



CITY OF SANTA BARBARA

ORDINANCE COMMITTEE REPORT

AGENDA DATE: March 23, 2021

TO: Ordinance Committee

FROM: Planning Division, Community Development Department

SUBJECT: Zoning Ordinance Amendments And Objective Design Standards For Affordable Streamlined Housing Projects

RECOMMENDATION:

That Ordinance Committee review and recommend to the City Council adoption of amendments to Santa Barbara Municipal Code Title 30 (Inland Zoning Ordinance) for Affordable Streamlined Housing Projects pursuant to Senate Bill 35 and adoption of a resolution approving Objective Design Standards for application to Senate Bill 35 projects.

EXECUTIVE SUMMARY:

In 2017, Senate Bill 35 (SB 35) was signed into law providing a streamlined, ministerial approval process for eligible multi-unit housing projects. Projects that qualify for streamlined approval are only subject to objective zoning and design review standards, as defined in the legislation. The Title 30 amendments outline the eligibility requirements and processing procedures for SB 35 projects. The draft Objective Design Standards for Streamlined Housing Projects (Objective Design Standards) provide the style and exterior details standards for eligible projects. Reviewing eligible multi-unit housing projects for compliance with objective design standards rather than for consistency with subjective design guidelines is a significant change from the City's typical review and approval process for new development. The Objective Design Standards balance maintaining the City's high standards for aesthetics and sensitivity to historic context with streamlining the planning process to increase housing in compliance with state law.

DISCUSSION:

Background

SB 35 is one of multiple housing bills signed in 2017 aimed at addressing the state's housing shortage and high housing costs. SB 35 requires counties and cities that are not meeting their regional housing needs allocation (RHNA) targets, including the City of

Santa Barbara, to provide a streamlined ministerial process for eligible multi-unit and mixed-use housing projects. SB 35 is in effect until January 1, 2026, and it is unknown if the state will extend or replace it.

Not all multi-unit housing projects are eligible for streamlined ministerial review. To qualify for streamlined ministerial approval, a number of conditions must be met, including the following:

- A pre-application and 90-day tribal scoping consultation process must be completed by staff prior to submittal of the complete application;
- At least 50 percent of the units must be affordable for households making at or below 80 percent of area median income¹;
- All construction workers are required to be paid general prevailing wage for the type of work and geographic area²;
- The project site cannot be located in the Coastal Zone;
- The parcel cannot contain sensitive habitat, certain hazards, or conservation easements; and
- The development cannot require the demolition of a historic structure
- Development cannot occur on lots occupied by tenants within the past ten years.

In late 2018, the City initiated a work effort to draft objective design standards, Zoning Ordinance (Title 30) amendments,³ and applicant handouts in response to SB 35. A Work Group composed of two members each from the Planning Commission, Historic Landmarks Commission (HLC), and Architectural Board of Review (ABR) was appointed to assist staff with drafting objective design standards. Input on the Objective Design Standards was also solicited from the American Institute of Architects (AIA) advocacy group, and a draft of the standards was presented to HLC and ABR in May 2020 and posted for public review on the Objective Design Standards project website.

It should be noted that SB 35, along with the other package of housing bills enacted in 2017, was an effort by the state legislature to address California's "housing crisis" by changing how cities and counties conduct permit review and regulate zoning. While Santa Barbara is a charter city, the legislators in crafting SB 35 (and the other housing bills) argued that housing is a matter of statewide concern thereby allowing state interference in what has traditionally been a municipal affair subject to constitutional protection against state preemption. There is some question regarding to what extent the state can regulate zoning in charter cities, particularly if the legislation conflicts with charter provisions. In the case of Santa Barbara, the City's City charter requires that the

¹ The required percentage of units affordable to lower income households is either 10 percent or 50 percent depending on RHNA progress in the Above-Moderate or Low and Very-Low RHNA categories respectively. Currently, based on the City's RHNA progress 50% of the units must be affordable.

² Not applicable if the project includes 10 or fewer housing units.

³ SB 35 does not apply in the Coastal Zone and therefore, no amendments are needed to Title 28, Coastal Zoning Ordinance.

ABR and HLC approve all housing projects, therefore in order to address a potential conflict between SB 35's requirement that compliant projects receive a streamlined "ministerial" approval staff has drafted the ordinance to provide that ABR and HLC are the decision making bodies granting ministerial project approval so long as the project meets all objective criteria.

Objective Design Standards

The City has multiple design guidelines for specific areas or features, most of which require interpretation and subjective judgment by staff and design review board members. Alternatively, objective design standards involve no personal or subjective judgement by a public official⁴. The draft Objective Design Standards (Attachment 2) were prepared in the event that a developer requests review under SB 35.

Staff initially planned to use multiple design guidelines as the basis for creating objective standards, but it became clear early in the process that using all the existing design guidelines was too unwieldy and time was better spent focusing on an acceptable design style for this initial effort. As such, the El Pueblo Viejo (EPV) Landmark District Guidelines, and specifically the Spanish Colonial Revival style, was selected as the template for these draft Objective Design Standards.

Spanish Colonial Revival style was chosen for the template because:

- State law allows use of a specific architectural style as long as the elements are clearly defined;
- It is a well-known and loved style in the City, and is one of the three required styles within the EPV Landmark District;
- It uses simple, weather-protecting, energy-efficient building techniques that are pedestrian-oriented and human-scaled; and
- There are many excellent local examples of this style to emulate.

The draft Objective Design Standards address building massing and articulation, roof design, character defining features (applicable to projects of 10 or more units), exterior building details (e.g., doors, windows, colors), landscaping, parking location and design, outdoor lighting, and building equipment and service areas. They strike a balance between accommodating a streamlined review process with no discretionary design review and continuing the exemplary architectural heritage of our City. Furthermore, use of design standards provides certainty in the project review process, with cost savings from fewer reviews and revisions, and the use of higher-quality materials reduces long-term building maintenance costs. The City's discretionary design review process is always an option for projects that use a different architectural style or do not conform to the Objective Design Standards.

⁴ State law further requires objective design standards to be published and adopted by ordinance or resolution before submission of a development application.

Editorial Changes after Planning Commission Review

The draft Zoning Ordinance amendments and Objective Design Standards were presented to the Planning Commission on January 7, 2021. By a vote of 6/1, the Planning Commission recommended approval (Attachment 2) with the following additions:

- Further review by staff to ensure any remaining subjective language (such as “portion”) has been removed from the standards;
- A review by Sustainability and Resilience Department staff of the equipment and screening section to avoid conflicts related to installation of solar energy systems;⁵ and
- Review by Housing Authority and People’s Self Help Housing representatives for feedback prior to Ordinance Committee review.

The draft Objective Design Standards were edited in response to Planning Commission direction, shown with strikethrough and underlined text in Attachment 2. The comments received and results of additional review is as follows:

Subjective Language Review: A team of Planning staff members reviewed the draft Objective Design Standards and made a number of editorial changes to remove subjective language. Additional changes were made to clarify standards and reduce redundancy by combining and moving a topic to one section. For example, the standards for ground surface paving materials and patterns was previously repeated in several places. Staff deleted the repetitive references and moved those standards into the Exterior Building Details section. These changes did not result in any substantive change to the Objective Design Standards from what the Planning Commission recommended for adoption.

Sustainability Department Review: The Planning Commission was concerned that the rooftop equipment screening standard could conflict with solar energy system requirements. State law discourages local governments from restricting small residential rooftop solar energy systems (i.e., under 10 kilowatts) based on aesthetics, but is silent on larger systems. In consultation with Sustainability and Resilience staff, the Equipment and Screening standard was edited to ensure the standards do not preclude installation of solar energy systems.

Nonprofit Housing Developers Review: Staff requested input from the Housing Authority, People’s Self Help Housing, and Habitat for Humanity Santa Barbara. The Housing Authority responded with a letter (Attachment 4), noting that objective design review is a good policy but they do not anticipate for-profit developers invoking SB 35 due to various constraints. They noted that the Spanish Colonial Revival style is too limiting for their upcoming projects and that architects and other planning professionals are better suited to providing input.

⁵ As of 2020, multi-unit residential buildings up to three stories high are required to have a solar energy system large enough to meet the annual electricity usage of the building.

People's Self Help Housing provided a number of comments focused on the type of projects they typically develop. Based on their experience on projects outside of the City, they noted that understanding and correctly applying SB 35 permit processing procedures is a larger concern than using objective design standards. With respect to design standards, they suggested that the City should allow flexibility on the high-quality material requirements (e.g., building massing techniques, roof tiles, doors, windows) to reduce costs. They also requested that low-income tax credit financing requirements for outdoor play areas be accommodated in the standards.

In response, the draft Objective Design Standards were edited to allow for outdoor play areas, and a building massing standard was clarified. The high-quality material requirements were not changed in the draft because these Objective Design Standards have to be applied to all SB 35 projects, including those within El Pueblo Viejo Landmark District, and use of high-quality materials was considered by Work Group members to be essential to the Spanish Colonial Revival style; however, staff however does recommend that future objective design standards include lower cost architectural styles and consider flexibility in material choices, particularly for projects that include a high percentage of deed restricted affordable units.

Habitat for Humanity noted that the SB 35 process cannot be utilized by projects built with volunteer labor due to the state's prevailing wage requirements for construction workers. Like People's Self Help Housing, they expressed concerns about the requirements for high-quality materials.

Zoning Ordinance Amendments

The Title 30 amendments are included in existing Chapter 30.145 Affordable Housing and Density Bonus and Development Incentives (Attachment 5). The amendments describe eligibility requirements and other procedures consistent with Government Code section 65913.4. They clarify that qualified streamlined housing projects are exempt from discretionary review but are subject to all applicable objective standards (e.g., building height, setbacks, parking), including the Objective Design Standards adopted by Council resolution. They also describe the procedures for project review, including scoping consultation with California Native American tribes⁶, and a public oversight hearing with the Architectural Board of Review or Historic Landmarks Commission, strictly focused on ministerial confirmation of a project's compliance with the Objective Design Standards. Proposed SB 35 projects will be included on the regular meeting agenda, and resulting actions are appealable by the applicant to City Council.

⁶ Effective in September 2020, AB 168 requires tribal scoping consultation for SB 35 projects. Section D. Review Process of the Title 30 amendment were modified after Planning Commission review to include the now required scoping consultation with Native American tribes.

Planning Handouts and Photo Gallery

In addition to the standard planning application form, the SB 35 supplemental application and design standards checklist are being prepared to collect the additional information necessary to determine eligibility and conduct project-specific review. The handouts will be finalized following City Council approval of the draft Objective Design Standards and before the effective date of the ordinance amendments. They include the following:

- **Affordable Housing Streamlined Approval (SB 35) Supplemental Application:** This supplemental application describes the approval process and has a checklist to demonstrate how the proposed project complies with site location and other qualifications that make the project eligible for the SB 35 streamlined approval process.
- **Objective Design Standards Checklist:** This is a checklist of all the objective design standards that are in the Objective Design Standards document. The checklist is a convenient format to demonstrate compliance with the objective design standards.

In addition to these handouts, staff is working on a photo gallery for applicants and staff to show representative examples of required and optional architectural features. This photo gallery will build upon the existing photo gallery for the El Pueblo Viejo Design Guidelines and accessed from the Objective Design Standards project website.

Future Work Effort

The City was recently awarded a grant from the California Department of Housing and Community Development to continue working on objective design standards with the ultimate intent of increasing housing production. This two-year effort will include a consultant contract to assist staff with developing objective design standards and graphics to cover a broad palette of architectural styles and building types. Based on City Council's direction, objective design standards could be applied to many types of multi-unit residential buildings other than just those using the streamlined ministerial approval process per SB 35. The City's grant application was accepted on February 22, and staff is beginning the process to select a consultant and kick off the work effort.

Next Steps

Following Ordinance Committee's review of the Objective Design Standards and Title 30 amendments, the Title 30 amendments and Objective Design Standards will be presented to City Council for introduction and adoption. The Title 30 amendments will be effective 30 days after Council adoption.

ENVIRONMENTAL REVIEW:

The adoption of Title 30 amendments and Objective Design Standards for application to SB 35 projects is exempt from the California Environmental Quality Act (CEQA). Pursuant to Section 15061(b)(3) of the State CEQA Guidelines, a project is exempt from CEQA if

the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The amendments to Title 30 are administrative in nature and outline permitting procedures for streamlined ministerial approval of multi-unit housing projects pursuant to Government Code Section 65913.4. The Objective Design Standards outline the architectural style and details that are required for projects requesting streamlined review. Accordingly, there is no possibility that the Title 30 amendments or Objective Design Standards will have a significant effect on the environment. Individual housing projects that meet the objective design standards and qualify for streamlined permitting are ministerial and exempt from CEQA under Government Code Section 21080(b)(1).

- ATTACHMENTS:**
1. Draft Resolution
 2. Objective Design Standards for Streamlined Housing Projects
(Exhibit A to Draft Resolution)
 3. Planning Commission Meeting Minutes of January 7, 2021
 4. Letter from Housing Authority of Santa Barbara
 5. Proposed Amendments to SBMC Title 30

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APPROVED BY: City Administrator's Office