

ORDINANCE NO. 5954

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SANTA BARBARA AMENDING SANTA BARBARA
MUNICIPAL CODE CHAPTER 30.150 TO FACILITATE
CONSTRUCTION OF MORE HOUSING UNITS WITHIN
THE CENTRAL BUSINESS DISTRICT

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS
FOLLOWS:

SECTION 1. Findings and Determinations.

A. Recognizing the need to facilitate the development of more housing, City Council adopted the Average Unit-Size Density Incentive (AUD) Program in July 2013. The AUD Program allows for additional units by increasing density through construction of smaller average unit sizes. The AUD Program also includes reductions in parking, setbacks, and open space to incentivize construction of housing. AUD Program densities range between 15 and 63 units per acre.

B. The AUD Program offers project applicants residential unit density incentives as alternatives to the base residential densities specified for the particular City zone in which the program is available. The Program consists of three density tiers, i.e. Medium-High, High, and Priority Housing Overlay, which are available based upon the City's General Plan land use designation for the area proposed for development and the development type. The densities range between 15 and 63 units per acre, with the Priority Housing Overlay providing the greatest density at 63 units per acre.

C. Council desires to facilitate more housing in the Central Business District (CBD) within the downtown corridor.

D. Presently, the Priority Housing Overlay exists within a portion of the downtown corridor, however, a significant area within the core of the CBD is designated for the Medium-High Density tier. This area, commonly referred to as the "donut hole" extends from the 500 block of State Street to the 1300 block, with generally one to three blocks on either side.

E. In July 2017, City Council authorized the preparation of a Nexus Study and an Economic Feasibility Study by Keyser Marston Associates (KMA Study), to analyze the AUD Program. The study was completed in 2017, and updated in 2019. The KMA Study concluded that Medium-High Density projects in the CBD are economically infeasible to develop due to the high land values prevalent in the CBD.

F. The City Council hereby finds, and determines that, in order to make residential development more economically feasible, and encourage greater housing development downtown, the AUD Program is being amended to add the High Density tier and Priority Housing Overlay within the "donut hole" and two smaller areas north and east of the "donut hole," within Central Business District. This will result in an addition of a possible 2,523 housing units.

G. Additionally, in order to protect an existing historic district and other historic resources eligible for designation as historic districts within the downtown corridor, and preserve the unique character of those areas, Council hereby finds, and determines that, the AUD Program should be amended to remove the High Density tier and Priority Housing Overlay from all portions of the Brinkerhoff Avenue Historic District, Castillo Street Potential Historic District, and the Lower

De La Vina Street Potential Historic District. Preservation of the City's historic character is necessary to protect public health and safety because the City of Santa Barbara is uniquely dependent upon its architectural and historic character. The loss of community historic resources will have an adverse effect on the City's tourism base, thereby reducing City revenues and the City's ability to provide essential human services. Within the next 12 months, the City will again amend the AUD Program to remove the High Density tier and Priority Housing Overlay from the Brinkerhoff Avenue Historic District, Castillo Street Potential Historic District, and the Lower De La Vina Street Potential Historic District. The Council finds, and determines that, this removal is concurrent with and facilitated by the present amendment to the AUD Program adding High Density and Priority Housing Overlay tiers within the CBD and does not result in a net loss to the City's residential housing capacity.

H. The City Council hereby finds, and determines that, the Priority Housing Overlay along the Milpas Street corridor has the potential to negatively impact the neighborhood and result in development that cannot be sustained by the City's current transportation infrastructure, thereby having the potential to affect the health and welfare of the community. Within the next 12 months, the City will again amend the AUD Program to remove the Priority Housing Overlay from the Milpas Street Corridor. The Council finds, and determines that, this removal is concurrent with and facilitated by the present amendment to the AUD Program adding Priority Housing Overlay within the CBD and does not result in a net loss to the City's residential housing capacity.

I. The City Council hereby finds, and determines that, these current and near-term future amendments to the AUD Program result in an increase of 1,082 maximum units (and 583 units using the City's 2015 Housing Element assumptions) to the City's potential residential housing stock, as set forth in the following table.

Area	Existing Max Units	Proposed Max Units	Change in Max Units	Existing Build-Out Using Housing Element Assumptions	Proposed Build-Out Using Housing Element Assumptions	Change in Housing Element Units
CBD Infill Area	1,753	4,276	2,523	1,260	1,945	685
Brinkerhoff Historic District	40	17	-23	18	12	-6
Castillo Potential Historic District	355	144	-211	157	99	-58
Lower de La Vina Potential Historic District	253	101	-152	109	71	-38
Milpas Corridor	2,390	1,335	-1,055	1,076	1,076	0
Grand Total	4,791	5,873	1,082	2,620	3,203	583

J. The AUD Program was adopted as a trial program to facilitate the construction of smaller housing units by allowing increased density that could not be achieved through the City's then existing Variable Density Zoning Standards.

K. Pursuant to the General Plan's Land Use Element Policy, Implementation Action LG6.2, the AUD Program trial period was to remain in effect for 8 years from adoption of the

implementing ordinance (i.e. August 31, 2021) or once 250 units have been developed in the High Density or Priority Housing Overlay areas, whichever occurred sooner. Land Use Element Policy, Implementation Action LG6.2, provides that as the trial period is approaching its end, Council will consider whether to extend or modify the Program. In absence of Council action before the expiration date, the Initial Program Period will end and the allowed residential density will remain the Variable Density standards allowed under Santa Barbara Municipal Code section 28.21.080.F as it existed in 2011.

L. As of June 2020, 185 AUD Program units have been built and occupied in the High Density or Priority Housing Overlay areas. It is anticipated that 250 units will be built in these areas before August 31, 2021. In order to remove any “chilling” effect the uncertainty of the trial period is the having on needed housing development, language regarding the trail period has been removed from the ordinance allowing the AUD Program to continue until revised multi-unit housing development standards are adopted by City Council in early 2021.

M. Additionally, the AUD Program ordinance is being amended to clearly articulate that, pursuant to Land Use Element Policy, Implementation Action LG6.2 of the General Plan, unless Council takes action on or before August 31, 2021 to extend or permanently establish the AUD Program, the program will expire and the allowed residential density will continue to be Variable Density as allowed under Santa Barbara Municipal Code section 28.21.080.F as it existed in 2011.

SECTION 2. Chapter 30.150 of Title 30 of the Santa Barbara Municipal Code is amended to read as follows:

30.150.010 Purpose.

The Average Unit-Size Density Incentive Program carries out a key program directed by the 2011 General Plan. The Program facilitates the construction of smaller housing units by allowing increased density and development standard incentives in selected areas of the City. Housing types that provide housing opportunities to the City’s workforce are encouraged and facilitated by the program. The Average Unit-Size Density Incentive Program will be in effect for a trial period until August 31, 2021. Pursuant to the General Plan’s Land Use Element Policy, Implementation Action LG6.2, as the trial period is approaching its end, the Council will consider whether to extend or modify the Program. In absence of Council action before the expiration date, the Initial Program Period will end and the allowed residential density will default to the Variable Density standards allowed under Santa Barbara Municipal Code section 28.21.080.F as it existed in 2011.

30.150.020 Definitions.

In addition to the definitions contained in Chapter 30.300, for purposes of this chapter, the following words or phrases shall have the respective meanings assigned to them in the following definitions unless, in a given instance, the context in which they are used indicates a different meaning:

Affordable Housing. Residential units that are sold or rented at values defined as being affordable by the City of Santa Barbara’s Affordable Housing Policies and Procedures, as such policies and procedures may be approved by the City Council from time to time.

Affordable Rent. The maximum monthly housing payment that may be charged for a moderate income unit, calculated on the basis of 100% of the area median income adjusted for the household size appropriate for the residential unit, multiplied by 30% divided by 12. As used in this chapter, “affordable rent” shall include the total of monthly payments by the tenant for all of the following: (1) use and occupancy of the moderate income unit and land and all facilities associated with the moderate income unit; (2) any additional separately charged fees or service charges assessed by the owner, other than security deposits; (3) an allowance for utilities paid by the tenant as established by the City, including garbage collection, sewer, water, electricity,

gas, and other heating, cooking, and refrigeration fuel, but not telephone, internet, or television service; and (4) any other interest, taxes, fees or charges for use of the land or moderate income unit or associated facilities and assessed by a public or private entity other than the owner, and paid by the tenant.

Area Median Income. The median household income as provided in Section 50093(c) of the California Health and Safety Code, as it is currently enacted or hereinafter amended.

Average Unit Size. The total of the net floor area of each of the residential units in a project and divided by the number of residential units in that project. Common areas not controlled by the occupant of an individual residential unit are excluded from the average unit size.

Community Benefit Housing. Residential development that has a public benefit including the following housing types:

1. Priority housing;
2. Housing affordable to very low, low, moderate, or middle income households as defined in Chapter 30.160, Inclusionary Housing; and
3. Transitional housing and supportive housing.

Employer-Sponsored Housing. Residential units which are developed, owned, maintained, and initially sold or rented to employees of a local employer (or group of employers) where each residential unit is occupied as a primary residence (as defined by federal income tax law) by a household that includes at least one person who works in the south coast region of Santa Barbara County.

Household. One or more persons living together in a single residential unit, with common access to, and common use of, all living areas and all areas and facilities for the preparation and storage of food and who maintain no more than four separate rental agreements for the single residential unit.

Limited-Equity Housing Cooperative. A corporation organized on a cooperative basis that meets the requirements of State Civil Code Section 817 and which restricts the re-sale price of the cooperative's shares in order to maintain a specified level of affordability to any new shareholder.

Local Employer. A person, business, company, corporation or other duly formed legal entity which employs persons whose primary place of employment is located within the south coast region of Santa Barbara County.

Market-Rate Unit. An ownership housing residential unit or a rental housing residential unit that may be sold or leased at an unrestricted price.

Moderate-Income Household. A household whose income does not exceed the moderate income limits applicable to Santa Barbara County as defined in California Health and Safety Code Section 50093 and published annually pursuant to Title 25 of the California Code of Regulations, Section 6932 (or its successor provision) by the California Department of Housing and Community Development. Moderate-income households are generally households with incomes between 80% and 120% of area median income.

Moderate Income Housing Plan. A plan for a residential development submitted by an applicant as provided by Section 30.150.140, Moderate Income Housing Plan Processing.

Moderate Income Unit. A rental housing residential unit affordable to moderate-income households.

Net Floor Area. See Section 30.15.070, Measuring Floor Area.

Ownership Housing. Housing developed so that individual residential units may be sold separately under the requirements of the State Subdivision Map Act. For purposes of this chapter, a residential unit may be designated as ownership housing whether or not it is rented by the owner thereof.

Priority Housing. Priority housing includes the following three categories of housing:

1. Employer-sponsored housing;
2. Limited-equity housing cooperatives; and
3. Rental housing.

Rental Housing. Housing developed and maintained as multiple residential units on the same lot for occupancy by separate households pursuant to a lease or other rental agreements where all residential units are owned exclusively by the same legal entity.

30.150.030 Permitted Zones for the Program.

The Average Unit-Size Density Incentive Program as established herein is a density incentive program available in the following zones of the City: R-M, R-MH, O-R, C-R, C-G, M-C, CO-HV, and CO-CAR zones, as shown on the City of Santa Barbara Average Unit-Size Density Incentive Program Map (Exhibit A to this chapter). The fact that a lot may be subject to an overlay zone does not preclude the application of the Average Unit-Size Density Incentive Program on that lot if the Average Unit-Size Density Incentive Program is otherwise allowed in the base zoning of that lot. Development projects developed in accordance with the provisions of the Average Unit-Size Density Incentive Program shall comply with the development standards specified in this chapter.

30.150.040 Program Duration.

A. **Initial Program Period.** The Average Unit-Size Density Incentive Program will expire on August 31, 2021. The City Council intends to conduct a noticed public hearing pursuant to state and local law to determine whether to extend or modify the program. In absence of Council action before the expiration date, the Initial Program Period will end and the allowed residential density will remain the Variable Density standards allowed under Santa Barbara Municipal Code section 28.21.080.F as it existed in 2011.

B. **Pending Applications.** Any application for new development that is deemed complete prior to the expiration of the Program term established in subsection A, Initial Program Period, above, may continue to be processed and potentially approved under the Average Unit-Size Density Incentive Program.

30.150.050 Status of R-M and R-MH Residential Density.

Notwithstanding the provisions of Chapter 30.20, Residential Zones, for the duration of the Average Unit-Size Density Incentive Program established in Section 30.150.040.A, Initial Program Period, the following incentive program is available regarding the residential density of new development projects in zones of the City which otherwise would apply the R-M residential density:

- A. **Average Unit-Size Density Incentive Program.** Projects developed in accordance with the provisions of the Average Unit-Size Density Incentive Program established in Section 30.150.070, Average Unit-Size Density Incentives, hereof are exempt from the standard R-M residential density provisions specified in Table 30.20.030.B, Development Standards—Two-Unit and Multi-Unit Zones.
- B. **Development of Affordable Housing.** Projects that meet the affordability criteria of the State Density Bonus Law or the City's Affordable Housing Policies and Procedures may continue to propose development pursuant to the density incentives established in Chapter 30.145, Affordable Housing and Density Bonus and Development Incentives.

30.150.060 Pre-Application and Concept Review Required.

- A. **Planning Commission Concept Review.** Concept Review by the Planning Commission pursuant to Section 30.205.040, Concept Review, is required for all rental housing projects proposed in accordance with the provisions of the Average Unit-Size Density Incentive Program when all of the following conditions apply:
 1. The project does not require another discretionary approval by the Planning Commission pursuant to any other provision of this title; and

2. The project site includes a lot with a High Density Residential land use designation or the project is being proposed under the Average Unit-Size Density Incentive Program Priority Housing Overlay; and
 3. The project site has a combined net lot area of 15,000 square feet or greater.
- B. **Review by Pre-Application Review Team.** All Average Unit-Size Density Incentive Program projects subject to Planning Commission Concept Review pursuant to subsection A above, shall be reviewed by the Pre-Application Review Team pursuant to Section 30.205.030, Pre-Application Review.
 - C. **Initial Concept Review by Design Review Body.** Initial Concept Review by the appropriate Design Review body shall occur prior to Concept Review by the Planning Commission. The applicant may elect to have additional Concept Reviews by the appropriate Design Review body, prior to the review by the Planning Commission.
 - D. **Pre-Application Review Team Report.** Prior to their review, the Planning Commission shall receive a written report from the Pre-Application Review Team concerning the proposed design and improvement of the project and the project's consistency with the City's General Plan.
 - E. **Planning Commission Comment and Recommendations.** The Planning Commission shall provide comment and recommendation by majority vote regarding the proposed design and improvement of the project and the project's consistency with the City's General Plan. The Planning Commission comments and recommendations are intended for use by the applicable Design Review body in their deliberations.
 - F. **Communication to Design Review Body.** Following the Planning Commission review hearing, the Community Development Department staff shall communicate the Planning Commission's comments and recommendations to the applicable Design Review body.
 - G. **Additional Planning Commission Review.** If a project is subject to Planning Commission Concept Review pursuant to this section, the Historic Landmarks Commission cannot elect to refer the project to the Planning Commission pursuant to Section 22.22.133, or as such section reference may be amended in the future, of the Santa Barbara Municipal Code, and the Architectural Board of Review cannot elect to refer the project to the Planning Commission pursuant to Section 22.68.050, or as such section reference may be amended in the future, of the Santa Barbara Municipal Code. However, the project applicant may request an additional concept review of the project by the Planning Commission.

30.150.070 Average Unit-Size Density Incentives.

The Average Unit-Size Density Incentive Program offers project applicants residential unit density incentives as alternatives to the base residential densities specified for the particular City zones in which the program is available. The Average Unit-Size Density Incentive Program consists of three density tiers which may apply based upon the City's General Plan land use designation for the lot and the nature of the development being proposed as follows:

- A. **Medium-High Density.** The Medium-High Density tier applies to those lots with a City General Plan land use designation of Medium High Density Residential. The Medium-High density tier allows the development of projects at residential densities ranging from 15 to 27 residential units per acre. The maximum average unit size within the Medium-High Density tier varies from 1,450 square feet of floor area to 905 square feet of floor area, depending upon the number of units per acre being developed, as specified in the Average Unit-Size Density Incentive Program Table (Exhibit B to this chapter).
- B. **High Density.** The High Density tier applies to those lots with a City General Plan land use designation of High Density Residential. The High Density tier allows the development of projects at residential densities ranging from 28 to 36 residential units per acre. The maximum average unit size within the High Density tier varies from 1,245 square feet of floor area to 970 square feet of floor area, depending upon the number of units per acre being developed, as specified in the Average Unit-Size Density Incentive Program Table (Exhibit B to this chapter).

- C. **Priority Housing Overlay.** The Priority Housing Overlay tier applies to lots within the City with a City General Plan land use designation of High Density Residential and lots zoned M-C (regardless of the General Plan land use designation) as shown on the City of Santa Barbara Average Unit-Size Density Incentive Program Map (Exhibit A to this chapter). The Priority Housing Overlay allows the development of projects at residential densities ranging from 37 to 63 residential units per acre. The maximum average unit size within the Priority Housing Overlay tier varies from 970 square feet of floor area to 811 square feet of floor area, depending upon the number of units per acre being developed, as specified in the Average Unit-Size Density Incentive Program Table (Exhibit B to this chapter).

30.150.075 Process to Establish Density Tier.

- A. **Range of Residential Unit Sizes.** The Average Unit-Size Density Incentive Program Table (Exhibit B to this chapter) shows the maximum average residential unit sizes allowed for the residential densities specified in each density tier. Projects developed under the Average Unit-Size Density Incentive Program may exceed the base residential density for the zone in which the lot is located up to the maximum residential density specified in the density tier assigned to the lot by its City General Plan land use designation.
- B. **Priority Housing Categories.** The Priority Housing Overlay tier is only available for rental housing, employer-sponsored housing, or limited-equity housing cooperative. A project developed under the Priority Housing Overlay tier may have a combination of Priority Housing categories (i.e., a portion of the project may be rental housing while another portion of the project may be employer-sponsored housing). For the purposes of this chapter, the different categories of Priority Housing shall be established in the following manner:
1. **Employer-Sponsored Housing.** In order to qualify for the density incentives allowed under the Average Unit-Size Density Incentive Program, the applicant for a proposed employer-sponsored housing project should typically propose a project which contains a range of residential unit sizes and which offers a range of rents or purchase prices, some of which are affordable to a household earning 200% of the area median income or less at the time of the initial occupancy of the project. The owner of an approved employer-sponsored housing project must record a written instrument against the real property, in a form acceptable to the City Attorney, by which the employer sponsor(s) that owns the real property agrees to limit the occupancy of each residential unit to a household who occupies the unit as their primary residence and which includes at least one person who is primarily employed at a place of employment located within the south coast region of Santa Barbara County for as long as the property is developed and maintained at the incentive densities.
 2. **Limited-Equity Housing Cooperative.** In order to qualify for the density incentives provided under the Average Unit-Size Density Program, all of the residential units within the limited-equity housing cooperative must be affordable to households earning up to 250% of the area median income measured at the time of purchase, as affordability is defined in the City's Affordable Housing Policies and Procedures, and a covenant containing this requirement (in a form acceptable to the City Attorney) shall be recorded against the real property to this effect.
 3. **Rental Housing.** In order to qualify for the density incentives allowed under the Average Unit-Size Density Incentive Program, the owner of real property developed with rental housing must record a written covenant, in a form acceptable to the City Attorney, by which the owner agrees to maintain the rental housing use for as long as the property is developed and maintained at the incentive densities provided for in this chapter.

30.150.080 Inclusionary Housing Requirements for Ownership Housing Projects.

If residential units in an ownership housing project are developed in accordance with the Average Unit-Size Density Incentive Program of this chapter, the project shall comply with the City's Inclusionary Housing Ordinance (Chapter 30.160), and if the owner of the ownership housing project elects to

provide the inclusionary units on-site as part of the ownership housing project (as opposed to paying the allowed in-lieu fee allowed by Chapter 30.160), the increased number of residential units to which the owner is entitled under Chapter 30.160 shall also comply with the maximum average unit size for the base density of the project under the Average Unit-Size Density Incentive Program.

30.150.090 Additional Development Incentives.

- A. **Development Standards Generally.** In order to further encourage the development of projects in accordance with the provisions of this Average Unit-Size Density Incentive Program, the development standards listed in this section are allowed for those projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program. Except as otherwise specified in this section, projects developed in accordance with the provisions of the Average Unit-Size Density Incentive Program shall otherwise comply with the development standards applicable to the applicable zone in which the lot is located.
- B. **Market Rate Ownership Projects Within the Upper State Street Area (USS) Overlay Zone.** Projects developed with market rate ownership units, on lots with a City General Plan land use designation of Medium-High Density, and within the Upper State Street Area (USS) Overlay Zone, shall comply with Upper State Street Area (USS) Overlay Zone development standards as required by Chapter 30.85.
- C. **Maximum Height.**
 - 1. **C-G and M-C Zones.** Projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program in the C-G or M-C Zones, located in and developed at the Priority Housing Overlay Tier, as shown on the City of Santa Barbara Average Unit-Size Density Incentive Program Map (Exhibit A to this chapter), and located within the Central Business District, delineated on Figure 30.175.050.B, Central Business District, shall be allowed a maximum height of 48 feet, unless an exception is approved pursuant to Section 30.140.100, Exceptions to Height Limits.
 - 2. **R-M, R-MH, O-R, C-R, CO-HV, CO-CAR Zones, or the USS Overlay Zone.** Projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program in the R-M, R-MH, O-R, C-R, C-G, M-C, CO-HV, CO-CAR Zones, or the USS Overlay Zone shall conform to the maximum height standards specified within the zone in which the lot is located.
- D. **Maximum Floor Area.** Average Unit-Size Density Incentive Program projects in the USS Overlay Zone are not subject to the USS Overlay Zone maximum floor area limitations of Chapter 30.85, except, that projects developed with market rate ownership units on lots with a City General Plan land use designation of Medium-High Density and located within the USS Overlay Zone shall comply with USS Overlay Zone maximum floor area limitations of Chapter 30.85.
- E. **Setbacks.** Projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program shall observe the following setback standards:
 - 1. **O-R, C-R, C-G, and M-C Zones and the USS Overlay Zone.** Projects developed in accordance with the Average Unit-Size Density Incentive Program in the O-R, C-R, C-G, and M-C Zones and the USS Overlay Zone shall observe the following setback standards:
 - a. **Front Setback.**
 - i. **State Street and First Blocks of Cross Streets.** Projects on lots fronting State Street between Montecito Street and Sola Street, and lots fronting the first block east or west of State Street on streets that cross State Street between and including Montecito Street and Sola Street, shall not be required to provide a front setback.
 - ii. **Non-Residentially-Zoned Lots Subject to the USS Overlay Zone.** Projects developed on non-residentially-zoned lots within the USS Overlay Zone shall observe a front setback of 10 feet; provided, however, that projects on non-

residentially-zoned lots in the Medium-High Density designation and developed with market rate ownership units shall observe the front setback standards of the USS Overlay Zone required by Chapter 30.85.

- iii. All Other Lots. Projects on lots that do not front on the streets specified in subparagraph E.1.a.i, State Street and First Blocks of Cross Streets, shall observe the following front setback standard:

- (1) A uniform front setback of five feet shall be provided except where that portion of the structure which intrudes into the required five-foot front setback is appropriately balanced with a front setback area that exceeds the minimum five-foot front setback. The additional compensating setback area shall be in the front yard, and not located farther from the adjacent front lot line than one half of the depth of the lot.

- b. *Interior Setback Adjacent to Nonresidential Zone*. No interior setback is required for those projects adjacent to a nonresidential zone; provided, however, that projects on non-residentially-zoned lots in the Medium-High Density designation within the USS Overlay Zone and developed with market rate ownership units shall observe the interior setback standards required by the applicable zone.

- c. *Interior Setback Adjacent to Residential Zone*. A uniform interior setback of six feet shall be provided except for those projects where that portion of the structure which intrudes into the required six-foot interior setback is appropriately balanced with an interior setback area that exceeds the minimum six-foot interior setback; provided, however, that projects developed on non-residentially-zoned lots in the Medium-High Density designation within the USS Overlay Zone and developed with market rate ownership units shall observe the interior setback standards required by the applicable zone.

- 2. **R-M and R-MH Zones**. Projects on lots developed in accordance with the Average Unit-Size Density Incentive Program in the R-M and R-MH Zones, except for market rate ownership projects within the USS Overlay Zone, shall observe the same setbacks as the R-M and R-MH Zones.

- 3. **CO-HV and CO-CAR Zones**. Lots developed in accordance with the Average Unit-Size Density Incentive Program in the CO-HV and CO-CAR Zones shall observe the setback standards required by the applicable zone

- F. **Parking**. Projects developed under the Average Unit-Size Density Incentive Program shall observe the following parking requirements.

- 1. **Within the Central Business District**. Projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program, on lots within the Central Business District, as delineated in Figure 30.175.050.B., shall provide a maximum of one off-street parking space per residential unit. The parking space may be covered or uncovered, and may be leased separately from the residential unit. All off-street parking spaces associated with nonresidential components of mixed-use projects developed under the Average Unit-Size Density Incentive Program shall comply with the parking standards set forth in Chapter 30.175, Parking Regulations.

- 2. **Outside the Central Business District**. Projects developed and maintained in accordance with the Average Unit-Size Density Incentive Program on lots outside the Central Business District, as delineated in Figure 30.175.050.B., shall observe the following parking requirements:

- a. *Studio, One-Bedroom, and Two-Bedroom Residential Units*. A minimum of one parking space shall be provided for each residential unit. The parking spaces may be covered, uncovered, or a combination of both.

- b. *Three or More Bedroom Residential Units.* A minimum of two automobile parking spaces shall be provided for each residential unit with three or more bedrooms. The parking spaces may be covered, uncovered, or a combination of both.
 - c. *Market Rate Ownership Projects in USS Overlay Zone.* Projects on lots in the Medium-High Density designation subject to the USS Overlay Zone and developed with market rate ownership units shall observe the parking requirements required by the applicable zone.
- 3. **Parking Reductions.** Except for the parking reductions provided pursuant to Section 30.175.050.A, for development in which 100% of the units are developed as rental units affordable to very low or low income households, or Senior Housing, residential units developed under this chapter shall not qualify for any additional parking exceptions or reductions pursuant to Chapter 30.175, Parking Regulations.
- 4. **Bicycle Parking.** A minimum of one covered and secured bicycle parking space shall be provided for each residential unit.
- 5. **Guest Parking.** Guest parking is not required.
- 6. **Other Parking Regulations.** Other than the number of required off-street parking spaces pursuant to Table 30.175.040, Required Off-Street Parking Spaces, and as may otherwise be provided in section 30.150.090.F.1., projects developed under this chapter shall observe all of the parking standards specified in Chapter 30.175, Parking Regulations.
- G. **Open Yard.** Projects developed in accordance with the Average Unit-Size Density Incentive Program shall provide open yard as follows:
 - 1. **Residential Zones.** Projects in residential zones shall provide the open yard requirements specified by Section 30.140.140, Open Yards.
 - 2. **Nonresidential Zones.**
 - a. Projects in nonresidential zones, in the Medium-High Density designation, within USS Overlay Zone, and developed with market rate ownership units shall provide the Open Yard requirements specified by Section 30.140.140, Open Yards.
 - b. All other projects in nonresidential zones shall provide open yard as follows:
 - i. Private open yard, pursuant to Section 30.140.140.C.2, Lots Developed with Multi-Unit Residential or Mixed-Use; and
 - ii. On lots developed with four or more residential units, one additional area, located on grade or on a roof deck, is required with minimum dimensions of 15 feet long and 15 feet wide for use as a common open yard accessible to all residential units on the lot.
 - iii. An Alternative Open Yard Design that meets the following standards is allowed to replace i and ii above.
 - (1) Minimum Area: 15% of the net lot area located on the ground or on decks of any height, including roof decks; and
 - (2) Minimum Dimensions: At least one area with a minimum dimension of 20 feet long and 20 feet wide, located on the ground or on any floor of the building or structure, including roof decks, that are accessible to all units for use as a common open yard area must be provided.
 - (3) Standards and Location: Except those for private open yards in 30.140.140.D.4 and 30.140.140.E.5, and the on grade requirement in 30.140.140.E.2, all other open yard standards and location requirements, pursuant to Section 30.140.140.D and E, Standards and Location, shall be met.

30.150.100 Prohibition Against Conversion of Residential Units to a Hotel or Similar Use.

Residential units approved, permitted, or constructed under the Average Unit-Size Density Incentive Program shall not be converted to a hotel or other similar use as delineated in Section 30.295.040.P.

30.150.110 Inclusionary Requirements for Rental Housing Projects.

A. General Requirements.

1. ***Developments of 10 or More Residential Units.*** For all projects developed in accordance with the Average Unit-Size Density Incentive Program of this chapter with 10 or more rental housing residential units, at least 10% of the total residential units on site shall be constructed and offered at an affordable rent as moderate income units restricted for occupancy at moderate income to be occupied by moderate-income households as specified herein. Existing residential units that are to be retained shall be included in the number of residential units in the project for purposes of calculating the number of moderate income units required under this subsection.
2. ***Developments of Less Than 10 Residential Units But More Than Four Residential Units—Payment of an Inclusionary Housing In-Lieu Fee.*** For all projects developed in accordance with the Average Unit-Size Density Incentive Program of this chapter with fewer than 10 and more than four rental housing residential units, the applicant shall have the option to either pay to the City an Inclusionary Housing In-Lieu fee equal to an amount specified by Section 30.150.120.B, Calculation of Inclusionary Housing In-Lieu Fee, or to construct and offer residential units on site and offered at an affordable rent as moderate income units as set forth in subsection A.1.

B. **Density Bonus Units.** Any additional rental housing residential units authorized and approved as a density bonus under the State Density Bonus law or the City's Affordable Housing Policies and Procedures shall not be counted in determining the required number of moderate income units.

C. **Rounding the Remainder.** In determining the number of moderate income units required by this section, any decimal fraction of 0.5 or more shall be rounded up to the nearest whole number. For any decimal fraction less than 0.5, the applicant of the project shall pay the City an Inclusionary Housing In-Lieu fee for the remainder equal to an amount specified by Section 30.150.120.B, Calculation of Inclusionary Housing In-Lieu Fee.

D. **Rent Limits for Average Unit-Size Density Program Inclusionary Moderate Income Units.** Average Unit-Size Density Program moderate income units shall be restricted for rent at an affordable rent for moderate-income households. Nothing herein shall preclude an applicant/owner from voluntarily agreeing to restrict the moderate income units for rent to very-low or low income households at the target incomes specified for such income categories in the City's Affordable Housing Policies and Procedures.

E. **Average Unit-Size Density Program Inclusionary Moderate Income Housing Plan Requirement.** Every Average Unit-Size Density Program rental housing development subject to the requirements of subsection A.1 shall include a Moderate Income Housing Plan that meets the standards of Section 30.150.140 as part of the building permit application submittal. No application for a building permit may be issued until a Moderate Income Housing Plan is submitted to and approved by the Community Development Director as being complete. The Community Development Director may require additional information reasonably necessary to clarify and supplement the application or determine the consistency of the proposed Moderate Income Housing Plan with the requirements of this chapter.

F. **Rental Housing Projects Exempted from Inclusionary Requirements.** The inclusionary requirements of this chapter shall not apply to the following types of rental housing projects:

1. ***Casualty Reconstruction Projects.*** The reconstruction of any residential units or structures which have been destroyed by fire, flood, earthquake or other act of nature, which are being reconstructed in a manner consistent with the requirements of Section

- 30.165.080.C, Repair and Replacement of Damaged or Destroyed Nonconforming Structures.
2. **Voluntarily Affordable Projects.** Residential developments which propose that not less than 100% of the residential units of the project (excluding managers' units) will be deed restricted for occupancy by families qualifying as lower income households pursuant to and in accordance with the City's Affordable Housing Policies and Procedures.
 3. **Employer-Sponsored Housing Projects.** Employer-sponsored housing projects developed in accordance with this chapter.
 4. **Four or Fewer Rental Housing Residential Units.** Projects that propose four or fewer units developed in accordance with this chapter.

30.150.120 Inclusionary Housing In-Lieu Fees.

- A. **Payment of Inclusionary Housing In-Lieu Fee to City.** All Inclusionary Housing In-Lieu fees paid under this section shall be deposited into the City's Affordable Housing Inclusionary Fund as provided for in Section 30.160.130, Affordable Housing Inclusionary Fund.
- B. **Calculation of Inclusionary Housing In-Lieu Fee.** The Inclusionary Housing In-Lieu fee shall be set at an initial amount equal to \$25.00 per square foot, based on the net floor area of each Average Unit-Size Density Incentive Program rental housing residential unit. The Inclusionary Housing In-Lieu fee shall be evaluated annually and adjusted by the Community Development Director by the Engineering News Record (ENR) Building Cost Index for Los Angeles. The Inclusionary Housing In-Lieu fee may additionally be adjusted from time to time by resolution of the City Council.
- C. **Fractional Units.** If the calculation for the required number of moderate income units as provided in Section 30.150.110, Inclusionary Requirements for Rental Housing Projects, results in a fraction of a residential unit, the amount of Inclusionary Housing In-lieu fee for such fractional unit shall be calculated as follows:

$$\text{Fractional Unit} / \text{Total Moderate Income Unit Requirement} \times \text{Per Square Foot Fee} \times \text{Net Floor Area in the Project}$$

Example: 33-unit rental housing project totaling 50,000 sq. ft. has an on-site requirement of 10%, or 3.3 residential units. Applicant must provide 3 moderate income units and pay an in-lieu fee for the 0.3 fractional unit. The payment for the in-lieu fee is calculated as follows: $0.3/3.3 \times \$25.00 \times 50,000 \text{ sq. ft.} = \$113,636$.
- D. **Timing of Payment of Inclusionary Housing In-Lieu Fee.** The Inclusionary Housing In-Lieu fees shall be paid to the City prior to the issuance of a Certificate of Occupancy or the date of the final inspection, whichever occurs first.

30.150.130 Moderate Income Housing Standards.

Moderate income units required to be constructed by this chapter shall conform to the following standards:

- A. **Design.** Moderate income units shall be dispersed evenly throughout a project and shall be comparable in construction quality and exterior design to the market-rate units constructed as part of the development. The size of moderate income units shall be determined in accordance with the City's Affordable Housing Policies and Procedures. Moderate income units may have different interior finishes and features than market-rate units so long as the interior features are durable, of good quality and consistent with contemporary standards for new housing.
- B. **Bedrooms and Bathrooms.** The average number of bedrooms in the moderate income units shall equal or exceed the average number of bedrooms in the market-rate units of the development. One- and two-bedroom moderate income units shall generally have at least one and one-half bathrooms, and three-bedroom moderate income units shall have at least two bathrooms. However, the required number of bathrooms shall not be greater than the number of bathrooms in the market-rate units.

- C. **Timing of Construction.** All moderate income units shall be constructed and occupied concurrently with or prior to the construction and occupancy of market-rate units of the development. In phased developments, moderate income units may be constructed and occupied in proportion to the number of residential units in each phase of the residential development.
- D. **Duration of Affordability Requirement.** Moderate income units built under this chapter shall be legally restricted to occupancy by moderate-income households for at least 90 years, pursuant to and in conformance with the City's Affordable Housing Policies and Procedures.

30.150.140 Moderate Income Housing Plan Processing.

- A. **Generally.** The submittal of a Moderate Income Housing Plan and recordation of an approved City affordability control covenant shall be a precondition on the City issuance of a building permit.
- B. **Required Plan Elements.** A Moderate Income Housing Plan shall include the following elements or submittal requirements:
 - 1. The number, location, structure (attached, semi-attached, or detached), and size of the proposed market-rate units and moderate income units and the basis for calculating the number of moderate income units;
 - 2. A floor or site plan depicting the location of the moderate income units and the market-rate units;
 - 3. The income levels to which each moderate income unit will be made affordable;
 - 4. The methods to be used to advertise the availability of the moderate income units and select the eligible tenants, including preference to be given, if any, to applicants who live or work in the City in conformance with the City's Affordable Housing Policies and Procedures;
 - 5. For phased development, a phasing plan that provides for the timely development of the number of moderate income units proportionate to each proposed phase of development as required by Section 30.150.130.C, Timing of Construction; and
 - 6. Any other information reasonably requested by the Community Development Director to assist with evaluation of the Plan under the standards of this chapter.
- C. **Affordability Control Covenants.** Prior to issuance of a building permit, the City affordability control covenant shall be approved and executed by the Community Development Director, executed by the applicant/owners, and recorded against the title of any rental housing project that includes one or more moderate income units.

30.150.150 Processing Waivers, Adjustments, and Reductions.

- A. An applicant may request a waiver, adjustment, or reduction of the requirements of this chapter only upon a showing that strict application of its requirements would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property.
- B. Requests for waiver, adjustment, or reduction must be submitted in writing to the Community Development Director, together with supporting documentation, concurrently with the application submittal.
- C. In making a determination on an application for waiver, adjustment, or reduction, the applicant shall bear the burden of presenting substantial evidence to support the claim. The City may assume each of the following when applicable:
 - 1. That the applicant will provide the most economical affordable units feasible, meeting the requirements of this chapter and the City's Affordable Housing Policies and Procedures; and
 - 2. That the applicant will benefit from the incentives for project as described in this chapter and elsewhere in the Zoning Ordinance.

- D. Requests shall be acted upon by the Community Development Director within a reasonable time, taking into account the amount and complexity of the relevant information and evidence. The Community Development Director may conduct a public hearing on the matter, or refer the request for recommendations or action by the Planning Commission or City Council. The waiver, adjustment or reduction may be approved only to the extent necessary to avoid an unconstitutional result, after adoption of written findings, based on substantial evidence, supporting the determinations required by this section.

EXHIBIT A

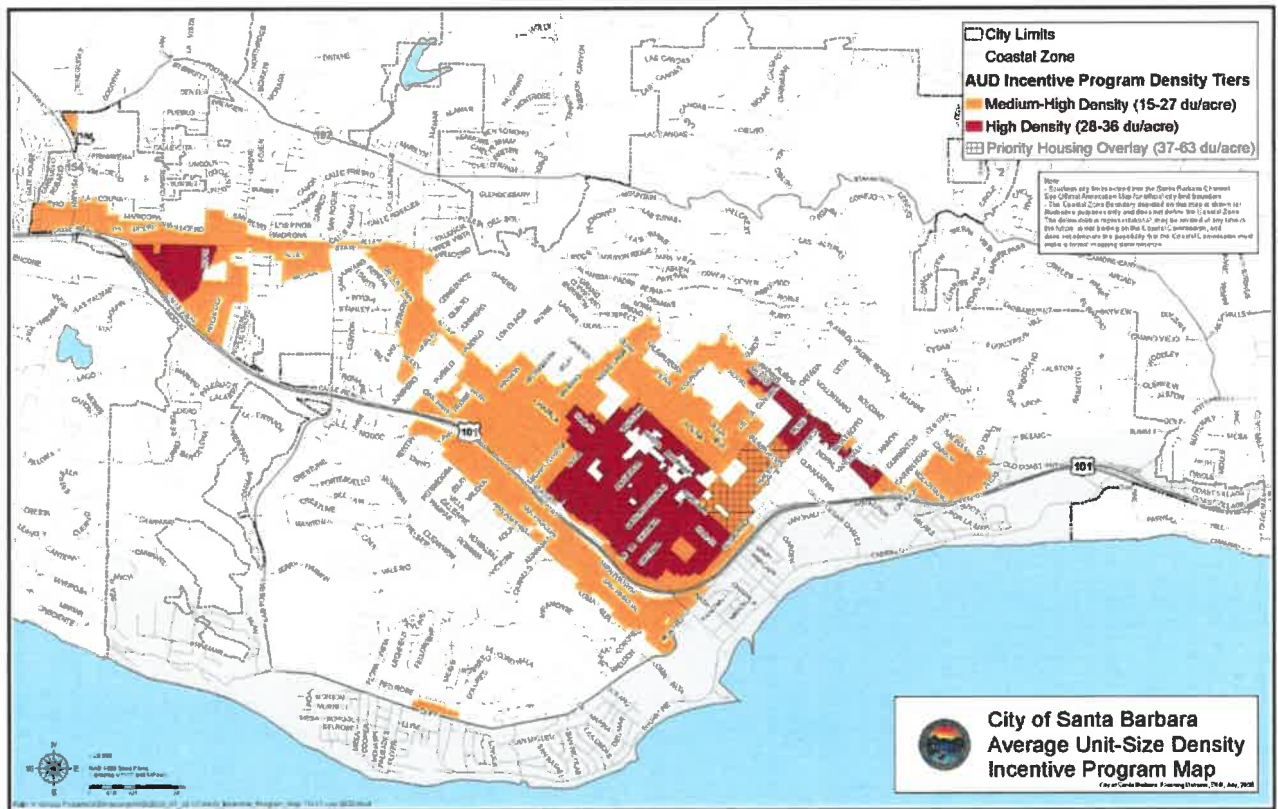


EXHIBIT B: AVERAGE UNIT-SIZE DENSITY (AUD) INCENTIVE PROGRAM TABLE

Medium-High Density (15-27 du/ac)		High Density (28-36 du/ac)		Priority Housing Overlay (37-63 du/ac)	
Maximum Average Unit Size (sf)	Density (du/ac)	Maximum Average Unit Size (sf)	Density (du/ac)	Maximum Average Unit Size (sf)	Density (du/ac)
1,450	15	1,245	28	970	37
1,360	16	1,200	29	970	38
1,280	17	1,160	30	970	39
1,210	18	1,125	31	970	40
1,145	19	1,090	32	970	41
1,090	20	1,055	33	970	42
1,040	21	1,025	34	970	43
1,005	22	995	35	970	44
985	23	970	36	970	45
965	24	—	—	970	46
945	25	—	—	970	47
925	26	—	—	970	48
905	27	—	—	969	49
—	—	—	—	960	50
—	—	—	—	941	51
—	—	—	—	935	52
—	—	—	—	917	53
—	—	—	—	901	54
—	—	—	—	896	55
—	—	—	—	880	56
—	—	—	—	874	57
—	—	—	—	859	58
—	—	—	—	845	59
—	—	—	—	840	60
—	—	—	—	827	61
—	—	—	—	825	62
—	—	—	—	811	63

EXHIBIT B

SECTION 3. The City Council hereby declares that should any section, paragraph, sentence, phrase or term of this Ordinance, hereby adopted, be declared for any reason to be invalid, it is the intent of the City Council that it would have adopted all other portions of this Ordinance regardless of any such portion declared invalid.

SECTION 4. In addition, the City Council finds, on the basis of the whole record and exercising its independent judgment, that:

1. An Addendum to the General Plan Program Environmental Impact Report (PEIR) (SCH 2009011031) dated July 2, 2020 has been prepared for the Average Unit-Size Density Incentive Program Amendments Focused on the Central Business District. The Addendum shows that no Subsequent Negative Declaration or Environmental Impact Report are required pursuant to CEQA Guidelines Section 15162 because the ordinance amendments would not result in additional significant environmental impacts, a substantial increase in the severity of

impacts, or new mitigation measures beyond those identified in the PEIR. Based on the analysis in the PEIR and Addendum, potentially significant environmental impacts will be avoided or reduced to less than significant levels (Class 2) by measures incorporated into the Average Unit-Size Density Incentive Program Amendments Focused on the Central Business District and included in the mitigation monitoring and reporting program (MMRP) previously adopted for the adopted General Plan Update as provided in PEIR Volume I Section 23.

2. The City Planner is the custodian of the record of proceedings for the 2011 General Plan, Final PEIR for the General Plan Update, PEIR Addenda, and the Average Unit-Size Density Incentive Program Amendments Focused on the Central Business District. The documents and other materials which constitute the record of proceedings for these City actions are located at the City of Santa Barbara Community Development Department, Planning Division, 630 Garden Street, Santa Barbara, California. Copies of these documents are available for public review during normal business hours upon request at the City Planning Division Office.

SECTION 5. In accordance with the City Charter, the proposed ordinance amendments shall become effective thirty (30) days after the date of City Council adoption, and shall apply to all applications for development pursuant to the AUD Program which have not yet received a building permit.

ORDINANCE NO. 5954

STATE OF CALIFORNIA)
)
COUNTY OF SANTA BARBARA) ss.
)
CITY OF SANTA BARBARA)

I HEREBY CERTIFY that the foregoing ordinance was introduced on July 28, 2020 and adopted by the Council of the City of Santa Barbara at a meeting held on August 4, 2020, by the following roll call vote:

AYES: Councilmembers Eric Friedman, Alejandra Gutierrez, Oscar Gutierrez, Meagan Harmon, Mike Jordan; Mayor Cathy Murillo

NOES: Councilmember Kristen W. Sneddon

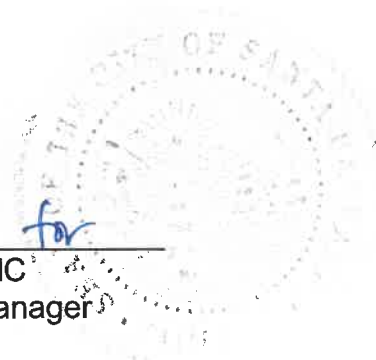
ABSENT: None

ABSTENTIONS: None

IN WITNESS WHEREOF, I have hereto set my hand and affixed the official seal of the City of Santa Barbara on August 5, 2020.



Sarah P. Gorman, CMC
City Clerk Services Manager



I HEREBY APPROVE the foregoing ordinance on August 5, 2020.



Cathy Murillo
Mayor