



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** January 15, 2019

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Introduction Of Ordinance Amendments To The Average Unit-Size Density Incentive Program

**RECOMMENDATION:** That Council:

- A. Make the California Environmental Quality Act findings contained in this Council Agenda Report; and
- B. Introduce and subsequently adopt, by reading of title only, an Ordinance of the Council of the City of Santa Barbara Amending the Santa Barbara Municipal Code by Adding Section 30.150.100, and Amending Sections 30.150.090, and 30.155.080 Regarding Residential Parking Requirements for Projects Proposed Under the Average Unit-Size Density Incentive Program; Prohibition Against the Conversion of Residential Units Developed Under the AUD Program to Hotels or Similar Uses; and to Exclude Existing Mobile Home Parks from Incentives in the Average Unit-Size Density Incentive Program.

### **EXECUTIVE SUMMARY:**

City Council adopted the Average Unit-Size Density Incentive Program (AUD Program) ordinance in July 2013 as a General Plan initiative to facilitate needed residential development, particularly non-subsidized rental units. The AUD Program encourages housing development by allowing increased densities based on average unit size, with greater densities allowed for smaller average unit sizes. Development standard incentives related to parking, setbacks, and open space were also provided to assist in construction of additional residential units.

City Council initiated the proposed AUD Program ordinance amendments following recommendations from the Housing Task Force. The Planning Commission and Ordinance Committee reviewed the proposed amendments and recommended Council approval.

The proposed amendments will: (1) require two on-site parking spaces for AUD Program units with three or more bedrooms, in projects located outside of the Central Business District (CBD), with exceptions for 100 percent affordable and senior housing projects; (2) prohibit AUD Program units from future conversion to hotel use; and (3) remove AUD Program parking incentives from existing mobile home park properties. The amendments also correct internal ordinance subsection references and a typographical error.

## **DISCUSSION:**

The proposed ordinance would amend the Santa Barbara Municipal Code (SBMC) as described below.

### Parking for Units with Three or More Bedrooms Outside of the CBD

This amendment would require two parking spaces for units with three or more bedrooms outside of the CBD. The amendment includes exceptions for 100 percent Income-Restricted Affordable (very-low-income and low-income households) and Senior Housing projects, which typically require one-half to one space per unit. The AUD Program's current minimum parking requirement citywide is one automobile space per unit, regardless of unit size or number of bedrooms.

City Council initiated this amendment following the appeal of the project at 1818 Castillo Street (which included two two-bedroom units, five three-bedroom units, and eight automobile parking spaces) and subsequent public concerns about potential parking impacts of other AUD Program projects. Increasing the minimum parking requirement to two on-site spaces for units with three or more bedrooms would better meet the anticipated parking demand of larger AUD Program units outside of the CBD, reducing the demand for on-street parking in residential multi-unit areas that are more dependent on automobile transportation. The additional parking will not apply inside the CBD, generally located between De La Vina and Garden Streets and between Sola Street and U.S. 101. Inside the CBD, residential automobile dependency is generally lower due to the proximity and mix of uses, the ease of walking and bicycling, and transit availability.

### Prohibiting Conversion of AUD Projects to Hotel Use

This amendment would prohibit converting units in an AUD Program project to a hotel or similar use, including a short-term rental. Council initiated this amendment to remove the possibility of a residential AUD project, developed with incentives, from being converted to a hotel use.

### Removing Incentives for Redevelopment of Mobile Home Parks

This amendment would remove the AUD Program parking incentive from existing mobile home parks. Council initiated an amendment to remove existing mobile home parks from the AUD Program map entirely to disincentivize redevelopment of mobile home parks that tend to serve lower-income households, including lower-income seniors. Removing these parks from the AUD Program would result in a downzone of those properties from a maximum of 27 units per acre, as allowed by the AUD Program and the Variable Density Program, to 18 units per acre as prescribed by Residential Multi-Unit (R-M) Zone.

Removing existing mobile home parks from the AUD Program map and downzoning the properties to lower the residential density would require the City to make certain findings required by state law (Government Code § 65863), including confirmation that reduction in density is consistent with the General Plan and assurance that the City would still be able to accommodate its share of regional housing need with reduced densities on these properties. Reducing residential density of the existing mobile home parks would require further analysis of how the City will meet its share of regional housing needs as well as a General Plan Amendment to update the Land Use and Housing Elements, which is beyond the scope of this initial work effort. Therefore, the recommended amendment would not alter allowed maximum density, but would prohibit applying AUD Program development incentives related to parking to parcels currently developed with a mobile home park. Other AUD Program development incentives related to setbacks, open yard, and minimum distance between buildings were made to apply to all multi-unit development in the recent adoption of Title 30 (Inland Zoning Ordinance) and no longer serve as incentives specific to the AUD Program.

The AUD Program boundary includes six existing mobile home parks (Attachment 1) containing a total of 262 existing housing units. Staff is not aware of any current plans to redevelop these mobile home parks. All six parks are in areas designated for “Medium-High Residential” housing under the AUD Program, allowing for a maximum density of 27 units per acre; however, redeveloping to another housing type at a density of 27 units per acre would be difficult on many of these mobile home park sites due to environmental constraints and associated policies, including the vicinity of Sycamore and Mission Creeks and the proximity of one site to Highway 101 (Attachment 2). This proposed amendment would require a new multi-unit development on any of these sites to provide parking based on bedroom count, rather than the current minimum of one space per AUD Program unit or proposed minimum of two spaces for AUD Program units with three or more bedrooms, outside of the CBD.

## **BACKGROUND:**

On September 13, 2018, and November 1, 2018, the Planning Commission reviewed the proposed ordinance amendments and forwarded a recommendation of approval to City Council. On November 20, 2018, the Ordinance Committee also reviewed the proposed amendments and forwarded a recommendation of approval to City Council.

As a separate work effort, the City Attorney’s office is processing amendments to the Mobile Home Park Conversion Regulations (SBMC Chapters 26.04, 26.08, 28.78, 28.88) to bring City ordinances into conformity with new State requirements that apply to mobile home park conversions.

## Public Outreach

The AUD Program amendment work efforts are documented on the City’s website<sup>1</sup> and have been updated with notification of meetings and links to relevant materials. The page

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<sup>1</sup> [SantaBarbaraCA.gov/AUD\\_amendments](http://SantaBarbaraCA.gov/AUD_amendments)

also allows interested parties to request program updates and notices of upcoming public meetings. Additionally, subscribers are sent email notifications when public documents are available for review and a link to provide public comments. Current applicants and owners of AUD projects were also notified of this work effort. Display ads were published in the *Santa Barbara Independent* and *Montecito Journal* to notify the public of meetings, and existing mobile home park property owners and tenants received postcard notification of the Planning Commission and City Council hearings.

**COMPLIANCE WITH CEQA:**

Under provisions of the California Environmental Quality Act (CEQA) and Guidelines, staff conducted preliminary environmental review of the AUD Program ordinance amendments and concluded that the amendments would not result in environmental impacts. Staff determined that the ordinance amendments qualify for a Categorical Exemption from further CEQA environmental review and documentation under CEQA Guidelines §15305 Minor Alterations in Land Use Limitations. The adopted List of City Determined Examples of Activities/Projects Qualifying as Ministerial or Categorically Exempt identifies the following related activity as Categorically Exempt: "Minor Zoning Ordinance amendments that do not significantly change planned uses in an area." None of the Categorical Exemption exceptions to use apply.

- ATTACHMENTS:**
1. Map of Existing Mobile Home Parks within the AUD Program Boundary
  2. Map of Certain Environmental Constraints on Existing Mobile Home Parks

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

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