



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: June 5, 2025
AGENDA DATE: June 12, 2025
SUBJECT: Adaptive Reuse Ordinance
 (PLN2024-00411)
TO: Planning Commission
FROM: Planning Division
 Allison DeBusk, Interim Community Development Director
 Dana Falk, Project Planner

I. RECOMMENDATION

That Planning Commission consider the adaptive reuse ordinance and forward a recommendation to City Council to:

- A. Amend the Santa Barbara Municipal Code to add Section 30.185.045, Adaptive Reuse Projects,
- B. Determine that the adaptive reuse ordinance is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3), and
- C. Determine that the adaptive reuse ordinance is consistent with the General Plan.

II. EXECUTIVE SUMMARY

The adaptive reuse ordinance implements Housing Element Program HE-1 from the 2023–2031 Housing Element, with the purpose of facilitating conversion of nonresidential buildings to housing.

The proposed adaptive reuse ordinance (Exhibit A) facilitates and incentivizes the conversion of nonresidential buildings to housing by offering four development incentives. The ordinance would allow adaptive reuse projects anywhere in the City that allows multi-unit residential use, except the coastal zone, as long as the building is at least 10 year old. The development incentives for adaptive reuse projects allow unlimited residential density and reduce or eliminate requirements for open yard, parking, and setbacks. Adaptive reuse projects are further incentivized with a waiver of all pre-application and concept review requirements.

III. BACKGROUND

A. 2023–2031 Housing Element

The proposed adaptive reuse ordinance is the implementation action for Housing Element Program HE-1: Facilitate Conversion of Nonresidential Buildings to Housing. HE-1 directs

Planning Division staff to draft an adaptive reuse ordinance for buildings to convert to multi-unit or mixed-use residential. The full text of Program HE-1 is available in Exhibit B.

B. Public Hearings and Engagement

Public hearings and other engagement efforts have informed the proposed adaptive reuse ordinance. See Exhibit C for hyperlinks to council agenda reports, staff reports, and approved minutes from past public hearings.

July 2024 Joint City Council and Planning Commission Work Session

At a Joint City Council and Planning Commission Work Session on July 26, 2024, staff requested direction on an adaptive reuse ordinance. City Council and Planning Commission were supportive of an adaptive reuse ordinance, as were public commenters. Councilmembers, Commissioners, and the public commented on the following:

- Where the adaptive reuse ordinance should apply
- Ground floor commercial requirement
- Inclusionary unit requirement in the Central Business District (CBD)
- Minor additions to existing buildings
- Existing building age requirement
- City regulations outside of zoning standards—including building code, storm water management program (SWMP), and water meters

December 2024 Planning Commission

A draft adaptive reuse ordinance was presented to Planning Commission for discussion on December 12, 2024. Planning Commissioners were supportive of adaptive reuse with comments for staff to further evaluate applicability categories, eligibility requirements, and additional requirements with the following consensus comments:

- Revise applicability to allow citywide
- Re-evaluate allowance for additions
- Re-evaluate ground floor nonresidential requirement
- Review regulations from other City divisions

Public comments were generally supportive of the draft adaptive reuse ordinance. Comments were made regarding applicability, development standard relief, and other city regulations that would impact an adaptive reuse project. Inclusionary housing requirements, which were commented on by Commissioners and the public, are being evaluated by Staff as a separate work effort.

January 2025 Historic Landmarks Commission

The Historic Landmarks Commission (HLC) received a presentation on the adaptive reuse ordinance on January 29, 2025. Overall, HLC was supportive of the draft ordinance with comments mirroring those from Planning Commission and technical questions on the draft ordinance language. The additional requirement for ground floor activation on State Street, from Montecito to Sola Streets, falls within the geographic boundary of HLC's review; as such, staff prompted discussion on the ground floor nonresidential use requirement with the Commissioners. Overall, Commissioners supported the requirement, and offered suggestions on minimum depths.

March 2025 Architectural Board of Review

The Architectural Board of Review (ABR) received a presentation on the adaptive reuse ordinance on March 17, 2025. Like HLC, ABR asked technical questions relating to the draft ordinance language. Feedback on the nonresidential ground floor requirement proposed for State Street (Montecito to Sola Streets) was prompted for discussion. Board members discussed a hybrid approach utilizing either a minimum depth behind the façade or a minimum percentage of ground floor area.

2025 Focus Group Interviews

Additional community engagement occurred in 2025 in the form of three external and multiple internal focus group interviews.

External focus group interviews were held virtually with three groups: 1) the American Institute of Architects (AIA) Advocacy Committee, 2) local architects, land use planners, developers, and past change in use project applicants, and 3) the Downtown Santa Barbara Improvement Association (DSBIA). Staff met with DSBIA’s Land Use Committee and presented at the May 2025 Board Meeting.

C. Collaboration with Other City Divisions

Planning staff engaged key City divisions to align the adaptive reuse ordinance with existing City standards and identify coordination needs. Initial collaboration occurred in Fall 2024, with additional collaboration from January through May 2025.

| Standards/Regulation | City Division, Department |
|---------------------------------------|---|
| Parking | Transportation Planning, Public Works |
| Building Code | Building & Safety, Community Development |
| Storm Water Management Program (SWMP) | Creeks, Sustainability and Resiliency |
| Water Meters | Water Resources, Public Works |
| State Street Ground Floor Uses | Community Vitality Initiatives, City Administrator’s Office |

As a reminder, Municipal Code or Building Code requirements beyond zoning are not within the purview of the Planning Division and no changes other than Title 30 zoning amendments are proposed with this adaptive reuse ordinance.

Parking

Staff from Transportation Planning participated in the December 2024 Planning Commission hearing. As such, internal staff meetings with Transportation Planning discussed parking requirements and transportation policy impacts on revisions to the adaptive reuse ordinance applicability categories.

Building Code

The feasibility of meeting Building Code requirements for adaptive reuse projects is an oft-heard concern. The Building Code is intended to protect health, safety, and welfare; therefore, staff is unable to reduce Building Code requirements that may have a negative impact on life-safety. Conversations with Building & Safety staff revolved around the inherent flexibility already in

the three available Building Codes—the California Building Code, the California Existing Building Code, and the California Historic Building Code—but also in the Code Modification or Alternate process. A Code Modification or Alternate is a waiver of a code requirement that provides flexibility to Building Code requirements when practical difficulties arise in meeting specific code requirements. Research into recent requests for Code Modifications or Alternates found that five requests for all project types were submitted in the current code cycle (2023–2025); two were approved, three were denied.

Additionally, there is a state-level effort to review building standards for adaptive reuse projects. Assembly Bill 529 Adaptive reuse projects (AB 529, 2023) initiated efforts by the California Department of Housing and Community Development (HCD) to collect public feedback to help identify challenges and opportunities for potential amendments to building standards. A draft report on findings¹ was released by HCD on May 8, 2025, with the final report findings due to be published by December 31, 2025. Per the draft report, if the findings include proposing adaptive reuse building standards, HCD or the appropriate state agency may plan to include them in the 2027 Triennial Code Adoption Cycle.

Storm Water Management Program (SWMP)

Staff researched SWMP requirements from example change in use projects, with input from Creeks Division staff, in response to Commissioner comments. In closer review of the nine example change in use projects included in the December 2024 Planning Commission Staff Report, staff found that six of the nine example projects were exempt from SWMP (66%), two triggered Tier 1 requirements (22%), and one triggered Tier 2 requirements (11%). More about these example projects and their SWMP status is included in Exhibit D.

The City has been implementing a Storm Water Management Program (SWMP) since 2006 in compliance with the State Water Resources Control Board’s permit. The Storm Water Best Management Practices (BMP) Guidance Manual was updated in 2020 to make the program more flexible, equitable, and effective, as well as easier to understand, while also ensuring the City meets the Clean Water Act mandates. Creeks staff have no upcoming plans to revise the SWMP requirements, although preliminary research into potential alternate compliance options for storm water management in the State Street Master Plan has been initiated. This effort was briefly touched upon during the January 28, 2025 City Council meeting during the State Street Action Plan discussion item.

Water Meters

City Council, in January 2025, amended water meter requirements to waive separate water metering or submetering requirements for individual units in adaptive reuse projects with 100 percent of the units for very low or low income households.² City Council’s motion adopting the amendment included a request that staff look into water metering issues related to non-affordable adaptive reuse projects, either before or in conjunction with the adaptive reuse ordinance discussion. The current water meter ordinance allows projects with constrained or limited space in the right-of-way to request authorization from the Public Works Director for private submeters

¹ The [draft report of AB 529 Adaptive Reuse Working Group Findings](#) is available on HCD’s website.

² Ordinance No. 6169 amending Section 14.08.150, New Dwelling Units – Metering Requirements.

per Section 14.08.140, Location and Maintenance of City Meters. Approval for private submeters is handled on a case-by-case basis.

Planning staff has been coordinating with Water Resources staff on amending water meter regulations to allow private submetering by right for adaptive reuse projects. Water Commission, at their April 17, 2025 hearing, unanimously recommended amending water meter regulations for all adaptive reuse projects. The Water Commission Staff Report is hyperlinked in Exhibit D. Timing on future public hearings for the water meter ordinance amendments is still being determined, with staff looking to align timing with this proposed adaptive reuse ordinance.

State Street Ground Floor Uses

Staff from the City's Community Vitality Initiatives division, leading the State Street Master Plan effort, strongly support nonresidential uses on the ground floor on State Street, from Montecito to Sola Streets, to provide street activation, complement the future streetscape design, and ultimately to create a vibrant downtown. High-value activating ground floor uses, such as retail and restaurants, align with State Street Master Plan priorities. Conversation amongst staff included possible regulation methods for nonresidential ground floor space on State Street, such as a minimum depth behind the street façade or minimum percentage of floor area, but no method was preferred.

IV. DISCUSSION

The proposed adaptive reuse ordinance intends to incentivize housing creation in existing nonresidential buildings by codifying commonly approved requests to deviate from current zoning requirements—known as zoning modifications. By allowing these exceptions without a discretionary hearing, it reduces the planning process for eligible adaptive reuse projects and speeds up the approval process.

Adoption of an adaptive reuse ordinance does not eliminate the City's current process for change in use nor does it preclude an applicant from using state legislation instead of this local adaptive reuse ordinance. Projects that do not meet the minimum requirements of the adaptive reuse ordinance, or projects in the Coastal Zone, may still pursue a conversion from nonresidential to residential if the new use is allowed in the zone (change in use) but without the development incentives in the adaptive reuse ordinance by right.³

As a reminder, the adaptive reuse ordinance is proposed as an amendment to Title 30, Zoning–Inland. At present, Title 30 is not in effect in the Coastal Zone.

A. Overview of the Proposed Ordinance

The adaptive reuse ordinance was revised in consideration of Planning Commission's feedback. As such, this overview covers only the proposed adaptive reuse ordinance.

- *Definition.* An adaptive reuse project is defined as “a change of use of all or any portion of an existing building envelope from nonresidential use to one or more new residential units.” Adoption of an adaptive reuse ordinance will not reduce opportunities for change in use projects as allowed under Title 30 currently. Instead, the proposed adaptive reuse

³ Change in use projects may use a modification to request relief from development standards.

ordinance offers development incentives for change in use projects that are creating new housing.

- *Zones.* Adaptive reuse projects are allowed in all Title 30 zones that allow multi-unit residential use.⁴ See Exhibit E for a map of Title 30 zones that allow multi-unit residential use. No change to the allowed uses in a zone is included in the proposed ordinance.
- *Uses.* An adaptive reuse project requires conversion from nonresidential uses into a multi-unit residential use or a mixed-use residential project. Adaptive reuse projects may not include conversion from or into industrial uses to align with General Plan policies that protect industrial areas.⁵ Hotel or similar uses may be converted into housing, but new hotel uses are not allowed in an adaptive reuse project to incentivize housing creation over transient occupancies.
- *Floor Area.* Adaptive reuse projects are restricted to the reuse of the interior of the existing building envelope to reuse existing structures, as supported by General Plan policies for reuse and sustainability.⁶ There is no restriction on new floor area for residential use within the existing building volume, which means that lofts, mezzanines, and even additional floors could be permitted within the building envelope. New floor area outside the existing building envelope is limited to 1) residential amenity space that serves all units on-site, or 2) additions necessary for egress, circulation, accessibility, or other improvements to comply with the Building Code. New floor area additions for residential amenity space are limited in their size to 600 square feet or 10 percent of the existing floor area, whichever is greater. Additions to comply with Building Code are limited to the minimum square footage necessary to do so. An adaptive reuse project may not demolish nor substantially redevelop the existing building.
- *Unit Size.* Residential units proposed in the project are allowed up to 1,200 square feet on average for rental units and 2,000 square feet on average for ownership units.
- *Incentives.* The four development incentives are:
 - Remove maximum density limitations,
 - Remove open yard requirements for the new residential use,
 - Reduce the parking requirements without requiring additional parking beyond the existing quantity on site, and
 - Allow residential units to use existing building setbacks.
- *Process.* The intent of the adaptive reuse ordinance to codify commonly approved zoning modifications as by-right incentives will reduce the land use review process for eligible

⁴ Title 30 has seven zones that allow multi-unit residential: Residential Multi-Unit (R-M), Residential Multi-Unit and Hotel (R-MH), Office Restricted (O-R), Office Medical (O-M), Commercial Restricted (C-R), Commercial General (C-G), and Manufacturing Commercial (M-C), not including coastal-oriented zones.

⁵ General Plan policies including Land Use Element, LG8. Manufacturing Uses and Economic and Fiscal Health Element, EF15. Protect Industrial Zoned Areas.

⁶ General Plan policies including Historic Resources Element, HR3. Discourage Demolition and Housing Element, Policy 1.1 Sustainable and Livable Neighborhoods.

adaptive reuse projects. Additionally, the review process is slightly amended to waive the Pre-Application and Concept Review that is required for a larger Average Unit-Size Density Incentive Program project. Any changes to a building's exterior that currently trigger design review—either with the Architectural Board of Review or Historic Landmarks Commission—still trigger design review for adaptive reuse projects. However, projects without any exterior alterations may proceed without discretionary review straight to building permit.

B. Noteworthy Changes in the Proposed Ordinance

The proposed adaptive reuse ordinance has some noteworthy changes from the December 2024 draft ordinance. These changes are in response to Planning Commission feedback and direction. See Exhibit F for a comparison matrix of major topics and their evolution across the ordinance iterations.

Revised applicability

Arguably the most noteworthy change in the proposed adaptive reuse ordinance is the revised applicability. Previous iterations limited the adaptive reuse ordinance to the Central Business District (CBD) or to specific project types citywide (e.g., affordable housing and historic structures). At the direction of the Planning Commission, this limitation has been removed from the proposed adaptive reuse ordinance to allow adaptive reuse projects citywide in zones that allow multi-unit residential use.

Citywide applicability, based on existing Title 30 zones that allow multi-unit residential use, allows more parcels to use the development incentives in the proposed adaptive reuse ordinance, which could facilitate more reuse of existing buildings to create housing.

Re-evaluated allowance for additions

Staff re-evaluated regulations pertaining to new floor area outside the existing building envelope per the Planning Commission's direction. The adaptive reuse ordinance is intended to facilitate existing building conversions; therefore, it limits new floor area as an exterior addition to certain uses. Namely, to meet Building Code requirements, or for a residential amenity (lobby, lounge, game room, common areas, etc.) available to all tenants.

The previous draft ordinance limited residential amenity additions to 250 square feet of new floor area.

Planning Commissioner comments requested flexibility for additions. In response, the ordinance now proposes that an exterior addition of new floor area may be up to 600 square feet, or 10 percent of the existing floor area, whichever is greater.

There are still no limits on new residential floor area created within the existing building envelope, such as adding a mezzanine, or for additions needed to comply with the Building Code.

Re-evaluated ground floor nonresidential requirement

The draft ordinance required adaptive reuse projects fronting onto State Street between Montecito and Sola Streets to provide space for nonresidential use on the ground floor to activate the street. Staff re-evaluated regulations pertaining to State Street activation requirements and

considered alternative regulating methods to meet this intent. Ultimately, the proposed adaptive reuse ordinance remains unchanged on this requirement from December 2024.

Planning Commission comments supported this requirement but had a range of suggestions for the minimum amount of nonresidential space. Some Commissioners supported a minimum depth of 35 feet for the nonresidential space behind the façade (as staff proposed), while others suggested a minimum percentage of the ground floor area required for nonresidential use.

The proposed ordinance maintains the requirement for nonresidential space fronting on State Street, with a minimum depth of 35 feet. Staff recommends this minimum 35-foot-depth for multiple reasons.

First, the same standard for nonresidential space with a depth of 35 feet is required for projects using Title 25, Objective Design and Development Standards (ODDS) on State Street from Montecito to Sola Street. The City's consultant for Title 25, who recommended this standard and depth, was Opticos Design, Inc., a leader in the field of objective design standards that promote walkable urban places.⁷ Title 25 was adopted by City Council and went into effect earlier this year.

Second, additional research into minimum depth requirements for nonresidential space frontages in zoning ordinances, design guidelines, and planning documents from other jurisdictions, as well as case studies and articles, found that both the average and median depth for nonresidential space behind the ground floor façade is approximately 40 feet minimum.

Finally, staff visually inspected 58 parcels fronting onto State Street, from Montecito to Sola Streets, to evaluate existing depths of the nonresidential spaces on the ground floor. Fifty of the 58 parcels evaluated (86%) had nonresidential space on the ground floor exceeding 35 feet in depth behind the front façade. Additional visual inspection of parcels on Coast Village Road (from Coast Village Circle to Olive Mill Road) resulted in similar findings – over two thirds of the evaluated spaces on the ground floor fronting onto Coast Village Road were more than 35 feet deep.

To note, there is no maximum depth required for the nonresidential space. Parcels fronting onto State Street are typically built lot line to lot line—meaning the building covers all or almost all the parcel area. The same lots visually inspected for existing nonresidential space depth were also evaluated for lot size. Lots on State Street trend towards narrow, but deep. The median dimension for a lot fronting onto State Street is 24 feet wide by 125 feet deep. A minimum nonresidential space at a depth of 35 feet means the remaining 72 percent of building depth is unregulated in the proposed ordinance.

In presentations to HLC and ABR about the adaptive reuse ordinance in early 2025, Staff asked for feedback on the ground floor nonresidential requirement. HLC's discussion focused on minimum depth required for the space and did not discuss other potential regulating methods such as minimum area. HLC suggested a minimum depth of 8 ft. to 35 ft. for this space, with references to European cities. ABR's discussion on the topic focused on service access for the space and concerns over State Street congestion. ABR members mentioned a hybrid approach

⁷ Opticos received a 2024 American Planning Association of California Award of Excellence in recognition of City of Campbell's [Multi-Family Design & Development Standards](#) and prepared [Association of Bay Area Government's Objective Design Standards Handbook](#), among other achievements.

for the required nonresidential ground floor activation by allowing a project to meet either a minimum depth behind the façade or provide a minimum percentage of ground floor area.

Staff reconsidered a minimum percentage of the ground floor area as a regulating method for nonresidential space. A minimum percent of floor area is a viable regulating method but may not meet the intention of the requirement—to activate State Street—unless paired with a requirement that the required minimum floor area be located at the street façade.

C. General Plan Consistency

All zoning ordinance amendments must be found consistent with the General Plan (SBMC Section 30.235.100). Staff has determined that the adaptive reuse ordinance is consistent with General Plan policies and programs that encourage adaptive reuse, a mix of land uses, sustainable neighborhood planning, and infill housing. See Exhibit B for the consistency analysis and full text of General Plan goals and policies that support the adaptive reuse ordinance.

V. ENVIRONMENTAL REVIEW

Staff has determined this action qualifies for an exemption from further environmental review under Section 15061(b)(3) [General Rule] of the California Environmental Quality Act (CEQA) Guidelines because it can be seen with certainty that there is no possibility that the proposed adaptive reuse ordinance may have a significant effect on the environment. The proposed adaptive reuse ordinance establishes a regulatory framework that facilitates the conversion of existing structures to residential or mixed use development and does not directly approve or authorize any specific construction nor does it grant entitlements or directly result in any physical changes to the environment. Staff evaluated the proposed ordinance in terms of land use, unit quantities, additions to the building envelope, and potentially contaminated soils.

- *Change in Use:* All adaptive reuse projects are simply a specialty subset of change in use projects allowed under the current zoning ordinance. All projects using the proposed adaptive reuse ordinance are already allowed to convert from an existing nonresidential use to create new residential units, consistent with General Plan land use designations. The adaptive reuse ordinance makes no changes to allowed uses in a zone; therefore, the proposed ordinance does not result in any new impacts compared to the existing regulatory setting.
- *Residential Unit Quantities:* In adaptive reuse projects, the number of new residential units is limited by the size of the existing building envelope and building code standards. This differs from the current method, which determines the maximum number of units based on density limitations. Additionally, any residential units would be replacing an existing nonresidential use, which means that environmental impacts may potentially be lower than existing conditions. The number of units facilitated by the proposed adaptive reuse ordinance is not anticipated to exceed any established regional growth forecasts or the Regional Housing Needs Allocation; therefore, the proposed ordinance would not have any growth-inducing impacts.
- *Existing Building Envelope:* Any project altering the exterior façade of an existing building or adding floor area outside the existing building envelope requires a discretionary permit and design review under the current zoning ordinance, which would

be subject to site-specific environmental review. This requirement remains the same for adaptive reuse projects; therefore, the proposed ordinance would not approve physical changes that would result in environmental impacts, without site-specific environmental review.

- *Environmental Review:* Proposed adaptive reuse projects requiring a discretionary entitlement will continue to be subject to environmental review. For projects that do not trigger discretionary review, environmental requirements remain the same as for other allowed change in use projects, with one exception: if an adaptive reuse project involves foundation work or soil disturbance in areas where contaminated fill may be present, the appropriate agency must determine that the site is suitable for residential occupancy. This new requirement would increase safety from hazardous sites for adaptive reuse projects. As such, the proposed ordinance provides an added environmental safeguard related to public health protection, further reducing the possibility of adverse environmental effects.

Exhibits:

- A. Section 30.185.045, Adaptive Reuse Projects
- B. General Plan Consistency Analysis
- C. Past Public Hearings (2024-2025) Related to the Adaptive Reuse Ordinance
- D. Example Change in Use Projects and Storm Water Management Program
- E. Map of Title 30 Zones that Allow Multi-Unit Residential Use
- F. Comparison Matrix of Adaptive Reuse Ordinance Iterations

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AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SANTA BARBARA AMENDING THE SANTA BARBARA
MUNICIPAL CODE BY ADDING SECTION 30.185.045 TO
CHAPTER 30.185 OF TITLE 30 PERTAINING TO
REGULATIONS FOR ADAPTIVE REUSE PROJECTS

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

SECTION 1. Section 30.185.045 is added to Chapter 30.185 of Title 30 of the
Santa Barbara Municipal Code to read as follows:

30.185.045 Adaptive Reuse Projects.

Adaptive reuse projects shall be located, developed, and operated in compliance with the following
standards:

- A. **Purpose.** The purpose of this section is to encourage and facilitate the conversion of
existing nonresidential buildings into new residential uses.
- B. **Definitions.** The following words or phrases as used in this section shall have the following
meanings:
 - 1. ***Adaptive Reuse Project.*** A change of use of all or any portion of an existing
building envelope from nonresidential use to one or more new residential units.
 - 2. ***Existing Building Envelope.*** The building volume within the fully enclosed
exterior walls, foundations, roof, windows, and doors of a building that existed with a final
inspection/certificate of occupancy issued at least 10 years prior to the date of application
submittal for an adaptive reuse project.
- C. **Where Allowed.** Adaptive reuse projects are allowed in all zones that allow multi-unit
residential use, subject to the development standards in this section.
- D. **Conversion Types.** Adaptive reuse projects may only convert:
 - 1. Nonresidential land uses to a residential use.

AMENDMENTS TO TITLE 30
Staff Draft Showing Changes
From Current Code

2. Nonresidential land uses to either mixed use or live-work, consistent with the land uses allowed by the zone.
3. The following uses are prohibited in an adaptive reuse project:
 - a. New Hotel or Similar Use
 - b. New or conversion of Industrial Uses
4. Notwithstanding any of the foregoing, any existing floor area may convert to an adaptive reuse project if allowed by State law; however, adaptive reuse projects utilizing State regulations are not eligible for the incentives in this section unless they meet all the requirements of this section.

E. **Existing Buildings.** An adaptive reuse project shall be located within the existing building envelope, with no additions proposed outside the building volume, except as follows:

1. Maximum 600 square feet or 10% of the existing building floor area, whichever is greater, of additional floor area is allowed outside the existing building envelope to provide residential amenities that serve all units on-site (such as a laundry room, bicycle storage room, or recreation room).
2. Additions necessary for egress, circulation, accessibility, or other improvements to comply with the Building Code, are allowed outside the existing building envelope, up to the minimum size required by the Building Code.
3. Residential additions may be constructed within the existing building envelope, such as mezzanines and lofts.

F. **Demolition.** An adaptive reuse project shall not demolish or substantially redevelop the existing building as defined in Section 30.140.200, Substantial Redevelopment.

G. **Average Unit Size.** All the residential units in an adaptive reuse project must meet the standards in Section 30.140.150, Residential Unit, and shall not exceed the following average unit size:

1. ***Rental Units:*** 1,200 square feet
2. ***Ownership Units:*** 2,000 square feet

Exception: The Community Development Director may approve larger unit sizes with a determination that the unit sizes are necessary to accommodate the existing building size or shape; the location of building elements such as vertical circulation, exterior windows, access doors; or to facilitate the legalization of preexisting unauthorized residential units.

H. **Required Ground Floor Nonresidential Space on State Street.** For adaptive reuse projects located on State Street, from Montecito Street to Sola Street, nonresidential uses (excluding parking, storage or other non-occupiable space) are required on the ground floor for the full width of the ground floor fronting onto State Street. The required nonresidential space must be a minimum of 35 feet deep, measured perpendicular to the façade of the building, and may include common residential entries or lobbies but no portion of a residential unit.

I. **Development Incentives.** Adaptive reuse projects are entitled to the following incentives:

1. **Density.** The addition of residential units shall not be counted toward the maximum residential density limits applicable for the lot.
2. **Open Yard.** Any minimum open yard areas required for residential uses shall not apply.
3. **Setbacks.** Existing building setbacks shall remain, and any setback requirements related to the conversion of existing buildings to residential use shall not apply. Additions to the existing building envelope to accommodate new floor area as specified in Subsection E, may continue nonconforming setbacks.
4. **Parking.** An adaptive reuse project is not required to provide additional automobile parking spaces, if all the following conditions are met:
 - a. Bicycle parking in accordance with Chapter 30.175, Parking Regulations, is provided.
 - b. Parking spaces shall be maintained, or may be reduced or increased, in accordance with the requirements of Chapter 30.175, Parking Regulations; except that when calculating the minimum number of parking spaces for residential units, the required number shall not exceed one space per unit.
 - c. Any requirement to provide electric vehicle supply equipment or parking spaces that are accessible to persons with disabilities is met.

J. **Review Process.**

1. ***Building Permits.*** Adaptive reuse projects must comply with applicable state and local building codes and require approval of a building permit. Alternative building standards shall be considered pursuant to the California Existing Building Code and the California Historic Building Code, as applicable.
2. ***Discretionary Review.*** Adaptive reuse projects shall be exempt from all City discretionary review with the following exceptions:
 - a. If the project is in the coastal zone, an application for a Coastal Development Permit shall be submitted as required by Chapter 30.210, Coastal Permits.
 - b. If the project includes a subdivision, an application shall be submitted as required by Title 27, Subdivisions. The incentives identified in subsection 30.185.045.I, Development Incentives, shall apply to condominium development, notwithstanding Section 27.13.060, Physical Standards for Condominiums.
 - c. If the project includes allowed additions s, or exterior alterations, it will be processed according to the discretionary review procedures (e.g., design review, development plan) applicable to multi-unit residential or mixed-use development in the same zone except as follows:
 - i. Adaptive reuse projects are exempt from any mandatory pre-application or concept review.
 - ii. Minor design alterations, as specified in the applicable Design Guidelines, may be approved as a ministerial action by the Community Development Director without review by the Design Review body.
3. ***Inclusionary Housing.*** An adaptive reuse project shall include inclusionary housing consistent with Chapter 30.160, Inclusionary Housing, or Section 30.150.110, Inclusionary Requirements for Rental Housing Projects, as applicable.
4. ***Historic Resources.*** Adaptive reuse projects for Designated Historic Resources must comply with Chapter 30.157, Historic Resources.

5. ***Contaminated Fill.*** If an adaptive reuse project is proposed in the “Area of Potential Contaminated Fill,” as identified on a map on file with the Community Development Department – Planning Division, and there is ground disturbance or foundation repair proposed as part of the project, it shall not be approved unless the applicable agency makes a determination pursuant to subdivision (c) of Section 25296.10 of the Health and Safety Code, that the site is suitable for residential use.

SECTION 2. Severability

If any provision of this Ordinance or the application thereof to any persons or circumstances is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application and, to this end, the provisions of this Ordinance are hereby declared to be severable.

SECTION 3. California Environmental Quality Act

This action is exempt from further environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3) [General Rule]. The proposed adaptive reuse ordinance establishes a regulatory framework that facilitates the conversion of existing structures to residential or mixed use development and does not directly approve or authorize any specific construction nor does it grant entitlements or directly result in any physical changes to the environment.

GENERAL PLAN CONSISTENCY ANALYSIS

Staff has determined that the Adaptive Reuse Ordinance is consistent with General Plan policies and programs that encourage adaptive reuse, a mix of land uses, sustainable neighborhood planning, and infill housing.

| Consistency Analysis | General Plan Policies |
|--|--|
| The adaptive reuse ordinance is consistent with General Plan policies supporting adaptive reuse. The ordinance creates development incentives to facilitate adaptive reuse projects that convert existing nonresidential buildings to housing. | Housing Element, Policy 1.3 Adaptive Reuse Economic and Fiscal Health Element, EF12. Re-Use of Commercial Space Historic Resources Element, HR4. Adaptive Reuse |
| The adaptive reuse ordinance is consistent with General Plan policies supporting infill housing, efficient development, and sustainable neighborhoods. The ordinance intends to revitalize and reuse existing buildings in zones that allow multi-unit residential uses to focus adaptive reuse projects in areas near jobs, commercial services, and transit. | Land Use Element, LG4. Principles for Development Land Use Element, LG15. Sustainable Neighborhood Planning Housing Element, Policy 1.1 Sustainable and Livable Neighborhoods Housing Element, Policy 1.2 Infill Housing Housing Element, Policy 1.7 Prioritize Housing and Community Benefit Circulation Element, 8.5 Downtown Housing Circulation Element, 13.2 Compact Development |
| The adaptive reuse ordinance is consistent with General Plan policies to protect industrial use. The ordinance excludes industrial uses thereby protecting those uses by not allowing their conversion in projects using the ordinance. | Land Use Element, LG8. Manufacturing Uses Economic and Fiscal Health Element, EF15. Protect Industrial Zoned Areas |

| Consistency Analysis | General Plan Policies |
|--|--|
| The adaptive reuse ordinance is consistent with General Plan policies supporting active transportation. The ordinance reduces parking requirements while maintaining all bicycle and pedestrian requirements to promote active transportation modes and goals. | Land Use Element, LG4. Principle for Development Land Use Element, LG15. Sustainable Neighborhood Planning Housing Element, Policy 1.1 Sustainable and Livable Neighborhoods Circulation Element, 7.7 Bicycle Parking and Other Needs |
| The adaptive reuse ordinance is consistent with General Plan policies for more flexible and fewer regulations that may impede housing development. The ordinance provides development incentives directly correlated to residential uses to reduce constraints and allows for more flexibility in other standards. | Housing Element, Policy 1.6 Reduce Constraints Housing Element, Policy 1.8 Flexible Standards |
| The adaptive reuse ordinance is consistent with General Plan policy to minimize demolition. The reuse of existing buildings reduces demolition and upcycles existing buildings. | Historic Resources Element, HR3. Discourage Demolition |

Land Use Element

Goals

Design: Protect and enhance the community's character with appropriately sized and scaled buildings, a walkable town, usable and well-located open space, and abundant, sustainable landscaping.

Historic Preservation: Protect, preserve and enhance the City's historic resources.

Policies

LG4. Principles for Development. Establish the following Principles for Development to focus growth, encourage a mix of land uses, strengthen mobility options and promote healthy active living.

- Focus Growth. Encourage workforce and affordable housing within a quarter mile of frequent transit service and commercial services through smaller units and increased density, transit resources, parking demand standards, targeted infrastructure improvements, and increased public areas and open space. Incorporate areas as a result of an employee survey.
- Mix of Land Uses. Encourage a mix of land uses, particularly in the Downtown to maintain its strength as a viable commercial center, to include retail, office, restaurant, residential, institutional, financial and cultural arts, encourage easy access to basic needs such as groceries, drug stores, community services, recreation, and public space.
- Mobility and Active Living. Link mixed-use development with main transit lines; promote active living by encouraging compact, vibrant, walkable places; encourage the use of bicycles; and reduce the need for residential parking.

LG8. Manufacturing Uses. Preserve and encourage the long-term integrity of light manufacturing uses.

- LG8.2 Limit Residential
Better define residential uses in the C-M Zone to both encourage priority housing and to protect existing manufacturing and industrial uses.

LG15. Sustainable Neighborhood Planning. Neighborhoods shall be encouraged to preserve and enhance the sense of place, provide opportunities for healthy living and accessibility, while reducing the community's carbon footprint.

2023-2031 Housing Element

Goals

Create New Housing: Create new healthy, safe, and energy-efficient housing that meets community needs, within our resources.

Promote Housing Stability: Implement tenant protection measures, promote full time occupancy of existing housing, and discourage conversion of housing to other uses.

Policies

Policy 1.1 Sustainable and Livable Neighborhoods. Ensure that new housing programs, housing developments, and related infrastructure improvements include community-led strategies that encourage community revitalization in areas of lower opportunity to meet the needs of lower-income residents and are consistent with the City's sustainability initiatives for energy efficiency and active transportation goals.

Policy 1.2: Infill Housing. Encourage development of housing on infill sites near transit and jobs, particularly redevelopment of sites suitable for housing, while continuing to limit residential density in High Fire Hazard Areas.

Policy 1.3 Adaptive Reuse. Provide incentives and promote flexibility for adaptive reuse projects that convert existing structures to multi-unit housing in order to reduce construction waste and extend the life of existing buildings.

Policy 1.4 Reduce Constraints. Reduce and, where feasible and practical, remove unnecessary City-imposed constraints that impede housing development.

Policy 1.7 Prioritize Housing and Community Benefit. Prioritize residential development and nonresidential priority projects with broad community benefit on sites zoned for both residential and other uses.

Policy 1.8 Flexible Standards. Increase flexibility in multi-unit housing densities and other standards to allow a variety of unit sizes and affordability levels.

Programs

HE-1: Facilitate Conversion of Nonresidential Buildings to Housing

The City has older commercial, office, and industrial buildings and larger single-unit residential buildings that are appropriate for conversion (i.e., adaptive reuse) to multi-unit or mixed-use residential. There are also historic buildings that could be converted to residential use or expanded to accommodate multiple residential units consistent with the Secretary of Interior's Standards for Rehabilitation. The City will draft an Adaptive Reuse Ordinance for adoption, proposed to initially apply to existing buildings within the Central Business District (CBD), where there is sufficient transit and services, and existing buildings designated as a historic resource, where residential use is allowed.

The City shall prepare outreach materials, and online forms and applications to encourage adaptive reuse to property owners and interested developers.

Funding Source: General Fund (staff)

Responsibility: Planning Division

Time Frame: Start Date Q2 2024. End Date Q4 2025.

Corresponding Goal/Policy: Goal 1; Policies 1.1, 1.2, 1.3, 1.4, 1.7, and 1.8

Economic and Fiscal Health Element

Goals

Interconnected Regional Economy: Recognize that commerce is intertwined with transportation, natural resources and housing, and together are key elements of a healthy economy that is regional in scope.

Minimize Impacts and Costs: Internalize impacts to the environment of new development and redevelopment, and avoid costs to the community.

Policies

EF12. Re-Use of Commercial Space. Provide incentives for adaptive re-use of vacant commercial buildings.

EF15. Protect Industrial Zoned Areas. Preserve the industrial zones as a resource for the service trades, product development companies, and other industrial businesses not precluding priority housing in the C-M, Commercial Manufacturing Zone.

Historic Resources Element

Goals

Protection and Enhancement of Historical Resources: Continue to identify, designate, protect, preserve and enhance the City's historical, architectural, and archaeological resources. Ensure Santa Barbara's "sense of place" by preserving and protecting evidence of its historical past, which includes but is not limited to historic buildings, structures, and cultural landscapes such as sites, features, streetscapes, neighborhoods, and landscapes.

Policies

HR3. Discourage Demolition. Develop effective measures to discourage and curtail the demolition of historic resources.

HR4. Adaptive Reuse. Encourage the adaption of historic buildings or structures for uses other than the original intended use when the original use is no longer viable.

- **HR4.1 Provide Incentives**

Provide incentives for the adaptive reuse of historic buildings. Support zoning modification approvals for parking and setbacks to allow more change of uses for historic properties and allow more flexible building code compliance alternatives. For example, employ the California State Historic Building Code to allow more flexibility in code compliance.

Circulation Element

Policies

7.7 Bicycle Parking and Other Needs. Require all multi-family and commercial projects to be designed to meet the needs of bicyclists (e.g., secure parking, storage, lockers, showers, etc.)

8.5 Downtown Housing. The City shall promote/facilitate the development of housing to decrease the need for parking through an increased walking/biking population that lives, works, and shops Downtown (See Chapter 13).

13.2 Compact Development. Without increasing the City wide development potential as provided for in the existing Zoning Ordinance and General Plan, the City shall allow more compact, pedestrian oriented development along major transit corridors (see Traffic Standards Chapter, Implementation Strategy 11.1.1).

- 13.2.2 Consider amending the Zoning Ordinance to:
 - Allow increased residential densities and more compact, pedestrian oriented, non-residential along streets identified as major transit corridors, and
 - Reduce parking requirements for properties near major transit corridors if it can be demonstrated that a negative impact will not occur. In conjunction with this reduction, the City shall evaluate and aggressively monitor the results to ensure continued use of alternative means of travel and to justify reduced parking demands.

Planning Commission: Adaptive Reuse Ordinance (PLN2024-00411)
June 12, 2025

**PAST PUBLIC HEARINGS (2024-2025)
RELATED TO THE ADAPTIVE REUSE ORDINANCE**

Joint City Council and Planning Commission Work Session
July 26, 2024
[Staff Report](#)
[Approved Minutes](#)

Planning Commission
December 12, 2024
[Staff Report](#)
[Approved Minutes](#)

November 4, 2021
[Staff Report](#)
[Approved Minutes](#)

Water Commission
April 17, 2025
[Staff Report](#)

EXAMPLE CHANGE IN USE PROJECTS AND STORM WATER MANAGEMENT PROGRAM (SWMP)






SWMP Tiers for Example Change in Use Projects

| Change in Use Project Address | Project Status* | Storm Water Management Program (SWMP) Best Management Practices (BMP) Guidance Manual 2020** | | |
|----------------------------------|--------------------|---|------|---|
| | | Exempt | Tier | BMPs |
| 1309 State St | Complete | Exempt | N/A | N/A |
| 1325 State St | Complete | Exempt | N/A | N/A |
| 16 W Mission St | Complete | Not Exempt | 2 | Permeable pavers |
| 821 State St | Complete | Exempt | N/A | N/A |
| 1018 State St | Pending | Exempt | N/A | N/A |
| 12 E Carrillo St | Approved | Exempt | N/A | N/A |
| 1514 Anacapa St | Pending | Not Exempt | 1 | Permeable pavers, less impervious surface |
| 801 State St | Approved | Exempt | N/A | N/A |
| 3055 De La Vina St | Pending | Not Exempt | 2 | Permeable pavers |

* Project Status as of May 2025. Complete projects have Certificate of Occupancy. Approved projects have received planning entitlements. Pending projects are in the planning review process.

** Provided by Creeks staff, as of January 2025

Proposed Adaptive Reuse Ordinance

| | | |
|---|----------------------|---|
|  | Eligible | (O-R, O-M, C-R, C-G, M-C) |
|  | Eligible | Multi-Unit Residential Use (R-M, R-MH) |
|  | Not Eligible | No Multi-Unit Residential Use (RS, R-2, M-I, P-R, Specific Plans) |
|  | Not in Effect | Coastal Zone, Title 28 |
|  | SDE.Pacific | |

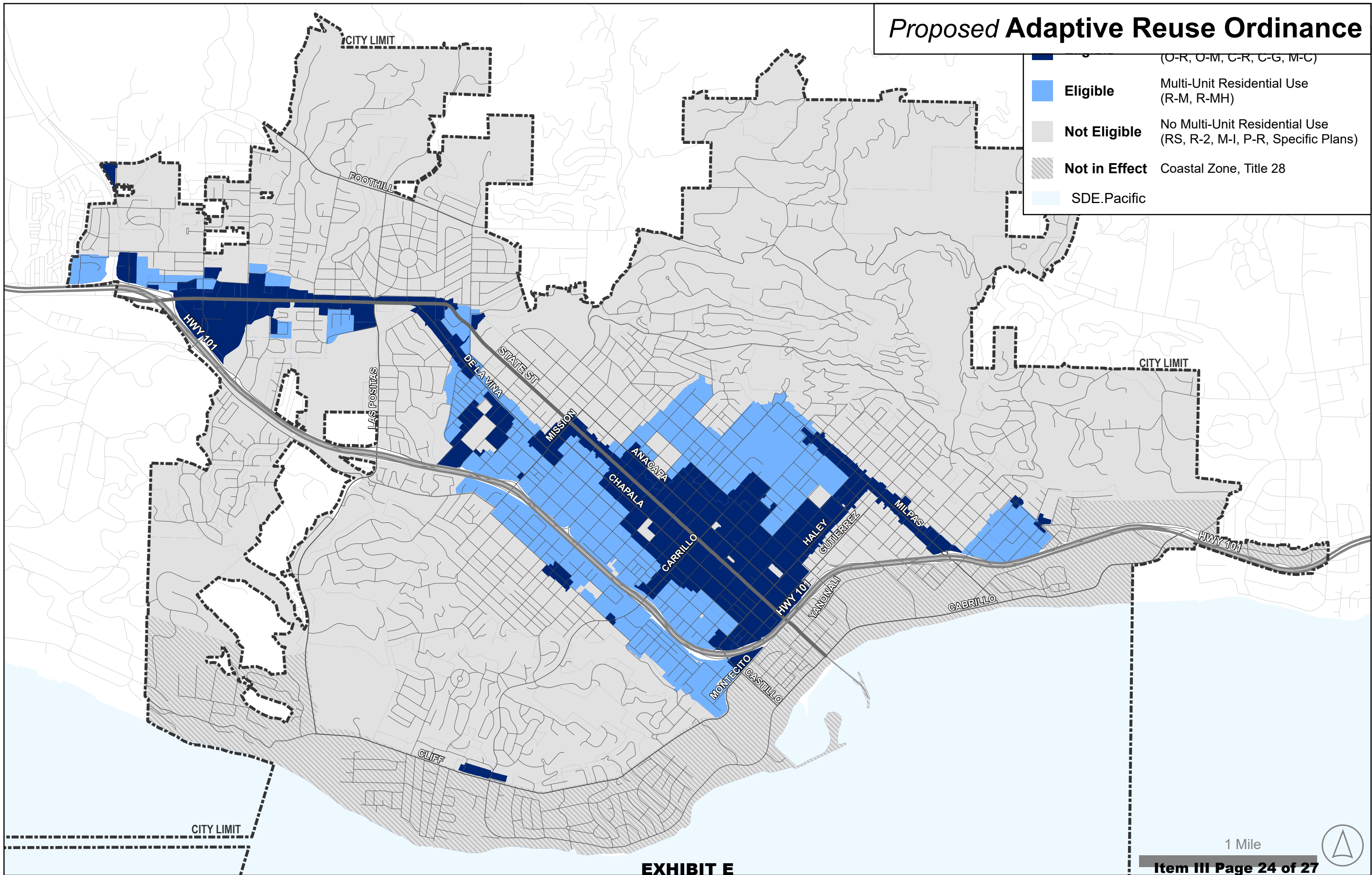


EXHIBIT E

COMPARISON MATRIX OF ADAPTIVE REUSE ORDINANCE ITERATIONS

| Topic | “Draft” December 2024 | “Proposed” June 2025 |
|--|--|---|
| Purpose | “The purpose of this section is to incentivize the creation of new residential units in existing nonresidential buildings by providing relief from certain zoning standards. Nothing in this section shall preclude an applicant from using the adaptive reuse provisions of State law in lieu of this section.” | “The purpose of this section is to encourage and facilitate the conversion of existing nonresidential buildings into new residential uses.” |
| <i>No Noteworthy Changes</i> | | |
| Definition | “The retrofitting and repurposing of an existing building to create new residential units. See also, Change in Use.” | “A change of use of all or any portion of an existing building envelope from nonresidential use to one or more new residential units.” |
| <i>No Noteworthy Changes</i> | | |
| Applicability | Nonresidential buildings within the Central Business District* Nonresidential Historic Resource* Hotel or Similar Use Nonresidential buildings converting to a new housing development with min. 50% units deed restricted for very low, low, or moderate income households | Nonresidential building converting to residential or mixed-use with residential* |
| <i>Noteworthy Changes:</i> <ul style="list-style-type: none"> Increased applicability so more existing buildings may use the adaptive reuse ordinance | | |

| Topic | “Draft” December 2024 | “Proposed” June 2025 |
|---|--|---|
| Eligibility | <p>Min. 1 new residential unit*</p> <p>Certificate of occupancy issued 10 years prior</p> <p>No restriction on additional floor area within the existing building envelope</p> <p>Limited additions outside the existing building envelope to 250 square feet for residential amenities</p> <p>No restriction on additions to comply with Building Code</p> <p>Only in zones that allow multi-unit residential or mixed-use residential*</p> <p>Cannot create new hotel use</p> <p>Cannot convert industrial uses or create new industrial uses</p> <p>Maintain existing open space or landscaped areas or mature trees on site</p> <p>Maintain existing parking on site</p> | <p>Min. 1 new residential unit*</p> <p>Certificate of occupancy issued 10 years prior</p> <p>No restriction on additional floor area within the existing building envelope</p> <p>Limited additions outside the existing building envelope to greater of 600 square feet or 10% of the existing floor area</p> <p>No restriction on additions to comply with Building Code</p> <p>Only in zones that allow multi-unit residential or mixed-use residential*</p> <p>Cannot create new hotel use</p> <p>Cannot convert industrial uses or create new industrial uses</p> <p>Maintain existing parking on site</p> |
| <p><i>Noteworthy Changes:</i></p> <ul style="list-style-type: none"> • <i>Limited allowance for additional floor area outside the building envelope for specific uses is larger</i> • <i>Removed requirement to maintain open space</i> | | |

| Topic | “Draft” December 2024 | “Proposed” June 2025 |
|---|---|---|
| Development Incentives | Density: No maximum residential density | Density: No maximum residential density |
| | Open Yard: None required | Open Yard: None required |
| | Parking: No additional parking required | Parking: No additional parking required Parking: Reduced stall ratio requirements for residential units |
| | Setbacks: Existing may remain and be converted to residential | Setbacks: Existing may remain and be converted to residential Setbacks for Additions: Additions may use existing nonconforming setbacks |
| <i>Noteworthy Changes:</i> <ul style="list-style-type: none"> <i>Parking requirements are more permissive</i> <i>Setbacks for additions are more permissive</i> | | |
| Requirements | Min. unit size Max. average unit size Min. ground floor activation required as nonresidential space on State Street (35’ depth behind façade) | Min. unit size Max. average unit size Min. ground floor activation required as nonresidential space on State Street (35’ depth behind façade) |
| <i>No Noteworthy Changes</i> | | |
| Review Process | Waived mandatory pre-application and concept review, when required | Waived mandatory pre-application and concept review, when required |
| <i>No Noteworthy Changes</i> | | |
| * Informed by Housing Element Program HE-1 | | |