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**City of Santa Barbara**  
Mayor and Council Office

**Memorandum**

**DATE: April 29, 2016**

**TO: Paul Casey, City Administrator**

**FROM: Bendy White and Jason Dominguez**

**SUBJECT: Growth Management Ordinance and Development Mitigation Fees**

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- Summary of Information to be Presented to the City Council

A review of multifamily residential development that is in the planning and building pipeline

A summary of fees charged by the City for new multifamily units

A summary of such fees charged by Santa Barbara County and City of Goleta

- Statement of Specific Action the Council will be asked to take
- Consider adoption of a growth management ordinance on multifamily units
- Consider adoption of development mitigation fees
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- Statement of the Reasons Why it is Appropriate and Within the Jurisdiction of the Council to Consider this Subject Matter and to Take the Requested Action

Applications for multifamily residential development have exceeded all expectations envisioned in developing the AUD Ordinance as part of Plan Santa Barbara.

Development Mitigation fees can help with the City's current financial issues associated with infrastructure.

Please see memo attached.

Handwritten signature of Bendy White in blue ink.

Handwritten signature of Jason Dominguez in blue ink.

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## **PLAN SANTA BARBARA: The Need for a Growth Management Ordinance and Development Impact Fees**

After a decade of strenuous debate Santa Barbara City Council approved PLAN SANTA BARBARA (PLANSB). PLANSB's over-arching goal is sustainability, and its introduction calls out the need to cope with "growth management, environmental stewardship, affordable housing, historic preservation and design compatibility".

A cornerstone of the Plan's housing affordability policy is the Average Unit Density Ordinance, (AUD). AUD encourages development of moderate cost housing in the central city, replacing the recent policy that fostered upscale condominiums. The AUD ordinance allows a higher number of smaller units on a given site and reduces parking requirements.

As a navigation aid to sustainability, PLANSB includes an Adaptive Management Strategy---a feedback loop which requires decision-makers to constantly assess consequences of policy actions. As the old saying goes, measure twice and cut once.

The AUD Ordinance requires that development stop when 250 units are ready for occupancy. No new applications can proceed until assessment of existing development is complete. However, projects in the pipeline could still proceed.

Developers' use of the AUD has exceeded all expectations. Our normal rate of growth is around 100 units a year. But with AUD, over 1,300 units have entered the development pipeline since its inception in August, 2013.

Under current regulations, all thirteen hundred units could be built in one fell swoop. A building surge of this magnitude is likely to cause outsized traffic, noise, and parking impacts. Water consumption is another concern during this terrible drought.

To cope with the surge, the City can benefit from a Growth Management Ordinance. The Ordinance could limit the number of new building permits

issued each year to our normal growth rate. The City could then better manage the impacts that accompany development.

A second set of development requirements is also needed to help fund Santa Barbara's infrastructure. Our streets, sidewalks, buildings and parks are suffering from inadequate investment. New development should contribute its fair share towards developing the infrastructure necessary to support it. Santa Barbara has until now allowed development to proceed without imposing mitigation fees, in effect forcing taxpayers to subsidize the impacts of new development. In contrast, our neighboring jurisdictions charge developers \$10-20,000 per unit to offset projects' demands on infrastructure.

A growth management ordinance and development mitigation fees would reduce the impacts which new development will impose on our City. They are useful tools consistent with PLAN SANTA BARBARA's Adaptive Management Strategy that would help the City forge a more sustainable future. We have found a way to encourage moderate cost housing. That housing needs to blend in with our neighborhoods and to pay its fair share toward essential facilities.

Bendy White

Councilmember, City of Santa Barbara