sea level rise and coastal adaptation strategies) and incorporate relevant existing policies from the recently updated General Plan.

Staff is working with several City Boards and Commission for input including the Harbor Commission, Parks and Recreation Commission and the Planning Commission. Public input will be encouraged on the Draft LUP, and a public workshop is anticipated in Spring 2015. Interested parties should check for updates at: www.santabarbaraca.gov/services/planning/mpe/lcp.asp.

Study Area



Proposed OC Rezoning in Waterfront



OC Rezone
HRC & OC
OC Uses & Small Hotels Allowed, Housing Prohibited

EXHIBIT B

Summary of Business Improvement District Research As of March, 2012

California Streets & Highways Code allows cities to tax businesses within Parking and Business Improvement Areas (PBIA) and to use the proceeds to:

- Acquire, maintain or construct parking for the benefit of the area
- Decorate public places in the area
- Promote public events in the area
- Furnish music in the area
- Promote retail activities in the area

This is in addition to the general business license tax.

The City of Santa Barbara has three:

- Downtown Parking and Business Improvement Area Assessment District (PBIA)
- Downtown Parking and Business Improvement Area Charges (DO)
- Old Town Parking and Business Improvement Area Charges (Old Town)

PBIA (Parking)

- Finance bills all businesses within the area a quarterly
- Complicated formula based on business type and proximity to public parking lots
- Property owners and non-profits are exempt.
- \$840,000 generated in 2010
- Established in 1971
- Engineer's Report
- Annual Assessment Report to Council & public hearing & Resolution
- Funds go to City's **Downtown Parking** Operation

Downtown Improvement Area Charges (DO)

- Finance bills all businesses, professionals and property owners annually (Feb)
- Relatively simple formula based on the most recent business license fee
- Fees range from \$500 - \$2000 a year
- Established in 1975 (maybe 1967!)
- No record of Engineer's Report
- No Annual Report to Council or Resolution
- Funds go to **Downtown Organization**

Old Town Improvement Area Charges

- Finance bills all businesses (not property owners)
- Relatively simple formula based on the most recent business license fee
- Established in 1976
- No record of Engineer's Report
- No Annual Report or Resolution
- 2005 Update by Resolution – Downtown Organization Agreement

Forming or Changing a Business Improvement District

Steps Necessary Prior to City Action (3 - 12 months)

Engineer's Report – Details the costs of maintenance work and other services to be provided including a formula for assessing businesses that will generate enough revenue to fund the services. Penfield and Smith prepares for the PBIA (Downtown Parking). Could cost \$50,000 - \$100,000. DO could fund or DO could request City to fund after showing support from businesses in area).

Business Database – List of businesses affected. May also need gross revenue, number of employees, business type or other factors. Identify a motivated Steering Committee.

Improvement District Business Plan – Baseline services analysis. Outlines program objectives and how services will to be provided.

Business Outreach – Disseminate information about Improvement District and how it works; learn desires and priorities.

Petition Council for Resolution of Intent Required Steps by City

Council must adopt a Resolution of Intent:

- Describe boundaries
- Area name
- Types of improvements and activities to be funded
- State that, except where funds are otherwise available, assessment will be levied annually to pay for all improvements and activities in the area
- State the method and basis of the assessment in detail enough to allow each business owner to estimate the amount to be levied against their business
- State whether new business will be exempt
- Fix and time and place for public hearing (not less than 20 days or more than 30)
- State that at hearing testimony for and against will be heard

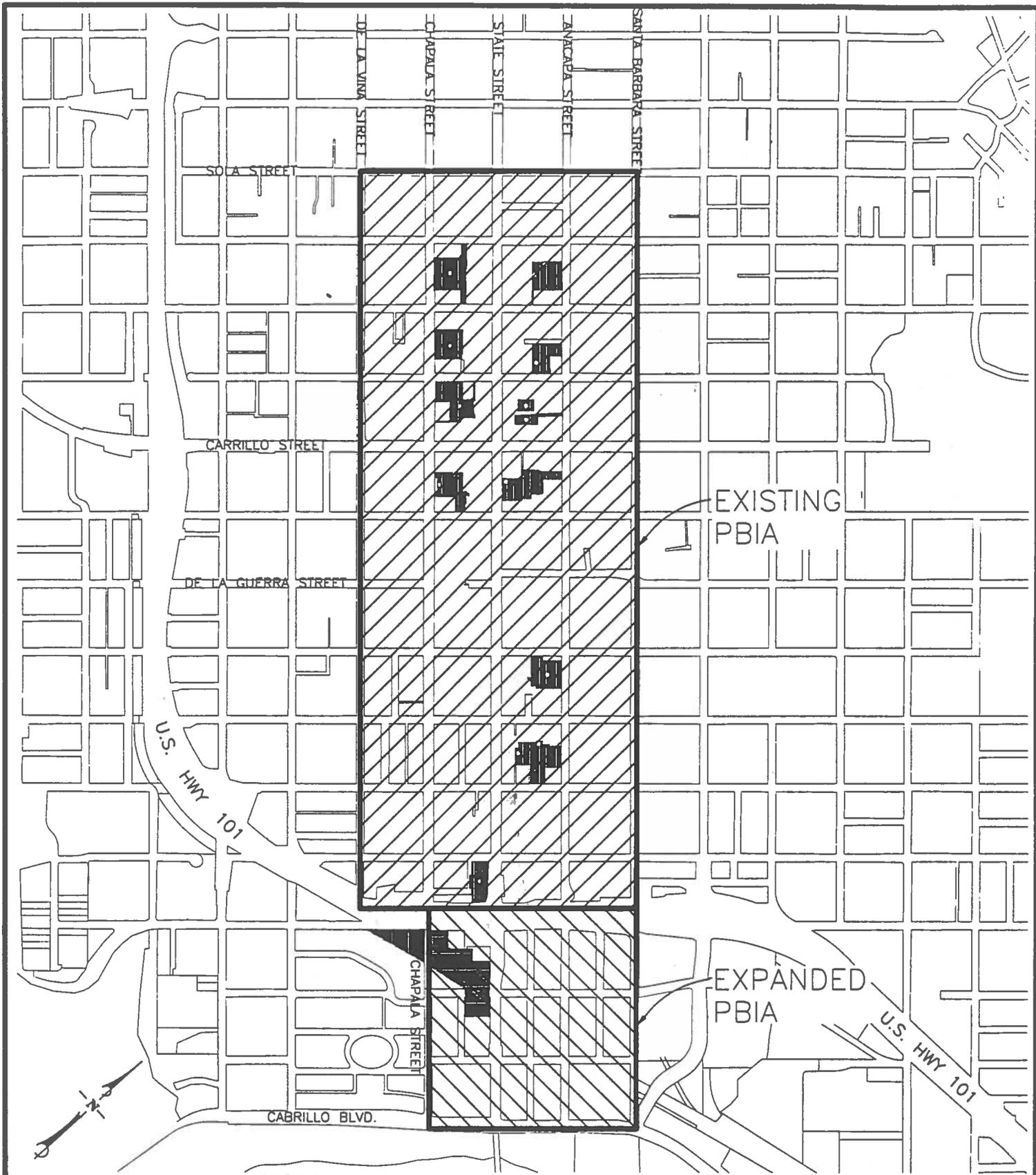
A complete copy of Resolution must be mailed to all business owners in area.

Proceedings terminate if protest is made by businesses which pay a majority of the taxes within the area under the general business license tax. (36023), or...if written protests are received from the owners of businesses in the proposed area which will pay 50% or more of the assessments proposed. (36525a?)

If no majority protest, an ordinance to implement the district is prepared.

State enabling laws:

- Parking & Business Improvement Area Law of 1989 – Business Assessments
- Property & Business Improvement District Law of 1994 – Business and / or property assessments



VICINITY MAP
SCALE: 1" = 1000'

Penfield & Smith
ENGINEERS • SURVEYORS

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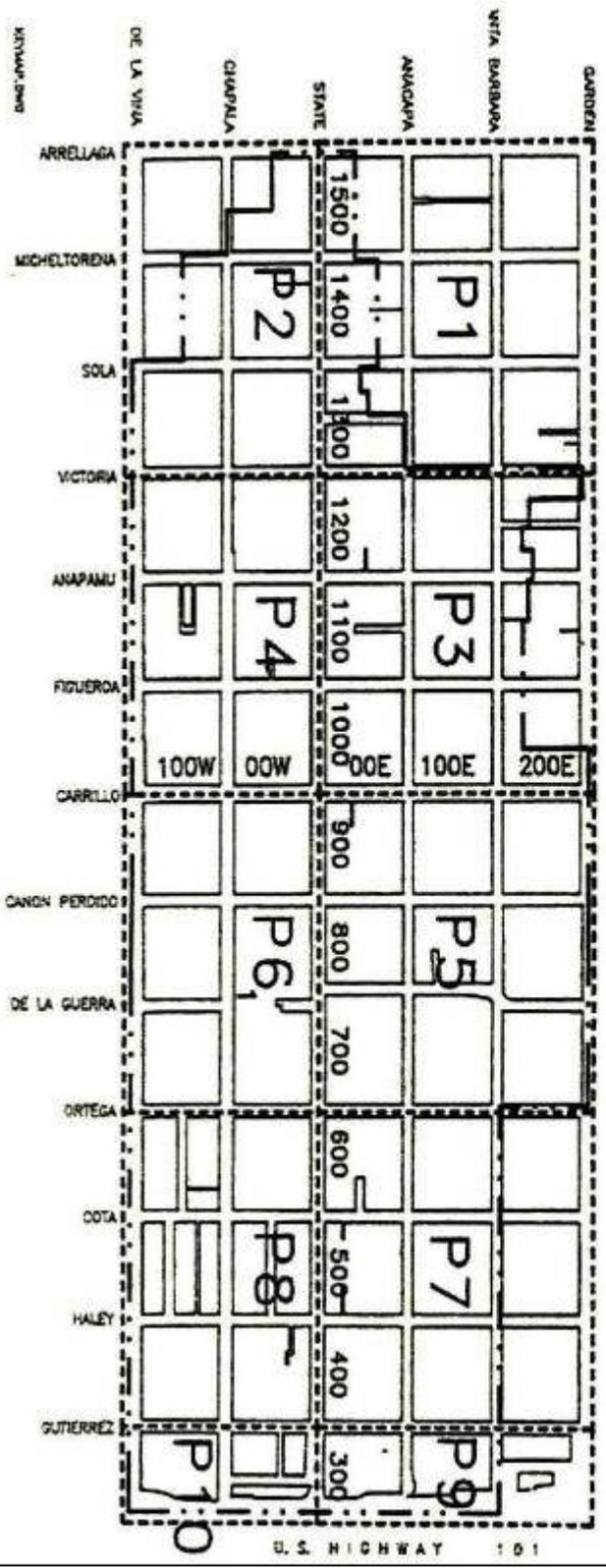
■ PARKING FACILITIES

FIGURE 1

EXHIBIT D

FIGURE A KEYMAP CITY OF SANTA BARBARA PARKING ZONES OF BENEFIT

Locate the block in which the property is located and consult the appropriate following page for details on the Parking Zone of Benefit credit.



- LEGEND**
- P7 MAP PAGE NUMBER
 - 10 PARKING LOT AND NUMBER
 - MAP PAGE DELINEATION
 - .-.- DELINEATED AREA

APPLICABLE COASTAL ACT AND LOCAL COASTAL PLAN POLICIES

The California Coastal Act contains several polices that support an equitable distribution and shared use of parking resources, and alternative modes of travel to and around the shoreline:

***Coastal Act Section 30212.5:** Wherever appropriate and feasible, public facilities, including parking areas or facilities, shall be distributed throughout an area so as to mitigate against the impacts, social and otherwise, of overcrowding or overuse by the public of any single area.*

***Coastal Act Section 30222:** The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.*

***Coastal Act Section 30250(a):** New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.*

***Coastal Act Section 30252:** The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads, (3) providing nonautomobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for public transit for high intensity uses such as high-rise office buildings, and by (6) assuring that the recreational needs of new residents will not overload nearby coastal recreation areas by correlating the amount of development with local park acquisition and development plans with the provision of onsite recreational facilities to serve the new development.*

***Coastal Act Section 30255:** Coastal-dependent developments shall have priority over other developments on or near the shoreline. Except as provided elsewhere in this division, coastal-dependent developments shall not be sited in a wetland. When appropriate, coastal-related developments should be accommodated within reasonable proximity to the coastal-dependent uses they support.*

The following Local Coastal Plan policies are applicable to the provision of access and parking in the Waterfront area:

***LCP Policy 3.3:** New development proposals within the coastal zone which could generate new recreational users (residents or visitors) shall provide adequate off-street parking to serve the present and future needs of the development.*

LCP Policy 3.13: *Developers shall be required to provide on-site recreational open space and parking for new users generated by any development of vacant or underdeveloped properties inland of Cabrillo Boulevard.*

LCP Policy 11.5: *All new development in the waterfront area, excepting Stearns Wharf, shall provide adequate off-street parking to fully meet their peak needs. Parking needs for individual developments shall be evaluated on a site-specific basis and at minimum be consistent with City Ordinance requirements.*

LCP Policy 11.6: *The City shall locate and develop new public and private parking in larger, multi-use facilities wherever feasible in order to minimize street access points, reduce peak parking space requirements, and improve facility control.*

LCP Policy 11.9: *The city shall investigate the posting of time limits or the imposition of parking fees for on-street parking in order to:*

- (1) Generate revenues to pay for local transportation related programs; and*
- (2) Divert drivers into peripheral parking facilities or alternative transportation modes.*

LCP Policy 11.11: *The City shall encourage ride-sharing and car-pooling as a means of minimizing traffic demands in the waterfront.*

LCP Policy 11.14: *The City shall implement the Bikeway Master Plan in the waterfront area in order to encourage the use of the bicycle as an alternative mode of transportation.*

LCP Policy 11.15: *Pedestrian movement and safety should be encouraged and provided for throughout the area.*

LCP Policy 11.16: *In order to encourage walking as an alternative to travel by automobile, the City shall protect existing pedestrian access to coastal areas from areas north of Highway 101 and strongly encourage the development of new pedestrian accessways.*

The Circulation Element, certified by the Coastal Commission in 1998, contains additional policies and implementation strategies relevant to managing parking in the Coastal Zone, including the development of a Cabrillo Boulevard Master Plan, and parking south of Cabrillo Boulevard.

Circulation Element Policy 9.2: *The City shall maintain, improve, consolidate, and promote the efficient use of parking supplies in the Coastal Zone.*

Circulation Element Implementation Strategy 9.2.1: *Study and where feasible, implement methods to extend the "park once" concept in the Waterfront through such methods as:*

- working with property owners to form a parking/transit assessment district in the Lower State Street area to consolidate existing parking resources while protecting low intensity/low density shoreline-oriented uses (see General Plan Land Use Element, page 29, Section III),*
- considering Zoning Ordinance amendments that would encourage development of private parking lots to supplement the existing parking supply in the Coastal Zone, and*

- *considering Zoning Ordinance amendments that would reduce parking requirements for non-residential uses that share parking facilities.*

Circulation Element Implementation Strategy 9.2.2: *Consider revising Local Coastal Plan Policy 11.5 to modify requirements that parking demand be met on site in the Coastal Zone. Amend the policy to allow property owners to propose alternative approaches to meeting parking demand in a manner consistent with other areas of the City, providing such modification does not reduce the number of public parking spaces available to the general public for the purposes of accessing the shoreline and beach in the waterfront area.*

Circulation Element Implementation Strategy 9.2.4: *Preserve existing on street parking where safe, appropriate, and feasible.*

Circulation Element Policy 9.3: *The City shall coordinate parking lot access and alternative modes of transportation.*

Circulation Element Implementation Strategy 9.3.1: *Develop a Coastal Zone linkage plan for bicycles and pedestrians among parking lots and points of interest through dedication, acquisition, easements, the purchase of property, and other applicable methods.*

Circulation Element Implementation Strategy 9.3.5: *Improve alternative transportation connections from the Coastal Zone to existing parking facilities outside the Coastal Zone.*

Circulation Element Policy 9.5: *The City shall develop a Master Plan for the entire length of Cabrillo Boulevard and interchanges, which identifies potential operational and aesthetic improvements.*

Implementation Measure 9.5.1: *Create a Master Plan for Cabrillo Boulevard that explores the implementation of the following:*

- *Improving pedestrian access and crossing of Cabrillo Boulevard as new parking is developed on the inland side of Cabrillo Blvd.*
- *Maintaining on-street parking along Cabrillo Boulevard. No further development of off-street parking should occur on the ocean side of Cabrillo Boulevard.*