From: Dianne Atkinson
To: City Clerk
Subject: Keep high fire zones out of STR allowances
Date: Monday, October 5, 2026 9:06:50 AM

> Some people who received this message don't often get email from diannabelle@gmail.com. Learn why this is important

Dear Mayor and Councilmembers,

Just a brief and heartfelt reminder to please keep STRs and homeshares out of our High Fire Hazard neighborhood.

I have been expressing my concerns about this for five years. We understand the fire danger, our limited evacuation routes, and the importance of neighbors looking out for neighbors. Bringing large numbers of short-term visitors adds a danger we simply do not need.

Please put the safety of the people who live here first and maintain the High Fire Hazard exclusion.

Thank you very much for listening and for your consideration.

Sincerely,

Dianne Atkinson Hooper

From:	Lori Rafferty
To:	City Clerk
Cc:	Lori Rafferty
Subject:	Short Term Rentals do not belong in any high fire areas, including the Coastal High Fire zone!
Date:	Monday, October 5, 2026 9:51:22 AM

Hello Mayor and Council Members,

I am a 50 year resident of Santa Barbara— 20 years on the Mesa and now 30 years as a homeowner in the Braemar Ranch/Yankee Farm area. Our current home is in the Coastal Zone as well as the designated Coastal High Fire Zone. And— more recenlty— our neighborhood has now become part of the City's Community Wildfire Protection Plan with Coastal Wildland Fire Suppression Assessments on our property taxes.

Please adopt every single recommendation A-F of the updated STR Ordinance before you. Staff and the Ordinance Commitee have worked hard to find a balance towards the goals of long-term housing, clearer permit pathways and enforcement, including addressing lower cost overnight choices via STRs and homeshares in appropriate locations, as well as recognizing the multi-agency distinctions/limitations of all High Fire Hazard Areas (HFHAs) including the Coastal High Fire area.

Reminder: local fire and zoning frameworks use HFHA designations specifically to **limit the density, intensity, and type of land use**. This is done to prevent high concentrations of people and closely packed structures in areas with limited evacuation routes and extreme fire behavior. This especially applies to larger parcel sizes.

• but STRs increase a neighborhoods density.
• the City has documented mention and recognition about this Coastal High Fire area since 1997.
• Yankee Farm Rd. is our only means into our neighborhood, both coming in and using the same road going out.
• the entire neighborhood has narrow winding roads with dead-end driveways throughout.
• even SB City Public Works has stated our area has below standard roads.
• both Cliff Drive and Alan Road have similar situations.
• there are steep hillsides that have topography that funnel dry sundowner winds, with thick brush.
• the City Fire Marshall supports no STRs or Homeshares in HFHA areas, including the Coastal HFHA.
• STRs remove our much needed housing and rental stock.
• we are the real stakers holders here, we live in these neighborhoods!
• note the following: see first supporting document from that link to Ordinance mtg., pg. 3 #8
G. **Ineligible Units and Structures.** An STR or homeshare is not allowed in any of the following:
8. Any unit located within a High Fire Hazard Area, including the Coastal, Coastal Interior, Foothill, or Extreme Foothill High Fire Hazard Zones, as defined in Section 30.300.080 and the City's Community Wildfire Protection Plan adopted by City Council.pg. 57, definition:
High Fire Hazard Area. The High Fire Hazard Area includes the City's four High Fire Hazard Zones: Coastal, Coastal Interior, Extreme Foothill, and Foothill. The Extreme Foothill and Foothill zones are also designated as the "Very High Fire Hazard Severity Zone," by the California Department of Forestry and Fire Protection and as defined in the City's Community Wildfire Protection Plan adopted by City Council.

• It would be ill-advised for any new LCP/Ordinance adoptions to change or omit these important HFHAs including the designations of ineligible Units and Structures, as copied above.

In conclusion, this process of updating the City's STR Ordinance has gone on far too long, 10+ years and counting. It is time for the Major and City Council to approve it all and determine that it is consistent with both the General Plan and Local Coastal Plan. Lets get this to the Coastal Commission please, I'm confident even they will approve it!

Sincerely,

:) Lori Rafferty and Kail Wathne on [redacted] Rd.

From:	Ivona Rosenstein
To:	City Clerk
Subject:	Public Comment: Permit Primary-Home STRs on Parcels with an ADU in the Coastal Zone
Date:	Monday, October 5, 2026 11:14:05 AM

Some people who received this message don't often get email from ivonanik@gmail.com. Learn why this is important

From: Ivona Rosenstein / ivonanik@gmail.com
To: Mayor and Members of the Santa Barbara City Council
Via email: Clerk@SantaBarbaraCA.gov
Subject: Public Comment: Permit Primary-Home STRs on Parcels with an ADU in the Coastal Zone

Dear Mayor and City Council Members,

I am writing regarding the proposed Coastal Zone Short-Term Rental (STR) regulations to urge the Council to **allow unhosted short-term rentals in the primary dwelling on parcels containing an Accessory Dwelling Unit (ADU/JADU).**

Applying an STR restriction to the entire parcel creates unintended consequences for our local housing supply and neighborhood oversight. Regulating by the **unit** rather than the **parcel** achieves several vital policy goals:

- **De Facto On-Site Oversight:** Having a permanent resident living in the on-site ADU provides immediate "eyes and ears" on the property. Because their daily quiet enjoyment depends on courteous guests, the ADU resident has a direct, personal stake in neighborly conduct. Minor issues like noise or parking are addressed in real time—delivering the accountability, rapid response, and community preservation of an owner-occupied "hosted" rental.
- **Removes the Disincentive to Build Housing:** Homeowners who occasionally rent their primary home are discouraged from investing in an ADU if doing so permanently strips their main residence of STR eligibility. Decoupling the two allows homeowners to build backyard housing with confidence, ensuring our community gains dedicated residential units without eliminating homeowner flexibility.
- **Established California Precedents:** Peer coastal jurisdictions have already adopted unit-specific regulations to balance housing needs with Coastal Act visitor-serving access:
  - **Santa Cruz County (SCCC § 13.10.694):** Updated its code to permit short-term rentals in the primary residence on parcels with ADUs after recognizing that whole-parcel bans suppressed housing creation.
  - **City of San Diego (STRO Framework):** Allows owners to hold a whole-home STRO license for the primary dwelling regardless of whether an ADU is on the lot.
  - **City of Los Angeles (LAMC § 12.22 A.32):** Permits unhosted home-sharing registrations in the primary residence even when an ADU is present.
  - **Cities of Carlsbad and Encinitas:** Both coastal communities distinguish

between housing types, barring STRs within the ADU itself while allowing the primary home to retain coastal vacation rental eligibility.

A Practical Compromise: Established Coastal Night Caps - If Council is concerned about commercialization or investor speculation, peer coastal jurisdictions offer a proven compromise by instituting an **annual night cap (typically 60 to 120 nights per year)**, as seen in communities like Half Moon Bay, Pacifica, San Francisco, San Diego, and Los Angeles. A 60- to 120-night cap prevents speculative "ghost hotels" by ensuring the home remains an authentic primary residence for the vast majority of the year, aligns with Coastal Commission visitor-serving access standards, and gives everyday residents the financial flexibility to offset Santa Barbara's high cost of living during seasonal travel.

Recommended Solution:
Clarify in the Coastal Zone STR ordinance that the presence of an ADU/JADU does not disqualify the primary dwelling from STR eligibility, with the option to apply an established annual night cap to protect long-term neighborhood stability.

Thank you for your leadership in crafting a balanced, practical coastal ordinance.

Sincerely,
Ivona Rosenstein

From:	Louise Astbury
To:	Randy Rowse; Wendy Santamaria; Mike Jordan; Oscar Gutierrez; Kristen Sneddon; City Clerk; Eric Friedman; Meagan Harmon
Subject:	Opposition of Short-Term Rental Ordinances
Date:	Monday, October 5, 2026 11:19:39 AM
Attachments:	image.png image.png image.png

> Some people who received this message don't often get email from louise@paradiseretreats.com. Learn why this is important

Dear City Council Members,

I have read both drafts carefully. Whatever one thinks of the policy, the documents themselves are not finished.

The coastal draft's table of contents lists an "Insurance" section and a "Nonconforming" section that are not in the ordinance. Both drafts point readers to subsections that do not exist, and the coastal draft says violations will be enforced under a section of the inland code. A final draft should not have these errors.

The two key definitions overlap: a short-term rental is a whole home "or portion thereof," and a homeshare is a portion of a home with the owner present. As written, every homeshare is also a short-term rental, yet the ordinance bans one in every inland residential neighborhood and allows the other. Separately, the rule that no rental agreement may let a tenant leave before 31 days reads as a ban on ordinary month-to-month leases citywide, not just vacation rentals.

A license denial cannot be appealed, even though the City already has an appeals process for staff decisions. And to get a license at all, a homeowner must agree to cover the City's legal costs for any claim connected to it, meaning that if someone sues the City over this ordinance, the people who followed the rules may pay for the City's lawyers.

The fire-zone ban has no evidence behind it. It covers all four fire zones though only two are the state's "very high" severity zones; it applies even when the owner is home; and it exempts hotels, long-term renters, and any unit once permitted as a hotel. If the same house is safe as a hotel but dangerous as a vacation rental, this is zoning with a fire label on it. The Fire Marshal's support is not data, and nothing in the record explains why posted evacuation information would not address the concern.

Finally, the City says the ordinances need no environmental review because they change nothing physical, while justifying a zone-wide ban on public-safety grounds; it cannot be both nothing and an emergency.

After ten years, everyone wants this to be over. But passing an ordinance that refers to sections that do not exist does not end the process. Please continue this item and send the ordinance back to the planning commission.

All the best,

Louise

LOUISE ASTBURY
General Manager

805.403.7217
www.paradiseretreats.com

16 E. Arrellaga Street, Santa Barbara, CA 93101

From: Benjamin A
To: City Clerk
Subject: Public Comment on Item 13 – October 6 Short-Term Rental Ordinance
Date: Monday, October 5, 2026 1:00:46 PM

> Some people who received this message don't often get email from benanapol@gmail.com. Learn why this is important

Dear Mayor and Councilmembers,

Please include this email as public comment on Item 13 for the October 6 City Council meeting.

As Santa Barbara homeowners, we oppose the proposed additional rental restrictions and licensing costs. We recently rented our home on a one-time basis for five months, and that income made a meaningful difference to our family financially.

Although that stay was longer than a short-term rental, our experience illustrates why rental flexibility matters to homeowners. The ability to rent our home occasionally provides valuable financial support. Additional restrictions, substantial fees, and a more complicated permitting process would create costs and friction that make future short-term rentals much less practical for families like ours.

We believe existing regulations are sufficient to address neighborhood concerns when properly enforced. We support responsible renting and accountability for noise, parking, and other disruptions, but do not believe broad restrictions and additional administrative burdens are the right approach.

Please reconsider the proposal and focus on enforcing existing rules while preserving reasonable flexibility for homeowners. Any new requirements should clearly protect longer stays and distinguish occasional home rentals from commercial operations.

Thank you for considering our perspective.

Sincerely,
Benjamin Anapol
[redacted]
Santa Barbara, CA 93103

From:	Rachel Murphy
To:	City Clerk
Subject:	Public Comment - October 6 City Council Meeting - Agenda Item 13
Date:	Monday, October 5, 2026 1:39:20 PM
Attachments:	image.png 2026_10_5_STROrdinance_SBCityCouncil.pdf

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Hello,

Please share the following public comment (attached and below) for the October 6 City Council meeting with the Councilmembers, and to be added to the public record.

This public comment is from the Santa Barbara South Coast Chamber of Commerce, regarding agenda item 13 - "Short-Term Rental Program Ordinances."

Thank you for your assistance!

October 5, 2026
Santa Barbara City Council
City Hall
735 Anacapa St.
Santa Barbara, CA 93101

RE: Short-Term Rental Program Ordinances

Dear Mayor Rowse and Santa Barbara City Councilmembers,

The Santa Barbara South Coast Chamber of Commerce, representing hundreds of Santa Barbara businesses, remains opposed to the Short Term Rental (STR) Program. While we appreciate the City's commitment to housing feasibility and neighborhood character, the ordinance removes a substantial portion of the City's visitor accommodation supply, decreases annual tax revenue by approximately $4 million, and is incompatible with the California Coastal Act. We want to clarify that we do not oppose regulating STRs. Instead, we advocate for a more holistic policy that balances necessary tax revenue, neighborhood character, housing feasibility, the visitor economy, and coastal access.

STRs are not a marginal component of the City's lodging market. By limiting the Coastal Zone to a hosted-only model, the ordinance severely reduces visitor capacity and narrows the range of accommodations available to families. That raises serious concerns under the California Coastal Act, which emphasizes protecting affordable and accessible coastal visitation, including short-term and vacation rentals.

The Chamber strongly supports housing production and the City’s stated goal of

incentivizing long-term housing. However, the housing crisis is fundamentally driven by limited supply, and the ordinance includes no analysis showing that these units would realistically return to the long-term market, or at what affordability levels.

The fiscal implications are equally important. According to City data, STRs generated around $4 million of the City's $35.2 million in Transient Occupancy Tax (TOT) revenue in FY 2025. At the same time, the City projects a $5.9 million shortfall in FY 2026 and an $11.4 million shortfall in FY 2027. The hospitality and tourism sector is a major driver of the regional economy. A policy choice of this scale should be supported by clear evidence that the benefits outweigh the tradeoffs. We believe this item should be referred to the Finance Committee, so the Council has a complete understanding of the financial impacts before final adoption.

None of this means STRs should go unregulated. The Chamber supports reasonable guardrails, including caps, tiered permitting, penalties for bad actors, and clear licensing requirements that ensure compliance and full TOT collection. A structured permitting system like San Diego's or Palm Springs' would provide clarity for hosts, reduce nuisance complaints, and allow the City to better manage activity. We respectfully ask that the Council consider a balanced alternative that aligns with the City's fiscal realities, supports the tourism economy, and is consistent with the Coastal Act.

Sincerely,

Rachel Murphy
Public Policy Coordinator - Santa Barbara South Coast Chamber of Commerce
Rachel@sbscchamber.com

Best,

RACHEL MURPHY | Public Policy Coordinator
SANTA BARBARA SOUTH COAST CHAMBER OF COMMERCE
(805) 967-2500 | Rachel@SBSCChamber.com

SANTA BARBARA
SOUTH COAST
CHAMBER OF COMMERCE
FROM GOLETA TO CARPINTERIA

805.967.2500
SBSCChamber.com
Mailing Address: 5662 Calle Real #204, Goleta CA 93117
Visitor Center: 120F State Street, Santa Barbara CA 93101

October 5, 2026

Santa Barbara City Council
City Hall
735 Anacapa St.
Santa Barbara, CA 93101

RE: Short-Term Rental Program Ordinances

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SANTA BARBARA
SOUTH COAST
CHAMBER OF COMMERCE
FROM GOLETA TO CARPINTERIA

805.967.2500
SBSCChamber.com
Mailing Address: 5662 Calle Real #204, Goleta CA 93117
Visitor Center: 120F State Street, Santa Barbara CA 93101

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Sincerely,

Rachel Murphy
Public Policy Coordinator - Santa Barbara South Coast Chamber of Commerce
Rachel@sbscchamber.com

From: Mark Bacino
To: City Clerk
Subject: Proposed Short-Term Rental Ordinance
Date: Monday, October 5, 2026 3:22:10 PM

Some people who received this message don't often get email from mcbacino@gmail.com. Learn why this is important

Dear Mayor and Members of the City Council,

Thank you for your continued hard work and your dedicated public service to the Santa Barbara community. I appreciate the complex challenges you face in managing our city. I am writing to you today as a concerned resident and taxpayer (for 30 years) to voice my strong opposition to the proposed short-term rental (STR) ordinance. While I support sensible community planning, rushing to implement a highly restrictive citywide ban without empirical local data is financially irresponsible, legally reckless, and deeply harmful to local families.

First, the City has completely failed to produce comprehensive, local housing or economic studies to justify this over-regulation. The only extensive regional data available—the 2016 study by Dr. Mark Schniepp of the California Economic Forecast in Goleta—proves that STRs have a negligible impact on housing supply. This ordinance ignores the human reality of our housing market: allowing partial short-term renting has been a vital lifeline that keeps long-time residents, fixed-income retirees, and widowed seniors from being forced out of their homes. Furthermore, monetizing a portion of a property provides younger couples with the only viable path to afford a mortgage in our extraordinarily expensive real estate market. Second, stripping away this income represents a severe breach of fiscal duty. City staff estimates that this ordinance will eliminate $2.4 million to $4 million in Transient Occupancy Tax (TOT) revenue annually. Intentionally choking off a multi-million dollar revenue stream while our city faces a $5.9 million structural budget deficit—projected to balloon to $14.6 million by fiscal year 2027—is indefensible. Local citizens will inevitably pay the price through slashed municipal services or higher local taxes and fees.

Finally, the City is inviting immense legal liability. In Kracke v. City of Santa Barbara (2021), the California Court of Appeal ruled that the city cannot unilaterally strip away short-term rentals in the Coastal Zone because they are protected under the California Coastal Act to ensure public shoreline access and affordable visitor lodging. Pushing this forward will result in costly litigation, further draining our depleted public funds.

I urge the City Council to pause this ordinance. We must look at real data and commission an independent economic impact study before making a decision that damages our budget, invites lawsuits, and closes the door on Santa Barbara families.
Thank you again for your time, consideration, and your ongoing service to our community.

Sincerely,

--

MARK BACINO

From: Tiana Leeds
To: City Clerk
Subject: Please Maintain the High Fire Hazard Area STR Exclusion
Date: Monday, October 5, 2026 3:32:07 PM

Some people who received this message don't often get email from tiana.leeds@gmail.com. Learn why this is important

Dear Mayor and Councilmembers,

I have not written to you previously about the STR issue, but I understand that this upcoming meeting is an important one, and I want to add my voice.

I live in the Braemar neighborhood, which has been designated a High Fire Hazard Area for a reason. It simply does not make sense to encourage additional transient occupancy in an area where fire is already a recognized threat to life and property. People staying for a few days cannot be expected to have the same awareness of local fire conditions or the same familiarity with the area as those who live here.

Regarding the Coastal Commission's goal of maintaining public access to the coast, the large homes being used as STRs in the Braemar area certainly do not provide affordable coastal accommodations. At the same time, their use as vacation rentals removes housing from the long-term housing supply for people who want to live and work in Santa Barbara.

There are appropriate places where the City can allow STRs. A designated High Fire Hazard Area should not be one of them.

Please maintain the exclusion of STRs and homeshares from our area.

Thank you for your consideration.

Sincerely,

Tiana Leeds

From: Craig Leeds
To: City Clerk
Subject: Please ban STRs from high fire zones
Date: Monday, October 5, 2026 3:43:55 PM

Some people who received this message don't often get email from yankeefarm@gmail.com. Learn why this is important

We live in the Yankee Farm/Braemar area which is designated as a High Fire Hazard area within the Coastal Zone. We have been here 28 years and are helping to raise our granddaughter here. We are surrounded by unhosted STRs in the neighborhood. These are large houses, often with many guests, both staying overnight and visiting. There are often large parties and occasionally fireworks. We have had a food truck and a party bus blocking our driveway, preventing any evacuation. I am worried that a guest with no financial or emotional attachment to the neighborhood will either carelessly or unwittingly start a fire that can easily spread to the whole neighborhood. We live in fear of a fire all summer, and since the Palisades fire, we live in fear year-round.

The fire marshal visited our neighborhood and said that he was very concerned about the safety of the neighborhood. This is especially true due to the rugged hillsides and crucially that there is only one narrow street for the entire neighborhood of about 60 homes to evacuate.

The California Coastal Commission allowed STRs in coastal zones for the purpose of allowing families to stay near the coast without having to pay large fees for hotels. But in our neighborhood, the nightly fees for STRs of $2,000 or more are significantly higher than hotels. The Coastal Commission's motivation is being subverted to pad the bottom-line of corporations.

Please forbid STRs in our neighborhood so that we can live here sanely and safely! Thank you.

Craig Leeds

From: gnicholas@socal.rr.com
To: City Clerk
Subject: SHORT TERM RENTAL ORDINANCE
Date: Monday, October 5, 2026 4:24:52 PM

> Some people who received this message don't often get email from gnicholas@socal.rr.com. Learn why this is important

Dear Honorable Mayor and Members of the Santa Barbara City Council,

I am writing as a local property owner, taxpayer, visitor-serving lodging provider on the Mesa. I am deeply concerned by the current draft of the Short-Term Rental Ordinance, which fails to distinguish between compliant, tax-paying local operators and illegal, unmonitored rentals. I respectfully urge the Council to amend the draft to include a grandfathering or amortization provision for existing, licensed operators within the Coastal Zone.
My property is a fully renovated 3-bedroom, 2-bathroom whole-home vacation rental on the Mesa, managed professionally by Hallers Coastal Vacation Rentals. I operate entirely within the law: I hold a valid City Business License, fully comply with all regulations, and diligently collect and remit Transient Occupancy Tax (TOT), directly supporting Santa Barbara's general fund and vital public services. Furthermore, my property is **not located within a High Fire Hazard Severity Zone**, eliminating safety concerns related to wildfire evacuation capacity.

A blanket ban on un hosted, whole-home rentals in residential coastal zones unfairly penalizes local owners who have invested significantly in compliance. It also conflicts with the California Coastal Commission's mandate to protect and maximize lower-cost visitor accommodations and public access to the coast. The Mesa serves as an essential alternative for families who want to experience Leadbetter Beach and Shoreline Park but cannot fit into or afford traditional hotel blocks.
If the city moves forward with a restrictive ordinance, it must provide an equitable path forward for verified, legal operators. I ask that the City Council consider the following amendments
:

1. **Permanent Grandfathering or Extended Amortization:** Grant existing operators who hold valid city business licenses and a clean compliance record a permanent grandfathered status or a substantial amortization period (at least 15 years) to protect their investments and honor their good-faith operations.
2. **Zone-Specific Exceptions for Low-Risk Areas:** Differentiate between fire-prone hillsides and low-risk coastal neighborhoods like mine that are well-equipped to handle visitor traffic.
3. **Reasonable Permit Fee Structures:** The proposed initial fee of $3,334 is prohibitively high and functions as a punitive barrier rather than a cost-recovery mechanism.

What concerns me the most is that the city has provided no factual evidence relating To as I understand 2 key points. 1. LONG TERM HOUSING. What factual information

or studies show that reducing short term rentals is going actually improve this situation?
2. NUISANCE VIOLATIONS. Does the city rely on isolated complaints? If so how does this compare with nuisance violations in general. Where is the published data comparing??

Our family has owned our home on the Mesa for over 60 years. I grew up in this home. We have no plans to offer a long-term rental on our property. Our family takes great joy in providing visitors access to Shoreline Park and the beach at reasonable cost that otherwise would not be available to these families

Thank you for your time, your service to our community, and your careful consideration of how this ordinance impacts local families who actively contribute to Santa Barbara's economic health.

Sincerely,

George Nicholas
Mesa Property Owner
Santa Barbara 93109

From:	Kolosieke, Haley D.
To:	City Clerk
Subject:	Public Comment Ltr for City Council Hearing 10/6/2026
Date:	Monday, October 5, 2026 4:26:30 PM
Attachments:	2026.10.05. Ltr to City Council re Item 13 - Inland STR Ordinance.pdf

Some people who received this message don't often get email from hkolosieke@bhfs.com. Learn why this is important

Good afternoon,

Please find attached written public comments submitted in advance of the October 6, 2026, City Council hearing in support of Item 13 regarding the Inland Short-Term Rental Program Ordinance.

Thank you for your consideration of these comments.

Haley D. Kolosieke, AICP
Land Use Planner
Brownstein Hyatt Farber Schreck, LLP
1020 State Street
Santa Barbara, CA 93101
805.882.1436 tel
hkolosieke@bhfs.com

Brownstein - we're all in.

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Brownstein

Brownstein Hyatt Farber Schreck, LLP
805.963.7000 main
1020 State Street
Santa Barbara, California 93101

October 5, 2026

Haley D. Patton
Land Use Planner
[redacted] direct
hkolosieke@bhfs.com

VIA E-MAIL TO CLERK@SANTABARBARACA.GOV

Mayor and Members of City Council
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

RE: Support for Proposed Inland Short-Term Rental Ordinance

Dear Honorable Mayor and Members of the City Council:

Thank you for your leadership on this important policy issue. The proposed Short-Term Rental ("STR") Ordinances appropriately recognize short-term rentals as a distinct land use that should be regulated through standards specifically designed for STR operations, rather than applying a hotel regulatory framework that was not developed for this use.

On behalf of TW DLV LLC ("Owner"), the owner of the property located at [redacted], Santa Barbara, CA 93101, I write in support of the proposed Inland STR Ordinance, including the new Section 30.185.395 of the Title 30 Inland Zoning Ordinance ("Inland Ordinance"). The Owner supports the proposed framework and respectfully offers the following comments, including one requested clarification to promote predictable implementation while maintaining an appropriate distinction between residential STRs and traditional hotel uses.

I. SUPPORT FOR KEY ORDINANCE AMENDMENTS

Section 30.185.395 establishes a practical, administrable framework that preserves long-term housing while providing a clear path for eligible inland STRs:

- An annual administrative license would be obtained through a Zoning Clearance and a pre-license Building Inspector inspection, without a public hearing, creating a clear and predictable permit path.
- Inland STRs would be allowed in the license area in nonresidential and commercial zones, while preserving single- and two-unit neighborhoods for residential use.
- No additional parking would be required for a STR; legally nonconforming parking would suffice, and tandem parking for single residential use would be allowed without a waiver.

- Tenant protections would require that the unit not have been occupied under a long-term rental arrangement within the preceding 24 months and that no tenant be displaced to facilitate the STR; ADUs and deed-restricted units would be ineligible.

Additionally, the Owner supports removing the one-license-per-owner limit in Sections 30.185.395.H.2.c and H.2.e.iv, given the Inland Ordinance's other limiting factors and geographic and eligibility restrictions, and not adding a special insurance requirement, consistent with the City's treatment of other businesses such as hotels, restaurants, retail, and offices.

II. R-1 BUILDING CODE CLASSIFICATION

The Owner respectfully requests that the Council state in plain language that STRs maintain a residential Building Code classification within the R-1 occupancy group, whether in the Inland Ordinance text or the accompanying Resolution.

This clarification would avoid requiring an owner to undertake significant commercial- or hotel-type building upgrades merely because the home is used as an STR. It would also give Building & Safety inspectors and plan checkers clear direction, consistent with the pre-license building inspection, and provide owners with a predictable standard for evaluating a proposed STR.

Thank you for your consideration of these comments and for the Council's and staff's continued work on the STR Ordinances. We encourage the City Council to adopt the proposed Inland Ordinance while clearly recognizing that STRs are classified under the R-1 occupancy group under the Building Code.

Sincerely,

Haley D. Patton

Haley D. Patton, AICP

CC: Laura M. Bridley, Project Planner

From:	Maria Manjarrez
To:	Randy Rowse; Wendy Santamaria; Mike Jordan; Oscar Gutierrez; Kristen Sneddon; City Clerk; Eric Friedman; Meagan Harmon; Laura Bridley
Subject:	Public Comment – Agenda Item 13 (Short-Term Rental Ordinance, Titles 28 & 30) – October 6, 2026 Council Meeting
Date:	Monday, October 5, 2026 4:34:25 PM
Attachments:	Airbnb Comment Letter_Agenda Item 13_Short-Term Rental Ordinance (Titles 28 & 30)_10_05.pdf

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> Some people who received this message don't often get email from maria.manjarrez@airbnb.com. Learn why this is important

Dear Mayor Rowse and Members of the City Council,

Please find attached Airbnb's comment letter regarding Agenda Item 13, the proposed Short-Term Vacation Rental Ordinances (Title 28 – Coastal and Title 30 – Inland), scheduled for the October 6 meeting. I respectfully ask that the City Clerk include this letter in the public record for the item.

Sincerely,
Maria Manjarrez
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Maria Fernanda Manjarrez
Public Policy, US West
323-316-7638
Newsroom

October 5, 2026

Mayor Rowse and Members of the Santa Barbara City Council
735 Anacapa Street
Santa Barbara, CA 93101

RE: Opposition to Short-Term Vacation Rental Ordinances: Title 30 (Inland) and Title 28 (Coastal)

On behalf of Airbnb, I respectfully write to express our strong opposition to **Title 30 (Inland) and Title 28 (Coastal)** as drafted for the October 6 hearing. These ordinances would eliminate the vast majority of visitor-serving accommodations within the California Coastal Zone, leave existing responsible homeowners without a path to hosting, and send to the California Coastal Commission a Local Coastal Program Amendment that directly conflicts with the core access provisions of Chapter 3 of the California Coastal Act. We urge you not to introduce the ordinances in their current form.

Airbnb has engaged with Santa Barbara in good faith throughout this process. We have met with City staff and individual City Council members, shared model ordinance language from other California coastal jurisdictions for the City's consideration, and offered to collect and remit Transient Occupancy Tax on behalf of hosts.

We have not received a substantive response to any of these offers. Instead, the ordinance has moved from the Planning Commission to the Ordinance Committee and now to Council on a fixed calendar, with the alternative balanced solutions raised by the local short-term rental host community set aside. That is not meaningful stakeholder participation in the ordinance process, nor is it a reasoned basis to push forward restrictions that raise substantial legal, socio-economic, and practical issues. Our hosts want clear rules and a legitimate way to operate. This ordinance gives them neither.

The ordinance is being adopted on a calendar, not on evidence:

- **No fiscal or economic analysis.** Short-term rentals generated $4.5 million in Transient Occupancy Tax last fiscal year. The City has not studied what revenue it would lose, or tested and verified the assumption that displaced visitors will shift to hotels and displaced short-term rental units will convert into long-term housing. Visit Santa Barbara, the Santa Barbara South Coast Chamber of Commerce, and the Santa Barbara County Taxpayers Association have all requested these analyses.

- **Alternatives were requested but never studied.** The Planning Commission asked staff to evaluate a cap or lottery system before advancing the ordinance but staff declined. The Planning Commission advanced the ordinance 4–2, with its chair publicly asking the Ordinance Committee to "get it right before going to Council and Coastal Commission." Despite that, the Ordinance Committee then advanced it 2–1.
- **Restrictions without a factual basis.** Public testimony indicates that fewer than one percent of the nuisance complaints are tied to short-term rentals. A blanket High Fire Hazard Area prohibition was added in June without any data presented on guest-related fire or evacuation risk, or fire hazard area location-specific data and consideration. Enforcement mechanisms, flagged by the Planning Commission in March, remain unresolved.

Short-term rentals are not responsible for the housing crisis.

Short-term rentals are often wrongly blamed for the high cost of housing in the California Coastal Zone, a claim frequently used to scapegoat for real housing solutions or prevent outsiders from visiting their city. That same claim is reflected in the very first section of Title 28, but it is wrong.

This is evident in the City of Santa Monica, where a ban on all unhosted short-term rentals enacted in 2015 failed to curb rising rent and home prices. Santa Monica's own housing assessment reports an average home price of $1.6 million and a median rent of $3,200 per month for a two-bedroom apartment. Banning short-term rentals did not solve the affordability crisis in Santa Monica, and this ordinance will not resolve housing affordability in Santa Barbara.

A study conducted by the Milken Institute found: "*The notion that decreasing STR supply will mitigate California's extreme housing shortage is not supported by the evidence. The only solution to California's housing crisis is to provide more housing: specifically denser, more affordable multifamily housing units.*" Just this past August, the Coastal Commission, in reviewing STR restrictions proposed by the city of Pacifica, found that “there is not a mechanism to mandate or assure that property owners will rent or sell their properties for longer term residential use if they can’t pursue STRs, and there is currently no evidence to suggest that the housing stock in question would be affordable if it were converted to permanent housing.” (LCP-2-PAC-25-0079-2 (Short-Term Rentals), page 2.) No such evidence exists for Santa Barbara either.

Scapegoating short-term rentals for the housing affordability crisis in coastal communities is not the answer. Coastal cities need to reform their zoning laws, reduce construction fees,

and streamline permitting regulations to accelerate the development of affordable and market-rate housing.

Independent studies from governments and reputable research firms in California and worldwide have consistently found that **STRs have minimal impact on housing affordability or rents**, pointing instead to broader economic forces (e.g., high market values of land and high cost of developing coastal properties), market trends, and regulatory constraints as the primary drivers.

- The City of Goleta short term rental study (2025) concluded that STRs and seasonal units are "not currently a significant driver of the observed shortage of available long-term housing in the City...To better manage/mitigate the impact of STVRs and underused housing on the housing market, the City should take steps to encourage and facilitate construction of a diversity of housing types that meet the needs of a wide array of workforce households, including smaller single-family units (both detached and attached) on smaller lots, as well as townhomes and apartments, in locations that support such development (i.e., have required infrastructure and proximity to employment and residential amenities)."
- New York City - Local Law 18: Three years after NYC's short-term rental law took effect, New Yorkers are worse off. Independent housing and cost-of-living data confirm that Local Law 18 (LL18) has unquestionably failed to deliver on its promise to ease the housing shortage, as the city's affordability crisis only deepened. Instead, the city's short-term rental law has squeezed homeowners who rely on income from hosting short-term stays and reduced visitor spending that helps sustain outer borough small businesses. The cost was clearest during the 2026 World Cup, when visitor demand shifted across the Hudson to New Jersey, sending tourism dollars to Jersey hosts and businesses instead of New York neighborhoods.
- The Orange County, California Grand Jury Report (2025) found no clear evidence that STRs are undermining affordable housing in the cities studied.
- The Tuolumne County, CA Report (June 2024) concluded there has been "little evidence that a significant number of occupied homes have been converted to STRs and reduced the available housing for moderate-income households," attributing the local housing shortage instead to decades of rising regulatory constraints and costs.
- And the San Bernardino County STR Analysis (Nov. 2023) found no "empirical data that indicates that short-term rentals have a substantial impact on the availability of long-term, rental housing options," citing the COVID-19 pandemic and broader economic trends as playing the "largest role in the ongoing increase in housing costs."

Tenant Protection Clause

Airbnb supports efforts that ensure there is no incentive for Santa Barbara renters to be displaced. **For that reason, we support the ordinance's Tenant Protection provision, which conditions an STR license on a showing that the unit has not been occupied under a long-term lease within the prior 24 months and that no tenant was displaced, evicted, or bought out to make way for short-term rental use.** We encourage the Council to retain this provision, and to recognize that it demonstrates a better path forward: rules that target actual harms rather than prohibitions that sweep in every unhosted rental in the city.

This ordinance undermines the Coastal Act:

The Coastal Act was established to preserve public access to the coast. The Coastal Commission's review of LCPs is intended to balance a jurisdiction's local needs with the mandate to preserve coastal access. This ordinance would keep Santa Barbara out of reach for low- and moderate-income visitors. In Santa Barbara County coastal towns alone, a family of four or more **saved an average of $365** or **21%** per three-night summer trip in 2025 by booking a two-bedroom Airbnb over comparable lodging. If this ordinance goes into effect, visitors will still travel to the coast, but only those who can afford to purchase a home or stay in a luxury or upscale hotel. Families seeking a two-night coastal getaway with their children will be priced out, forced to drive long distances in a single day simply to enjoy a public resource intended to be preserved for all.

Airbnb asks that Santa Barbara analyze how these restrictions affect overnight coastal access for people other than day trippers and propose ordinances based on evidence, rather than push through bad laws on a predefined schedule. Specifically, we ask that you continue this item and direct staff to:

1. Complete a fiscal, economic, and housing impact analysis before adoption;
2. Complete an analysis of the loss of overnight visitor accommodations; and
3. Evaluate the cap and lottery alternatives requested by the Planning Commission in March and refer the matter back to the Planning Commission.

For the reasons stated above, if the Council will not continue this item, we urge you to vote no on **Title 30 (Inland) and Title 28 (Coastal)** as drafted.

If you have any comments, questions, or require additional information, please contact me at maria.manjarrez@airbnb.com.

Sincerely,

Maria Manjarrez

Airbnb Public Policy - US West

From: Sunny Ingalls
To: City Clerk
Subject: Proposed STR ordinance changes.
Date: Monday, October 5, 2026 5:18:35 PM

> Some people who received this message don't often get email from sunny.ingalls@gmail.com. Learn why this is important

Dear Santa Barbara City Council,

Today, I'm writing to the council members to oppose the proposed ordinance changes for STR's.

The income I receive from my 1 STR enables me to afford to live comfortably in Santa Barbara.

To not allow someone to rent their 1 rental property or Homeshare as a STR is unfair.

While changes are needed many of your proposed changes are unnecessary.

If we are forced to shut down our STR then we will be forced to comply with the new RSO with a set rent cap at 3%. Who will be able to afford to live here...oh maybe the electrician who just charged me $527 to install a bathroom vent.

Best,

Sunny Ingalls

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Sunny Ingalls
[redacted]

From:	Krista Pleiser
To:	Randy Rowse; Wendy Santamaria; Mike Jordan; Oscar Gutierrez; Kristen Sneddon; Eric Friedman; Meagan Harmon
Cc:	City Clerk; Laura Bridley
Subject:	SBAOR Comments re: STR Ordinance
Date:	Monday, October 5, 2026 6:12:37 PM
Attachments:	SB CC STR 10-6-26.pdf

Greetings,

Attached are comments from the Santa Barbara Association of REALTORS regarding tomorrow's Short Term Rental Ordinance. Should you have any questions, please do not hesitate to contact us.

Krista Pleiser, MPP, RCE

Chief Government Relations Officer

Santa Barbara Association of REALTORS®

1415 Chapala Street | Santa Barbara, CA 93101

(805) 884-8609 (Direct) | (805) 963-3787 (Main)

kpleiser@sbaor.com

Santa Barbara Association of REALTORS®

October 6, 2026

Mayor Randy Rowse
Councilmember Eric Friedman
Councilmember Wendy Santamaria
Councilmember Oscar Gutierrez
Councilmember Meagan Harmon
Councilmember Mike Jordan
Councilmember Kristen Sneddon
PO Box 1990
Santa Barbara, CA 93102

RE: Short-Term Rental Ordinances

Dear Mayor Rowse and Councilmembers,

The Santa Barbara Association of REALTORS® (SBAOR) represents more than 1,200 REALTORS® across the South Coast who live and work in the communities they serve. Our members help families and businesses navigate housing and real estate decisions, and we work closely with local governments and community partners to advance practical, community-focused housing solutions. We share the City's goal of ensuring Santa Barbara remains a place where people can live, work, and thrive.

SBAOR supports the City's efforts to establish a clear and enforceable regulatory framework for short-term rentals (STRs) and homeshares. We support reasonable regulations that protect neighborhoods, establish accountability, and provide clear rules for property owners and enforcement staff. However, several provisions in the proposed ordinances go beyond regulating neighborhood impacts and raise questions about whether the restrictions will achieve the City's stated housing objectives.

Before adoption, SBAOR respectfully requests that the City:

- Allow an owner-occupied duplex to obtain a Homeshare license for the owner's primary residence and an STR license for the second unit when both are otherwise eligible.
- Reconsider the one-license-per-person or affiliated entity restriction and identify the specific housing or neighborhood impact it is intended to address.
- Ensure legitimate family, trust, estate-planning, and liability-protection ownership structures are not unintentionally prohibited.
- Provide appropriate due process for license decisions and verified violations, including an administrative appeal process and a clear distinction between a complaint and a substantiated violation.
- Establish measurable housing outcomes and report back to Council on whether the program is actually increasing long-term housing availability.

Measure the Housing Outcome

The City has consistently identified housing preservation as a primary reason for these regulations. SBAOR shares the goal of increasing housing opportunities, but eliminating an STR does not necessarily result in a new long-term rental. STR properties may include primary residences rented periodically, second homes, inherited family properties, or future retirement residences. If STR use is prohibited, some of these properties may simply remain second homes or otherwise remain unavailable to long-term renters. The relevant question is therefore not simply

how many STRs will be eliminated, but how many properties are reasonably expected to become available for long-term occupancy as a result.

Before imposing broad restrictions, the City should identify the housing outcome it expects and establish a way to measure whether that outcome occurs. If the City is willing to forgo substantial recurring Transient Occupancy Tax revenue in pursuit of a housing objective, the expected housing benefit should be clearly identified.

Regulate Problems, Not Responsible Operators
SBAOR has consistently supported strong enforcement against STRs that create neighborhood impacts. Registration, Good Neighbor standards, a responsive complaint process, meaningful penalties, and escalating consequences for repeat violations directly address problematic operators. The City of Goleta has taken this approach, using a Good Neighbor Policy and a three-strike enforcement framework to address actual violations rather than broadly restricting responsible operators. Santa Barbara should similarly focus on behavior and demonstrated impacts.

This is particularly important for owner-occupied duplexes. For some buyers, purchasing a duplex and using income from the second unit is one of the few ways they can make homeownership financially feasible in Santa Barbara. Under the proposed framework, an owner living in one unit could be prevented from homesharing their own residence while operating the second, otherwise eligible unit as an STR. Owner occupancy also provides a high level of on-site accountability and neighborhood oversight. Rather than restricting this type of small-scale, owner-occupied use, SBAOR requests that the ordinance allow an owner-occupied duplex to obtain a Homeshare license for the owner's primary residence and an STR license for the second unit when both are otherwise eligible and comply with all City requirements.

The same principle should apply to ownership and license limitations. If a property is located in an eligible area, complies with operational requirements, pays applicable taxes, and does not create documented neighborhood impacts, the City should carefully consider what public benefit is achieved by prohibiting the use solely because of how the property is legally owned or because the owner holds another compliant license.

Coastal Access
STRs also provide a form of visitor accommodation that can be particularly useful for families and larger groups seeking kitchens, multiple bedrooms, and shared accommodations. Because the Title 28 amendments affect the Coastal Zone, the City should carefully consider how reducing STR availability may affect the range and affordability of overnight accommodations available to coastal visitors.

Moving Forward
SBAOR supports a clear STR licensing system and meaningful enforcement against operators who violate the rules. We believe the City can accomplish those goals without unnecessarily restricting responsible property owners or assuming that every STR eliminated will become long-term housing.

We respectfully ask the Council to make the targeted changes outlined above and ensure that the City's STR program is based on accountability, measurable outcomes, and demonstrated impacts.

Thank you for your consideration.

Sincerely,

Jennifer Berger, 2026 President

From:	Krista Pleiser
To:	Mike Jordan; Oscar Gutierrez; Kristen Sneddon
Cc:	City Clerk; Dana Falk
Subject:	SBAOR Comments re: Inclusionary Housing Ordinance Amendments
Date:	Monday, October 5, 2026 6:15:29 PM
Attachments:	SB ORD Inclusionary 10-6-26.pdf

Greetings,

Attached are comments from the Santa Barbara Association of REALTORS regarding tomorrow's Inclusionary Housing Ordinance Amendments. Should you have any questions, please do not hesitate to contact us.

Krista Pleiser, MPP, RCE

Chief Government Relations Officer

Santa Barbara Association of REALTORS®

1415 Chapala Street | Santa Barbara, CA 93101

(805) 884-8609 (Direct) | (805) 963-3787 (Main)

kpleiser@sbaor.com

October 10, 2026

Councilmember Oscar Gutierrez, Chair
Councilmember Mike Jordan
Councilmember Kristen Sneddon
PO Box 1990
Santa Barbara, CA 93102

RE: Inclusionary Housing Ordinance Amendments

Dear Chair Gutierrez and Councilmembers,

The Santa Barbara Association of REALTORS® (SBAOR) represents more than 1,200 REALTORS® across the South Coast who live and work in the communities they serve. Our members help families and businesses navigate housing and real estate decisions, and we work closely with local governments and community partners to advance practical, community-focused housing solutions. We share the City's goal of ensuring Santa Barbara remains a place where people can live, work, and thrive.

SBAOR appreciates the opportunity to comment on the proposed amendments to the City's Inclusionary Housing Ordinance. When this issue was before the City Council in May, SBAOR raised a fundamental concern: when the cost of delivering housing exceeds what a project can support, those projects do not move forward, and neither market-rate nor affordable units are produced.

We appreciate that several elements of the proposal now before the Ordinance Committee reflect a more measured approach than some of the alternatives previously considered. In particular, we support maintaining the five-unit threshold for rental projects rather than expanding the requirement to projects with as few as two units, maintaining the lower fee for smaller projects, allowing greater flexibility for fractional inclusionary requirements, and allowing required rental inclusionary units to be provided above otherwise permitted density.
These are meaningful improvements. However, the fundamental feasibility problem remains.

The City's Own Analysis Shows the Problem
SBAOR previously asked the City to ensure that inclusionary requirements and fees are calibrated to demonstrated financial feasibility. The additional financial analysis now provides even greater reason to do so. The City's analysis concludes that the representative rental and ownership projects studied are "Not Likely Feasible" under the existing program as well as the alternatives analyzed.

For the 43-unit rental prototype, the existing program produces a residual land value of only $82 per site square foot compared with the $150 per square foot feasibility threshold. Under the proposed full offset-fee option, the project would pay more than $3.1 million and its residual land value falls to negative $34 per square foot. This raises a basic policy question: **If the City's own analysis shows that the housing project is not financially feasible, why would the City adopt requirements that make it even more difficult for that housing to be built?**

Flexibility Is Helpful, But Only if the Cost Is Feasible
SBAOR supports providing developers with more ways to satisfy an inclusionary requirement. Allowing fractional requirements to be satisfied through a fee rather than requiring an additional full unit can prevent an arbitrary rounding rule from determining whether a project works financially.

Likewise, providing an option to satisfy an inclusionary requirement through an offset fee can be useful.

Our concern is not with providing the option. Our concern is the price of that option. The proposed full offset fees of approximately $91 per net square foot for rental development and $72 per net square foot for ownership development are based on the maximum amounts supported by the nexus analysis. Staff acknowledges that these amounts were not calibrated for their impact on development feasibility. The legal maximum should not automatically become the policy objective.

The question should not be how much the City can legally require from a housing project, but rather how the City can structure its inclusionary program so that housing actually gets built.

Ownership Housing Remains Particularly Concerning
SBAOR also continues to have significant concerns regarding the 15% ownership inclusionary requirement. In May, we cautioned that ownership housing is particularly sensitive to added costs and that additional requirements could further suppress condominium and townhome development, limiting pathways to homeownership. The City's subsequent financial analysis reinforces that concern. Its ownership prototype is “Not Likely Feasible” under every scenario analyzed. At a time when entry-level ownership opportunities are already extremely difficult to produce in Santa Barbara, the City should reconsider whether maintaining the existing 15% requirement without additional offsets or incentives is accomplishing its housing goals.

Automatic Fee Increases Need a Feasibility Safeguard
SBAOR also remains concerned about automatically increasing inclusionary fees each year. We understand the proposal now uses the California Construction Cost Index to make annual adjustments. However, rising construction costs are themselves one of the reasons housing becomes more difficult to build. Automatically increasing City fees because construction costs have increased can compound that problem. As we stated in May, adjustments should take into account market conditions and overall project viability, not simply an automatic index. At minimum, the ordinance should include a mechanism allowing the City to pause or modify an annual increase when current market conditions or updated feasibility data demonstrate that the increase would further impede housing production.

Our Requests
Before recommending the ordinance to the full City Council, SBAOR respectfully asks the Ordinance Committee to:

- **Retain the five-unit threshold** for rental inclusionary requirements and do not expand the requirement to two-to-four-unit projects.
- **Retain the lower $35 per square foot rate for smaller projects** rather than increasing it.
- **Retain the additional density and fractional-unit flexibility** included in the proposed amendments.
- **Reconsider the $91 and $72 full offset-fee rates** and establish rates based on demonstrated project feasibility rather than the maximum legally supportable amount.
- **Reevaluate the 15% ownership requirement** or provide meaningful density, development standard, or other incentives sufficient to offset its impact.
- **Add a feasibility safeguard to automatic annual fee adjustments** so fees do not automatically increase when market conditions cannot support the additional cost.
- **Require periodic feasibility reviews** of the inclusionary program so Council can evaluate whether the program is actually producing housing or unintentionally preventing it.

Santa Barbara needs affordable housing, but it also needs housing production. Inclusionary housing requirements can only produce affordable units when the underlying housing project is financially capable of moving forward. The City's own analysis is telling us that these projects are already struggling to pencil. We should listen to that analysis.

You cannot create more housing by making housing too expensive to build. If the project does not get built, Santa Barbara gets neither the market-rate housing nor the affordable housing the policy was intended to create. We urge the Ordinance Committee to use feasibility, rather than the maximum legally permissible requirement, as the guide for the City's inclusionary housing policy.

Thank you for your consideration.

Sincerely,

Jennifer Berger

Jennifer Berger, 2026 President

From:	Judith Lipton
To:	Santa Barbara City Council
Cc:	Judy
Subject:	Decriminalized entheogenics
Date:	Monday, October 5, 2026 7:24:29 PM

[Some people who received this message don't often get email from judith.lipton@me.com. Learn why this is important at https://aka.ms/LearnAboutSenderIdentification]

Dear people,
Please consider officially decriminalizing psychedelics otherwise known as entheogenics.
I'm a physician and would be happy to discuss with you how psychedelics work, contraindications and potential risks. I can also address the seriously positive effects of psychedelics when used appropriately especially for end of life issues, hospice care, and addictions.
The actual risks of psychedelics are small, especially compared to alcohol, cigarettes and smoking tobacco.
Please support decriminalizing psychedelics otherwise known (entheogenics) because the benefits outweigh the risks.
I would be happy to address your questions and concerns in person.
Judith Eve Lipton MD
[redacted]
Goleta California 93117
[redacted]
Sent from my iPhone

From: Ptm LLC
To: Holly Perea
Cc: City Clerk; Laura Bridley
Subject: Oct. 6 STR Ordinance – Treat the 25 Legally Converted Hotels as Hotels ([redacted].)
Date: Monday, October 5, 2026 9:56:28 PM

Some people who received this message don't often get email from pacifictimemanagement@gmail.com. Learn why this is important

Dear Mayor Rowse and Councilmembers,

I own [redacted], a 1906 Victorian in the Brinkerhoff Historic District (C-G zone). It is one of about 25 properties the City legally converted to hotel use. Our 2019 Zoning Clearance (MST2019-00097) states that our use "is considered a hotel" and that the change "is not temporary." To get that approval we completed significant required improvements, including three on-site parking spaces with a turnaround. We have paid commercial utility rates, commercial insurance and TOT ever since.

Your staff report (p. 7) says these properties "may continue to operate as hotels indefinitely." I ask that the ordinance say so clearly, and that we be treated exactly like hotels:

1. Put it in the code. Amend Section 30.185.395.R.1 (and 28.91.180.A) to say that properties approved for hotel use before the effective date are Hotels and Similar Uses, exempt from the STR rules, and that this status runs with the land.
2. Same rules as hotels. That means no STR license or fees ($3,334 up front, $2,897 a year), no two-night minimum, and no limit on same-day bookings. About 30% of our bookings are one-night stays, many booked the same day.
3. No new insurance mandate. We already carry commercial insurance, as the City required. Staff note the City "does not typically require liability insurance for other business operations such as hotels." Many insurers in today's California market also won't add the City as an additional insured.
4. A simple platform fix. Hotels, including ours, take bookings through Airbnb and VRBO. Please issue numbers platforms can tell apart. Numbers starting with "H" would go to hotels and the ~25 converted properties, which may accept one-night and same-day stays. Numbers starting with "S" would go to new STR licenses, which follow the two-night minimum. Platforms could then enforce the rules automatically without removing legal hotels.

We did everything the City asked. Please write that promise into the ordinance so it isn't lost.

Respectfully,

Kelly Ary
Owner, [redacted]
Pacifictimemanagement @gmail.com

From: Cindy Stoutenborough
To: City Clerk
Subject: Short Term Rental Ordinance Comments
Date: Tuesday, October 6, 2026 12:57:34 AM
Attachments: Addendum to STR letter 2026-10-05.pdf

Some people who received this message don't often get email from cee.stout@gmail.com. Learn why this is important

Dear Mayor and Members of the Santa Barbara City Council,

I am writing in support of the proposed ordinance restricting short-term rentals (STRs) to hotel and commercial zones. As a long-time Santa Barbara resident, I believe **this is an important step toward protecting the character and livability of our residential neighborhoods.**

One of the things that makes a neighborhood a community is having neighbors who actually live there. Over the years, we get to know the people around us, recognize each other, look out for one another, and develop a sense of connection to the place we call home. Short-term rentals change that. Instead of neighbors, you can have a different group of visitors every few days or every weekend—people who may barely know where they are, let alone have any connection to the neighborhood.

There is a safety aspect to this as well. Long-term residents naturally notice who belongs in the neighborhood and what is normal. We look out for each other. Visitors staying for a few days don't have that same awareness. A residential neighborhood with a constant turnover of unfamiliar people and vehicles simply feels different.

The noise and activity are different, too. Every week, there may be another group of cars pulling up to the curb, with doors and gates slamming as people arrive, unload, come and go, and leave. Visitors tend to have more coming and going than a typical household. Even when they are not intentionally being disruptive, the repeated activity is noticeable to the neighbors who live there every day.

I am also concerned about the argument that STRs provide "affordable" accommodations near the coast. I don't consider $1,000 a night for a three-bedroom house—with no ocean view—an affordable place to stay. That is the current advertised rate for the STR directly across the street from me. These properties are being operated as businesses because they can generate substantial income.

Meanwhile, many of us have worked very hard to remain in our homes and maintain them as homes. We value our neighborhood because it is where we live. For an STR operator,

the same house can instead become an income-producing business. The neighborhood and the relationships within it may have little meaning to someone who does not actually live there.

Why should a residential neighborhood be converted into a collection of commercial accommodations simply because those properties can generate more income that way?

If visitors want accommodations where an entire family or group can stay together in a house-like setting, I believe that is a legitimate market need—but it should be met by the hospitality industry. Hotels and other commercial lodging businesses can recognize that demand and develop accommodations to meet it. We do not need to turn more residential homes into hotels.

Santa Barbara already faces a serious shortage of housing. We should not be taking homes in residential neighborhoods and converting them, in effect, into commercial lodging. A home that is available only to short-term visitors is no longer serving the people who need a home in Santa Barbara.

I understand that tourism is important to Santa Barbara, and I am not opposed to visitors enjoying our city. But there is an appropriate place for commercial lodging. Residential neighborhoods should remain places where people live, build relationships, and look out for one another.

For these reasons, I support restricting short-term rentals to hotel and commercial zones. **I respectfully ask the Council to approve the proposed ordinance and protect Santa Barbara's residential neighborhoods as places to live—not as a collection of vacation accommodations.**

Thank you for considering the perspective of residents who have made these neighborhoods their homes.

Sincerely,

Cindy Stoutenborough

[redacted]

Santa Barbara, CA

cc: Addendum to STR letter attached

Addendum

Short-Term Rental Rates in West Mesa

A personal snapshot of Airbnb listings viewed June 16, 2026

In researching short-term rentals in my West Mesa neighborhood, I looked at Airbnb listings available on June 16, 2026. This was a personal review using the publicly available Airbnb website; I did not have access to any specialized data-gathering tools, and this was **not intended to be a comprehensive survey**.

At the time, I found approximately **51 homes listed as short-term rentals in West Mesa**. I recorded the rates for 15 of those listings closest to my home. The rates ranged from **$615 to $2,565 per night**, and 13 of the 15 were listed at more than $900 per night.

Location	Total for stay	Nights	Approx. nightly rate
318 Mohawk Rd	$12,827	5	$2,565
353 Mohawk Rd	$4,565	5	$913
2214 Channing Way	$7,646	5	$1,529
337 Palisades Dr	$3,076	5	$615
2210 Carlton Way	$9,244	5	$1,849
2210 Hudson Rd	$7,418	5	$1,484
219 Oliver Rd	$3,392	5	$678
1929 El Camino de La Luz	$6,170	5	$1,234
1918 El Camino de La Luz	$7,646	5	$1,529
124 Palisades Dr	$7,342	5	$1,468
2101 Edgewater Way	$10,430	5	$2,086
2330 Edgewater Way	$7,765	5	$1,553
2345 Edgewater Way	$11,066	7	$1,581
108 Mesa Ln	$5,723	5	$1,145
233 Cooper Rd	$3,560	5	$712

These rates are simply a snapshot of what I observed on that date. Prices can vary substantially depending on the dates selected, season, availability, and other factors.

Nevertheless, this snapshot raises a question about describing short-term rentals as providing **"affordable" coastal accommodations**. The homes I observed were being offered at rates that, for most families, would be a very expensive vacation accommodation.

Most importantly, these are **homes in a residential neighborhood** being used to generate substantial revenue as short-term lodging.

Source: Personal review of publicly available Airbnb listings on June 16, 2026. Partial sample; not a comprehensive survey.

From:	Daryl Bernstein
To:	City Clerk; Santa Barbara City Council
Cc:	Jordan@santabarbaraca.gov; Kristen Sneddon; Oscar Gutierrez
Subject:	Letter to City Council - Please vote on STR Ordinance on Oct 6
Date:	Tuesday, October 6, 2026 4:14:41 AM

> Some people who received this message don't often get email from daryl.bernstein@gmail.com. Learn why this is important

Dear City Council Members,

I have owned a home on the Mesa for 24 years. We have been inundated with short term rentals, with 5 active STRs operating on our block. We have had repeated issues with parties, large groups, late night noise, speeding rental cars, police calls, and other disruptions and safety risks.

We have waited years for an effective short-term rental ordinance. Please do not defer this important issue to a future city council. **Please vote on the proposed ordinance at the October 6th meeting.**

Thank you,

Daryl Bernstein

From:	Dana Falk
To:	City Clerk
Subject:	FW: Habitat"s Comments on the Inclusionary Ordinance
Date:	Tuesday, October 6, 2026 8:09:54 AM
Attachments:	Habitat Letter – Inclusionary Housing Ordinance FINAL (1).pdf

FYI

Dana Falk, AICP
Project Planner
CITY OF SANTA BARBARA, Community Development
(805) 564-5470 x4556 | dfalk@santabarbaraca.gov

From: Lisa C <lisacarlosq@gmail.com>
Sent: Monday, October 5, 2026 6:04 PM
To: Mike Jordan <MJordan@SantaBarbaraCA.gov>; Oscar Gutierrez <OGutierrez@SantaBarbaraCA.gov>; Kristen Sneddon <KSneddon@SantaBarbaraCA.gov>
Cc: Jan Hubbell <janhubbell@aol.com>; Jessica de L'Arbre (Wishan) <jessicaw@sbhabitat.org>; Rosie Dyste <rdyste@SantaBarbaraCA.gov>; Dana Falk <dfalk@santabarbaraca.gov>; Allison DeBusk <ADebusk@SantaBarbaraCA.gov>; Caroline Paine <cpaine@SantaBarbaraCA.gov>; Alelia Parenteau <AParenteau@SantaBarbaraCA.gov>
Subject: Habitat's Comments on the Inclusionary Ordinance

Dear Chair Gutierrez and Ordinance Committee Members,

Attached please find Habitat for Humanity of Southern Santa Barbara County's public comment letter on the proposed ordinance proposal before you at tomorrow's meeting.

Thank you,
Lisa Carlos and Jan Hubbell

Monday, October 5, 2026

Chair Gutierrez and Members of the Ordinance Committee
City of Santa Barbara
735 Anacapa Street
Santa Barbara, CA 93101

RE: INCLUSIONARY HOUSING ORDINANCE AMENDMENTS (CITY2026-00003)

Dear Chair Gutierrez and Committee Members:

Habitat for Humanity of Southern Santa Barbara County joins the Housing Authority of the City of Santa Barbara in urging you to adopt staff's recommended rental offset fee of $91 per square foot citywide, including the Central Business District. We ask you to reject the Planning Commission's proposal to cut the downtown rate to $73.

Inclusionary housing exists to build socio-economically integrated communities. A discounted downtown fee would make paying out the easier choice in the very place where integration matters most. Downtown adaptive reuse projects are already exempt from inclusionary requirements. Lowering the fee on new rentals as well would leave few homes in the Central Business District that its workforce can afford. That risks creating a downtown where only higher-income households can live.

The same principle applies to ownership. Inclusionary policy should jumpstart first-time homebuyer opportunities within today's projects, rather than deferring them to separate sites that may never be built. **The goal should be housing for every income level, built together, at the same time and citywide.**

1. Encourage nonprofit partnerships for low-income homeownership

We believe a top priority with this ordinance should be to financially incentivize and provide a pathway for market-rate developers to partner with nonprofits to deliver homes for low-income buyers. Habitat first asked for this in our February 27, 2026 comments on the draft Study and has continued to ask for it since. On page 6 of the staff report it mentions that current amendments to the inclusionary ordinance offer four new ways to comply: on-site units, off-site units, acquisition and rehabilitation, and the offset fee. None involves encouraging partnerships with a nonprofit partner for ownership housing.

Therefore, we ask the City to add two options:

- **Land donation.** Let a developer satisfy its obligation by donating a readily buildable site within the City limits that is acceptable to the nonprofit housing provider, sized for at least as many affordable homes as would be required on-site. We know that other cities, such as Santa Cruz, allow this.
- **Reduced requirement for nonprofit partnerships.** Let ownership developers meet a lower percentage (for example, 10 percent rather than 15 percent) when they partner with a nonprofit to build homes on-site for low-income buyers, at or below the percentages in State Density Bonus Law. Of course we would expect the City to do the requisite research

to determine the correct percentage.

2. Set aside offset fees for deed-restricted *ownership* housing, especially for low-income households

Nothing in the proposed ordinance sets aside any proportion of offset fee revenue specifically for deed-restricted ***ownership*** housing. All fees go to the Local Housing Trust Fund with no direction as to what should be spent on rentals versus ownership housing. Staff acknowledges that most affordable housing funding supports lower-income rentals, so fee dollars will tend to flow there. Without a set-aside, every condo project that pays the offset fee creates an induced demand for more affordable ownership homes without a guarantee that they will be built.

The City's ownership inclusionary program serves Middle-Income households earning 120 to 160 percent of AMI which is closer to $200,000 a year. However, U.S. Census data for the City of Santa Barbara show that housing cost burden is concentrated at the lower income level:[1]

Households paying over 30% of income for housing	**Lower income (below 80% AMI)**	**Above moderate (over 120% AMI)**
Homeowners	63%	21%
Renters	77%	19%

Among lower-income homeowners, 48 percent are severely cost burdened or pay more than half their income for housing, compared with 6 percent of above-moderate homeowners.

The City's nexus analysis points the same way: 21 of the 22 affordable homes needed per 100 new rental units are for households below 80 percent of AMI (BAE study, Appendix D). A dedicated ownership set-aside, delivered through nonprofit partners, would let the offset fee reach the households with the greatest need.

Furthermore, Habitat understands that LHTF funds can only be expended on moderate- and low-income housing, not middle income housing. If inclusionary funds are being placed in the LHTF, they should be limited to low- and moderate-income housing.

3. The City's own data contradicts the infeasibility findings

BAE concludes that its large rental prototype is "not likely feasible" under the existing program, under the Council-supported changes, and under the offset fee. It reaches the same conclusion for every ownership scenario. Yet the City's Residential Projects dashboard (**Attachment A; data as of August 2026**) which includes Average Unit Density (AUD) projects shows roughly 3,100 net new units in multi-unit projects: 2,114 pending, 321 approved, 242 with building permits issued or under construction, and 443 complete.

The City’s pipeline data demonstrates that the highest fee legally supportable under the study should be imposed, since clearly AUD projects are feasible even with the City's 10 percent moderate-income rental requirement. Residential projects with some sort of inclusionary requirement appear to account for well over 2,000 of those units, most still pending. Developers are proposing, permitting and completing these projects under some of the very inclusionary

rules BAE describes as infeasible.

We recognize that some AUD projects also use State Density Bonus Law and other state laws to gain additional density and concessions. But other projects in the pipeline rely on the AUD program and the City's inclusionary requirement alone. There are enough of them to call BAE's infeasibility findings into serious question.

A model that labels every scenario infeasible, including the program now producing hundreds of units, is methodologically flawed. Therefore, it’s up to the Council to look at all the pipeline data (from pending to permitted) to decide the basis for making a policy choice about discounting the offset fee in the Central Business District, where the City wants to concentrate the most housing and presumably inclusionary affordable units.

4. The BAE analysis understates what "feeing out" is worth to a developer

Staff relies on BAE's supplemental analysis (Attachment 4 to the staff report) to conclude that paying the offset fee is more costly than building on-site units. We believe the BAE analysis is still flawed and understates much of the value a developer gains by paying the fee. Therefore, we agree with the Housing Authority, that developers will pick feeing out regardless of it being at the highest rate legally allowed. Here are the reasons why we think the equation for feeing out has been undervalued to the developer:

- **Its basic methodology does not accurately capture profit.** Residual land value is a one-time snapshot of what land is worth when a project is completed. While that test is arguably better suited to capture the benefit to a developer in a for-sale project, where the developer builds, sells and exits, it does not fit a rental project held for years, whose returns come from ongoing cash flow, accelerated tax depreciation, loan paydown and property appreciation. BAE applies the same RLV approach to rental and ownership projects alike, so its rental results leave out much of what owners actually earn in profit.

- **Its rents and prices are too low.** Newly built rental units typically command a premium as do new condos. We aren’t sure BAE's rent assumptions compensate for that higher value of newly built housing. Understated rents and ownership housing prices depress residual land value and make projects appear infeasible when they are not.

- **It ignores the long-term value of unrestricted units.** Today, a developer must set aside moderate-income rentals or middle-income ownership units at controlled rents and prices. By paying an offset fee, homes can be rented or sold at full market rate, not only for 90 years but permanently. BAE's pro forma compares today's market rents with today's restricted rents. It does not account for market rents rising faster than AMI-based limits, which widens the gap year after year. On the ownership side, a middle-income two-bedroom in BAE's prototype sells for $444,600 against $1,083,402 at market, a gap of about $639,000 at first sale, and the covenant holds resale prices down for decades. But feeing out would mean those deed-restricted for sale units can now be sold at full market rates.
- **It omits the cost of the covenant itself.** Income certification, annual reporting,

compliance staffing, and limits on refinancing, sale or condominium conversion all carry real costs. Lenders and buyers value an unencumbered property more highly. None of this appears in the pro forma, which applies the same 30 percent operating-expense ratio with or without affordable units.

Taken together, these omissions and findings skew the study toward concluding infeasibility, a conclusion the City's own pipeline of projects contradicts. If BAE understates the value of feeing out, then even $91 per square foot may not be enough to incentivize on-site units as the preferred choice. Lowering the downtown fee to $73 would more likely lead to housing segregation downtown, not integration across income levels.

Our recommendations:

1. Adopt the $91 per square foot rental offset fee citywide, including the Central Business District, as staff and the Housing Authority recommend.
2. Reward on-site low-income homeownership with a lower inclusionary percentage. For example, a condo project whose inclusionary homes are sold to low-income buyers and stewarded by a nonprofit, such as Habitat, could meet a 10 percent on-site requirement instead of 15 percent middle income requirement.
3. Support staff's $72 per square foot ownership offset fee, the maximum the nexus analysis supports. Amend the ordinance to set aside those fees for deed-restricted ownership housing, prioritizing low-income households and nonprofit partnerships.
4. Add land donation to a nonprofit housing provider as a compliance option.

The City's pipeline shows developers are building under the inclusionary rules that exist today. We ask the Ordinance Committee to keep the offset fee as strong as allowed, open the door to incentivizing nonprofit partnerships, and build a program that matches the City's documented housing need – which is at the lower income levels.

Thank you for your consideration.

Sincerely,

Jan Hubbell and Lisa Carlos
Board Members, Habitat for Humanity of Southern Santa Barbara County

Attachment A: City of Santa Barbara Residential Projects dashboard, Multi Unit Projects (data as of August 2026)

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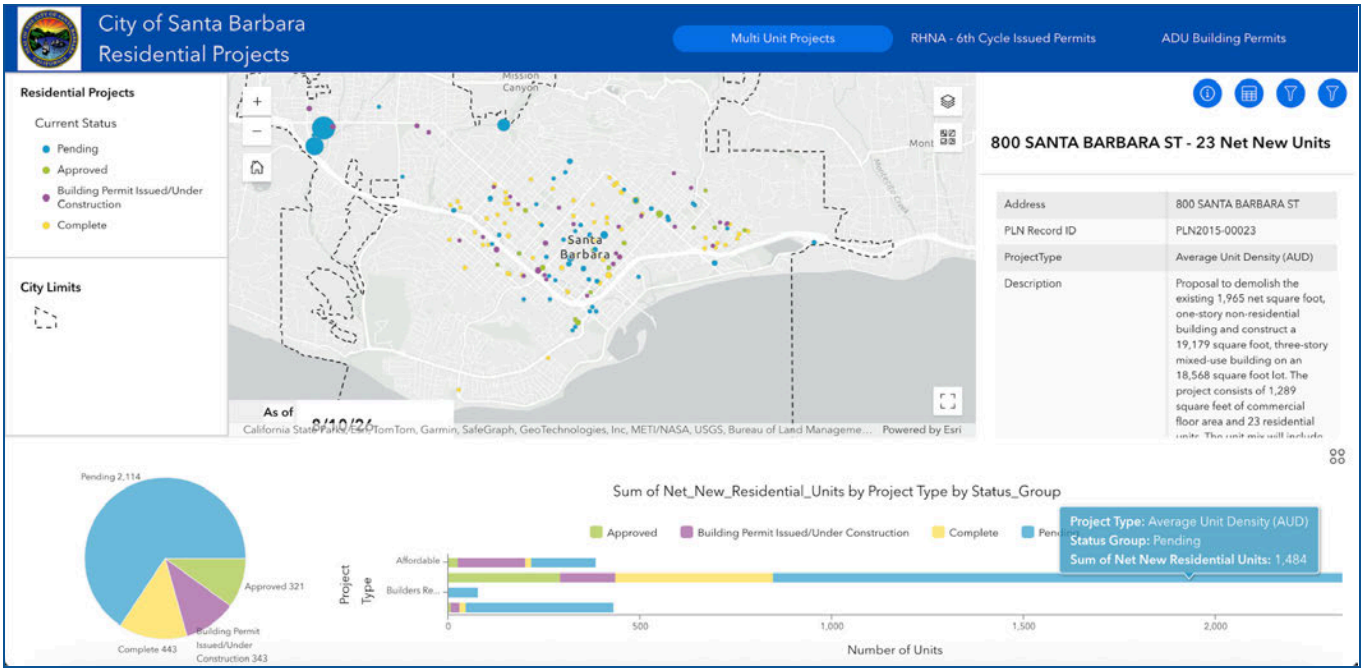
[1] U.S. Census Bureau, American Community Survey 2014–2018, as tabulated in HUD's Comprehensive Housing Affordability Strategy (CHAS) data. Source: City of Santa Barbara 2023–2031 Housing Element, Table 18, Cost Burden by Tenure and Income Category (link).

Attachment A

Average Unit Density (AUD) Pipeline
City of Santa Barbara Residential Projects dashboard, Multi Unit Projects
(data as of August 2026)



From: Sean
To: City Clerk
Subject: Str ordinance comments
Date: Tuesday, October 6, 2026 8:44:40 AM

Some people who received this message don't often get email from sgsean@gmail.com. Learn why this is important

Before adopting this ordinance, amend Section 28.91.080 to exempt west beach from the one-per-lot restriction. Add that exception directly to the ordinance.

This is probably the single most important change you can make to protect affordable coastal access without sacrificing residential neighborhoods or reducing housing.

The one-per-lot rule is arbitrary and counterproductive.

Take two identical duplexes in West Beach. Same building. Same two units. Same number of guests. Same parking. Same neighborhood impact.

If one person owns the duplex, this ordinance allows only one STR.

If those same two units are separately owned condos, the one-per-lot restriction doesn’t apply.

You are eliminating precisely the accommodations most capable of providing affordable coastal access.

A multi-unit operation shares management, cleaning, maintenance, supplies and overhead. That makes each unit considerably less expensive to operate and more affordable.

The ordinance kills that efficient model while preserving the more expensive separately owned condo model.

And what does it accomplish for housing?

Nothing, In fact, you're creating an enormous incentive for owners to condo-convert their buildings and sell the units separately. You will end up with the same number of short term rentals, but with separate owners, more expensive accommodations, and no additional housing.

Meanwhile, West Beach is exactly where we should want affordable visitor accommodations. It is a tourist district filled with hotels, steps from the beach, harbor, train station and State Street.

Preserve STR capacity there, and you have far more freedom to aggressively protect genuinely residential neighborhoods like the Mesa.

That's the rational compromise: **Support affordable visitor accommodations where visitors belong and protect residential neighborhoods where residents belong.**

And remember, this coastal ordinance still has to survive Coastal Commission review. The Coastal Act specifically protects lower-cost visitor access. Deliberately eliminating lower-cost accommodations in hotel and commercial areas directly undermines the Coastal Act's affordability mandate and makes this ordinance harder to defend before the Coastal Commission.

You do not need to rewrite this ordinance today.

You need one simple change.

Before you adopt it, amend Section 28.91.080(B)(4) to exempt west beach from the one-per-lot restriction.

Protect the Mesa. Protect housing. But don't destroy affordable coastal access in the very neighborhoods designed to accommodate visitors.

Please make this amendment before you vote.

Sean

From: Carla Lejade
To: City Clerk
Subject: Item 13 short term rental ordinance
Date: Tuesday, October 6, 2026 9:49:31 AM

Some people who received this message don't often get email from maineroutes@mac.com. Learn why this is important

Dear Mayor and Members of the Santa Barbara City Council,
I am writing regarding Item 13 and the proposed Short-Term Rental Ordinance.

I support reasonable regulation of short-term rentals, including licensing, payment of TOT, appropriate parking and occupancy standards, noise and safety requirements, and meaningful enforcement against operators who create problems for their neighbors. However, regulations should not be so restrictive or expensive that they effectively eliminate responsible, long-established, legally operating properties.

Santa Barbara is both a residential community and a visitor destination. Visitors come for weddings, family visits, graduations, medical appointments, cultural events, vacations and extended stays. With hotel costs increasingly high, short-term rentals provide practical alternatives, particularly for families and guests staying more than a night or two. These visitors also support local restaurants, shops, museums, attractions and service providers while generating significant TOT revenue for the City.

I am particularly concerned about the proposed $3,334 initial license fee and $2,987 annual renewal fee. Nearly $3,000 each year is an extraordinary burden, especially for small operators. Licensing fees should reflect the City's actual administrative and enforcement costs, not serve as a financial barrier for otherwise lawful businesses.

The Council should also distinguish between responsible, established rentals and properties that have caused genuine neighborhood or housing problems. Owners who have operated legally for years, obtained the required licenses, paid taxes, provided parking, complied with City requirements and invested in their properties in reliance on existing rules should receive meaningful consideration. I urge the Council to provide grandfathering or another fair pathway for such properties to continue operating.

I understand the City's urgent need for housing. However, eliminating a short-term rental does not necessarily mean that the property will become a long-term rental. Properties differ in their configuration, ownership, location and historic use. Housing policy should therefore be targeted and evidence-based, protecting genuine long-term housing while preserving responsible visitor accommodations.

I respectfully ask the Council to:

● Retain strong standards for noise, parking, safety and neighborhood compatibility.

● Enforce those standards against operators who violate them.

● Establish licensing fees tied to actual administrative and enforcement costs.

● Protect long-term housing through targeted measures.

● Provide grandfathering or another fair pathway for responsible, established STRs.

● Reconsider provisions that would effectively regulate compliant rentals out of existence.

Santa Barbara can protect its neighborhoods and housing while remaining a welcoming destination. Responsible operators should be held accountable, but they should not be penalized simply because City policy has changed.

Thank you for considering my comments.

Carla Lejade
Owner, El Zapato
[redacted]
Santa Barbara

From:	Maura O"Neill
To:	City Clerk
Subject:	Better Neighbors Comment Letter – Short-Term Rental Program Ordinances, Item 13
Date:	Tuesday, October 6, 2026 10:33:26 AM
Attachments:	Better Neighbors Comment Letter- STR Ordinances 10-6-26 .pdf

> Some people who received this message don't often get email from maura@betterneighborsla.org. Learn why this is important

Good morning,

Attached, please find Better Neighbor LA's comment letter for Santa Barbara City Council Item 13, in opposition.

Thank you for your time and attention,

Maura O'Neill
she/her
Policy Analyst and Advocate
Better Neighbors LA
(213) 355-7475
maura@betterneighborsla.org

BETTER NEIGHBORS LA

@better_LA
betterneighborsla.org

October 6, 2026

Santa Barbara City Council
735 Anacapa Street
Santa Barbara, CA 93101
Clerk@SantaBarbaraCA.gov
VIA ELECTRONIC MAIL

RE: Better Neighbors Comment Letter – Short-Term Rental Program Ordinances, Item 13

Dear Honorable Mayor Rowse, Mayor Pro Tem Sneddon, and Councilmembers,

Better Neighbors LA ("BNLA") is a coalition of tenants, housing advocates, and community members committed to protecting long-term housing by curbing illegal short-term rental ("STR") activity. Through research and data analysis, we assess the STR industry's impact on affordable housing and neighborhood stability. **BNLA writes to oppose Short-term Rental Ordinances (Title 28 and Title 30) as drafted**. While we support the Council's efforts to protect long-term housing by limiting the conversion of homes to visitor-serving uses in residential zones, the ordinances raise significant concerns related to community impacts and the long-term consequences of concentrating STR activity in the Coastal Zone.

BNLA recommends the following for the proposed ordinances:

1. **Do not remove the one-license-per-owner requirement.** The restriction of one STR license per owner is essential to protect housing for tenants and to prevent commercialization of the STR industry. The city should maintain a limit of one STR permit per owner to ensure that housing remains primarily for long-term tenants.
2. **For the Coastal Zoning Ordinance (Title 28), limit STRs to the non-residential zones and allow homeshares throughout all zones.** As written, Title 28 allows for a concentration of STRs in the coastal zone, which could intensify housing loss where it is already most severe. Title 28's "license area" includes multifamily and mixed-use zones that contain a substantial share of the City's long-term rental housing. The ordinance would formalize STR activity in precisely the areas where housing is most needed, risking deepening inequity and accelerating displacement in coastal neighborhoods.
3. **If Title 28 is not amended to limit STRs to the commercial zones, we recommend instituting a cap on STRs.** Other coastal cities have successfully implemented a cap close to 1% of housing stock, which protects from largescale conversion of homes into hotels.[1]

[1] https://documents.coastal.ca.gov/assets/la/Commission-STR-LCP-Actions-Table.pdf

The Council should consider the larger impact that unhosted STRs have on housing in making their decision. Restricting unhosted STRs supports housing preservation and coastal access by preventing the conversion of housing to STRs and encouraging the more affordable homeshare option for coastal visitors. Unhosted STRs, with no resident living on site, take away housing stock while creating very little affordable accommodation, particularly in the coastal zone. Research has found that STR activity removes housing from the long-term market and raises rents. According to criteria the Coastal Commission has used, less than 10% of unhosted coastal STRs qualify as low-cost coastal accommodations. Data from AirDNA shows that between April 2022 and March 2023, the average cost for an unhosted STR ranged from $304 and $1,087, far exceeding 75% of the average daily hotel rate at the time ($160). Hosted STRs (or homeshares) averaged $287, which, though not affordable, is lower cost in comparison.[2]

Amid California's ongoing housing crisis, Santa Barbara is taking important steps to protect its residents from displacement and the nuisance challenges posed by STRs, and there is still work to do. **We urge the City Council to:**

- Ensure STRs are limited to one per owner;
- Continue to restrict coastal zone STRs to non-residential zones to avoid concentrating STRs in multifamily areas;
- Barring this restriction, institute a cap on STRs in the coastal zone.

Should you have any questions, please contact Maura O'Neill at maura@betterneighborsla.org.

Sincerely,

/s/

Randy Renick

[2] https://static1.squarespace.com/static/5fc9845732f65217775cb3a5/t/6995fd4c129fbf0727982d0a/1771437388130/A+Balancing+Act_Low-Cost+Lodging+and+Affordable+Housing+Along+the+California+Coast_pdf.pdf

From:	Stacy Rebich Hespanha
To:	City Clerk
Subject:	10/6 City Council general public comment: Neighborhood Infill that Builds Community Wealth
Date:	Tuesday, October 6, 2026 10:36:55 AM
Attachments:	SB_Nexus_Breakeven_Summary-final.pdf Neighborhood_MixedUse_Concept-final.pdf Local_Ecommerce_Network_Concept.pdf

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Dear Mayor and Councilmembers:

I'm reaching out to share information about the potential of small-scale mixed-use development as a response to the wealth inequality the underlies the housing affordability issue in our community. I've been following our city's housing conversation closely, and I've noticed that nearly all of the energy goes toward incentivizing large projects downtown. That approach has real strengths, and it also leaves gaps: deep affordability, resident ownership, and homes in the neighborhoods where most of the community lives. Before the Better Buildings Ordinance (BBO) returns to Council, I'd encourage weighing the evidence on approaches that could fill those gaps. I've brought one such approach, small-scale neighborhood mixed-use development, to the Planning Commission, and I'm raising it now because by the time a policy reaches Council for a decision, much of its shape has already been set.

The BBO pairs ecological standards with density, parking, and review incentives for larger downtown projects. A more balanced version could also make neighborhood mixed-use infill possible across the city and support approaches that build wealth for lower-income residents.

The approach described here is one example: redeveloping an existing residential lot, often through adaptive reuse, into three or four homes and a small neighborhood storefront, using infrastructure that already exists. The version I'm proposing for BBO incentives makes at least two-thirds of those homes affordable and builds wealth for lower-income residents. A Community Land Trust buys the lot when it comes up for sale, then quickly sells the building to community investors who redevelop it, keeping the land under a long-term ground lease so its capital can revolve to the next acquisition. That ownership model addresses the problem underneath our affordability crisis: a widening wealth gap.

New market-rate construction can lower nearby rents, but it can also contribute to displacement.

New buildings can modestly lower nearby rents. Studies in San Francisco and other large U.S. cities find modest rent reductions close to new buildings (Pennington 2021; Asquith, Mast & Reed 2023). Researchers at the London School of Economics estimate, however, that even aggressive supply expansion would take decades to restore affordability in high-cost markets (Buchholz et al. 2026).

New construction can also contribute to displacement. Redevelopment can remove older, lower-rent homes; California's Housing Crisis Act of 2019 now requires replacement units and relocation protections when homes are demolished. In Minneapolis, rents in existing buildings near new market-rate construction rose an average of 6.6% in lower-income neighborhoods, even as they fell near new buildings in higher-income neighborhoods (Damiano & Frenier 2026).

New supply alone can't deliver deep affordability, resident ownership, or community benefit from rising land values.

New market-rate housing creates more need for deeply affordable homes than current policy requires it to provide. The City of Santa Barbara's 2026 Nexus Study finds new market-rate housing must fund affordable homes equal to 22–24% of its own units, mostly at Extremely Low to Low incomes, just to break even on the need it creates. Current policy requires 10–15%, targeted at Moderate and higher incomes (BAE Urban Economics 2026; Rebich Hespanha 2026b).

Tenants and the public pay for most of the affordable housing this model produces but own none of it, while rising land values go to landowners. In the City's modeled financing for affordable units, tenant rent and public tax-credit equity supply roughly 92% of the capital, yet tenants and the public end up owning 0% (BAE Urban Economics 2026; Rebich Hespanha 2026a). Rising land prices explain about 80% of house-price growth in advanced economies since WWII (Knoll, Schularick & Steger 2017), and under the current model that gain goes to whoever owns the land.

The affordability crisis is a symptom of a widening wealth gap, and ownership is what changes its trajectory.

Home prices have kept pace with average income, but not with the typical household's. Since 2000, home prices have tracked average income almost one-for-one while pulling far ahead of median income (Federal Reserve Bank of San Francisco 2026). Housing is where the wealth gap is built or narrowed.

Locally, the income gap is widening, and it compounds into a wealth gap. In 2024, the richest fifth of Santa Barbara County households earned about 19 times as much as the poorest fifth, up from 15 times in 2010, with about three-quarters of that increase after 2020 (U.S. Census Bureau via FRED). Top incomes are saved and earn higher returns, which concentrates wealth, which raises top incomes further (Saez & Zucman 2016; Fagereng et al. 2020).

Ownership is the lever, because home equity is how most middle-class households build wealth. Middle-class wealth is mostly home equity; top wealth is mostly stocks. About half of U.S. households now have less real wealth than the median household had in 1970 (Kuhn, Schularick & Steins 2020). Renters are shut out of that channel entirely, and because wealth inequality responds only slowly to income policy, changing its trajectory requires changing who owns assets (Berman et al. 2016).

California law already recognizes this. AB 686 requires every Housing Element to affirmatively further fair housing: to take meaningful actions addressing disparities in housing needs and access to opportunity, including the racial wealth and homeownership gaps.

Neighborhood infill adds homes using infrastructure that already exists, while downtown growth depends on new capacity.

This holds for small-scale mixed-use infill under any ownership model.

Downtown growth depends on major infrastructure work that is still unfunded. The State Street Master Plan that Council approved in September 2026 carries an estimated cost of more than $96 million, including $68 million in construction. More than half of the construction cost is underlying infrastructure: over $17.5 million for utility relocation and $14.5 million for stormwater. The adopted plan identifies aging drainage infrastructure and recurring flooding downtown, and calls for reconstructing that infrastructure and identifying “a stormwater alternative compliance program for downtown development projects immediately adjacent to State Street.” Funding will be decided in future budget cycles.

Small projects on existing lots connect to lines already in place and add little new demand. A small multi-unit building with a storefront on an existing lot, often an adaptive reuse of an existing structure, adds little new impervious surface or utility demand.

Small mixed-use buildings return more value for each mile of infrastructure the City maintains. They typically

generate more taxable value per acre than large single-use development (Urban3).

Neighborhood-level capacity should be confirmed as part of any overlay. Even so, the difference in required public infrastructure investment is likely large.

A community-owned version of this infill, proposed for BBO incentives, builds wealth for lower-income residents.

Candidate sites for this kind of development are properties already changing hands: homes and lots that are for sale or about to come onto the market. When one comes up, a Community Land Trust can acquire it with Local Housing Trust Fund capital before it sells to another buyer, then quickly sell the building to community investors who carry the project forward, keeping the land under a long-term ground lease. An owner-occupant who would otherwise sell can also choose to redevelop their own property under the same model. Because sites are either unoccupied at acquisition or owner-occupied, projects avoid displacing tenants.

This community-owned form of small mixed-use development, described in full in the attached Neighborhood Mixed-Use Concept, is the one I'm proposing for incentives through the BBO. Each project combines a small street-facing commercial space and several affordable homes in one small multi-unit building on the same lot, preferring adaptive reuse of an existing structure. A community investment mechanism built into the project lets a group of neighbors invest directly in it, alongside the land trust and patient community capital, so that local investors can catalyze a project in their own neighborhood. The commercial space is operated by a worker-owned enterprise, and each space also serves as a pickup point in a local e-commerce network (described in the attached Local E-Commerce Network Concept), which brings neighbors walkable access to goods and gives the business an added source of revenue.

A Community Land Trust holds the land permanently, so land-value gains stay with the community. Because the land is never resold, its rising value supports affordability for each future household instead of accruing to a private owner.

Residents build equity instead of only paying rent. A Multi-Stakeholder Cooperative, whose members include the community investors and the residents, owns the buildings, and part of each resident's monthly payment builds their own capped equity.

The model serves the households with the greatest need. 66–100% of homes are affordable, targeted at Extremely Low and Low incomes: three to four times the Nexus Study's break-even level.

Public capital revolves instead of being spent once. Local Housing Trust Fund capital returns to the land trust when the building is sold to community investors and moves on to the next site.

The commercial space builds wealth for the people who run it. Worker-owners hold equity in the space they operate.

Shared-equity models like this have a strong track record. An Urban Institute evaluation of seven shared-equity programs found owners earned returns competitive with other investments, homes stayed affordable to the next buyer, and foreclosures were very low (Temkin, Theodos & Price). At the end of 2009, 0.6% of land-trust mortgages were in foreclosure, compared with 4.6% of market-rate mortgages (Thaden, Lincoln Institute).

What this model needs is organizational infrastructure: shared institutions that no single project could build on its own.Physically, it relies on existing streets and pipes. Organizationally, it needs:

- A land acquisition fund. The Local Housing Trust Fund is a natural candidate to capitalize Community Land Trust acquisitions on a revolving basis.
- A community co-ownership model with professional and institutional support. Standard legal documents, a securities-compliance path for neighbor investment, and access to partners such as CDFIs, cooperative development organizations, and experienced developers, so resident investors have the expertise a project needs.

- Logistics infrastructure for a local e-commerce network (potential). Shared lockers, a scheduling platform, and small-vehicle delivery would make pickup service a viable revenue source for the commercial spaces and a public benefit for each neighborhood.

Neighbor investment, opt-in siting, and small scale are designed to make this development neighborhoods welcome.

Projects move forward where neighbors choose to invest in them. The overlay is opt-in, and local investment determines where projects happen.

The scale fits existing neighborhoods. Each project is a small multi-unit building with a storefront, often an adaptive reuse of an existing structure, held to objective design standards with a neighbor notice period.

Neighbors are invited in as potential co-investors, which gives them a reason to become proponents. People who comment on housing at public meetings are disproportionately older homeowners, most of whom oppose new projects (Einstein, Glick & Palmer 2019). Whether co-investment changes that dynamic is worth tracking in a pilot.

Everyday services come within walking distance, governed in part by the neighbors who invested in them.

I'm asking Council to address the gaps the current approach leaves.

When the BBO returns, I respectfully ask Council to consider the limits of the current approach and the evidence for alternatives that address them. Including the model described here, for example, would mean:

Making neighborhood mixed-use infill possible, under any ownership model

1. Add an opt-in neighborhood mixed-use overlay to the BBO, allowing a small multi-unit building with a street-facing commercial space on an ordinary residential lot, through adaptive reuse of an existing structure or new construction, by-right or ministerial.
2. Set lot-scale density, parking, and yard standards for this typology that let small projects work financially.
3. Extend the BBO's process streamlining to this typology: ministerial approval and the same review exemptions the BBO offers (from Pre-Application and Concept Review under §30.150.060 and the Building Height Exception determination under §30.140.100.B), paired with safeguards: objective design standards, a defined neighbor notice period, and retained staff design review.
4. Confirm neighborhood infrastructure capacity as part of overlay design, and compare public infrastructure cost per new home for distributed infill and concentrated downtown development.

Incentivizing the wealth-building version as part of the BBO

5. Extend the BBO's point-based incentives to projects meeting community-ownership criteria: Community Land Trust land, resident equity accounts, and at least 66% of homes affordable at Extremely Low and Low incomes.
6. Waive or defer permit and impact fees for these projects.
7. Structure the Local Housing Trust Fund to support Community Land Trust acquisition as a revolving fund.
8. Develop a standard legal template (model bylaws and a securities-compliance path for neighbor investment) and identify institutional partners, such as CDFIs and cooperative development organizations, to provide technical support.
9. Evaluate public or cooperative investment in shared logistics infrastructure (lockers, a scheduling platform, small-vehicle delivery) for a local e-commerce network serving these commercial spaces.
10. Test this model within the BBO's five-year pilot window, tracking resident equity accrued, affordability by income tier, participation by neighborhood income, and infrastructure cost per home.

> Attached: the Neighborhood Mixed-Use Concept, the Local E-Commerce Network Concept, and the Nexus Study break-even analysis. A complete source guide is available on request.

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Does New Housing "Break Even" on Affordability?

Findings from the City of Santa Barbara's 2026 Residential Nexus Analysis

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A housing development "breaks even" on affordability if it does not create more demand for affordable housing than it supplies. The City of Santa Barbara's 2026 nexus study, prepared by BAE Urban Economics, provides the data to answer that question directly. Using IMPLAN input-output modeling, it estimates how many local jobs — and therefore how many worker households needing affordable housing — are generated by the spending of new market-rate residents, then quantifies the cost of housing those workers. *(BAE Urban Economics, Inclusionary Housing and In-Lieu Fee Study, City of Santa Barbara, 2026, Appendix D, pp. 100–112.)*

Understanding AMI: What These Numbers Mean in Dollars

This summary describes affordable housing need using "Area Median Income" (AMI) — a benchmark HUD sets annually for each county and the basis for every income tier used below. For Santa Barbara, that benchmark is $113,300 for a four-person household in 2025. Because percentages of AMI aren't intuitive on their own, the table below translates each tier into actual dollars for a 3-person household — the same household size the nexus study itself uses for its rent calculations — and into an hourly wage.

AMI Tier	Annual Income Limit (3-person HH)	Hourly Wage, if 1 Earner	Avg. Workers per Household	Realistic Hourly Wage per Worker
15–30% AMI (Extremely Low)	$47,700	$22.93	1.36	$16.86
30–50% AMI (Very Low)	$79,450	$38.20	1.65	$23.15
50–80% AMI (Low)	$127,100	$61.11	1.85	$33.03
80–120% AMI (Moderate)	$122,364	$58.83	1.96	$30.02

Source: City of Santa Barbara Income Limits, effective April 1, 2025; workers-per-household ratios from BAE, Table 24, p. 106.

The last column is the most realistic anchor, since these households average 1.4–2.0 workers rather than one. It shows that the income tiers making up most of the unmet need identified below correspond to roughly **$17–$33 per hour** per worker — the wage range of most retail, food service, home health, and entry-level education jobs in Santa Barbara. That is not a coincidence: it is exactly the workforce the nexus study's modeling finds is generated by new market-rate housing (see below).

The Break-Even Benchmark

For every 100 new market-rate units built, resident spending supports new jobs concentrated in retail, health care, and hospitality — sectors that pay too little for many of those workers to afford market-rate housing themselves. Translating induced jobs into worker households by income tier:

Income Tier (% AMI)	Rental HH Need	Ownership HH Need
Up to 15%	1.1	1.2
15–30%	3.8	4.2
30–50% (Very Low)	6.7	7.3
50–80% (Low)	9.0	10.1
80–120% (Moderate)	1.3	1.4
Total break-even need (≤120% AMI)	**21.9**	**24.2**

Source: BAE, Table 26, p. 108.

This is the benchmark: a rental project would need to produce or fund affordable housing equal to roughly **22% of its own unit count**, spread across these tiers, to fully offset the demand it generates. Ownership development's threshold is higher, at roughly **24%**, because higher-income buyer households spend more. *(BAE, Appendix D, p. 103.)*

How Current Policy Compares

The City's adopted inclusionary requirement does not match this benchmark in scale or income mix. Rental projects must set aside **10% of units for Moderate-Income households only** *(SBMC §30.150.110; BAE, p. 22)*, leaving zero required units in the Extremely Low through Low tiers that make up 94% of the identified need, while overproducing in the one tier addressed. Ownership projects require **15% for Middle/Upper-Middle-Income households (120–160%+ AMI)** *(BAE, p. 22)* — a band entirely

above the ≤120% AMI range the nexus analysis identifies as needing assistance at all, so 0% of the ownership-side benchmark is addressed by the requirement itself.

Rental Tier (per 100 units)	Nexus Need	City Requirement	Gap
Up to 80% AMI (ELI + VLI + Low)	20.6	0	–20.6
80–120% AMI (Moderate)	1.3	10.0	+8.7

The In-Lieu Fee Shortfall: What It Can and Can't Buy

Instead of building the required affordable units on-site, a developer can pay the City a per-square-foot "in-lieu" fee, which goes into the City's Local Housing Trust Fund. The idea is that this cash, combined with other funding, lets the City build an equivalent affordable unit somewhere else. The question worth asking plainly is: *how much of that other funding shows up, and from whom?*

The nexus study calculates the fee that would be needed to *fully* fund the break-even benchmark above, at **$91.41 per net square foot for rental projects** and **$72.53 per net square foot for ownership projects** *(BAE, Table 28, p. 112)*. The City adopted a lower rate of **$50.00 per net square foot** for both, citing concerns about making projects unbuildable. *(BAE, Recommendations C & D, pp. 54–56.)*

Where the rest of the money is assumed to come from

Building one affordable unit costs about **$757,021** on average in Santa Barbara County, based on recent applications for affordable-housing funding — and the City's own Housing Authority believes the real figure is closer to $1 million. *(BAE, Table 27, p. 110.)* The nexus study assumes that amount gets covered by three layers, only one of which is the in-lieu fee itself:

Funding Layer	What It Is, in Plain Terms	Who Ultimately Pays	Repaid?
A mortgage on the building	A loan sized only to what the capped, income-restricted rent can cover — not the building's real cost. For the lowest-income units, legally allowed rent barely covers operating costs, so almost no loan is possible at all.	The tenants who eventually live there, through their monthly rent, over the life of the loan.	Yes — over roughly 30 years, at about 6% interest.
Federal tax credit equity ("LIHTC")	The federal government lets banks and corporations reduce their federal tax bill if they pay cash upfront into an approved affordable project. That cash isn't a loan — it never has to be paid back by the project.	Federal taxpayers collectively, since it is tax revenue the U.S. Treasury gives up in order to attract this investment. Not available at all for Moderate-Income units.	No — it is a one-time contribution, not a loan.
The in-lieu fee (this study)	A one-time cash payment from the market-rate developer building the project that created the need.	In practice, likely split between the market-rate project's landowner (as reduced land value) and, to some degree, future renters or buyers of the market-rate units, depending on local market conditions.	No — one-time payment.

Adding it up: how far does the in-lieu fee get us?

The table below shows, for each income tier, what share of the true $757,021 unit cost is covered by the mortgage and tax credit equity alone, and then what the City's adopted $50/sf in-lieu fee adds on top.

Tier	Mortgage Covers	Tax Credit Covers	Fee Adds (at $50/sf)	Still Unfunded (at adopted rate)
Extremely Low	0.2%	36.5%	5.4%	57.9%
Very Low	14.1%	36.5%	5.4%	44.0%
Low	35.0%	36.5%	5.4%	23.1%
Moderate	35.7%	0%	5.4%	58.9%

Source: BAE, Table 27, p. 110 and Table 28, p. 112; author's calculation, using a representative 811 sf unit at $50/sf and $91.41/sf.

Two results stand out. First, at the City's adopted fee rate, more than half the cost of an Extremely Low-Income unit and roughly 41% of a Moderate-Income unit remains unfunded, because those tiers get little or no help from the mortgage and, for Moderate, no tax credit equity at all. Second, Low-Income units come closest to being fully funded (about 84% covered) simply because they're the one tier that benefits from both a meaningful loan and full tax credit equity — not because the fee itself is especially generous.

Even at the legal maximum fee rate — nearly double what the City actually adopted — the unfunded share would only close by roughly 3 to 4 percentage points at every tier, underscoring that the fee itself is a small share of total unit cost at either rate.

Whatever remains unfunded after the mortgage, tax credits, and fee has no assumed source in this analysis. In practice it would have to come from competitive state or federal grant programs (themselves funded by state and federal taxpayers, and available to only a fraction of applicants each year) or the City's own general fund contributions to the Local Housing Trust Fund. If none of that materializes, the unit either gets built at a shallower, less-affordable income level than the nexus study says is needed, or it doesn't get built at all.

Who builds equity — and who doesn't

Development cost is only half the picture. The mortgage layer is repaid with interest, and none of the parties who fund it — including tenants — necessarily end up with any ownership stake. Two questions matter separately: *what share of total cost does each party pay*, and *what share of ownership do they hold when the project is paid off.*

Understanding the tax credit investor's role

The largest funding source besides tenant rent is the federal Low-Income Housing Tax Credit (LIHTC), and it works differently from a normal loan or grant. Each year, the federal government allocates a fixed pool of tax credits to every state. California's housing agency assigns those credits to specific affordable projects — either competitively (the deeper "9%" credit) or by right for projects that use tax-exempt bond financing (the "4%" credit assumed in this report). A project that receives an allocation does not get cash directly from the government. Instead, it *sells* the right to claim those credits over the next 10 years to a private investor — typically a bank or large corporation with a substantial federal tax bill — in exchange for a lump sum of cash upfront. That cash becomes the project's equity: the $276,577 per unit figure used throughout this analysis.

The investor's return is not rent or property appreciation — it is a dollar-for-dollar reduction in what they owe the IRS each year for a decade, which is why they are willing to pay close to the full value of the credits upfront. Because that is federal revenue the U.S. Treasury deliberately forgoes to attract the investment, this layer of funding is, in effect, paid for by federal taxpayers generally, even though no line item ever says so.

To legally claim the credits, the deal must be structured with the investor as the majority owner on paper — typically a **99.99% limited partner** interest — even though the investor has no operational role. The nonprofit or affordable-housing sponsor that developed and runs the building holds the remaining **0.01% general partner** interest. Once the required 15-year compliance period ends, the investor has no further reason to stay involved, and a pre-negotiated option typically lets the sponsor buy out the investor's stake at a small, fixed price — well below the property's market value by then. That is how, over time, effective ownership consolidates with the sponsor, even though the investor held nearly all formal ownership for the first 15 years.

Table A: Share of total cost covered, by funding source and affordability tier

Figures include financing cost: since a 30-year loan at the report's assumed 6% rate costs roughly double its principal by the time it is repaid, the tenant's share reflects cumulative rent-funded principal *and* interest, not just the loan amount financed at closing. In-lieu fee figures use the City's adopted $50.00/sf rate. The last column shows the same 10% Moderate-Income requirement built directly by the market-rate developer on-site — the City's actual current approach for whole units, before any fractional in-lieu fee applies — which uses no tax credits, mortgage, or fee at all.

Funding Source	Extremely Low	Very Low	Low	Moderate (off-site)	Moderate (on-site, no fee)
Tenant (rent, incl. interest)	0.4%	26.9%	54.7%	55.4%	0%*
Taxpayer (tax credit equity)	36.4%	31.1%	25.5%	0%	n/a
In-lieu fee (at adopted $50/sf rate)	5.4%	4.5%	3.7%	3.7%	n/a
Unfunded gap (public/other)	57.8%	37.5%	16.1%	40.9%	n/a
Market-rate developer	n/a	n/a	n/a	n/a	100%

Source: BAE, Table 27, p. 110 and Table 28, p. 112 (off-site tiers); Table 9, p. 43 (on-site scenario, funded through reduced residual land value rather than a discrete financing gap). Author's calculation for tenant and total-cost figures.

*The on-site scenario is structured differently in the report — it does not model a separate financing gap the way the off-site tiers do. The market-rate developer absorbs the full cost of the below-market unit through reduced project profitability, and the moderate rent collected offsets the developer's own costs rather than repaying a distinct third-party loan.

Table B: Share of ownership at project completion, by funding source and affordability tier

Unlike cost shares, ownership does not vary by income tier within the off-site structure — the legal partnership split is fixed regardless of which tier the unit serves. It differs only by *which structure* is used, off-site vs. on-site.

*Reflects ownership once the 15-year tax credit compliance period ends. During that period, the tax credit investor (LP) holds a ~99.99% limited-partner interest — required to legally claim the credits — while the nonprofit/sponsor (GP) holds the remaining ~0.01%. A pre-negotiated option then lets the sponsor buy out the investor's stake at a small, fixed price, after which the sponsor holds effectively all ownership. The investor is not a long-term owner of the project.

Funding Source	Extremely Low	Very Low	Low	Moderate (off-site)	Moderate (on-site, no fee)
Tenant	0%	0%	0%	0%	0%
Public / taxpayer-funded gap (grants, LHTF)	0%	0%	0%	0%	n/a
Nonprofit / sponsor (GP)*	100%	100%	100%	100%	n/a
Market-rate developer	n/a	n/a	n/a	n/a	100%

Reading the two tables together is the point: at Extremely Low and Moderate income, taxpayers fund 0–36% of total cost through the tax credit, yet end up with 0% long-term ownership — the investor who initially holds the required stake is bought out within the tax credit compliance period, leaving the nonprofit/sponsor as the effective long-term owner. Tenants contribute as little as 0.4% (Extremely Low) or as much as 55% (Moderate) of total cost, and in every case hold 0% ownership. The public "unfunded gap" — filled by competitive taxpayer-funded grant programs when it is filled at all — covers 16–58% of cost and also holds 0% ownership. Only the on-site scenario aligns cost and ownership for a single party: the market-rate developer funds 100% and owns 100%, with no other party involved at all.

Bottom Line

By the City's own consultant-modeled figures, a break-even development in Santa Barbara would need to produce affordable units equal to roughly **22–24% of its total unit count**, concentrated in the Extremely Low through Low tiers — households earning roughly $17–$33 an hour per worker. Current policy requires roughly **10–15%**, targeted almost entirely at income bands the analysis does not identify as facing housing need, and backed by an in-lieu fee that — even at the City's adopted rate — leaves 23–59% of a unit's real cost with no identified funding source. The distance between these figures is the measure of how far new market-rate development in Santa Barbara currently falls short of paying for its own downstream affordable housing footprint, and how much continues to depend on competitive federal and state subsidy programs rather than the development that created the need.

See our companion Neighborhood Mixed-Use Concept document for one worked example of a development model designed to close this gap by construction rather than by incentive choice.

Prepared by Stacy Rebich Hespanha; last edited Aug 17, 2026

Source: BAE Urban Economics, Inclusionary Housing and In-Lieu Fee Study, prepared for the City of Santa Barbara (2026 Final), Appendices A and D, and In-Lieu Fee Analyses and Recommendations chapters.

The Neighborhood Mixed-Use Concept

A Distributed, Regenerative Companion to the Better Buildings Pilot Program | Companion document to written comment on the August 17, 2026 Joint City Council / Planning Commission Meeting

Prepared by Stacy Rebich Hespanha | Last Edited August 17, 2026

This document describes a specific, worked-out strategy that addresses some of the weaknesses of the proposed BBO program: pairing the same kind of ecological incentives with a different ownership and financing model — a Community Land Trust plus Multi-Stakeholder Cooperative, distributed across many small neighborhood sites rather than concentrated in one downtown district. Section 7 shows how this concept responds, point by point, to the open questions and gaps identified across our other comment documents. Section 8 uses the nine measurement categories from the Pilot Study Framework to lay out, side by side, what each model can reasonably be expected to deliver — and argues that the five-year pilot should test this concept concurrently, not consider it only afterward.

1. Two Ways to Pair Ecological Incentives with Development

Regenerative building + conventional financing (the current pilot's approach): ecological incentives layered onto standard market-rate development, streamlined only for the CBD and one narrow size/density band. Because the underlying ownership and financing model doesn't change, this pairing forces a *trade-off* between ecological gains and affordability, as our Nexus Summary and Affordability Undermining Analysis companion documents show in detail.

Regenerative building + regenerative financing (this concept): the same ecological incentives applied to a different ownership model — a Community Land Trust plus Multi-Stakeholder Cooperative — distributed across many small neighborhood sites rather than concentrated downtown. Because affordability and local ownership are built into the financing model itself, not layered on after the fact, this pairing captures **more of both** ecological and affordability gains, without trading one for the other.

	Ecological Incentives + Conventional Financing & Development (proposed pilot)	**Ecological + Regenerative Financing (this concept)**
Siting	CBD only; narrow size/density band	Distributed across many small neighborhood parcels
Ownership at completion	Market-rate developer/investor holds it; tenant rent, public tax-credit equity, and unfunded costs together pay for the unit but hold 0% ownership	Neighborhood investors, residents & worker-owners hold real ownership and joint-decision making control from day one
Affordability mechanism	In-lieu fee / on-site set-aside layered onto standard financing, at whatever level a project chooses beyond the existing inclusionary minimum	66–100% of units affordable by design, capped equity, patient below-market capital, land held permanently by a CLT
Income tiers reached	Concentrated at Moderate/Middle tiers, above where the nexus study finds the greatest need	Targeted at Extremely Low and Low AMI tiers — the tiers the nexus study identifies as most underserved

Reach	Benefits concentrated at one center; doesn't reach dispersed, car-dependent households	Many walkable nodes reach households across the whole community

2. What the City's Own Nexus Study Shows, in Brief

Our companion document, Does New Housing "Break Even" on Affordability?, reviews the City's 2026 Residential Nexus Analysis (BAE Urban Economics) in full. The headline finding: new market-rate housing must fund affordable units equal to roughly 22% (rental) to 24% (ownership) of its own unit count, concentrated in the Extremely Low through Low tiers — households earning roughly $17–$33 an hour per worker — just to break even on the affordable-housing demand it creates. Current City policy requires far less (10% Moderate-only for rental; 15% Middle/Upper-Middle for ownership), targeted almost entirely outside the tiers of greatest identified need.

The gap matters here because it is the benchmark this document's Section 8 measures both models against. A model that reaches only the Moderate and Middle tiers, as current policy and the BBO's optional affordability category both do, does not close this gap no matter how large its production volume. A model that targets the Extremely Low and Low tiers directly, as this concept does, aims to close it by design.

3. The Neighborhood Concept

Two Pathways to a Project

Pathway A — Land Trust acquisition of a property coming onto the market. Rather than depending only on a current owner to propose development, this model also expects the Community Land Trust to watch for unoccupied parcels — a currently vacant lot, or a property about to be listed for sale with no tenant in place — and to acquire it directly, using Local Housing Trust Fund capital, before it is sold to another buyer on the open market. Because the parcel is unoccupied at the point of acquisition, this pathway does not displace anyone: it captures a property that would otherwise simply change hands within the conventional market, and redirects it into this model instead. Once acquired, the CLT works with interested neighbors to organize a project on the site, following the same process described below.

Pathway B — current owner-occupant redevelopment. A current owner-occupant may also choose to develop their own property under this model directly, in addition to Pathway A above, rather than selling it outright on the open market. This is the pathway described in our earlier drafts of this concept.

In both pathways, this model starts with residents, not outside developers. A group of neighbors — whether the owner-occupant initiating Pathway B, or neighbors who organize around a site the CLT has acquired under Pathway A — identifies an amenity their neighborhood lacks — a childcare center, elder day activities, a recreation or fitness space, a coffee shop, walkable access to everyday goods through a local e-commerce pickup point — and organizes to develop the amenity, contributing their own capital as limited-equity investment under the ownership structure below. Nothing here is imposed on a neighborhood that doesn't want it: the policy changes create the opportunity; a project only happens where residents choose to organize around one.

Displacement safeguard. Neither pathway involves redeveloping a property with an existing non-owner tenant in place — Pathway A specifically targets unoccupied parcels, and Pathway B is limited to an owner-occupant developing their own property — so this model is designed to avoid displacement risk. As a backstop for the rare edge case where a property acquired under either pathway does turn out to have an existing tenant at the time of acquisition, this concept requires relocation assistance and a right of first refusal or right to return to a

comparable unit or space in the completed project — a safeguard the BBO does not include for any of its projects.

What Gets Built

Where feasible, the project redevelops the site — through adaptive reuse rather than ground-up construction wherever possible — into a small, street-facing commercial space paired with several units of affordable housing on the same parcel. The residents spearheading the project choose and design the commercial use themselves, matched to what their own neighborhood wants and lacks, then develop the site accordingly. Each node also functions as a local e-commerce pickup point, consolidating deliveries that would otherwise be many separate car trips into a single walkable stop; a forthcoming companion document describes that local e-commerce network and its supporting infrastructure in full, so this discussion stays brief here.

Ownership and Equity

Ownership and development run through a Multi-Stakeholder Cooperative with distinct stakeholder classes: Resident Members (the housing occupants), Worker-Owner Members (whoever operates the commercial enterprise), and Community/Investor Members (neighbors who buy a direct, capped stake in this specific project), plus outside debt from a broader Community Investment Fund where a project needs more capital than immediate neighbors can supply.

In a conceptual sense, each housing unit works like a mortgage rather than a lease: a resident's monthly payment initially covers mostly financing costs, but a defined share is credited over time to that resident's own capped equity account, transferable if they leave, subject to the limited-equity terms every participant opts into up front. This gives residents a real ownership stake without the units becoming market-rate assets that price out the next occupant.

Affordability share and income targeting. The goal for a given project is 66–100% affordable housing across all units, targeted at the Extremely Low and Low AMI tiers — the tiers the nexus study identifies as most underserved. The 66% floor, rather than a higher fixed minimum, accounts for the reality of a very small project: on a 3-unit building, for example, 1 unit could be reserved as market-rate while the other 2 (66.7%) remain affordable, giving the project financing flexibility — market-rate unit value can support debt service or serve as additional collateral — without diluting the affordability commitment on the rest of the building. Even at that minimum, the 66% affordable share more than doubles the Nexus Study's own 22–24% break-even benchmark, and its ELI/Low income targeting places it precisely in the tiers current City policy and the BBO's optional affordability category both miss.

Why Neighbors Do This

The motivation is direct, not speculative. Residents who organize a project get a service they actually want within walking distance, and their investment does double duty: it helps control the cost of building the amenity's infrastructure in the first place — by taking the property off the speculative market and financing it with patient, below-market capital instead of a conventional loan — and it gives them real leverage, through how commercial rent is set and which housing-unit preferences are offered to worker-owners, to help control the cost of using the amenity over time. In exchange, participating neighbors earn a modest return on their investment, not a maximized one — what they're actually organizing for is the amenity itself, and some lasting say over what it costs to use.

4. Capital Stack

- **Land — funded by the Local Housing Trust Fund, structured to revolve:** the City's Local Housing Trust Fund (LHTF) funds the initial acquisition — and, as the model scales, most subsequent acquisitions — of property by a nonprofit Community Land Trust (CLT), which buys and permanently holds the land, ground-leasing it

to the project. This removes land cost from the deal entirely, the single biggest affordability lever available. Once the Multi-Stakeholder Cooperative takes on the improvements — financing and owning the buildings on the land — a substantial share of the CLT's initial purchase cost is returned to it, typically through the co-op's upfront ground-lease payment or improvement-financing structure. The CLT reinvests that returned capital into acquiring its next property. This makes the LHTF contribution function as a revolving fund rather than a one-time grant: each completed project restores most of the public capital that started it, so the same LHTF dollars can fund additional acquisitions as the model scales, rather than requiring a fresh appropriation for every new site.

- **Ownership:** a Multi-Stakeholder Cooperative owns the housing and commercial space together. Each class governs its own domain — housing, enterprise, or commercial space — with equal joint say over shared decisions.
- **Gap capital:** where a project needs more than neighbors can supply, a Community Investment Fund pools broader community capital as patient, below-market debt — the exact instrument (membership shares, subordinated notes, direct loans) left open by design — from people motivated by visible local impact, not maximum yield.
- **Outside capital:** several additional public, mission-driven and philanthropic sources can supplement the LHTF-funded acquisition structure above, or provide gap financing for a project's improvements once land is under CLT ownership, without requiring the project to cede resident control: CDFI debt (mission-driven community lenders already active in this region, offering patient, below-market financing), California's Affordable Housing and Sustainable Communities (AHSC) program (funded through the state's cap-and-trade proceeds, rewarding infill, walkable, trip-reducing affordable housing), and local philanthropy, including community and family foundations and program-related investments, particularly for early-stage or gap capital.

Rather than tenants and the public funding real cost while holding zero ownership, this structure gives ownership and control to the people who live there and run the space, from the start — and because the LHTF's own capital revolves back to the CLT with each completed project rather than being spent once, the public's contribution keeps working for the next project too.

5. Policy Changes Needed to Encourage This Model

Zoning and Regulatory

This concept proposes that the pilot's own point-based incentive system (Tables 30.152.030 and 30.152.040) be made available to projects using this typology, not just to CBD projects meeting the pilot's current size and density thresholds. Several of the policy changes below would follow automatically from that extension, since the pilot's existing incentive tables already grant them in exchange for points; those are noted first. The remaining items are additional, typology-specific asks the pilot's current design does not address at any scale.

Enabled by extending the pilot's own incentive tables to this typology

- Added density, on the same points-for-community-benefit basis the pilot already offers CBD projects (Table 30.152.030), calibrated to a residential-lot-scale increment (a handful of units) rather than the CBD's larger bonus range.
- Reduced or eliminated parking minimums and reduced open yard requirements, on the same points basis, extended to this typology — consistent with its walkable, trip-reducing design intent.
- Streamlined, ministerial review, on the same points basis the pilot already uses for its own process exemptions — provided it is paired with the design and process safeguards described below. This concept asks that the City apply an analogous safeguard package to the pilot's currently proposed CBD-scale projects as well, not only to this typology; see the discussion note at the end of this section.

- A small-project tier within the pilot's existing Climate and Energy benefit categories (Table 30.152.040), scaled to this typology rather than assuming a larger commercial retrofit — an extension of the pilot's existing categories, not a new one.

Additional, typology-specific changes the pilot's current design does not address

- An opt-in overlay establishing where this typology may be sited on an ordinary residential lot, by-right or ministerial, without rezoning the surrounding block — following precedent already set elsewhere (e.g., Seattle's citywide corner-store/café legalization, Sacramento's neighborhood-commercial-in-residential-zones proposal). The pilot's point system assumes CBD siting and doesn't itself define zoning-district eligibility, so this remains a new ask regardless of point-system extension.
- Fee waivers or deferral — permit and impact fees, not just the inclusionary/nexus fee exemption this structure already qualifies for — sized for limited-equity cooperative and CLT-owned projects specifically.
- A standard legal template — model bylaws and a pre-cleared securities-compliance path for this CLT + Multi-Stakeholder Cooperative + Community Investment Fund structure — so each new resident group isn't paying to reinvent bespoke legal documents from scratch.

Design and Process Safeguards

The BBO's two review exemptions remove substantive cross-departmental and design-review input at a trivial cost, with no confirmed substitute for public notice. This concept proposes streamlined, ministerial review for the same reason the BBO does — holding costs disproportionately burden small projects — but pairs that streamlining with explicit guardrails so “streamlined” does not become “unreviewed”:

- Objective, published design standards specific to this typology (massing, setbacks, materials compatible with the surrounding residential block), checked ministerially against a checklist rather than through a discretionary hearing.
- A defined neighborhood notice period before ministerial approval, giving immediately adjacent property owners a documented opportunity to flag site-specific issues (access, drainage, shared walls) before permitting, even though no hearing is required.
- Retained staff design review — the cross-departmental input Pre-Application Review currently provides — even where the formal Planning Commission or Design Review Body hearing is waived, so infrastructure conflicts are still caught before a project is built, not only after.

Local E-Commerce Network

This concept also envisions a shared local e-commerce and delivery-consolidation network connecting these nodes — supported by parcel storage and lockers, shared production facilities near citywide logistics consolidation points, a common scheduling platform, and charging or staging infrastructure for e-bike and small-EV delivery fleets. A companion document describes that system, the infrastructure it depends on, and the case for it in full.

7. Where the Revenue Comes From

Once redevelopment is complete, ongoing operations are funded by:

- Housing unit carrying charges — financing cost plus each Resident Member’s capped equity accrual.
- Commercial space rent from the worker-owner enterprise, with its own equity-building component mirroring the housing structure.
- The worker-owner business’s own operating revenue — tuition, program fees, retail or coffee sales — which funds that commercial rent.

- E-commerce pickup-point service revenue for hosting the node's pickup/drop-off function within the local logistics network.
- A share of reverse-logistics and local-production distribution revenue, where the node also aggregates outbound goods from neighborhood producers.

These revenues cover operating costs, debt service on any Community Investment Fund financing, and the modest return to Community/Investor Members — in that order of priority. The last two revenue streams above, and the infrastructure investment they depend on, are described more fully in the companion document on the local e-commerce network.

7. How This Concept Answers the Open Questions Raised in Our Other Comment Documents

This section works through the themes raised across our other comment documents — Questions We Should Be Asking, the Point System Attachment, and the Affordability Undermining Analysis — and shows, theme by theme, how this concept's design responds, and what still needs deciding.

From Questions We Should Be Asking

Displacement and gentrification (Theme 1).

- **Addressed by this concept:** Neither of this concept's two pathways displaces anyone by design: Pathway A has the Community Land Trust acquire a parcel while it is unoccupied — before or as it comes onto the market — capturing a property that would otherwise simply change hands on the open market; Pathway B is limited to an owner-occupant developing their own property. A relocation-assistance and right-to-return safeguard backstops the rare edge case where either pathway encounters an existing tenant. Distributing activity across many neighborhoods, rather than concentrating it in the CBD the City's own 2020 Fair Housing analysis identifies as highest-risk, may also reduce concentrated displacement pressure.
- **Still open:** Whether wealthier neighborhoods, with more investable household capital, organize projects faster than lower-income neighborhoods — see Theme 6 below for how this concept treats that question.

CBD-only geographic scope (Theme 2).

- **Addressed by this concept:** This concept is explicitly citywide and distributed by design — an opt-in overlay available wherever residents choose to organize, not limited to one district.
- **Still open:** Which neighborhoods gain overlay eligibility first, and by what process — a sequencing decision the City and community should make deliberately rather than by default.

Large-project-only incentive focus (Theme 3).

- **Addressed by this concept:** Calibrated to a handful of units on an ordinary residential lot, not a 20-du/acre, 5-net-new-unit minimum — reaching exactly the smaller, lower-risk project scale the City's own 2020 Novak Group report recommended starting with.

Wealth-building — who captures value (Theme 4).

- **Addressed by this concept:** Capped equity accrues directly to Resident, Worker-Owner, and Community/Investor Members from day one, in contrast to the nexus-study-documented pattern where tenants and the public fund up to 92% of an off-site affordable unit's cost yet hold 0% ownership (see our Nexus Summary).
- **Still open:** The standard legal template and securities-compliance path still need to be built before this structure is usable by a resident group without bespoke legal cost.

Fair accounting of costs and benefits, including stormwater and parking (Theme 5).

- **Addressed by this concept:** Adaptive reuse on small existing lots adds far less new impervious surface than downtown ground-up construction, and this concept does not request relief from on-site stormwater standards at all.
- **Still open:** The fiscal impact of the fee waivers/deferrals has not been quantified and should be, alongside the BBO's own unresolved fiscal questions.

Access and exclusion by parcel size and ownership pattern (Theme 6).

- **Addressed by this concept:** Opens participation to any ordinary residential lot with an interested owner-occupant, and to CLT-acquired vacant parcels, rather than structurally favoring owners of large or already-consolidated parcels the way the BBO's eligibility thresholds do. On the specific concern that this model's reliance on neighbor capital (Community/Investor Members) could favor neighborhoods with more investable household wealth: several factors bear on this, and not all point the same direction. Having the earliest projects take place in neighborhoods with some disposable income may actually support the success of those first projects, which matters for a pilot; the 66–100% affordability standard and ELI/Low income targeting apply regardless of which neighborhood organizes a project, so the model's core equity commitment does not depend on neighborhood wealth. Beyond the earliest projects, participation could be actively balanced over time: LHTF acquisition priority and Community Investment Fund terms could both be structured to offer more favorable terms in neighborhoods with less disposable income.
- **Still open:** Whether and how to formalize that later-stage prioritization is not yet decided. This concept proposes treating it as an explicit learning objective of the pilot itself — tracking participation by neighborhood income level from the start so the City and community have real evidence to decide the prioritization question with, rather than deciding it in the abstract now.

Planning and evaluation design (Theme 7).

- **Addressed by this concept:** Section 8 below supplies the concrete, distributed-approach comparison that the Pilot Study Framework calls for but currently describes only in general terms.
- **Still open:** Whether the City tests this concept as a funded, tracked arm of the pilot, or treats it only as a discussion point to revisit.

Durable affordable housing and wealth-building for essential workers (Theme 8).

- **Addressed by this concept:** 66–100% of units affordable, targeted at Extremely Low and Low AMI tiers, with ownership-style capped equity accrual rather than a rental-only structure — directly addressing the essential-worker wealth-building gap this theme raises.

Quality, transparency, and accountability for streamlined review (Theme 9).

- **Addressed by this concept:** Pairing ministerial review with objective design standards, a neighborhood notice period, and retained staff design review, distinguishing streamlined from unreviewed.
- **Still open:** The specific design standards themselves still need to be drafted and published before this pathway could be adopted.

Timing of public input on program mechanics (Theme 10).

- **Addressed by this concept:** Left open deliberately.
- **Still open:** When and how the community would weigh in on the overlay's specific density allowance, design standards, and notice period before they are finalized is a real question, but not one this document should resolve unilaterally. It would benefit from input from people with more direct experience designing comparable public-input timelines than we have, and we are leaving it open for that reason rather than proposing a specific process now.

From the BBO Point System Framework

Missing Local Economic Development category.

- **Addressed by this concept:** This concept is structurally built around Worker-Owner Members and local ownership of the commercial enterprise — local/worker ownership of ground-floor commercial space could reach up to 100% by design, against the BBO's structural zero.
- **Still open:** Whether the City separately adds a Local Economic Development point category to the BBO itself, using this concept's worker-ownership structure as one model for what such a category could reward — a change to the BBO, not a substitute for adopting this concept.

Missing Displacement Mitigation category.

- **Addressed by this concept:** This concept's owner-occupant restriction and relocation/right-to-return safeguard is a working example of the kind of displacement-mitigation credit the Point System Attachment asks the BBO to consider rewarding.
- **Still open:** Same as above — whether the City adds an equivalent category to the BBO itself.

From the BBO Affordability Impact Analysis

Mechanism 1 — creates housing need it doesn't supply for.

- **Addressed by this concept:** 66–100% affordable at ELI/Low tiers is more than double the nexus study's 22–24% break-even benchmark, targeted at the tiers of greatest need rather than the tiers cheapest to provide.

Mechanism 2 — may crowd out SDBL-driven affordability.

- **Addressed by this concept:** This concept is calibrated to small parcels and adaptive reuse rather than the large new-construction projects SDBL's density bonus typically serves, so it does not compete with the SDBL pathway for the same projects the way the BBO's larger, non-SDBL density route does.
- **Still open:** Whether any overlap exists at the margin (e.g., a larger multi-lot neighborhood project) should be checked once the overlay's density allowance is specified.

Mechanism 3 — little path to affordable ownership.

- **Addressed by this concept:** The entire model is built around ownership-style capped equity for residents, not rental — directly closing the gap the Undermining Analysis documents in both current policy and the BBO's design.

Mechanism 4 — permanent grants paid for with one-time inputs.

- **Addressed by this concept:** The CLT holds land permanently and the affordability commitment is structural to the ownership model itself, not a swappable point-table line item — so, unlike the BBO, there is no mechanism by which a cheaper substitute could be used to avoid it.

8. Anticipated Pilot Outcomes: BBO vs. Neighborhood Concept, Side by Side

Neither model has a built performance record yet — that is precisely what a pilot is for. The comparison below is therefore **structural and anticipated**, not measured: each row reasons from how each model is designed, using the nine categories our *Pilot Study Framework* attachment proposes tracking, plus the two additional categories (Local Economic Development, Displacement) it recommends adding. Where the two documents already establish concrete figures, this table states them; elsewhere it states the structural expectation plainly, without presenting it as measured data.

Pilot Study Framework Category	BBO, as Proposed (Anticipated)	Neighborhood Concept (Anticipated)

1. Housing Production	Concentrated in the CBD; 20 du/acre and 5-net-new-unit thresholds route activity toward large, already-consolidated parcels. Fewer, larger projects; production paced by how many owners of qualifying sites choose to build.	Distributed across many ordinary residential lots citywide, with no consolidation or large-unit-count threshold. More, smaller projects (a handful of units each), reaching parcels the BBO's thresholds structurally exclude.
2. Affordability, by Income Tier and Tenure	No affordability required beyond the existing 10% Moderate-only (rental) / 15% Middle-Upper (ownership) baseline to reach even the largest incentives — reachable at 0% additional affordability.	66–100% of units affordable by design, targeted at Extremely Low and Low AMI tiers. Illustrative: on a 3-unit project, 2 of 3 units (66.7%) affordable at ELI/Low — versus the BBO's structural 0% minimum beyond its existing baseline.
3. Ecological and Climate Performance	Point-earning ecological features on large new-construction projects; no confirmed post-occupancy performance verification.	Favors adaptive reuse over ground-up construction, avoiding demolition/new-construction embodied carbon; e-commerce pickup-point consolidation targets trip reduction directly — a mechanism with no BBO point-table equivalent. Requires the proposed small-project incentive tier.
4. Stormwater Performance and Cost-Shifting	Two stormwater incentives remain unpriced; State Street Master Plan precedent shows multi-million-dollar shared-infrastructure funding gaps largely uncosted.	Small-lot adaptive reuse adds far less new impervious surface; this concept does not request stormwater relief, so it does not create an equivalent cost-shift risk to begin with.
5. Permit Timelines and Process-Exemption Impact	Two review exemptions priced at 2 points each, reachable through minor benefit categories; removes advisory-but-substantive cross-departmental and design-review input.	Also proposes ministerial, streamlined review, but paired with objective design standards, a neighborhood notice period, and retained staff design review — aiming for comparable efficiency without the same oversight trade-off.
6. Commercial Activity	General expectation that more development supports commercial activity; tracked via taxable sales, vacancy, and pedestrian counts.	Commercial use is chosen directly by organizing residents to match an identified neighborhood need, rather than whatever a developer finds most profitable to lease — anchoring activity in service to the immediate neighborhood.
7. Local Economic Development	No point category exists for local hiring, wages, or ownership — 0% structurally possible, despite “downtown economic activity” being a named pilot metric.	Built around Worker-Owner Members and local ownership of the commercial enterprise; local/worker ownership of ground-floor commercial space could reach up to 100% by design.
8. Displacement	CBD sits inside the area the City's own 2020 Fair Housing analysis identifies as highest-risk for lower-income and Hispanic-resident displacement; no displacement-mitigation category exists.	Neither pathway displaces anyone by design: vacant-parcel acquisition before market sale (Pathway A) and owner-occupant self-development (Pathway B), backstopped by relocation/right-to-return for the rare edge case involving an existing tenant. Distributing activity may

		reduce concentrated pressure in the highest-risk area — a hypothesis to test, not an assumed result.
9. Participation and Distributional Access	Eligibility thresholds structurally favor owners of large or consolidated parcels; small individual owners are likely excluded regardless of financial capacity.	Designed for an ordinary residential lot, reachable by an existing owner-occupant or by CLT acquisition of a vacant parcel. Whether neighborhoods with more investable capital organize projects faster is a real open question, proposed here as a tracked pilot learning objective — with LHTF acquisition priority and Community Investment Fund terms as potential later-stage levers to balance participation, once evidence is in.

Why This Argues for Testing the Concept Inside the Pilot, Not After It

The categories above are not evenly split. In the two categories the City's own commissioned nexus study identifies as the BBO's clearest structural shortfall (affordability at the tiers of greatest need, and durable ownership rather than rental-only supply), this strategy aims to produce the opposite result by design. In the two categories the BBO Point System Framework identifies as candidates for the BBO's incentive structure (local economic development and displacement mitigation), this concept offers a working example of what a category built around each could look like. And in the category most exposed to the BBO's own internal critique (cheap process exemptions that trade oversight for speed), this concept proposes the same efficiency paired with guardrails.

The Pilot Study Framework already recommends tracking eligible non-participating projects as a concurrent comparison group and normalizing metrics on a per-unit or per-acre basis so different approaches can be placed side by side. This concept is offered as a candidate for that same concurrent, normalized comparison — ideally as an actively piloted alternative within the same five-year window, not a hypothesis reserved for after the BBO's results are already in.

A Local E-Commerce Network for Santa Barbara: A Community-Owned Local Online Marketplace and Distributed Pickup Network

Companion document to written comment on the August 17, 2026 Joint City Council / Planning Commission Meeting

Prepared by Stacy Rebich Hespanha | Last Updated August 17, 2026

Local Online Shopping Could Support Local Businesses, Cut Vehicle Trips, and Build Community Ties

Picture a kind of "local Amazon": a single online storefront where a resident checks out once for products from many different local businesses and farms, a hardware store, a bakery, a bookstore, a bike repair shop, with orders bundled and moved through a streamlined, shared logistics network rather than each seller arranging its own separate delivery. Instead of a delivery van making many separate stops down a street, or a resident making many separate car trips across town, orders from many vendors consolidate and wait together at a small commercial space within walking distance of home: a coffee shop, a childcare center, a recreation space, that also serves as the neighborhood's drop-off and pickup node. Goods could arrive in reusable containers and crates, handed back on the next visit instead of becoming disposable packaging waste. Because goods travel from a local farm or workshop to a nearby pickup point rather than from a distant regional warehouse, each order also travels far fewer miles. The person managing the pickup point and the local delivery route would hold a real ownership stake in the enterprise, earning a living wage rather than piecing together gig work.

The same network could also serve as a distribution point for nonprofit-provided goods for community members in need, letting people collect food, clothing, or other assistance on their own schedule at a familiar, walkable location, rather than needing to be at a specific place at a specific time for a single distribution event.

At maturity, this network could mean:

- Real, ongoing support for local independent businesses and farms, because it becomes just as easy to buy from them as from a national retailer.
- Fewer car trips, less delivery-vehicle traffic, and fewer miles traveled per order, because deliveries and errands consolidate into one nearby stop.
- A workable path to reusable container, crate, and packaging systems, which scattered doorstep delivery does not support.
- New living-wage, locally owned jobs, both technical and operational, in place of precarious gig work.
- A walkable commercial presence in neighborhoods that currently have none, without giving up online convenience.
- A more flexible channel for nonprofit assistance distribution, reaching people where they already are.

Online Shopping Is Displacing Local Shopping, Often by Offering More Convenience

National and global trends show a growing share of everyday shopping moving from local, in-person purchases to online retail, and much of that shift comes at the expense of local businesses. Convenience, browsing many options in one place, ordering in a few minutes from a phone, and having the order show up predictably without a special trip, is often a major part of what gives large online retailers their edge, though not the only factor in every case; many local businesses already compete well on price, quality, or service. This strategy is aimed specifically at reclaiming some of that shifted activity for the local economy: local businesses can often

outcompete larger, more distant retailers when they can offer community members both convenient online ordering and an in-person relationship, something a national retailer cannot replicate.

The tools most often offered to independent businesses, marketing grants, façade improvement funds, shop-local campaigns, help businesses tell their story better, but they do little to help a business meet shoppers where a growing share of them now start looking: online, with the expectation of fast, easy fulfillment. A support strategy that stops at marketing and streetscape leaves this piece of the shift unaddressed.

A Broader Strategy Could Spread Economic Benefits Across the Whole Community, Not Just Downtown

Redevelopment concentrated in a single downtown district, as currently proposed under the Better Buildings Pilot Program, is one way to strengthen the local economy, but it reaches mainly the businesses and residents located there. A broader approach, one that also invests in the kind of online and logistics infrastructure described here, could extend economic benefit to businesses and residents citywide, not only those within a single commercial district's boundary.

This is not proposed as a substitute for street-level physical improvements already planned, such as streetscape upgrades, façade grants, wayfinding, and lighting; those remain valuable. It is a complementary strategy addressing a different piece of what makes a local economy thrive.

Investing in this kind of online economic vitality alongside built, physical infrastructure, such as the neighborhood-node network described in a companion Neighborhood Mixed-Use Concept document, lets the two kinds of investment reinforce each other: physical neighborhood nodes need a marketplace network to reach their full potential as pickup points, and a marketplace network needs physical nodes to give it a distributed, walkable footprint. Pursuing both together increases the likelihood that either succeeds, compared with treating them as separate, sequential efforts.

A Distributed Marketplace Can Help Prevent Displacement and Create New Local Business Opportunities

Local independent businesses and their workers are exposed to displacement pressure as neighborhoods redevelop and commercial rents rise, a concern also raised in related comment documents on this proposal. A distributed local marketplace gives independent businesses and their workers new ways to compete and grow in place: additional revenue channels, shared infrastructure that lowers overhead, and local ownership stakes that build wealth over time. Rather than a business's survival depending on keeping up with increasing rents, this network creates value that can help offset displacement pressures.

The same model can also make certain kinds of businesses viable in the local community that could not sustain themselves on foot traffic alone (e.g., a small-batch producer, a specialty craftsperson, a niche service provider) by giving them access to a citywide customer base through the shared marketplace, without requiring the overhead of a stand-alone storefront in a high-rent commercial corridor.

A network of walkable neighborhood pickup points is also a piece of everyday community infrastructure. Because pickup happens at a shared, staffed, walkable location rather than at each resident's own doorstep, it creates small, repeated points of contact among neighbors that a purely doorstep-delivery system does not. Over time, that can strengthen both the informal relationships that make a neighborhood feel like a community and the more formal organizing capacity residents draw on for projects like the ones described in the Neighborhood Mixed-Use Concept.

A Community-Owned, Multivendor Marketplace Can Adapt Existing Technology to Serve Local Businesses

The concept is a single shared online marketplace, built by adapting existing, proven e-commerce and logistics software rather than building new technology from scratch, that lets many independent local businesses and farms, across categories, sell directly to local consumers while sharing infrastructure none of them could build alone: a unified storefront and checkout, inventory and order management, delivery and pickup scheduling, marketing and customer-relationship tools, reusable-container logistics, and payment processing that includes SNAP/EBT. A local farm, a prepared-food vendor, a hardware store, a bookstore, a clothing repair shop, and a bicycle mechanic could each maintain an independent storefront on the same platform, the way independent sellers do on a large commercial marketplace, but with the platform itself owned and governed by the community it serves.

Two features distinguish this from simply replicating what large multivendor marketplaces already do. First, ownership: the platform would be a community-owned, profit-seeking enterprise, in which participating businesses, worker-owners, and community investors hold a real stake in what it earns, rather than a platform that routes value to distant shareholders with no other connection to the community. Structurally, this would likely take the form of a multi-stakeholder cooperative, similar to the ownership model proposed for neighborhood commercial nodes in a companion Neighborhood Mixed-Use Concept document. Second, physical logistics: the platform is paired with a distributed network of neighborhood pickup points, so that consolidated local delivery becomes competitive with, rather than structurally slower than, a national marketplace's warehouse-to-doorstep model.

Several communities elsewhere are already adopting or operating individual elements of this concept, shared multivendor marketplace platforms, community-owned local-delivery networks, neighborhood pickup-point systems, with encouraging results. A separate document surveying those examples and the specific technology platform options available could be prepared, if useful; this document stays focused on the concept itself and its fit with related proposals.

Neighborhood Mixed-Use Nodes Can Double as the Marketplace's Pickup Points

A companion Neighborhood Mixed-Use Concept document describes a network of small, resident-organized commercial nodes distributed across the city, each pairing a street-facing commercial use with several units of affordable housing on an ordinary residential lot. Each node, whatever commercial use its organizing residents choose, a childcare center, a coffee shop, a recreation space, can also serve as a pickup point for this marketplace: a single walkable stop where a resident collects orders from many local vendors at once. Depending on the commercial use, pickup can be handled either as an integrated part of daily operations or through a dedicated, secure, self-service locker area where it fits less naturally, alongside a childcare center, for instance.

The dependency runs in both directions. The marketplace needs a distributed network of physical pickup points to compete on convenience; the neighborhood nodes, in turn, gain an additional, diversified revenue stream, pickup-point service revenue and a share of reverse-logistics and local-production distribution revenue, that helps a small commercial space, especially a below-market or community-serving one such as a childcare center or elder day program, cover its costs. Both concepts also share a distributed logic: rather than concentrating economic activity (and associated vehicle trips) in one downtown district, both spread activity and benefits across many walkable neighborhood nodes citywide.

Strategic, Catalytic Public Investment Can Help Build This Network

The public role best suited to this concept is catalytic, not primary: targeted seed funding, incentives, and strategic use of existing resources that draw private and cooperative investment in, rather than a program the City underwrites, staffs, or runs on an ongoing basis. Framed this way, three areas of investment stand out.

Seed Funding and Incentives, Not a City-Run Platform, Can Help Adapt Existing Systems

The platform this concept needs, multivendor storefronts, shared inventory and order management, delivery and pickup scheduling, reusable-container tracking, integrated payment including SNAP/EBT, does not need to be invented. Mature open-source and commercial e-commerce and logistics platforms already provide most of these capabilities individually. What is needed is adopting, adapting, and integrating existing systems for local, community-owned, multivendor use, not original software development, which keeps cost and risk far lower than a from-scratch build. Public seed grants, matching funds, or incentives could help a cooperative or business consortium do that integration work, with the platform expected to sustain itself afterward through transaction and service revenue, rather than the City building, owning, or operating it directly.

Node and Pickup-Point Facilities Should Stay Privately Supplied, With Narrow, Strategic Public Support

The physical backbone of the network is the set of pickup points themselves, plus any shared production, consolidation, or staging facilities the network needs at a citywide scale. Most of this can, and should, be privately supplied: the whole premise of the Neighborhood Mixed-Use Concept is that commercial nodes emerge from resident-organized, privately financed projects on ordinary residential lots, so adding a pickup-point function is a feature of a node's design, not a separate facility to build.

Where a public role is useful, it is best kept narrow and strategic: incentives or streamlined permitting that make private or cooperative acquisition and build-out easier, and, where the City already owns property under consideration for other purposes, such as downtown parking lots identified as candidate redevelopment sites, incorporating logistics-consolidation or staging capacity as one use among others, rather than a dedicated new public acquisition. Beyond this, the City's most useful role is support for private or cooperative acquisition of node sites, on the same terms described in the Neighborhood Mixed-Use Concept: Local Housing Trust Fund-backed acquisition by a Community Land Trust, structured to revolve so that public capital funds one node after another rather than a single site.

Technical Assistance and Workforce Development Partnerships Can Prepare Participants

A shared platform and a distributed physical network only work well when there are people with the expertise to operate them. Participating businesses need technical assistance to run a storefront on a multivendor platform, manage inventory and fulfillment through it, and use its marketing and customer-relationship tools, skills distinct from running a standalone retail operation. Node and pickup-point operators need workforce development covering day-to-day system operation: receiving, sorting, and securing consolidated deliveries; managing reusable-container return logistics; scheduling pickup and last-mile delivery; and handling the enterprise's own reporting and governance responsibilities. The City's most useful role here is likely catalytic as well: funding or brokering partnerships with existing business-support and workforce-development organizations, rather than operating a training program directly.

Ownership and Well-Paying Jobs, Both Technical and Operational, Would Stay Local

This network is designed to spread real ownership across many people, not concentrate it in a distant shareholder base or even a single local operator. Community members could hold a stake in the marketplace enterprise itself as investors; in individual neighborhood nodes as Community/Investor Members, under the ownership structure described in the Neighborhood Mixed-Use Concept; and, for those who work in it, as owner-operators of the pickup points, delivery routes, and technical operations that keep the network running. That combination of broad community ownership of the platform, and worker ownership of the jobs it creates, is what distinguishes this from simply routing the same convenience through a locally branded intermediary.

The jobs themselves fall into two categories, both structured under this same local, distributed ownership. Node and pickup-point operators, along with local delivery routes, are envisioned as owner-operators rather than gig or contract workers, holding a real, governing stake in the enterprise they operate. Alongside this operational work, configuring, adapting, and maintaining the shared platform itself creates ongoing technical and software-operations roles: work of a kind usually concentrated at a distant national retailer's headquarters, brought

instead under local, community ownership and control. Structured this way, the network is a source of durable, living-wage jobs across both technical and service work, distinct from the precarious delivery-gig work common in the conventional e-commerce economy.

More detailed thinking already exists on how the ownership and owner-operator model itself would be structured, compensation, equity accrual, governance rights, and how it would relate to the Worker-Owner Member class described in the Neighborhood Mixed-Use Concept. That level of detail belongs in its own document, and can be shared separately if useful.

From:	Stephen Musashi Leonard
To:	City Clerk; Randy Rowse; Wendy Santamaria; Mike Jordan; Oscar Gutierrez; Kristen Sneddon; Eric Friedman; Meagan Harmon
Cc:	Nicole Grisanti; Kelly R. McAdoo; John Doimas; Allison DeBusk; LBridley@santabarabaraca.gov; Holly Perea; shudson@coastal.ca.gov; barbara.carey@coastal.ca.gov; Lake McManus; Frank Angel; Cassandra Vo
Subject:	Public Comment Re: October 6, 2026 Regular City Council Meeting Agenda Item 13 (Short-Term Rental Program Ordinances [Ordinance Introduction; Resolution])
Date:	Tuesday, October 6, 2026 10:57:45 AM
Attachments:	Ceto 1-Integrated Market Analysis for city of Santa Barbara.pdf Ceto 2-Impacts of Proposed City of Santa Barbara STR regs on STR Capacity.pdf Ramboll Memo.pdf 2017 Letter from Coastal Commission to Santa Barbara.pdf 2026-10-06-Angel Law Comment Letter Final - Clean.pdf

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Hello,

Attached is a written public comment letter from Angel Law, and some associated letters that we reference in our letter. Please enter all five of these attachments in the record.

Thank you,

Steve Leonard

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October 6, 2026

City of Santa Barbara
City Council
735 Anacapa Street
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Via Email to *Clerk@SantaBarbaraCA.gov; RRowse@SantaBarbaraCA.gov*; *WSantamaria@SantaBarbaraCA.gov*; *MJordan@SantaBarbaraCA.gov*; *OGutierrez@SantaBarbaraCA.gov; KSneddon@SantaBarbaraCA.gov*; *EFriedman@SantaBarbaraCA.gov*; & *MHarmon@SantaBarbaraCA.gov*

Re: **October 6, 2026 Regular City Council Meeting Agenda Item 13 (Short-Term Rental Program Ordinances [Ordinance Introduction; Resolution])**

Dear Mayor Rowse and Members of the City Council:

On behalf of the Santa Barbara Short Term Rental Alliance (**SBSTRA**), a local coalition of homeowners, hosts, property managers, and community stakeholders who support flexible home rentals in Santa Barbara, we write to request that the City Council reject the revised draft short-term rental ordinances (hereafter sometimes **Draft Ordinances** or **Project**), as introduced.[1] The Draft Ordinances fail to cure the fundamental legal defects we raised previously before the Ordinance Committee, none of which the current staff report addresses.

The Draft Ordinances May Have Significant Impacts on the Environment; by the California Environmental Quality Act (CEQA), the City Must Disclose Those Impacts in a Publicly Circulated CEQA Document, Assessing Their Levels of Significance Against Existing STR Baseline Conditions

The City's Own Staff Report Proves that CEQA's Common Sense Exemption Is Inapplicable

Staff keeps recommending that the City Council skip CEQA review of the Draft Ordinances, relying on the common sense exemption of CEQA Guidelines section 15061, subdivision (b)(3). Our April 13 and June 9 letters to the Ordinance Committee explained at length why the common sense exemption of CEQA Guidelines section 15061, subdivision (b)(3) cannot

[1] SBSTRA works to educate policymakers and the public about the benefits of short-term rentals (**STRs**), advocate for fair and balanced regulations, and ensure that residents have the ability to responsibly rent their homes while supporting tourism, local businesses, and the regional economy.

possibly justify avoiding environmental review. The staff report prepared for the October 6 hearing ignores our CEQA comments.

To be able to rely on the common sense exemption, the City must establish with certainty that there is "no possibility" the Project may cause significant environmental effects. (*Davidon Homes v. City of San Jose* (1997) 54 Cal.App.4th 106, 117.) This is a high bar. Not only has the City failed to meet its public duty to establish certainty of no significant effects, staff's *own analysis* proves that the Project fails to clear that bar.

As we highlighted to the Ordinance Committee, the June 9 staff report prepared for the Ordinance Committee affirmatively conceded that "implementation of the ordinance in the Coastal Zone is anticipated to result in a significant drop in TOT [transient occupancy tax] when these unpermitted STRs cease to operate," projecting a revenue loss of $2 to $2.4 million annually. The staff report prepared for the 10/06 hearing (hereafter **Staff Report**) now says that "staff conservatively estimates the resulting loss in TOT revenues would range from approximately $2.3 to $3 million per year once the ordinance is certified in the Coastal Zone." (Staff Report at 10.) A projected $3 million drop in transit occupancy tax (**TOT**) revenue is, in plain terms, an admission that the Project will eliminate a substantial number of STRs. But the displaced visitors will not simply disappear; they will book elsewhere, and sometimes much further afield. Some will drive from neighboring jurisdictions to reach the same Santa Barbara destinations, increasing vehicle miles traveled (**VMT**) and attendant air pollutant as well as greenhouse gas (**GHG**) emissions.[2] Others, but not all, will be absorbed into the City's already-constrained hotel stock, concentrating demand at a handful of properties, thus creating pressure for new hotel construction to make up for the loss of overnight accommodations caused by the Project. These changes in existing physical baseline conditions are reasonably foreseeable significant effects that preclude the City from using the common sense exemption. (See CEQA Guidelines, §§ 15064, subd. (d), 15146, subd. (b) [indirect and secondary effects are cognizable under CEQA].) As discussed below, expert analysis provides substantial evidence of the significant environmental effects stemming from the Project.

The City cannot project a massive $2.3 to $3 million reduction in TOT revenue -- the direct, necessary consequence of the Project -- and, at the same time, claim with legal certainty that there is "no possibility" the Project may have any significant effect on the environment. In short, the City's own staff reports negate the common sense CEQA exemption.[3]

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[2] If some will simply forgo the visit, that presents its own serious issue -- it proves that the Project is reducing coastal access, including for a class of lower-income and middle-income visitors who depend on STRs that qualify as lower cost coastal accommodations. (See Pub. Resources Code, § 30213.)

[3] The City's decision not to raise the Class 5 exemption may also hint at the likely impacts of the Draft Ordinances. Section 15305 of the CEQA Guidelines contains the Class 5 exemption for minor alterations in land use limitations. It reads as follows:

> "Class 5 consists of minor alterations in land use limitations in areas with an average slope of less than 20%, which do not result in any changes in land use or density, including but not limited to:

Competent Expert Evidence Provides Substantial, Uncontradicted Evidence of the Draft Ordinances' Significant Effects on the Environment

An environmental analysis prepared by highly experienced experts at Ramboll Americas Engineering Solutions (**Ramboll**), a leading environmental consultancy, provides substantial evidence that the Draft Ordinances *will* cause significant environmental impacts. Their analysis found that:

> "Due to the proposed STR regulations, individuals will have reduced access to STRs in the City. As a result, some visitors may travel greater distances to other jurisdictions within the region to secure STRs or more affordable lodging options, thereby increasing vehicle miles traveled (VMT). In particular, increased travel to and from hotels and STRs outside the City due to limited in-City availability may increase emissions above Santa Barbara County Air Pollution Control District (SBCAPCD) thresholds for criteria air pollutants (CAPs), with the potential to cause short-term and long-term health impacts to sensitive receptors, exceedances of applicable air quality standards, and inconsistencies with applicable air quality and climate plans, all of which supports a fair argument of significant environmental impacts that need to be studied under CEQA."

(Ramboll at 2.)[4] Displacement of guests from STRs to hotel rooms may significantly increase VMT for a combination of reasons. STRs tend to be more equally spread throughout the City than hotels, which tend to be clustered in commercial zones. This means that STRs can provide guests with accommodations closer to their ultimate destinations than can hotels, reducing the travel distance between accommodation and destination. Additionally, STRs generate fewer trips *in general* compared to hotels, likely due to factors such as the ability of STR guests to cook onsite and STRs operating without daily hotel worker commute trips. (*Id.* at 5.)

Recognizing that VMT and tailpipe emissions rise in tandem, Ramboll modeled two plausible scenarios simulating the increase in VMT should the Draft Ordinances be adopted. In the first model, half of the displaced STR users choose STRs outside the City while half choose hotels; in the second model, 70% of displaced STR users choose STRs outside the City while 30% opt to stay in a hotel. Ramboll found that both scenarios cause VMT to balloon, resulting in a roughly 200% increase in criteria air pollutant emissions to serve the same guest population. (*Id.*

(a) Minor lot line adjustments, side yard, and set back variances not resulting in the creation of any new parcel;
(b) Issuance of minor encroachment permits;
(c) Reversion to acreage in accordance with the Subdivision Map Act."

The City's inability to rely on the Class 5 exemption highlights the fact that the Draft Ordinances will, in fact, result in changes to land use or density that are not minor.

[4] We submit the Ramboll report concurrently with this comment letter.

at 6, 7.)[5] This is not to account for the fact that STRs tend to consume significantly less energy per person compared to hotels. (*Id.* at 13.)

If the Draft Ordinances are approved, the guest population that stays at Santa Barbara's STRs will not simply vanish—nor would City officials want them to, given the importance of visitors to the City's culture and economy. Instead, that guest population will be forced to book STRs in neighboring jurisdictions or hotel rooms in the City. Ramboll has shown that these alternatives to STR accommodations within the City may carry significant impacts on the environment.

Note that the Draft Ordinances move forward against a backdrop of elevated pollution burden in the City relative to the state overall (*id.* at 9–10), as well as recent Congressional Review Act resolutions that have significantly rolled back California's GHG regulations. For example, they have nullified California's 2022 Advanced Clean Car II Regulations, and the Trump Administration's new mileage standards reduce fleet-average fuel economy from 50.4 mpg under Biden-era rules to 34.9 mpg by model year 2031. Those actions all exacerbate the adverse environmental and public health effects of local government action boosting mobile emissions.[6] Suffice it to say, now is the worst possible time for the City to pass zoning legislation that will keep internal combustion engines running longer for longer distances.

We request that the City carefully review and consider Ramboll's analyses and findings. It is wrong for the City Council to approve ordinances based on an inapplicable and unsupported CEQA exemption. The law is clear: For the CEQA Guidelines' common sense exemption to apply when "a reasonable argument is made to suggest a possibility that a project will cause a significant environmental impact, the agency must refute that claim *to a certainty* before finding that the exemption applies." (*Davidon Homes*, *supra*, 54 Cal.App.4th at p. 118, original italics.) Here, staff has completely failed to refute SBSTRA's claim and the evidence suggesting a possibility that a project will cause a significant environmental impact. Staff's recommended common sense exemption is therefore legally indefensible. The City Council should reject it and proceed in the manner required by CEQA.

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[5] These emissions are summarized in Table 1 (Ramboll Report at 6):

Table 1. Emissions Increase due to Additional VMT

Criteria Air Pollutant	Percent of daily mobile emissions to serve the same population	
	Scenario 1: 50% STRs / 50% Hotels	Scenario 2: 70% STRs / 30% Hotels
VOC	197%	195%
NOx	205%	206%
CO	206%	207%
SOx	207%	209%
PM10	207%	209%
PM2.5	207%	209%
GHG (CO2e)	207%	209%

[6] For a detailed description of what the effects on public health are, see Ramboll Report at 2–4.

Additional Restrictions, Including ADU/JADU Restrictions and Primary Residence Requirements, Will Likely Exacerbate the Project's Adverse Effects on the Environment

In addition to the drop in STRs due to the new geographical restrictions, other eligibility restrictions are likely to further reduce the total number of STRs and contribute to the effects discussed by Ramboll. The prohibition of STRs on most lots containing ADUs and JADUs[7] and the requirement that homeshare Designated Hosts occupy the property for more than half the year[8] are likely to compound the loss of STRs due to the geographical restrictions, contributing to the death by a thousand cuts of the City's STR stock and the resultant environmental effects.

The Housing Plan PEIR Does Not Satisfy CEQA Requirements for the Draft Ordinances

The Staff Report cites the recently certified Program Environmental Impact Report (**PEIR**) for the City's Housing Plan as fulfilling CEQA review of the Draft Ordinances. There is only one problem with this: the PEIR does not disclose or study the adverse environmental impacts of the Draft Ordinances.

Does the Staff Report present the Draft Ordinances as subject to the "subsequent review" provisions of Public Resources Code section 21166 and CEQA Guidelines section 15162 et seq.? While this is unclear, what is clear is that CEQA's subsequent review provisions only apply to projects that have already received environmental review, either in an EIR or an initial study and negative declaration. The Draft Ordinances have received neither, so the section 21166 framework is inapplicable.

The PEIR mentions that STR regulations of some type are pending within the City but does not describe the substance of such future regulations nor analyze their environmental effects. Its description of any future STR ordinance is vague and preliminary:

> "Improve short-term rental enforcement, develop a framework for short-term rental ordinance, and adopt a short-term rental ordinance."

(PEIR at 53.) This statement offers no inkling of the nature of the Draft Ordinances. Left to the imagination are–among other questions–what their geographical reach would be and whether they would categorically ban or regulate STRs (through caps, limits on the frequency a home can be rented short-term, or otherwise).

Because neither STRs nor the kinds of STR regulations now before the City Council were subject to environmental review in the PEIR, the PEIR lacks "informational value" for the current decision making process concerning the Draft Ordinances and review of *their* impacts on the environment. (See *Friends of College of San Mateo Gardens v. San Mateo County Community*

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[7] Draft Ordinances, § 28.91.070(C), § 30.185.395(G)(3).

[8] Draft Ordinances, § 28.91.080 (A)(2), § 30.185.395(H)(1)(b).

College Dist. (2016) 1 Cal.5th 937, 952; see *id*. at p. 958 ["When there is a proposal to modify a project originally approved through EIR, no 'major revision' to the initial EIR is required *if the initial EIR already adequately addresses any additional environmental effects that may be caused by the proposed modification*." [Italics added.].)

Simply put, a true CEQA analysis of the Draft Ordinances would not leave the public guessing about the environmental effects of mass STR closures; CEQA is meant to help the public understand a project's environmental impacts, not obscure them.

The fact that the Housing Plan and its PEIR mention the City's intention to adopt *some kind of* STR ordinance does not make the Draft Ordinances before the City Council today part of the Housing Plan; if that were true, then the City could simply slip vague references to an infinite number of future projects into its Housing Plan and avoid having to do CEQA work for any of them. CEQA does not operate this way—instead, the CEQA Guidelines define whether an older PEIR may cover a later activity based on its examination of the later activity's impacts:

> "Later activities in the program must be examined in the light of the program EIR to determine whether an additional environmental document must be prepared. [¶] If a later activity would have effects that were not examined in the program EIR, a new Initial Study would need to be prepared leading to either an EIR or a Negative Declaration."

(Guidelines § 15168, subd. (c)(1).) As demonstrated in the Ramboll Report, the Draft Ordinances will likely have significant environmental effects—effects ranging from increased tailpipe and GHG emissions to exposing lower-income residential neighborhoods along U.S. 101 to disproportionate pollution, to increased per capita energy usage, to name a few. Nowhere does the PEIR examine any effects of any type of future STR regulatory regime. On the contrary, the PEIR curtly claims that the future STR regulations have "no potential to create physical environmental impacts." (PEIR at 54.) In its impact analyses, for example, the transportation and air quality sections—the sections where one would logically look for evidence and information to back up this claim—there is no mention or review of STR regulations at all.[9] Nor could there be. It would be impossible for the PEIR to analyze the effects of STR regulations without describing them, and the PEIR contains no description of any—again, all it says is that the City will "[i]mprove short-term rental enforcement, develop a framework for short-term rental ordinance, and adopt a short-term rental ordinance."

By the plain text of CEQA Guidelines section 15168, the PEIR is insufficient to exempt the Draft Ordinances from an Initial Study under CEQA. The PEIR itself confirms this conclusion. It notes: "If a subsequent activity would have effects not contemplated or not within the scope of the Program EIR, the lead agency must prepare a new environmental review document such as an Initial Study leading to a Negative Declaration, Mitigated Negative Declaration, or a project-level EIR." (PEIR at 27.)

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[9] Significantly, the PEIR also does not discuss the presence of STRs in its Environmental Setting section.

For a later activity to be found to be within the scope of a program EIR project and exempt from further environmental review, that program EIR must include the later activity in the description of the program. (See *Save Our Access v. City of San Diego* (2023) 92 Cal.App.5th 819, 851-853, 859 [because the program EIR for community plan update did not describe, or evaluate the impacts of, a later ordinance adopted by San Diego as within the scope of a community plan program EIR, San Diego improperly relied on the program EIR in adopting the ordinance without analysis of its impacts on the environment; writ of mandate directing the City to set aside the approval of the ordinance and to proceed in compliance with CEQA, affirmed].) Conversely, " '*[i]f* a sufficiently comprehensive *and specific* program EIR is prepared, the agency may dispense with further environmental review of activities within the program that are *adequately covered* by the program EIR.' [Citation.]" (*Center for Biological Diversity v. Department of Fish & Wildlife* (2015) 234 Cal.App.4th 214, 233 (*CBD*)); see Guidelines, § 15168, subd. (c)(5); see also Pub. Resources Code, § 21094.)

In summary, the City's ongoing, stubborn avoidance of CEQA review of the Draft Ordinances is a prejudicial abuse of discretion (Pub. Resources Code, § 21168.5), unless the City Council rejects the Draft Ordinances. (*Id*. § 21080, subd. (b)(5) [CEQA does not apply to "Projects that a public agency rejects or disapproves."].)

The Scope of the Draft Ordinances' Nonconforming Use Provisions Is Too Narrow

The distinction drawn in the Draft Ordinances' nonconforming use provisions between STRs "legally permitted to operate as a hotel or similar use prior to the effective date of this section" and those that were not creates ambiguity around whether all currently legal STRs will enjoy nonconforming use protections.[10] One interpretation of this language is that all STRs that are currently legal will be protected—this would accord with state and federal constitutional principles and California caselaw. However, the use of the phrase "legally permitted to operate as a hotel or similar use prior to the effective date" seems to imply a narrower scope than, for example, a more standard phrase like "legally operating prior to the effective date." Our concern is that the current wording might be read as implying that only those STRs with permits, or those STRs in zones where they are allowed by right under the City's existing zone-based restrictions, will have their nonconforming use rights protected. This would leave out STRs that may not be located in zones where they are currently allowed by right by the City, or that may not have permits, but whose legality is nonetheless protected by other means and whose nonconforming use rights must be recognized.

The Draft Ordinances' nonconforming use provisions could also be read as excluding existing coastal zone STRs located in zoning districts where the Santa Barbara Municipal Code purports to ban them, although such ban is invalid under the Coastal Act as it lacks Coastal Commission

[10] "A legal nonconforming use is one that existed lawfully before a zoning restriction became effective and that is not in conformity with the ordinance when it continues thereafter." (*Hansen Brothers Enterprises, Inc. v. Board of Supervisors* (1996) 12 Cal.4th 533, 540, fn. 1.)

approval. (*Kracke v. City of Santa Barbara* (2021) 63 Cal.App.5th 1089, 1095-1097 (*Kracke*).) Although the staff report describes these coastal STRs as "unpermitted,"[11] because under the rule of *Kracke* the City lacks authority to unilaterally ban them, they will be legal nonconforming if the Draft Ordinance for the coastal zone passes, and if it is approved by the Coastal Commission. Therefore, they may continue to operate before and after Coastal Commission approval. Any contrary reading of the Draft Ordinances will violate fundamental protections for legal nonconforming uses under California law. "The rights of users of property as those rights existed at the time of the adoption of a zoning ordinance are well recognized and have always been protected. [Citation.]" (*Edmonds v. County of Los Angeles* (1953) 40 Cal.2d 642, 651; see, e.g., *301 Ocean Ave. Corp. v. Santa Monica Rent Control Bd.* (1991) 228 Cal.App.3d 1548, 1558 [rent control board's decision to restrict a property owner's preexisting right to lease parking spaces in an apartment building to persons other than the building tenants interfered with the owner's "fundamental vested right to control property"; see *id*. at p. 1556 ["We find that the affected right in this case is sufficiently personal, vested and important to preclude its extinction by a nonjudicial body."].)

The City must also protect the legal nonconforming use rights of the owners of properties with STRs that preceded the City's 2015 ordinance misclassifying STRs as hotels or similar uses, and which have from 2015 to the present operated as legal nonconforming uses under the current Santa Barbara Municipal Code (**SBMC**). SBMC chapter 30.165 protects the rights of land uses that were once legal but are now in violation of the SBMC. An STR that operated before the 2015 ordinance could therefore have been protected from 2015 onward by chapter 30.165, regardless of whether it sought permits under the post-2015 regulations. The Draft Ordinances' seeming limitation of nonconforming use rights only to those STRs with hotel or similar use permits makes unclear whether the nonconforming use rights of STRs that rely on chapter 30.165 will continue to be protected. In short, the scope of the Draft Ordinances' nonconforming use provision could be read as being narrower than that of chapter 30.165, and we urge the City to fix the language of the former to avoid tension with the latter.

We urge the City to clarify and change the Draft Ordinances' nonconforming use provisions to clearly and explicitly protect all currently legal STRs, including but not limited to those whose legality has been established by the *Kracke* opinion.

The Draft Ordinances Remain Inconsistent with the Coastal Act and the Santa Barbara Land Use Plan for the Coastal Zone Area that Lies Within City Limits

As our April and June letters to the Ordinance Committee documented, the Coastal Act mandates that "lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided" (Pub. Resources Code, § 30213), and that development maintain and enhance public access to the coast. (See *id*., §§ 30210, 30211, 30252.) The Santa Barbara Land Use Plan (**SBLUP**) references and implements these Coastal Act mandates at the local

[11] 10/06 Staff Report at 2.

level. (See, e.g., SBLUP at 101-103, 131-132; Policies 3.1-1, 3.2-6, 3.2-12.) The Draft Ordinances before the City Council today, specifically, the proposed amendments to title 28 of the Santa Barbara Municipal Code, do not cure–and in several respects deepen–the Coastal Act and SBLUP inconsistencies we identified in earlier versions.

The concurrently submitted expert report from Ceto Consulting shows that STRs serve an irreplaceable role in providing Californians with access to Santa Barbara's coast. STRs constitute 45% of the City's total guest capacity, and 34% of the guest capacity in the coastal zone specifically. ("Integrated Market Analysis of Overnight Accommodation in the City of Santa Barbara," hereafter **Ceto Market Analysis**, at 3.) And despite the hotel industry's steady drumbeat of rhetoric arguing that STRs are unaffordable, the Ceto expert report proves that in the City of Santa Barbara, the average nightly cost associated with an STR is *less* per person compared to that of a hotel. (Ceto Market Analysis at 2.) The Ceto report also finds that this difference is more pronounced in the coastal zone because the "coastal premium"—the price hike associated with coastal zone accommodations compared to the citywide average—is more pronounced for hotels than it is for STRs. (Ceto Market Analysis at 4.) Unquestionably, STRs fill an important niche in the Santa Barbara coastal zone by providing overnight accommodations comparatively more affordable than many hotels.

A second Ceto expert report shows that the Draft Ordinances would eviscerate STRs in the City. ("Impacts of Proposed Santa Barbara STR Regulation on STR Capacity," hereafter **Ceto Capacity Analysis**, at 1.) The City would lose 702 active STRs, including 622 non-hosted STRs, a loss representing approximately 67% of existing STR guest capacity, offering overnight accommodations for over 3,000 nightly guests. (Ceto Capacity Analysis at 2.) If STRs currently constitute nearly half of the City's total guest capacity, and that half is now hollowed out by the Draft Ordinances should they be approved, then the Draft Ordinances are not just bad news for STR hosts—they represent a large-scale threat to the City's ability to accommodate out-of-town visitors other than day trippers.

The two-night minimum stay requirement exacerbates the Draft Ordinances' significant effects on coastal access. By eliminating the right to a single-night accommodation, the Draft Ordinances make STRs in Santa Barbara unavailable to visitors who need only one night--those visiting the City for a weekend, a concert, a family visit, a work stopover–or lower-income visitors who can afford no more than one night. A guest who might have paid $300 to $400 for a single night now faces a mandatory minimum expenditure of $600 to $800. That is not protecting or encouraging lower-cost visitor access. Rather, it is the sort of "monetary barrier to the beach" (*Greenfield v. Mandalay Shores Community Assn.* (2018) 21 Cal.App.5th 896, 898) proscribed by the Coastal Act and the SBLUP. It prices out an entire segment of the visiting public. It is fundamentally at odds with foundational coastal policy embedded in the chapter 3

public access policies of the Coastal Act, especially Public Resources Code sections 30210[12] and 30213.[13]

Other provisions in the Draft Ordinances, some recently added to the earlier drafts, compound their adverse impacts on coastal access. The provisions limiting homeshare hosting to the primary residence of the host and rendering entire lots with ADUs or JADUs ineligible for STR licensing further chip away at the stock of STR accommodations available in the Santa Barbara coastal zone.

The aggregate effect of the geographic restrictions for homeshares and the license area restriction for non-hosted STRs represents a regulatory reduction in STR availability that, by the City's own conservative estimates, far exceeds the reduction that the *Kracke* court found "inconsistent with the Coastal Act's goal of 'improv[ing] the availability of lower cost accommodations along the coast.' " (63 Cal.App.5th at p. 1097.) *The current proposed reduction eclipses the reduction invalidated in Kracke by a wide margin. Where the court in Kracke found Coastal Act inconsistency in a past policy that reduced the STR stock from 114 to 6 (a reduction of 108), the City's own estimates for the present Draft Ordinances predict a decline from roughly 265 TOT-paying coastal zone STRs to possibly fewer than 65 (a reduction of more than 200)*.[14] Ceto finds a likelihood of an even greater absolute reduction in active coastal zone STRs. (Ceto Capacity Analysis at 2, 3.)

The Draft Ordinances rely on homeshares to mitigate the severe blow the regulations will inflict on coastal access, but homeshares are not equipped to fill the niche currently filled by non-hosted STRs. While homeshares are valuable in themselves, people who would have stayed at local non-hosted STRs were it not for the Draft Ordinances cannot or will not necessarily stay at a homeshare instead. Current market conditions prove this. In the City, un-hosted STRs (952) vastly outnumber Homeshares (165). (Ceto Capacity Analysis at 2.) People who, for example, are traveling with family or need or desire the privacy that un-hosted STRs afford (e.g., due to a medical condition or a treatment affecting immune system response, or for professional reasons) will not switch to a Homeshare. A home by itself and a bedroom in a home are not interchangeable forms of overnight accommodations.

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[12] § 30210 reads: "In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse."

[13] § 30213 reads, in relevant part: "Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred."

[14] Staff Report at 10. However, see the staff report for 06/09/2026 Ordinance Committee meeting at page 6, which estimates an even larger drop, saying: "[S]taff estimates that the number of STRs paying TOT will decline from about 330 to perhaps fewer than the 65 sites currently paying TOT and located in the proposed Coastal Zone license area." That corresponds to a loss of 265 TOT-paying STRs in the City's coastal zone.

Earlier this summer, the Coastal Commission certified a City of Pacifica STR ordinance only after raising Pacifica's proposed cap of 60 nights of unhosted renting per year to 120 and eliminating a primary residence requirement for STR eligibility. The Coastal Commission found that the City's proposed cap would lead to a decrease in public recreational access opportunities, "a priority use under the LUP that is required to be maximized." (California Coastal Commission Staff Report for 08/12/2026 hearing on the City of Pacifica's Local Coastal Program Amendment at 17, 18, emphasis in original.) So, too, here. The Draft Ordinances significantly decrease a priority visitor serving use under the SBLUP that is required to be maximized.

The Proposed Licensing Fees, too, Function as a Monetary Barrier to Coastal Access

The Draft Ordinances propose an initial STR/Homeshare License fee of $3,334, with an annual renewal fee of $2,897. These are extraordinarily high by any comparative standard--higher, for reference, than STR licensing fees in the Hawaiian Islands, which are among the most heavily regulated STR markets in the nation.

Fees of this magnitude function as a barrier to entry. Operators with modest properties and limited rental income will be unable to absorb these costs and remain in the overnight accommodations market. The practical effect is to price out the small, independent hosts who provide lower-cost accommodation options -- those options the Coastal Act and the LUP afford heightened protection. (Pub. Resources Code, § 30213; SBLUP Policy 3.2-12.) A fee structure that by design forces lower-cost STRs to shut down is an insidious barrier to visitor access. The City may not pick winners and losers by setting exorbitant fees.

The Draft Ordinances' Parking Classification Is Internally Contradictory

The Draft Ordinances define STRs as "a residential use of property." Yet, to exclude STRs from parking reduction and exemptions, the same ordinances reclassify STRs as "transient lodging uses" for parking purposes alone. The Draft Ordinances are otherwise emphatic that STRs are residential uses, a stance which accords with the Coastal Commission's historical treatment of STRs.[15] Therefore STRs should be treated the same as every other residential use for purposes of, e.g., the parking requirement reductions in chapter 30.175 of the SBMC. The exclusion of STR properties from parking exemptions and reductions granted to other residential uses amounts to arbitrary and capricious disparate treatment of STRs.

No-Appeal Issue

[15] See January 10, 2017 letter from Jacqueline Phelps, Coastal Program Analyst at the California Coastal Commission, to the City of Santa Barbara and Renee Brooke, city planner. We have filed the Coastal Commission letter concurrently with this comment letter for entry into the record.

The Draft Ordinances provide that decisions of the Community Development Director on STR/Homeshare License applications are "final and not subject to appeal." Making individual licensing decisions unappealable raises serious due process and equal protection questions that the City Council should refer to the City Attorney for a formal opinion. Applicants whose licenses are denied on pretextual grounds or misinformation would have no administrative recourse, all of which will likely lead to expensive litigation against the City.

Restrictions on Guests of STR Renters are Unnecessary

The Draft Ordinances' limitations on how many guests or visitors of STR renters are permitted on the property at any time of day[16] are unnecessary, invasive and discriminatory. There is no rational basis for imposing these limitations on short-term renters to the exclusion of all renters alike and owner occupants. (See *College Area Renters & Landlord Assn. v. City of San Diego* (1996) 43 Cal.App.4th 677, 686-687 [ordinance intended to reduce overcrowding in university neighborhood held to result in unconstitutional, "irrational differential treatment" between neighboring residences–some tenant-occupied and others owner-occupied–e.g., with a tenant-occupied house being subject to the ordinance even when residents "happen to be the quiet, neat type who use bicycles as their means of transportation, whereas the owner-occupied house is not subject to the ordinance, even though its residents happen to be of a loud, litter-prone, car-collecting sort."].)[17]

The City already has in place generally applicable noise control and nuisance provisions in its Municipal Code. It has presented no explanation or evidence for why existing code enforcement tools are adequate to abate excessive noise or nuisances at owner-occupied properties or STR properties rented long term, but somehow inadequate to do so at properties rented short-term. The Draft Ordinances' limitations on how many guests or visitors of STR renters are permitted on the property at any time of day are not merely redundant; they are a shocking intrusion into the private rights of citizens who the driving forces behind the Draft Ordinances have declared personae non gratae for the crime of renting a home for less than 31 days.

The Prohibition on Unhosted STRs on Lots with ADUs/JADUs Unfairly Punishes Residents for Having ADUs/JADUs

The Draft Ordinances render ineligible for licensure not only ADUs and JADUs, but the primary residential units associated with them. Although an exception is made for Homeshares, these provisions would prohibit otherwise eligible hosts from getting a license for non-hosted STRs in their own primary residential unit just because that unit is associated with an ADU or JADU. As such, these provisions serve as a de facto punishment for people who have ADUs or JADUs on their lot by arbitrarily denying them an opportunity held by applicants who are similarly situated

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[16] Proposed title 28 Amendment, § 28.91.090(A); proposed title 30 amendment, § 30.185.395(I)(1).

[17] We understand the City's Social Host Ordinance (MCC, chapter 9.70), does not limit guest counts but merely prohibits hosting parties where minors consume alcohol.

in all other respects.

The Primary Residence Requirement for Homeshares is Unnecessary

The Draft Ordinances require Homeshare applicants, if Designated Hosts rather than owners, to use the property in question as their primary residence to be eligible for licensure. This is unnecessary and serves no useful purpose when the Draft Ordinances already requires Designated Hosts to be present at all times *throughout the duration* of a Homeshare rental. It should not matter where the Designated Host stays when the Homeshare is not rented. If the intent is to watchdog short-term guests in your space, you don't need to watchdog an empty space between rentals. This regulation arbitrarily and capriciously adds just another nonsensical hurdle for rule-following tenants who wish to run a Homeshare to help pay rent, including those who recently moved in and have not met the six-month requirement for the Draft Ordinances' definition of principal residency, or those who for professional reasons or due to family circumstances must split their time between different homes.

Violation of Substantive Due Process and Equal Protection

Prohibiting homeowners from renting their homes to visitors violates their substantive due process rights under the United States and California Constitutions by infringing on their fundamental property rights, including the right to lease, a fundamental right within the "bundle of sticks" of property rights.[18]

In addition, the Draft Ordinances' provisions forbidding, inter alia, corporations and real estate investment trusts from acquiring licensure[19] run afoul of federal and state constitutional equal protection protections, as these provisions discriminate based on the identity of the applicant in a manner not rationally related to a legitimate governmental interest.[20] Equal protection demands that "persons similarly situated with respect to the legitimate purpose of the law receive like treatment." (*College Area Renters & Landlord Assn. v. City of San Diego* (1996) 43 Cal.App.4th 677, 686.)

The Indemnification Provisions are Extreme

The Draft Ordinances contain "Defense and Indemnification" provisions for both the inland and

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[18] See, e.g., *United States v. Craft* (2002) 535 U.S. 274, 278 for discussion of the "bundle of sticks" model of property rights.

[19] Proposed title 28 Amendment, § 28.91.080(B)(5); proposed title 30 Amendment, § 30.185.395(H)(2)(e).

[20] For federal equal protection, see, e.g., *Hignell-Stark v. City of New Orleans* (5th Cir. 2025) 154 F.4th 345, 356 ("Banning non-natural person homeowners from receiving an STR permit is 'so attenuated' from livability and quality-of-life concerns caused by guests as to render the distinction between business-owned and individual-owned homes arbitrary.") California's equal protection doctrine is embedded in article I, section 7 of the California Constitution.

coastal zones. (Proposed title 30 amendment at § 30.185.395(L); proposed title 28 amendment at § 28.91.120.) These provisions are unusually harsh for hosts. For example, hosts' responsibility under these provisions to defend the City against suit related to actions for which the host is not liable creates the possibility that hosts may have to bear the onerous burden of litigation triggered by events out of their control.

In short, the indemnification provisions unfairly punish STR hosts by demanding that they take on onerous legal responsibilities and give up important rights.

Conclusion

The Draft Ordinances still exhibit the fundamental defects we identified on April 13 and June 9. Those comments in the record remain unaddressed. The Draft Ordinances continue to avoid CEQA review, eliminate a significant share of coastal overnight accommodations in violation of the Coastal Act and SBLUP, and introduce new problems–including a two-night minimum stay and prohibitive licensing fees.

In summary, we most strenuously object to the lack of CEQA review of the Draft Ordinances and the following elements of the ordinances:

1. The blanket prohibition on non-hosted STRs in the coastal zone outside of the new "STR License Areas";
2. The blanket prohibition on Homeshares and un-hosted STRs in residential zones in the inland part of the City, which amplifies the adverse effects on public access of the loss of overnight accommodations inside the coastal zone;
3. The provisions rendering lots with ADUs or JADUs ineligible for STR licensing;
4. The two-night minimum on stays;
5. The primary residence requirements;
6. The unduly narrow nonconforming use clauses;
7. The exorbitant licensing fees;
8. The exclusion of STRs from parking exemptions and reductions available to other residential uses;
9. The lack of an appeal option for decisions on STR/Homeshare License applications;
10. The limitations on how many guests or visitors of STR renters are permitted on the property at any time of day;
11. The prohibition on, inter alia, corporations and real estate investment trusts from acquiring licensure; and
12. The indemnification provisions.

For these reasons, we respectfully request that the City Council decline to adopt the Draft Ordinances in their current form. We also ask the City to provide a complete accounting of aggregate STR losses across all three restrictions -- the inland restrictions, the Coastal Zone restrictions, and the overarching fire zone restriction.

Thank you for your anticipated consideration of the issues we have raised.

Sincerely,

Frank P. Angel

cc: Nicole Grisanti, Manager, City Administrator's Office, via email to ngrisanti@santabarbaraca.gov
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Ceto Consulting, LLC.

MEMORANDUM

Subject: Integrated Market Analysis of Overnight Accommodations in the City of Santa Barbara
Date: October 4, 2026

California Coastal Zone Hotel and STR Market Comparison

To inform the Santa Barbara City Council and California Coastal Commission's decision on Short Term Rental (STR) restrictions proposed in the City of Santa Barbara (City), Ceto Consulting LLC (Ceto) conducted a market analysis of the visitor accommodation market in the City as well as properties which are also within the official California Coastal Zone. A market analysis evaluates supply, demand, pricing dynamics, and competitive conditions within a defined geographic area. This analysis focuses on hotels, motels, and short-term rentals (STRs) and examines their role in meeting tourism demand and in turn supporting coastal access.

To understand the impacts of STR regulations on accommodation supply and coastal access Ceto examined:

- The supply and affordability of Coastal Zone STRs in the City ;
- The supply and affordability of Coastal Zone hotels in the City.

This report builds on previous analysis examining visitor demand for coastal access in Santa Barbara.

Data: Ceto analyzed available data for STRs and hotels -- 2024 short-term rental (STR) listing data and 2025/2026 (through February) hotel inventory data within the designated Coastal Zone of Santa Barbara. STR data were obtained from AirDNA and include only active properties, defined as listings with at least one listing night in 2024.[1] Hotel inventory and occupancy data were obtained

[1] AirDNA data are based on aggregated short-term rental listing information compiled from multiple online platforms. Individual property locations are spatially generalized to protect host privacy, and results are reported at aggregated levels. Data reflect active listings and estimated performance metrics and may not capture all short-term rental activity.

from CoStar/Smith Travel Research and include hotels operating in 2025.[2] To evaluate visitation patterns and seasonal demand for coastal recreation, Ceto analyzed anonymized mobile device-derived data aggregated by Placer.ai, which estimates visitation to beaches and piers within these respective boundaries.[3]

KEY FINDINGS

- **Santa Barbara's Coastal Zone hotels offer very few lower-cost options.** Approximately 83% of hotel guest capacity is concentrated in upscale, upper-upscale, and luxury properties, including 51% in luxury hotels alone.
- **Economy hotels account for just 4.5% of Coastal Zone hotel capacity, leaving visitors with limited alternatives at the lower end of the hotel market.**
- **STRs fill an important gap in this market.** Within the Coastal Zone, STRs are on average 15% less per person, with average daily rates (ADRs) averaging $128 per person per night, compared with $151 for hotels. Although Santa Barbara STRs are expensive relative to statewide affordability benchmarks, they remain meaningfully less expensive than local hotels.
- **The affordability advantage of STRs becomes substantially larger when total trip costs are considered.** When accounting for lodging, food and incidental expenses, and hotel fees, a Coastal Zone hotel stay costs approximately $251 per person per day, compared with $168 for an STR. This represents estimated savings of $83 per person per day, or 33%, largely because STR kitchens allow guests to substitute groceries for some restaurant meals.
- **STR costs should be compared to other options in the relevant market, not a statewide average.** Fewer than 5% of Coastal Zone STRs meet the Coastal Conservancy-derived benchmark of $57 per person per night (which is based on statewide data not coastal zone data). Like many coastal cities, Santa Barbara is an expensive destination overall. However, 57% of Santa Barbara Coastal Zone STRs fall below a statewide Coastal Zone benchmark of $125.40 per person, demonstrating their comparatively greater affordability within the broader coastal lodging market.
- **Restrictions that significantly reduce STR availability could disproportionately reduce the supply of comparatively affordable visitor accommodations.** Hotels currently provide more total Coastal Zone capacity, but that supply is overwhelmingly concentrated in higher-priced hotel classes. STRs provide approximately one-third of Coastal Zone guest capacity while diversifying the lodging inventory below prevailing upscale and luxury hotel prices.
- **Santa Barbara's Coastal Zone has a structurally high-cost hotel market with very little inventory of economy hotels, and STRs provide one of the primary alternatives for**

[2] Hotel inventory, occupancy, and rate data are derived from CoStar/Smith Travel Research and are reported in aggregated form. Data reflect participating properties and may be subject to data suppression or limited reporting in smaller markets to protect confidentiality.

[3] Placer.ai mobility data are based on anonymized and aggregated mobile device location signals. Data are de-identified and processed to ensure user privacy, with results reported only in aggregate form. Estimates are derived from a sample of devices and modeled to represent broader visitation patterns.

visitors seeking to reduce the cost of an overnight coastal stay—particularly for groups and travelers able to prepare some meals themselves.

Finding 1. Distribution of Lodging Supply

This analysis examines the visitor-serving accommodation market within the official limits of the City of Santa Barbara—excluding the independent community of Montecito—and the official California Coastal Zone within the City. The Coastal Zone is defined by the California Coastal Act. Generally, it extends 1,000 yards inland in urbanized areas, or up to 5 miles/first major ridgeline in significant habitat or estuarine zones. Ceto used the official boundary from the California Coastal Commission[4] and Geospatial processing software to separate STRs and hotels in the Coastal Zone from the rest of the City.

1.1 Hotels Provide the Majority of Santa Barbara's Lodging Capacity

Hotels provide more estimated overnight guest capacity than short-term rentals (STRs) both citywide and within Santa Barbara's Coastal Zone. STRs, however, have lower average per-person lodging costs, particularly with the coastal zone.

Metric	Hotels	STRs
Citywide Properties/Listings	68	1,615
Citywide Nightly Guest Capacity	8,571	6,919
Share Of Citywide Capacity	55%	45%
Coastal Zone Properties/Listings	34	571
Coastal Zone Guest Capacity	5,007	2,626
Share Of Coastal Zone Capacity	66%	34%
Citywide Average Daily Rate (ADR) Per Person	$127	$116
Coastal Zone Average Daily Rate (ADR) Per Person	$151	$128

2 *Note: Percentages may not total 100% because of rounding*

Hotels provide an estimated 8,571 spaces for overnight guests, compared with approximately 6,919 STR guest spaces. Hotels account for approximately 55% of total citywide lodging capacity, while STRs account for 45%. Without STRs, the city would face a supply shortage in guest accommodations.

1.2 Hotels Dominate Lodging Supply Within the Coastal Zone

The difference is more pronounced within the Coastal Zone, where hotels provide nearly twice as much guest capacity as STRs.

- Hotels provide approximately 5,007 guest spaces, or 66% of Coastal Zone capacity.
- STRs provide approximately 2,626 guest spaces, or 34%.

[4] https://www.coastal.ca.gov/maps/czb/

1.3 Nearly Half of the City of Santa Barbara's Lodging Capacity is Located in the Coastal Zone

Together, hotels and STRs in the Coastal Zone provide just under half (49%) approximately 7,633 guest spaces in Santa Barbara. Hotels are more concentrated near the coast, while STRs are distributed more broadly throughout the city and play a larger relative role *outside* the Coastal Zone.

- Approximately 58% of hotel capacity is located in the Coastal Zone.
- Approximately 38% of STR capacity is located in the Coastal Zone.

Finding 2. STRs Have Lower Average Per-Person Lodging Costs

2.1 The Relative Cost Difference is Most Pronounced in the Coastal Zone

Citywide**,** the average nightly STR cost is approximately $11 less per person than the average hotel cost, representing a difference of about 9%.

- Hotels average approximately $127 per person per night.
- STRs average approximately $116 per person per night

Within the Coastal Zone, STRs cost an average of approximately $23 less per person, representing a difference of about 15%.

- Hotels average $151 per person per night
- STRs average $128 per person per night

The dollar difference between average hotel and STR lodging costs is therefore slightly more than twice as large within the Coastal Zone as it is citywide. Although hotels provide more Coastal Zone capacity, STRs offer a lower average-cost option for visitors seeking overnight accommodations near coastal resources.

2.2 The Coastal Zone Price Premium is Greater for Hotels

Both lodging types are more expensive in the Coastal Zone, but the coastal premium is considerably greater for hotels.

- Coastal Zone hotels costs are approximately 19% higher than the citywide hotel average.
- Coastal Zone STR costs are approximately 10% higher than the citywide STR average.

This pattern is consistent with coastal location being more strongly reflected in hotel prices than in STR prices. The result is a wider average cost difference between hotels and STRs in the area where visitors have the most direct access to coastal resources.

2.3 Santa Barbara is Expensive Relative to Statewide Affordability Benchmarks

The analysis considers three statewide affordability benchmarks:

- $57 per person per night, The California Coastal Conservancy's fixed benchmark for lower-cost coastal accommodations (LCCAs), based on 75% of the average hotel rates statewide
- $106 per person per night, representing the 50th percentile (median) of hotel rates within California's Coastal Zone; and

- $125.40 per person per night, representing the 75th percentile of hotel rates within California's Coastal Zone, meaning 75% of the hotel rates in the Coastal Zone are lower, while 25% are higher.

In 2024, only about 1 in 10 (10%) of Santa Barbara's citywide STR listings cost less than $57 per person per night. About half of them cost less than $106.90 per person, while nearly two-thirds cost less than $125.40 per person.

Affordability was more limited within Santa Barbara's Coastal Zone. Fewer than 5% of Coastal Zone STR listings cost less than $57 per person per night. Approximately 42% cost less than $106.90 per person, and approximately 57% cost less than $125.40 per person.

A Santa Barbara City-specific relative affordability threshold would be even higher. Calculated as 75% of the average local hotel rate in Santa Barbara City, it would be approximately $156 per person per night. This is approximately 24% higher than the statewide Coastal Zone benchmark of $125.40 and about 2.7 times the Coastal Conservancy's fixed $57 benchmark. See *Appendix 1* for a detailed discussion of affordability benchmarks.

These comparisons indicate that Santa Barbara lodging remains costly, even when evaluated relative to broader Coastal Zone hotel prices. STRs are generally less expensive than Santa Barbara hotels, but relatively few meet the Coastal Conservancy's fixed definition of lower-costal coastal accommodations.

Finding 3. Estimated Total Trip Costs

The per person ADR comparison, adjusted for hotel and STR capacity, does not include several additional costs that typically differentiate hotels from STRs. Ceto separately considered dining and incidental expenses and resort or destination fees. Additional costs are applied across the sample. Combined, these additional trip costs add up to an additional $71 per guest, on average, per night for hotel guests across the sample and $83 per night in the Coastal Zone.

Resort or Destination Fees

Resort and destination fees can increase the effective cost of a hotel stay beyond the reported room ADR. Hotel-industry accounting practices classify resort-fee revenue separately from room revenue, meaning these charges are generally not reflected in reported ADR. CBRE Hotels Research has also found that resort fees are more common among resort and luxury properties than among other hotel types.[5]

For this analysis, Ceto assigns an average fee of $18.53 per room per night to luxury and upper-upscale hotels, $8.79 to upscale hotels, and no fee to upper-midscale, midscale, or economy hotels based on industry analysis by CoStar. Adding these fees to each hotel class's share of estimated guest capacity produces an average estimated resort or destination fee of approximately $8.22 per hotel room per night.

[5] Robert Mandelbaum, "Resort Fees: A Growing Source of Revenue," CBRE Hotels Research, published by CoStar, March 24, 2020. The analysis explains that resort-fee revenue is reported separately from room revenue and therefore does not affect hotel ADR. https://www.costar.com/article/1865943275/resort-fees-a-growing-source-of-revenue

These estimates are based on hotel class and should not be interpreted as the observed average fee charged by every Santa Barbara hotel. Actual fees vary by property and may not apply to every stay.

Dining Costs

STRs commonly provide access to kitchens or kitchenettes, allowing visitors to replace some restaurant meals with groceries or prepared food. Hotel guests generally do not have opportunities to prepare meals and must therefore rely more heavily on restaurants.

Ceto developed an illustrative dining and incidental cost scenario using the FY2026 General Services Administration Meals and Incidental Expenses allowance for Santa Barbara as a standardized proxy for hotel-guest spending. The FY2026 Santa Barbara allowance is $92 per person per day, consisting of $23 for breakfast, $26 for lunch, $38 for dinner, and $5 for incidental expenses.[6]

For STR guests, Ceto assumes a daily grocery cost of $16 per person if all meals are prepared using food purchased for consumption at the accommodation, based on the based on the U.S. Department of Agriculture "food-at-home" plan rates for a higher cost market[7]. The illustrative STR scenario assumes that guests prepare some meals in the STR kitchen, represented by one-half of the daily grocery estimate, and purchase either lunch or dinner at a restaurant. This results in an estimated $8 in grocery spending and $32 for one restaurant meal, for a total of approximately $40 per person per day.

Under these assumptions, estimated dining and incidental costs are approximately $92 per hotel guest and $40 per STR guest, producing an illustrative difference of approximately $52 per person per day.

Accounting for modeled total trip costs, Citywide STR guests save an estimated $71, and $83 in the Coastal Zone. STR amenities result in a per person, per night trip cost reduction of about one-third.

Area	Hotel total cost per person	STR total cost per person	STR savings
Citywide	$227	$156	$71, or 31%
Coastal Zone	$251	$168	$83, or 33%

Under this scenario, the estimated difference in food costs contributes more to the total STR cost advantage than the difference in lodging rates. Kitchen access is therefore an important driver of the estimated savings associated with STR stays, even under the conservative assumption that STR guests purchase one or two restaurant meals.

[6] U.S. General Services Administration, FY2026 CONUS Per Diem Rates and Meals and Incidental Expenses breakdown. The $92 Santa Barbara M&IE rate consists of $87 for meals and $5 for incidental expenses. https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-results?fiscal_year=2026&state=CA

[7] *USDA Food Plans: Monthly Cost of Food Reports.* https://www.fna.usda.gov/research/cnpp/usda-food-plans/cost-food-monthly-reports

Finding 4. Lodging Demand

4.1 Coastal Zone Lodging Occupancy Differs by Lodging Type

STR occupancy averages approximately 63.3% within the Coastal Zone, compared with approximately 61.8% citywide. The difference becomes more pronounced during the summer peak. Coastal Zone STR occupancy reaches approximately 75% in July, compared with a citywide peak of approximately 70%**.** These patterns indicate stronger seasonal demand for STRs located near the coast.

Hotels show the opposite geographic pattern, with lower occupancy (65%) among Coastal Zone hotels than among hotels citywide (74%), even though most hotel capacity is located within the coastal zone. One possible explanation is the Coastal Zone's concentration of luxury and upper-upscale hotels whose higher prices can limit demand and contribute to lower year-round occupancy outside peak travel periods, although the present analysis does *not* isolate the causes of the observed occupancy difference.

4.2 Coastal Zone STR Demand is Highly Seasonal

Coastal Zone STR rates exceed citywide average STR rates in every month examined. The Coastal Zone premium generally ranges from approximately 7% to 13%, with the largest percentage of differences occurring during the spring and summer months.

Peak Coastal Zone STR rates occur in:

- July, at approximately $137 per person;
- August, at approximately $140 per person;
- September, at approximately $137 per person.

Coastal Zone STR occupancy is slightly lower than the citywide STR occupancy in September and October and materially lower in December. Taken together, the rate and occupancy patterns suggest that Coastal Zone STR demand is more seasonal, rather than uniformly stronger throughout the year.

4.3 The Coastal Zone Hotel Market is Weighted Toward Higher-End Lodging

The hotel-supply analysis indicates that Santa Barbara's Coastal Zone market is predominantly composed of higher-priced hotel classes. Approximately 83% of Coastal Zone hotel guest capacity is provided by upscale, upper-upscale, or luxury hotels. Economy hotels provide only approximately 4.5% of Coastal Zone hotel capacity.

Luxury hotels account for approximately 51% of Coastal Zone hotel capacity, upper-upscale hotels account for approximately 21%, and upscale hotels account for approximately 11%. This market structure helps explain the substantial average hotel price premium within the Coastal Zone. Lower-cost hotel alternatives are limited, increasing the relevance of STRs for visitors seeking accommodations below prevailing upscale and luxury hotel rates.

Finding 5. Coastal Visitation to Santa Barbara

A 2025 academic analysis of visitation to the Santa Barbara County South Coast, which includes Santa Barbara, Goleta, Montecito, and Carpinteria, reported approximately 9.3 million "visitor days" to the South Coast, including Santa Barbara[8]. Although most visitors are day trippers, overnight visitors stay longer (2.2 nights on average for hotel visits, 4.8 for stays in private residences). Of the 9.3 million visitor days, more than half (5.1 million) are represented by overnight stays. However, beach visitation was not the primary driver of travel; only 40% of visitors reported including a trip to the beach during their stay.

- The survey found that the lodging in the City of Santa Barbara accounted for approximately 65% of all visitors in the sample. Applying this percentage to overnight stays implies 3.3 million overnight visitors per year just to the City of Santa Barbara.

Anonymized cell-phone derived location data from the last 5 years indicate nearly 4.2 million annual visits to ***beaches*** within the City of Santa Barbara, with approximately one million visitors traveling greater than 150 miles from their home and therefore likely to stay overnight. Based on typical length of stay, beach visits alone generate over 2.2 million visitor nights.[9]

Demand for coastal access in Santa Barbara is strongly seasonal, with visitation peaking during the summer months, particularly in July. Beach visitation in the summer is approximately 85% higher than during the off-season months of November through February, based on aggregated mobile device visitation estimates.

- Citywide hotel occupancy rates reflect this pattern, reaching approximately 80% during the summer, a level widely considered near full capacity in the lodging industry. However, the data show lower occupancy among Coastal Zone hotels than among hotels citywide (74%), even though most hotel capacity is located within the coastal zone. As occupancy approaches or exceeds equilibrium levels, empirical research shows that average daily rates (ADRs) increase in response to constrained supply.[i]

STRs provide a flexible source of lodging capacity that hotels cannot. Hotel inventory is fixed in the short term, whereas STR availability expands in response to seasonal demand. STR rental data for the last five years show that supply increases during the summer, precisely when demand is highest, helping with moderate price pressure. Persistent high occupancy rates and

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[8] King, P., Jenkins, S., Spaccarelli, L., Patsch, K., Reineman, D. R., King, S., Lester, C., & Castro-Sotomayor, J. (2025). Beach tourism and local economies: A micro-level study of visitor spending in Southern California. *Shore & Beach, 93*(2), 3–17. https://doi.org/10.34237/1009321

[9] The 3.3 million visitor days/nights might at first seem inconsistent with the Placer.ai estimate for annual beach visitation (953,153) However, the survey reported that only 40% of overnight visitors visit the beach during their stay and not all Santa Barbara visitors visit the beach every day. The data implies that overnight visitors spend just under a third of their days at the beach (29%). The most popular destination in the survey was "Downtown/State Street" (71.5%), and the most popular activity was dining in restaurants (88.6%) and shopping (63.5%). Almost a third of respondents visited the Santa Barbara Mission (31.5% and over 20% indicated they visited or planned to visit the Paseo Nuevo shopping/entertainment complex (23.5%). A number of museums, the farmers market, and other sites completed the survey. The survey makes clear that while beaches are an important destination for many visitors, they are not the primary destination for most visitors, or the only destination for beachgoers.

commensurate increases in ADRs, however, suggest that additional STR availability during peak months may help moderate price pressure and promote affordability.

- In the Santa Barbara Coastal Zone, 106 more STRs are available in August than in February, representing a **32% increase in active listings during the peak visitation period.**
- In July, despite the expanded inventory, STR occupancy averages approximately 75%, near peak hotel occupancy levels (80%).
- Hotel ADRs in the Coastal Zone exhibit significant price increases in the summer season—rising to over $400 per night, over $200 per person, in July and August. STRs don't exhibit as intense price pressure, helping alleviate impacts to visitors.

Conclusion

STRs play an important role in expanding access to overnight accommodations within Santa Barbara's Coastal Zone. Further, although all overnight accommodation in Santa Barbara tends to be expensive, STRs are generally more affordable, and their availability no doubt keeps hotel prices in line.

The hotel market is heavily skewed toward higher-cost properties: approximately 83% of hotel guest capacity is upscale, upper-upscale, or luxury, while economy hotels account for just 4.5%. As a result, visitors seeking lower-priced accommodations have relatively few hotel options near the coast.

STRs help fill this gap. Although they represent only about one-third of Coastal Zone guest capacity, STRs average approximately 15% less per person than hotels ($128 compared with $151 per night). Their cost advantage is even greater when considering the broader cost of an overnight stay: under the modeled total-trip-cost scenario, STR stays are approximately 33% less expensive per person than hotel stays. Thus, while Santa Barbara remains an expensive destination overall, STRs provide a meaningful comparatively lower-cost alternative in a Coastal Zone lodging market dominated by upscale and luxury hotels.

Under Ceto's estimated total-trip-cost scenario, which includes food expenditures and hotel fees, estimated STR costs are approximately 31% lower citywide and 33% lower within the Coastal Zone. Much of this modeled difference is associated with the ability of STR guests to prepare some meals rather than relying entirely on restaurant dining.

The Santa Barbara-specific affordability measure further illustrates the distinction between relative and absolute affordability. Using a locally calculated threshold equal to 75% of the prevailing Santa Barbara hotel rate, a larger share of STRs would qualify as comparatively lower cost. However, the resulting threshold of approximately $156 per person per night is substantially higher than statewide benchmarks and approximately 2.7 times the Coastal Conservancy's fixed $57 lower-cost lodging benchmark. This local measure therefore indicates that STRs are relatively less expensive within Santa Barbara's high-cost lodging market, not that most STRs provide genuinely low-cost accommodations.

The strongest access-related conclusion is that STRs not only provide much needed additional capacity beyond that provided by hotels, especially in summer; they also offer affordability advantages compared to hotels, in terms of lower ADRs, lower dining costs and no resort fees or

destination fees. STRs diversify the City's lodging inventory and provide a comparatively lower-cost alternative within a Coastal Zone market dominated by upscale and luxury hotels. At the same time, the small share of accommodations meeting the Coastal Conservancy's fixed benchmark demonstrates that Santa Barbara remains an expensive destination across both lodging types.

Appendix 1 – Affordability

Ceto evaluated short-term rental affordability using a range of Low-Cost Coastal Accommodation (LCCA) thresholds. These include an existing benchmark derived from the California Coastal Commission's approach to identifying lower-cost overnight accommodations and alternative coastal-market benchmarks developed by Ceto using hotel data from California's 15 coastal counties and the official California Coastal Zone.

For this analysis, LCCA refers to accommodations with capacity-normalized rates at or below the selected benchmark. These thresholds provide comparative measures of accommodation cost and should not be interpreted as direct measures of affordability for a particular household or income group.

Existing LCCA Benchmark

In past actions, the California Coastal Commission has generally defined lower-cost hotel accommodations as standard double-occupancy rooms priced at or below 75% of the annual statewide average hotel ADR. The California State Coastal Conservancy subsequently used a threshold equal to 75% of the 2015 statewide average ADR in its Explore the Coast Overnight Assessment. The assessment noted that the threshold was developed for purposes of the inventory and that lower-cost accommodations are not necessarily affordable to all low- and middle-income visitors.

The Commission benchmark is expressed as a room rate. Ceto converted it to a capacity-normalized *per-guest* threshold, using the study assumption of 2.2 guests[10] per occupied hotel room. This produces an LCCA benchmark of approximately $57 per guest per night. Fewer than 5% of Santa Barbara Coastal Zone STR listings cost less than $57 per person per night.

Alternative Coastal-Market LCCA Benchmarks

Ceto also developed alternative coastal-market LCCA benchmarks using economy- and midscale-segment ADRs and the median and 75th-percentile distribution of hotel ADRs in California's 15 coastal counties and additional thresholds based on California's Coastal Zone. These benchmarks provide coastal-market reference points for comparing Santa Barbara Coastal Zone STR rates with hotel rates in California's coastal counties and the Coastal Zone.

The median coastal-county hotel ADR is approximately $78.63 per guest, equivalent to approximately $173 per room per night. The 75th-percentile coastal-county hotel ADR is approximately $100.34 per guest, equivalent to approximately $221 per room per night. Approximately 42% of active Santa Barbara Coastal Zone STR listings have capacity-normalized rates at or below this threshold.

In the Coastal Zone, the LCCA equivalent 75th-percentile hotel ADR is $125.40 per person. Approximately 57% of Santa Barbara Coastal Zone STRs have capacity-normalized rates at or below this threshold.

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[10] Destination Analysts, Inc. (2013, August). *Santa Barbara South Coast visitor profile study: Final report of findings*. Visit Santa Barbara. Report.

These coastal-market LCCA thresholds were developed by Ceto for this analysis and should not be interpreted as California Coastal Commission definitions of lower-cost accommodations.

*Table A-1. Comparison of Low-Cost Coastal Accommodation (LCCA) benchmarks and the share of CA **coastal-county** hotel rooms and Santa Barbara Coastal Zone STR listings at or below each threshold.*

LCCA Benchmark	Capacity-Normalized Threshold	Share of CA Coastal-County Hotel Rooms at or Below Threshold	Share of Santa Barbara Coastal Zone STR Listings at or Below Threshold
Existing Commission-Based LCCA Benchmark	$57.00	28%	5%
Median Coastal-County Hotel ADR	$78.63	50%	18%
75th-Percentile Coastal-County Hotel ADR	$100.34	75%	37%

Note: The existing Commission-based benchmark is converted to a per-guest amount using 2.2 guests per occupied hotel room. The remaining benchmarks were developed by Ceto using capacity-normalized hotel ADRs in California's 15 coastal counties. Hotel percentages represent the share of coastal-county hotel rooms at or below each threshold; STR percentages represent the share of active Santa Barbara Coastal Zone listings at or below each threshold.

*Table A-2. Comparison of Low-Cost Coastal Accommodation (LCCA) benchmarks and the share of CA **Coastal Zone** hotel rooms and Santa Barbara Coastal Zone STR listings at or below each threshold.*

LCCA Benchmark	Capacity-Normalized Threshold	Share of CA Coastal-Zone Hotel Rooms at or Below Threshold	Share of Santa Barbara Coastal Zone STR Listings at or Below Threshold
Existing Commission-Based LCCA Benchmark	$57.00	28%	5%
Median Coastal-Zone Hotel ADR	$106.9	50%	42%
75th-Percentile Coastal-Zone Hotel ADR	$125.4	75%	57%

Note: The existing Commission-based benchmark is converted to a per-guest amount using 2.2 guests per occupied hotel room. The remaining benchmarks were developed by Ceto using capacity-normalized hotel ADRs in California's Coastal Zone. Hotel percentages represent the share of Coastal Zone hotel rooms at or below each threshold; STR percentages represent the share of active Santa Barbara Coastal Zone listings at or below each threshold.

Seasonal Variation

Hotel and STR ADRs vary throughout the year, with rates generally highest during the summer. In the data examined, capacity-normalized hotel ADRs reach approximately $102 per guest in July, while STR rates peak at approximately $82 per available guest space in August.

Annual LCCA benchmarks do not capture these seasonal changes in lodging rates. Monthly or seasonal comparisons therefore provide useful supplemental context but are not proposed as replacements for the annual LCCA benchmarks used in this analysis.

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[i] Denton, G. and Sandstrom, J., 2021. The Influence of Occupancy Change on Hotel Market Equilibrium. *Cornell Hospitality Quarterly*, *62*(4), pp.426-437.

Ceto Consulting, LLC.

MEMORANDUM

Subject: Impacts of Proposed Santa Barbara STR Regulation on STR Capacity
Date: October 4, 2026

Ceto Consulting, LLC (Ceto) analyzed the potential impact of the City of Santa Barbara's (City) proposed short-term rental (STR) regulations on accommodation availability citywide, with particular attention to the Coastal Zone, using 2024 AirDNA data across multiple STR platforms. Under the current-zoning baseline, **the proposed regulations would eliminate approximately 63% of geographically eligible STR listings and 67% of STR guest capacity, representing approximately 24% of total citywide accommodation capacity when hotels are included. This represents the loss of accommodation capacity for approximately 3,123 nightly guests citywide. Within the Coastal Zone, approximately 68% of active STRs and 74% of STR guest capacity would be lost. The loss of capacity for over 1,900 nightly guests results in a 26% drop in total (hotel and STR) Coastal Zone guest capacity.**

Ceto spatially compared active, currently eligible[1] AirDNA properties within the City of Santa Barbara against the City's proposed STR regulatory areas to evaluate geographic eligibility under the proposed ordinance. Properties were classified according to their mapped location relative to the City's proposed STR regulatory areas and their listing type (STR or homeshare). Regulatory areas included the proposed Coastal Zone STR License Area, Coastal Zone Homeshare-Only Area, Inland STR License and Homeshare Area, and High Fire Hazard Exclusion Area. For purposes of this analysis, Ceto treated the regulatory areas shown on the City's GIS map as the operative geographic boundaries and classified listings outside those mapped areas as ineligible.[2] Ceto did not independently reconstruct eligible areas parcel-by-parcel from the underlying zoning provisions of the proposed ordinance. Private- and shared-room listings were used as a proxy for homeshares; however, AirDNA data do not provide information as to whether individual listings satisfy the City's primary-residence and host-presence requirements, or if a listing is permitted. Accordingly, the analysis evaluates potential *geographic eligibility* rather than final permit eligibility. Two records classified as hotel accommodations were excluded from the STR and homeshare analysis, resulting in a final analytical dataset of 1,117 active, currently eligible listings.

Within the Coastal Zone, all active AirDNA listings were retained in the current-condition baseline because zoning-based restrictions on STRs are not presently enforceable there. For the inland area, active AirDNA listings were spatially compared with the City of Santa Barbara's current zoning data and the City's 2025 map identifying zones where STRs are currently allowed. Listings located within zones where STRs are permitted were classified as currently eligible. Listings within zones where STRs are allowed only in a historic structure and with a Conditional Use Permit (CUP) were classified separately as

[1] In 2024, there were 496 inland STRs operating in areas where STRs are currently ineligible. In addition, there were 159 STRs operating within zones where STRs are allowed only in a historic structure and with a Conditional Use Permit (CUP). These were classified separately as conditionally eligible, because the AirDNA dataset does not provide sufficient information to determine whether individual properties satisfy those requirements.

[2] The text of the proposed ordinance may identify a small number of parcels as eligible that are not depicted within the mapped license areas. To the extent active STRs or homeshares are located on such parcels, the estimated losses could be slightly overstated.

conditionally eligible, because the AirDNA dataset does not provide sufficient information to determine whether individual properties satisfy CUP requirements. Inland listings outside these areas were classified as currently ineligible and excluded from the conservative current-regulation baseline.

Ceto does not have access to records of the licensed STRs and homeshares currently operating in the City. Therefore, this analysis does not account for potential nonconforming-use protections for units licensed under the previous licensing scheme. Some rentals located outside the proposed eligible areas may be allowed to continue operating under such protections. The estimates presented here therefore represent potential losses without accounting for nonconforming-use protections; actual losses may be lower.

A comparison including all active STRs in Santa Barbara, including those outside of the currently eligible zones, is included at the end of this report.

RESULTS – CITYWIDE

Citywide, Santa Barbara would lose **702 active STRs, or approximately 67% of existing STR guest capacity), equivalent to overnight accommodations for up to 3,123 nightly guests**. Over 50% of the lost listings are in the Coastal Zone. The City would retain approximately **37% of existing STR guest capacity**[3], leaving accommodations for no more than 1,525 nightly guests. Under the proposed regulations, 415 active listings are classified as potentially remaining.

Active Citywide Listings	Properties	Percent of Properties	Guest Capacity	Percent of STR Guest Capacity	Percent of Current Total City Guest Capacity[4]
Remaining	415	37%	1,525	33%	10%
Lost	702	63%	3,123	67%	20%
Total	1,117	100%	4,648[5]	100%	30%

The projected effects differ by listing type:

Active Citywide Listings	Existing Supply	Potentially Remaining if Permitted	Projected Lost	Percent Lost
Non-hosted STRs	952	330	622	65%
Homeshares	165	85	80	49%
Total	1,117	415	702	63%

Potential remaining supply reflects geographic and listing-type eligibility under the proposed regulations and does not establish final permit eligibility.

[3] AirDNA data includes STR occupancy for each property. Capacity is determined by taking the sum of available listings stated maximum occupancy. For hotels, industry data reports an average occupancy of 2.2 people per room. The total citywide occupancy reflects the number of hotel rooms at expected occupancy (rooms x 2.2) and the STR maximum available occupancy.

[4] "Current Total Guest Capacity" includes all active STRs, including those outside of currently eligible zones, as well as all hotel rooms. Total nightly capacity is 15,490.

[5] STRs located out of currently eligible zones have capacity for an additional 2,267 guests.

RESULTS - COASTAL ZONE

Within the Coastal Zone, the City would lose **363 non-hosted STRs and 30 homeshares**, for a total loss of **393 STRs, or approximately 68% of existing Coastal Zone STR supply**. These losses represent approximately **74% of existing Coastal Zone STR guest capacity**, reducing potential nightly accommodation capacity by 1,954 guests.

Active Coastal Zone Listings	Properties	Percent of Coastal Zone Properties	Guest Capacity	Percent of Coastal Zone STR Guest Capacity	Percent of Total Coastal Zone Guest Capacity[6]
Remaining	181	32%	694	26%	9%
Lost	393	68%	1,954	74%	26%
Total	574	100%	2,648	100%	35%

Within the Coastal Zone, the projected effects also differ substantially by listing type:

Active Coastal Zone Listings	Existing Supply	Potentially Remaining if Permitted	Projected Lost	Percent Lost
Non-hosted STRs	497	134	363	73%
Homeshares	77	47	30	39%
Total	574	181	393	68%

Potential remaining supply reflects geographic and listing-type eligibility under the proposed regulations and does not establish final permit eligibility.

The majority of lost rentals and guest capacity in the Coastal Zone are full property rentals (STRs) located in the Homeshare-Only area. Specifically, **223 of the 363 non-hosted STRs projected to be lost in the Coastal Zone are located within the proposed Coastal Zone Homeshare-Only Area**, where non-hosted STRs would no longer be eligible. These listings accommodate an average of **5.1 guests per property, compared with 2.2 guests per property for Coastal Zone homeshares**. Their loss therefore results in a disproportionate reduction in overnight visitor accommodation capacity within the Coastal Zone. Overall, newly ineligible Coastal Zone properties would account for 56% of lost STR listings under the proposed regulations.

SENSITIVITY ANALYSIS

The primary analysis used AirDNA property coordinates as provided, without an additional spatial buffer. Of the 1,613 active listings included in the analysis, 1,405 (87%) are identified by AirDNA as not having exact locations. AirDNA has indicated that property coordinates may be generalized for privacy and that, in densely populated areas, the displacement may be relatively small, on the order of approximately 50 m. A 50 m sensitivity analysis was therefore conducted to evaluate how plausible locational uncertainty could affect the geographic classification of listings near regulatory boundaries.

The 50 m sensitivity analysis extends the City-provided regulatory-area boundaries outward by 50 m and reclassifies listings based on those expanded boundaries. This approach evaluates how listings located close to regulatory boundaries could be classified differently if their provided locations are displaced by

[6] Estimated total nightly guest capacity of hotels and STRs in the Coastal Zone is 7,633.

up to 50 m. Because positional displacement may occur in either direction, the analysis should not be interpreted as a complete uncertainty interval. Rather, it provides a one-directional test of the sensitivity of the results to plausible locational uncertainty.

The no-buffer analysis is used as the primary estimate. Under the 50 m sensitivity analysis, the projected citywide loss decreases from **74% to 64% of active listings** and from **78% to 68% of STR-provided guest capacity**. Even under this alternative spatial assumption, nearly two-thirds of active listings and more than two-thirds of existing guest capacity would be lost.

Active Citywide Listings (with 50-meter locational sensitivity)	Properties	Percent of Properties	Guest Capacity	Percent of Guest Capacity
Remaining	548	49%	2,053	44%
Lost	569	51%	2595	56%
Total	1,117	100%	4,648	100%

COMPARISON WITH STAFF REPORT ESTIMATES

The City staff reports provide a rough estimate of the potential reduction in non-hosted STRs within the Coastal Zone. Based on the figures compiled by counsel, the staff reports identify approximately **530 existing non-hosted Coastal Zone STRs**, of which approximately **110 may fall within the proposed non-hosted STR License Area and 420 may fall outside it**.

Ceto's independent analysis of 2024 AirDNA data identifies **497 active non-hosted STRs in the Coastal Zone**. Under Ceto's application of the proposed regulatory areas, **134 are classified as potentially remaining and 363 are projected to be lost**.

Coastal Zone Non-Hosted STRs	Staff Report	Ceto AirDNA Analysis	Difference (Staff - Ceto)
Existing supply	530	497	+33
Potentially remaining	110	134	-24
Projected lost	420	363	+57
Percent Projected Lost	79%	73%	+6 percentage points

Although the datasets and methods differ, the results are similar in magnitude. Both indicate that the proposed regulations could substantially reduce the supply of non-hosted STRs in the Coastal Zone, with the staff-report estimates suggesting a reduction of approximately 79% and Ceto's independent analysis indicating a reduction of approximately 73%.

The staff report further distinguishes the 530 non-hosted STRs by Transient Occupancy Tax (TOT) status, identifying 330 properties currently paying TOT and 200 properties not currently paying TOT. Comparable TOT-payment status is not available in the AirDNA dataset, so Ceto cannot independently evaluate that distinction.

De Facto Operation

The results above compare active listing in currently eligible and conditionally eligible zones, excluding STRs operating outside of these zones. There were 496 STRs located outside of the Coastal Zone operating outside of an eligible zone in 2024. Ceto also compared this *de facto* operating picture to the proposed regulation.

Current status	Listings	Guest capacity	Remaining Listings	Lost Listings	Lost capacity
Coastal Zone	574	2,648	181	393	1,954
Inland currently allowed	384	1,450	213	171	694
Inland conditional	159	550	21	138	475
Inland not currently allowed	496	2,267	0	496	2,267

	De Facto Operation	*De Jure* Operation
Existing listings	1,613	1,117
Listings lost	1,198	702
Percent of listings lost	74.3%	62.8%
Existing STR capacity	6,915	4,648
STR capacity lost	5,390	3,123
Percent of STR capacity lost	77.9%	67.2%

Comparison to the *de facto* listings substantially increases the delta, however, comparison to the *de jure* market still shows that the proposed ordinance eliminates about two-thirds of the geographically eligible STR capacity.

CALIFORNIA COASTAL COMMISSION
SOUTH CENTRAL COAST AREA
89 SOUTH CALIFORNIA ST., SUITE 200
VENTURA, CA 93001
(805) 585-1800

January 10, 2017

City of Santa Barbara
Attn.: Renee Brooke, City Planner
630 Garden Street
Santa Barbara, CA 93102-1990

Re: Executive Director Determination for Proposed Short Term Vacation Rental at [redacted] Avenue

Dear Ms. Brooke:

We have reviewed your January 6, 2017 letter requesting a determination of hearing procedures pursuant to Santa Barbara Municipal Code (SBMC) Section 28.44.050.B.2, as to whether the conversion of an existing residential unit located at [redacted] to a short-term vacation rental (STVR) is categorically exempt from Coastal Development Permit (CDP) requirements. As described within the subject letter, the applicant asserts that a STVR is materially similar to a time-share unit, and that because Section 28.44.070 of the SBMC categorically exempts the conversion of an existing, multi-family residential unit to a time-share unit, the conversion of an existing residential unit to a STVR is also categorically exempt.

As the SBMC does not contain a definition of vacation rental, the City has indicated that it considers STVRs to be a use similar to that of a hotel. Based upon the definition of hotel in Section 28.04.395 of the SBMC, the City has also indicated that it considers a STVR to be a non-residential use that is only allowed in certain zones where commercial uses are allowed. As such, the City asserts that the conversion of the subject residential unit into a STVR requires a CDP because it is a change of use from residential to commercial.

The Executive Director agrees that conversion of a residence to a STVR does not qualify as a categorically excluded conversion pursuant to Section 28.44.070 of the SBMC because a STVR does not qualify as a time-share project, estate, or use, as defined in Section 11212 of the Business and Professions Code. However, we disagree with the City's current approach to consider residences used as STVRs as "hotel" uses (pursuant to the City's interpretation of the definition of "hotel" included in the SBMC) for the purpose of prohibiting or limiting STVRs in residential zones. Moreover, the City's certified LCP does not clearly provide that a CDP is required to use an existing single family residence or duplex as a STVR.

As the Commission described in its December 6, 2016 guidance letter on Short-Term/Vacation Rentals in the California Coastal Zone, "the Commission has found that vacation rental prohibitions unduly limit public recreational access opportunities inconsistent with the Coastal Act." See https://documents.coastal.ca.gov/reports/2016/12/w7a-12-2016.pdf (Attachment C). Furthermore, the City of Santa Barbara Land Use Plan (LUP) includes policy language that prioritizes visitor-serving recreational facilities, protects lower cost visitor and recreational

facilities, and prohibits removal or conversion of visitor-serving development in certain areas of the City. The LUP also includes several policies that protect coastal resources, including public access.

Due to their function as a high priority visitor-serving use, the Coastal Commission has generally interpreted local zoning ordinances in a broad fashion and found that short term rentals are a form of residential use, permitted by right, in any residentially zoned area unless such uses are specifically prohibited or otherwise restricted. Nonetheless, we also understand and appreciate that these uses may raise a number of neighborhood character and operational issues, such as site management, number of occupants, special events, parking, litter, and noise limits. As such, we support developing reasonable and balanced regulations that can be tailored to address the specific issues within your community to allow for STVRs, while providing appropriate regulation to ensure consistency with applicable laws. We believe that appropriate rules and regulations can address issues and avoid potential problems while complying with Coastal Act and LCP policies to promote public access and protect lower-cost visitor accommodations. Thus, we encourage the City to update its certified LCP to more clearly regulate STVRs in a manner that does not prohibit or unduly limit them.

In summary, the Executive Director agrees with the City's determination that the subject request to convert an existing residential unit to a STVR does not fall within the categorical exclusion for time share conversions pursuant to Section 28.44.070 of the SBMC. However, as described above, Commission staff believes that this request highlights the need for the City to process an LCP amendment to establish clear provisions and coastal development permit requirements that will allow for STVRs and regulate them in a manner consistent with the Coastal Act. As such, Commission staff would strongly recommend the City's pending Round Three LCP Local Assistance Grant include an evaluation of STVRs, as well as the creation of provisions to specifically address this topic.

We look forward to working with you to address the regulation of STVRs within the City. If you have any questions, please don't hesitate to contact our office.

Sincerely,

Jacqueline Phelps
Coastal Program Analyst

ENVIRONMENT
& HEALTH

ENVIRONMENTAL ANALYSIS OF SHORT-TERM RENTAL REGULATION IN SANTA BARBARA, CA

Date: September 10, 2026
From: Sarah Manzano and Brent Ferren

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Ramboll Americas Engineering Solutions, Inc. (Ramboll) evaluated potential air quality, greenhouse gas (GHG), energy and noise environmental impacts of a potential limitation on short-term rentals (STRs) in the city of Santa Barbara, California under the direction of Angel Law for Airbnb. As discussed throughout this memo, Ramboll found that the regulation of STRs in Santa Barbara has the potential to increase emissions and noise, creating the potential for environmental and health-related impacts that should be evaluated further. The increase in emissions and noise have the potential to cause significant impacts as defined in the California Environmental Quality Act (CEQA) and the life and well-being of the residents of Santa Barbara that need to be evaluated further.[1]

1 Overview

Ramboll understands that there are currently two ordinances before the City's decision makers for review and adoption, each proposing a distinct regulatory framework for STRs within separate geographic areas: one applicable to the coastal zone within City boundaries (Coastal Zone), and the other applicable to the incorporated areas inland of the coastal zone (Inland Area) including high fire hazard areas that are subject to the proposed ordinance. This analysis is primarily focused on the proposed Inland Area ordinance and does consider the separate regulatory framework under consideration for the Coastal Zone in the cumulative scenario only. Ramboll understands that, under existing zoning regulations, the City generally prohibits STRs in residential zones by classifying them as hotel uses, resulting in limited permitted STR activity within the Inland Area. The proposed Inland Area ordinance would establish a comprehensive regulatory framework governing STRs, including both whole-home (unhosted) STRs and hosted homeshare arrangements, and would restrict the locations where such uses may occur. These changes would modify the regulatory approach to overnight visitor-serving uses within the Inland Area and establish new standards governing their operation and distribution. The City has identified 445 STRs in the inland area affected by the regulation; however, this figure does not explicitly account for STRs located within high fire hazards area that are also subject to the ordinance.[2] Therefore, the total number of affected STRs within

[1] CEQA defines "Significant effect on the environment" as "a substantial, or potentially substantial, adverse change in the environment." See Public Resources Code, § 21068. Thresholds of significance adopted by public agencies, whether by the lead agency (City) or other agencies, such as the Santa Barbara County Air Pollution Control District, may help determine whether a project may cause a significant impact. See CEQA Guidelines, §§ 15064, subd. (b)(2), 15064.7.

[2] The City of Santa Barbara Ordinance Committee reports 445 active short-term Airbnb rentals in the Inland Area of Santa Barbara affected by the regulation, which is referenced throughout this analysis and does not account for the number of STRs that may be affected by the high fire hazard restrictions. There are also approximately 265 transient occupancy tax (TOT) paying STRs and a portion of the 200 non-TOT paying STRs located in the Coastal Zone that may be affected by the proposed regulations. While conclusions herein are largely based on comparative impacts associated with reductions in STR availability, and are therefore not dependent on the precise number of STRs, the Coastal Zone listings are discussed qualitatively and considered in the cumulative context of potential displacement effects.

the Inland Area is expected to be higher. While this analysis focuses quantitatively on the Inland Area, additional displacement dynamics are expected to occur within the Coastal Zone. Where appropriate, qualitative discussion is provided to reflect potential cumulative effects across both geographic areas.

Due to the proposed STR regulations, individuals will have reduced access to STRs in the City. As a result, some visitors may travel greater distances to other jurisdictions within the region to secure STRs or more affordable lodging options, thereby increasing vehicle miles traveled (VMT). In particular, increased travel to and from hotels and STRs outside the City due to limited in-City availability may increase emissions above Santa Barbara County Air Pollution Control District (SBCAPCD) thresholds for criteria air pollutants (CAPs), with the potential to cause short-term and long-term health impacts to sensitive receptors, exceedances of applicable air quality standards, and inconsistencies with applicable air quality and climate plans, all of which supports a fair argument of significant environmental impacts that need to be studied under CEQA. Additionally, changes in trip patterns associated with lodging displacement may contribute to increased traffic congestion and noise impacts that require study under CEQA.[3] This analysis focuses on reasonably foreseeable direct, indirect, and cumulative environmental effects associated with changes in visitor accommodation patterns resulting from the proposed STR regulations. The evaluation is intended to identify whether such effects result in at least potentially substantial changes in the environment under CEQA,[4] based on available data and reasonable data- or fact-based assumptions.

2 Health Impacts from Criteria Pollutants and Greenhouse Gases

CAPs are defined as pollutants for which the federal and state governments have established ambient air quality standards, or criteria, for outdoor concentrations to protect public health. The federal and state standards have been set, with an adequate margin of safety, at levels above which concentrations may be harmful to human health and welfare. These standards are designed to protect the most sensitive people from illness or discomfort. Pollutants of concern include ozone (O_3), nitrogen oxides (NO_x), carbon monoxide (CO), sulfur oxides (SO_x), particulate matter less than 10 microns in diameter (PM_{10}), and particulate matter less than 2.5 microns in diameter ($PM_{2.5}$).

In addition to CAPs, GHGs, which include but are not limited to carbon dioxide (CO_2), nitrous oxide (N_2O) and methane (CH_4), are also of environmental concern due to their role in contributing to climate change. While not subject to ambient air quality standards, GHGs trap heat in the atmosphere and contribute to climate change, with far-reaching impacts on ecosystems, weather patterns, and human health.

As discussed above, the proposed STR regulations have the potential to substantially increase emissions of these pollutants. The background on their health impacts is discussed in the following paragraphs.

Ozone

O_3 is a colorless gas that is formed in the atmosphere when volatile organic compounds (VOCs), sometimes referred to as reactive organic gases (ROG), and oxides of nitrogen (NO_x) react in the presence of ultraviolet sunlight. O_3 is not a primary pollutant; it is a secondary pollutant formed by complex interactions of two pollutants directly emitted into the atmosphere. The primary sources of VOCs and NO_X, the precursors of O_3, are automobile exhaust and industrial sources. Meteorology and terrain play major roles in O_3 formation, and ideal conditions occur during summer and early autumn on days with low wind speeds or stagnant air, warm temperatures, and cloudless skies. Short-term

3 City of Santa Barbara Ordinance Committee 2026. Re: April 14, 2026 Meeting -- Agenda Item 1, Proposed Short-Term Rental Ordinances Amendments to Title 28 ("Zoning-Coastal") and Title 30 ("Zoning-Inland") of the Santa Barbara Municipal Code

4 See fn. 1, above.

exposures (lasting for a few hours) to O_3 at levels typically observed in Southern California can result in breathing pattern changes, reduction of breathing capacity, increased susceptibility to infections, inflammation of the lung tissue, and some immunological changes.

Nitrogen Oxides

Most NO_2, like O_3, is not directly emitted into the atmosphere but is formed by an atmospheric chemical reaction between nitric oxide (NO) and atmospheric oxygen. NO and NO_2 are collectively referred to as NO_X and are major contributors to O_3 formation. The primary sources of NO, the precursor to NO_2, include automobile exhaust and industrial sources. High concentrations of NO_2 can cause breathing difficulties and result in a brownish-red cast to the atmosphere, reducing visibility. There is some indication of a relationship between NO_2 and chronic pulmonary fibrosis, and some increase in bronchitis in children (under 4.5 years old) has also been observed when NO_X is present in ambient air.[5,6]

Carbon Monoxide

Carbon Monoxide (CO) is a colorless and odorless gas formed by the incomplete combustion of fossil fuels. CO is emitted almost exclusively from motor vehicles, power plants, refineries, industrial boilers, ships, aircraft, and trains. In urban areas, such as Santa Barbara, automobile exhaust accounts for the majority of CO emissions.[7] CO is a non-reactive air pollutant that dissipates relatively quickly; therefore, ambient CO concentrations generally follow the spatial and temporal distributions of vehicular traffic. CO concentrations are influenced by local meteorological conditions, primarily wind speed, topography, and atmospheric stability. CO from motor vehicle exhaust can become locally concentrated when surface-based temperature inversions are combined with calm atmospheric conditions, a typical situation at dusk in urban areas between November and February. These inversions occur when a layer of warm air sits atop cool air and are more frequent during the colder months of the year when the highest levels of CO typically occur. In terms of health, CO competes with oxygen, often replacing it in the blood, thus reducing the blood's ability to transport oxygen to vital organs. The results of excess CO exposure can be dizziness, fatigue, and impairment of central nervous system functions.

Sulfur Oxides

Sulfur Dioxide (SO_2) is a colorless, pungent gas formed primarily by the combustion of sulfur-containing fossil fuels. The main sources of SO_2 are coal and oil used in power plants and industries; as such, the highest levels of SO_2 are generally found near large industrial complexes. In recent years, SO_2 concentrations have been reduced by the increasingly stringent controls placed on stationary source emissions of SO_2 and limits placed on the sulfur content of fuels. SO_2 is an irritant gas that attacks the throat and lungs and can cause acute respiratory symptoms and diminished ventilator function in children. SO_2 can also yellow plant leaves and erode iron and steel.

Particulate Matter

Particulate matter (PM) pollution consists of very small liquid and solid particles floating in the air, which can include smoke, soot, dust, salts, acids, and metals. Particulate matter can form when gases emitted from industries and motor vehicles undergo chemical reactions in the atmosphere. $PM_{2.5}$ and

[5] Yoon et al. 2023. Nitrogen dioxide increases the risk of disease progression in idiopathic pulmonary fibrosis. Respirology (Carlton, Vic.), 28(3), 254–261. Available at: https://doi.org/10.1111/resp.14373

[6] Ghosh, et al. 2012. Ambient nitrogen oxides exposure and early childhood respiratory illnesses. Environment international, 39(1), 96-102. Available at: https://doi.org/10.1016/j.envint.2011.10.001

[7] Transportation Research Board. 2002. The Congestion Mitigation and Air Quality Improvement Program: Assessing 10 Years of Experience -- Special Report 264. Washington, DC: The National Academies Press. https://doi.org/10.17226/10350.

PM_{10} represent fractions of particulate matter. Fine particulate matter, or $PM_{2.5}$, is roughly 1/28 the diameter of a human hair. $PM_{2.5}$ results from fuel combustion (e.g., motor vehicles, power generation, and industrial facilities), residential fireplaces, and woodstoves. In addition, $PM_{2.5}$ can be formed in the atmosphere from gases such as sulfur oxides (SO_X), NO_X, and VOCs. Inhalable or coarse particulate matter, or PM_{10}, is about one- seventh the thickness of a human hair. Major sources of PM_{10} include dust stirred up by vehicles traveling on roads; crushing or grinding operations; wood-burning stoves and fireplaces; dust from construction, landfills, and agriculture; wildfires and brush/waste burning; industrial sources; windblown dust from open lands; and atmospheric chemical and photochemical reactions.

$PM_{2.5}$ and PM_{10} pose a greater health risk than larger-size particles. When inhaled, these tiny particles can penetrate the human respiratory system's natural defenses and damage the respiratory tract. $PM_{2.5}$ and PM_{10} can increase the number and severity of asthma attacks, cause or aggravate bronchitis and other lung diseases, and reduce the body's ability to fight infections. Very small particles of substances such as lead, sulfates, and nitrates can cause lung damage directly or be absorbed into the bloodstream, causing damage elsewhere in the body. Additionally, these substances can transport absorbed gases, such as chlorides or ammonium, into the lungs, also causing injury. Whereas PM_{10} tends to collect in the upper portion of the respiratory system, $PM_{2.5}$ is so tiny that it can penetrate deeper into the lungs and damage lung tissues. Suspended particulates also damage and discolor surfaces on which they settle, as well as produce haze and reduce regional visibility.

Greenhouse Gases

Greenhouse gases are gases that trap heat in the Earth's atmosphere, contributing to the greenhouse effect and climate change. Unlike criteria air pollutants, GHGs are not directly associated with respiratory or toxic health effects at ambient levels but are significant due to their long-term impacts on global climate systems and human health through secondary effects such as increased heat waves, wildfires, and sea level rise.

The primary GHGs of concern include CO_2, CH_4, N_2O, hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6). Among these, CO_2 is the most prevalent, primarily emitted through the combustion of fossil fuels for transportation, electricity generation, and other industrial processes. CH_4 is released from landfills, agriculture (particularly from livestock), and oil and gas operations, while N_2O emissions are largely associated with agricultural activities and combustion.

Transportation is a major source of GHG emissions in Santa Barbara, contributing significantly to statewide CO_2 levels.[8] Increased VMT contributes to regional GHG emissions. Although GHGs disperse globally, local increases in VMT contribute to the broader cumulative impacts of climate change.

While GHGs do not cause immediate local air quality issues in the way criteria pollutants do, their long-term effects include rising temperatures, changing precipitation patterns, reduced snowpack, and increased frequency and intensity of extreme weather events. These changes pose risks to both human and ecological health, infrastructure, and regional economic stability, especially in areas like Santa Barbara that are vulnerable to wildfire, extreme heat and floods.

3 The Proposed STR Regulations have the Potential to Increase Air Pollutant Emissions and Greenhouse Gas Emissions that Must be Evaluated under CEQA

According to Title 30 of the City Ordinance, there are 445 STRs in the Inland Area of Santa Barbara affected by the regulation and at risk of being shut down. This estimate does not explicitly include STRs located in high fire hazard areas that are also subject to the ordinance; therefore, the total

[8] City of Santa Barbara (n.d.) Climate Action Plan. Available at: https://sustainability.santabarbaraca.gov/programs/climate-action-plan (Accessed: 2 June 2026)

number of affected STRs in the inland area may be higher. On average, the occupancy rate of STRs in Santa Barbara is 77%.[9] While the quantitative analysis focuses on STRs in the Inland Zone affected by the regulation, there are additional STRs located in the high fire hazard areas and the Coastal Zone affected by the regulation that are discussed cumulatively. Short-term rentals play a key role in distributing visitors throughout the neighborhood, allowing them to stay close to their destinations of choice, in or within walking distance of downtown Santa Barbara. Guests would likely choose to drive further to an STR in a different jurisdiction with fewer restrictions, such as the unincorporated areas of Santa Barbara County or Ventura County, or nearby cities in Santa Barbara County or Ventura County, also leading to increased trip lengths. Limiting access to these Airbnb rentals and other short-term rentals in Santa Barbara may also correspond with an increase in guests at Santa Barbara hotels, increasing trip lengths as visitors would still have fewer lodging options close to their chosen destinations.

In addition, the number of trips taken by guests to and from their site of accommodation would be higher for those staying in hotels than those choosing short-term rentals. According to the Institute of Transportation Engineers (ITE), the average weekday trip generation rate for Recreational Homes (ITE Land Use Code 260) is 3.55 trips per day, while the Hotel land use (ITE Land Use 310) generates an average of 7.99 trips per day. This discrepancy may be attributed to several factors, including the need for hotel guests to travel off-site for meals, shopping, and activities, as hotels often lack in-room full kitchens or in-room dining options. Additionally, hotels typically require a larger workforce, resulting in more employee commute trips. In contrast, STRs frequently serve longer-stay visitors who cook on-site, stay with families, or engage in fewer daily trips, thereby reducing traffic volumes in the surrounding area.

For this comparison, two scenarios were analyzed. The first scenario assumes half of existing STR users are assumed to stay at STRs located farther from their destinations while the other half are assumed to stay at hotels due to the reduction in access to Santa Barbara STRs. The second scenario assumes 70% of the existing STR users may stay at alternative STRs and 30% may stay at hotels. These assumed scenarios for distribution of displaced visitors between hotels and STRs located outside the City represent reasonable planning assumptions and are used for illustrative purposes. Actual visitor behavior may vary based on fluctuating future market conditions, pricing, and availability; however, the analysis is intended to evaluate the potential magnitude and direction of impacts under plausible displacement scenarios.

The increase in trip length associated with visitors staying at farther STRs or hotels and the increase in number of trips associated with staying at hotels increases mobile emissions in the area. This increase in mobile emissions is presented below in Table 1 for both scenarios. Based on publicly available statistics on the current Airbnb listings in the Inland Area of Santa Barbara affected by the regulation, the average capacity per STR is 3.5 people and there are approximately 445 active Airbnb listings with an average occupancy rate of 77%.[10, 11] This results in an average population of 1,199 people on any given day. As a result of the potential STR regulation, 200 hotel rooms under Scenario 1 and 120 hotel rooms under Scenario 2 would be required to accommodate a comparable number of visitors assuming 3 people per room and an even larger number when considering the Coastal Area as well.

[9] Airbtics 2026. Santa Barbara. Available at: https://app.airbtics.com/airbnb-data/United-States/CA/Santa%20Barbara,%20California

[10] Airroi 2026. Santa Barbara. Available at: https://www.airroi.com/atlas/map?country-code=US&state=California&city=Santa-Barbara

[11] Airbtics 2026. Santa Barbara. Available at: https://app.airbtics.com/airbnb-data/United-States/CA/Santa%20Barbara,%20California

The number of peak daily trips was estimated using the ITE trip rates for recreational homes and hotel land uses and the number of STRs and hotel rooms required to serve the same population.[12,13] The number of daily miles traveled for the existing STRs was based on Santa Barbara County specific default assumptions from CalEEMod.[14] Those visitors that would otherwise stay at STRs within the City and choose not to switch to hotels, are assumed to travel approximately 5 miles longer, as they are displaced to nearby jurisdictions with less restrictive STR regulatory regimes or where STRs are permitted under different regulatory frameworks, such as Goleta, Carpinteria, or Summerland and other unincorporated areas of Santa Barbara County or Ventura County, resulting in additional vehicle miles traveled.[15] This assumption represents a conservative but reasonable estimate of increased travel distance based on the geographic distribution of nearby jurisdictions where STRs are permitted. Visitors that would stay at hotels as a result of the STR restrictions are conservatively assumed to travel the same distance as the existing STR.

Under the proposed regulation affecting the Inland Area, visitors staying at a hotel or an STR located further away would generate up to 207 percent (scenario 1) or 209 percent (scenario 2) of the criteria air pollutant emissions and GHG emissions that would be generated if visitors stayed at the existing STRs.[16] Therefore, the inland ordinance has the potential to considerably increase emissions in the area. The increase in VMT and greenhouse gas emissions is directly inconsistent with regional and state goals to reduce VMT and greenhouse gas emissions from vehicle trips. Additional calculation details can be found in Appendix A.

As shown in Table 1, the increase in emissions is similar between both scenarios, which demonstrates that regardless of the alternative accommodations a visitor may choose, emissions will increase.

Table 1. Emissions Increase due to Additional VMT

Criteria Air Pollutant	Percent of daily mobile emissions to serve the same population	
	Scenario 1: 50% STRs / 50% Hotels	Scenario 2: 70% STRs / 30% Hotels
VOC	197%	195%
NOx	205%	206%
CO	206%	207%
SOx	207%	209%
PM10	207%	209%
PM2.5	207%	209%
GHG (CO2e)	207%	209%

[12] Institute of Transportation Engineers (ITE). 2021. Trip Generation Manual, 11th Edition.

[13] Population estimates were calculated based on an average STR capacity of 3.5 occupants and 77% occupancy rate, as indicated by Airbnb-specific data for Santa Barbara. For hotels, an average room capacity of 3 guests was assumed, reflecting typical room configurations that accommodate either 2 or 4 people.

[14] CalEEMod is a land use emissions calculator developed for the California Air Pollution Control Officers Association (CAPCOA) to estimate GHG and criteria air pollutant emissions associated with both construction and operational activities from land use projects. CalEEMod provides detailed emissions estimates and default data for evaluating emissions based on region. It encompasses emissions from a variety of sources including vehicle traffic, energy use, area sources, waste disposal, and water use along with construction equipment.

[15] Five miles is a conservative estimate based on the fact that unincorporated areas of Santa Barbara and nearby cities with less strict STR regulations are approximately 3 to 10 miles away from downtown Santa Barbara. For example, Goleta and Summerland are over eight and six miles respectively from downtown Santa Barbara.

[16] The percent increase reflects modeled mobile-source emissions from changes in VMT under the STR displacement scenarios, relative to the existing STR baseline. The table presents relative emissions rather than total emissions from the existing STR inventory; STR counts and estimated visitor population are provided for context.

Cumulative Effects Including Coastal Zone STRs

In addition to the approximately 445 STRs in the Inland Area, an estimated 265 transient occupancy tax (TOT) paying STRs and a portion of the non-TOT paying STRs located in the Coastal Zone are also subject to regulatory changes. While this analysis focuses quantitatively on the Inland Area, similar displacement dynamics would be expected to occur within the Coastal Zone. When considered cumulatively, the reduction in STR availability across both areas would further increase the number of visitors traveling greater distances to secure lodging and shift additional visitors to hotels, thereby further increasing VMT, criteria air pollutant emissions, and greenhouse gas emissions relative to the Inland Area-only scenario.

4 The Proposed STR Regulations May Disproportionally Burden Environmental Justice Communities

Existing environmental and socioeconomic disparities across Santa Barbara County leave certain communities particularly vulnerable to the cumulative impacts of land use and policy changes. The proposed STR regulations in Santa Barbara raise potential critical environmental justice issues, particularly given Santa Barbara County's existing burdens from regional and localized traffic-related pollution. By forcing visitors out of STRs and into areas highly concentrated with hotels in Santa Barbara and nearby communities, the proposed regulations will increase the existing environmental justice burdens, as discussed in more detail below. While the analysis does not quantify parcel-level exposure changes, it identifies reasonably foreseeable patterns of potential impact based on the spatial relationship between hotel concentrations, transportation corridors, and state-identified areas of elevated environmental burden.

The California Office of Environmental Health Hazard Assessment (OEHHA) CalEnviroScreen (CalEnviroScreen 4.0) is a statewide mapping tool developed to identify communities most impacted by pollution sources and other environmental health risks to identify vulnerability to adverse health effects from those sources.[17, 18] CalEnviroScreen considers environmental and socioeconomic factors to develop a percentile of burden across the State of California. Factors include indicators of pollution burden (e.g., ozone, traffic, pesticides, drinking water) and population characteristics (e.g., asthma, cardiovascular disease, education, poverty). These metrics are scored and weighted to produce an overall CalEnviroScreen score, which can be viewed as individual contributions of pollution burden and population characteristic scores. Communities are classified as "disadvantaged" if they fall within the highest 25 percent of overall CalEnviroScreen scores, were previously designated as disadvantaged under California state law, or meet alternative criteria.

In Santa Barbara, existing hotels are predominately clustered within the Inland Zone affected by the STR regulations along State Street, which runs from the Northwestern portion of the city into the downtown area. Two additional clusters of hotels exist in the Coastal Area along Cabrillo Boulevard, located in between Highway 101 and Cabrillo Blvd, near East Beach and West Beach. The proposed regulations on STRs may lead additional visitors to seek hotel stays in these locations. Many of these hotel-dominated areas show elevated burden compared to other parts of the community according to CalEnviroScreen.

As shown in **Figure 1**, the CalEnviroScreen tool identifies portions of Santa Barbara near the City center and close to East and West Beach, where the highest burdened census tracts are located. The

[17] OEHHA. CalEnviroScreen 4.0. May 2023. Available at: https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40.

[18] A draft version of CalEnviroScreen 5.0 was released in January 2026; however, it is not used in this analysis as the mapping tool is still in draft format.

region directly North of East Beach is the most polluted tract in the city (Tract 6083000804). These polluted urban and coastal census tracts are also where most Santa Barbara hotels are located. While most census tracts within Santa Barbara are ranked below the 50th percentile for the CalEnviroScreen overall score, the aforementioned tracts with the most hotels consistently exceed this 50th percentile mark (Tract 6083000804 71st, Tract 6083001206 51st, Tract 6083001000 71st, and Tract 6083000900 62nd). A higher score or percentile ranking means that a census tract faces increased burden compared to those tracts with lower scores.

These disparities are driven by differences in socioeconomic burden. These tracts both in the Inland Area and Coastal Area consistently rank above the 60th percentile for factors like unemployment, linguistic isolation, and poverty, with many exceeding this mark (notably Tract 6083001102 87th percentile for poverty). Meanwhile, census tracts located outside of the areas affected by the proposed STR regulation and sufficiently North, East, and West of these hotel clusters consistently rank at or below the 50th percentile for the same metrics. The proposed regulations shutting down STRs in Santa Barbara may have a greater impact on the communities that are already experiencing relatively higher environmental and socioeconomic burden. The two tracts with the highest overall burden also both have populations that are 60% or more Hispanic, meaning the pollution impacts are disproportionately absorbed by Hispanic populations. The influx of visitors to hotels in these census tracts due to the regulation may increase traffic and air pollutant emissions, as detailed in Section 3 and Section 7, in areas already experiencing elevated environmental burdens. These changes have the potential to result in disproportionate impacts on affected communities.

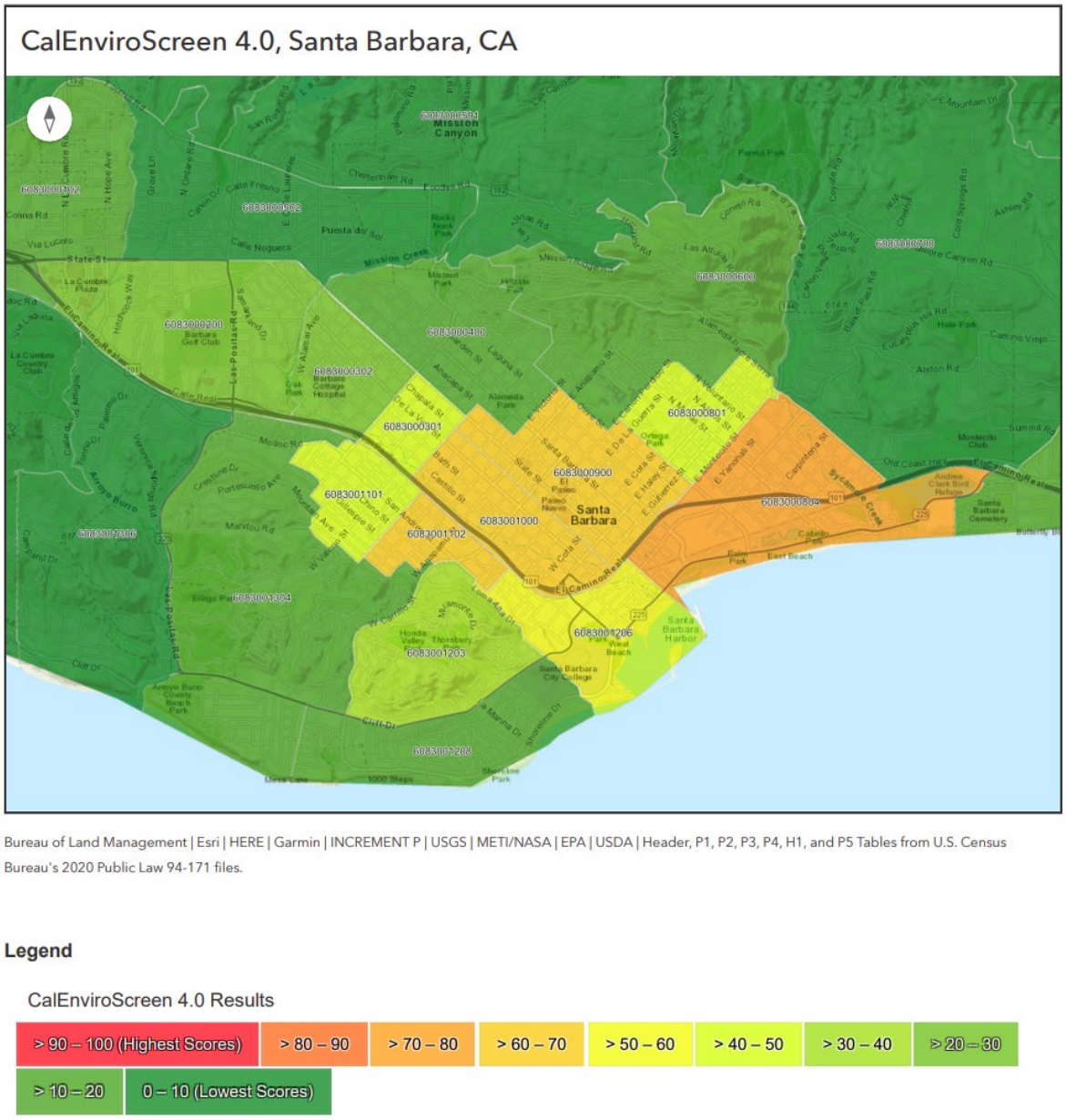


Figure 1. OEHHA CalEnviroScreen 4.0, Santa Barbara, CA, overall percentile of exposure and burden.

All census tracts in Santa Barbara also experience elevated pollution burden driven by diesel particulate matter, ozone, traffic, polluted ground water, hazardous waste, and solid waste. As a result of eliminating STRs, new hotels may be constructed or existing hotels may be expanded to meet visitor demand, which exacerbates pollution and environmental effects due to construction activity in already populated areas. Available data indicate that tourism in Santa Barbara represents a large component of the local economy and has shown continued growth in recent years. Visit Santa Barbara and Tourism Economics report a 12.5% increase in tourism in 2025 resulting in visitor spending that exceeds $2 billion annually. This evidence supports that continued visitor demand is reasonably

foreseeable.[19] Vehicle traffic into and out of the heavily-touristed neighborhood may also increase when visitors choose to stay in STRs in communities where STRs are permitted under different regulatory frameworks. These visitors would have to drive into Santa Barbara to reach desired travel destinations, increasing traffic along major roadways compared to if they stayed within the neighborhood and may walk or only had to drive short distances. This may worsen the quality of life for those populations that are already experiencing greater socioeconomic burden and exacerbate already elevated air pollution levels.

A large contributor to the elevated CalEnviroScreen overall burden scores in census tracts of Santa Barbara is poverty. In 2025, Santa Barbara ranked as the second most impoverished municipality in the entire state of California, with nearly 70,000 people (1 in 6 adults in the city) living at or below the poverty threshold.[20] **Figure 2** shows where this poverty is concentrated within the city. Notably, census tracts 6083001101 and 6083001102 are in the 81st and 87th percentile for statewide poverty, and both are majority Hispanic communities. Predominantly, poverty percentiles are highest in tracts near Highway 101, which bisects Santa Barbara and contains multiple clusters of hotels, as previously discussed. Increased traffic and vehicular emissions as a result of the additional vehicle travel discussed in Section 3 from restricting STRs would exacerbate the already high pollution burden in these tracts, and would thus have an outsized impact on the City's most impoverished and historically underrepresented populations.

[19] Travel and Tour World (2026) *California's Santa Barbara Celebrates Record-Breaking Tourism in 2025 and Strategic Shift Toward Sustainability in the US*. Available at: https://www.travelandtourworld.com/news/article/californias-santa-barbara-celebrates-record-breaking-tourism-in-2025-and-strategic-shift-toward-sustainability-in-the-us/ (Accessed: 19 June 2026).

[20] Cruz, R.P. (2025) In wealthy Santa Barbara, poverty rate among highest in state. The Santa Barbara Independent, 16 January. Available at: https://www.independent.com/2025/01/16/in-wealthy-santa-barbara-poverty-rate-among-highest-in-state/ (Accessed: 29 May 2026)

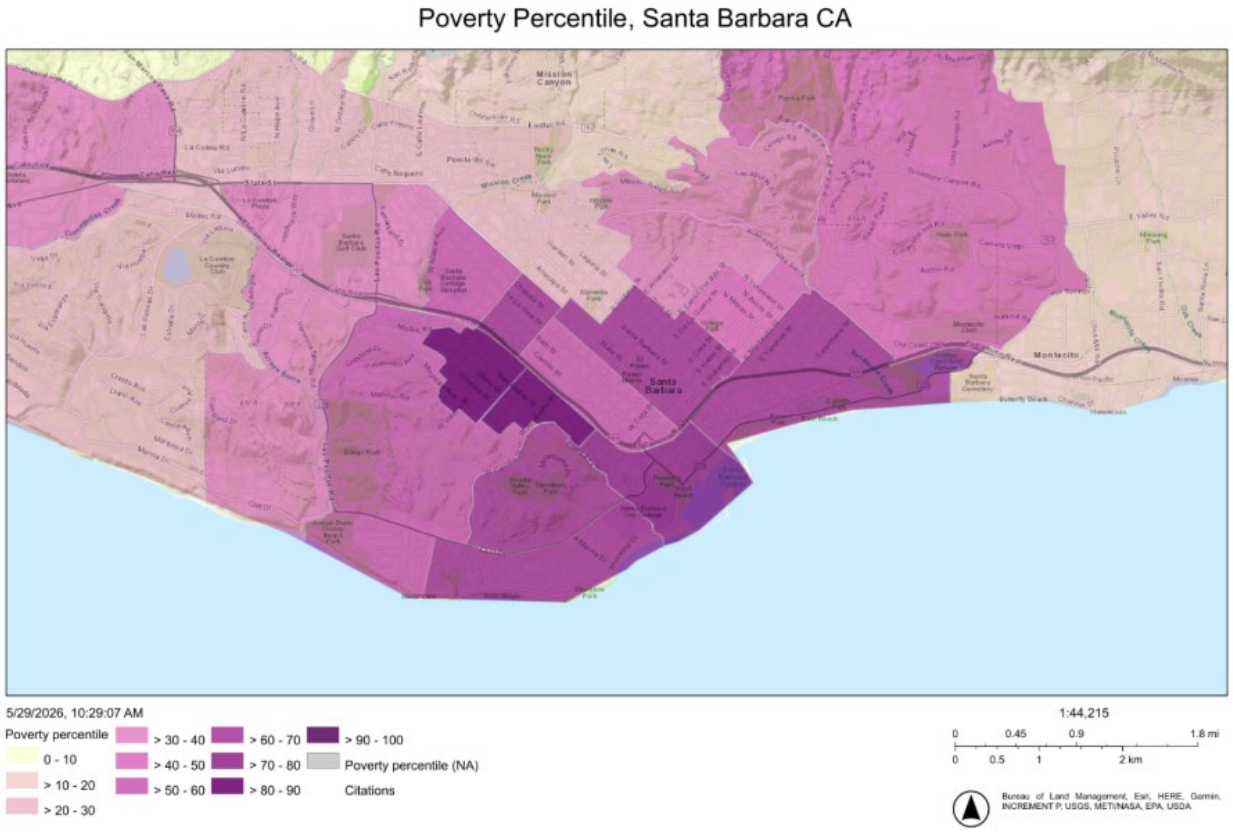


Figure 2. OEHHA CalEnviroScreen 4.0, Santa Barbara, CA, Poverty Percentiles

Restrictions on STRs would impact residents living outside of Santa Barbara's City limits as well. Requiring visitors to Santa Barbara to stay elsewhere and drive into the City may worsen exposure burdens associated with traffic impacts along Highway 101 outside of Santa Barbara City limits, in communities like Goleta, Carpinteria, or unincorporated areas of Santa Barbara County. As shown in **Figure 3**, many tracts near Highway 101, particularly those in Goleta, are ranked above the 70th percentile for traffic impacts. Tract 6083003004 notably sits in the 81st percentile for traffic associated burden, and is considered a disadvantaged community according to SB 535.[21] The City of Santa Barbara itself also experiences elevated traffic burden, with many tracts along Highway 101 and State Street ranking above the 60th and 70th percentile. In CalEnviroScreen, the traffic impact score represents the average number of vehicles per hour per kilometer of roadway passing through the census tract.[22] In higher-ranked tracts, this reflects substantial traffic volumes moving through these communities.[23] Increased visitor movement to and from Santa Barbara as a result of the STR

[21] OEHHA. SB 535 Disadvantaged Communities. May 2024. Available at: https://oehha.ca.gov/calenviroscreen/sb535

[22] OEHHA. CalEnviroScreen 4.0. October 2021. Available at: https://oehha.ca.gov/sites/default/files/media/downloads/calenviroscreen/report/calenviroscreen40reportf2021.pdf

[23] OEHHA. CalEnviroScreen 4.0. October 2021. Available at: https://oehha.ca.gov/sites/default/files/media/downloads/calenviroscreen/report/calenviroscreen40reportf2021.pdf

regulations may concentrate traffic in these census tracts and worsen exposure to air pollution associated with poor lung function, asthma, and worse birth outcomes. [24, 25, 26, 27, 28]

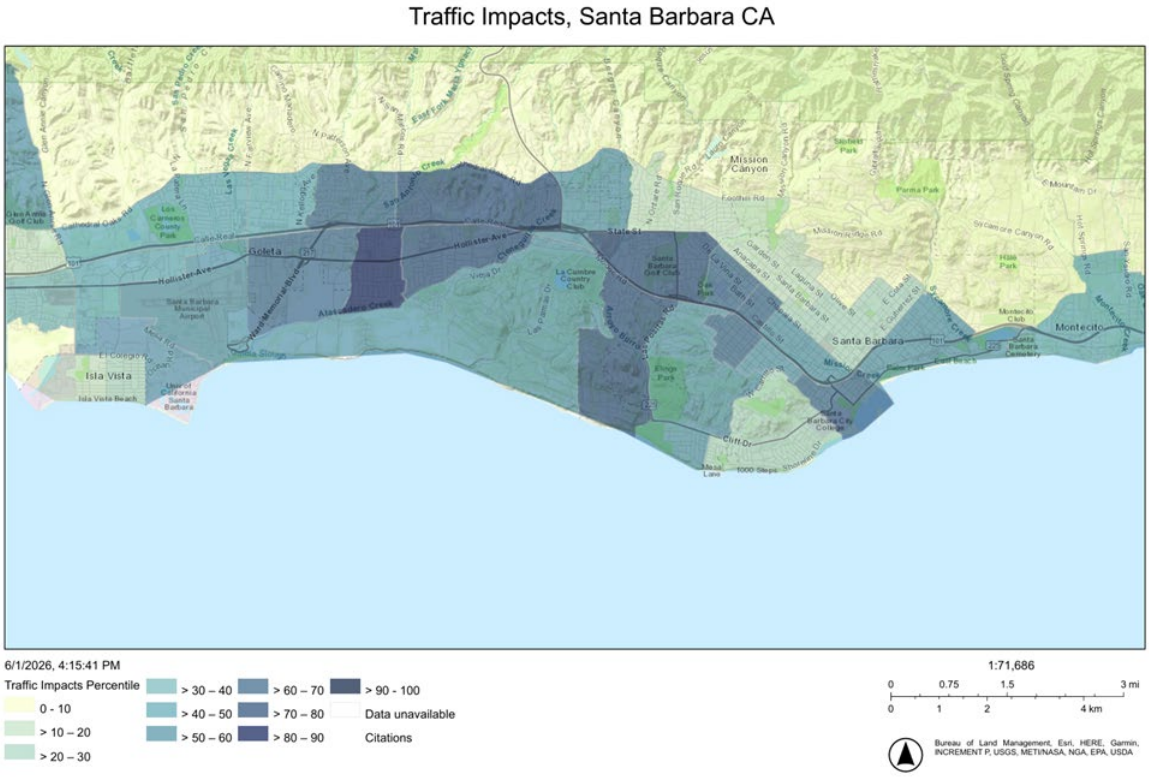


Figure 3. OEHHA CalEnviroScreen 4.0, Santa Barbara, CA, exposure indicator of traffic impacts.

The proposed STR regulations may shift visitor accommodations in STRs from lower-burdened, dispersed residential areas to concentrated hotel zones along State Street and major transportation corridors such as Highway 101 as well as to adjacent communities like Goleta, Carpinteria, or unincorporated areas in Santa Barbara County where pollution and traffic emission levels are already comparatively more elevated. This shift in accommodation location may increase vehicular traffic and hotel-generated emissions in areas facing significant burden associated with air pollution exposure levels and health risks. Furthermore, hotel construction in these areas to meet the demands of visitors as a consequence of the STR regulations may increase emissions from construction and operation in these areas. Together, the relocation of visitor travel and potential construction of new hotels may

[24] Schultz et al. 2012. Traffic-Related Air Pollution and Lung Function in Children at 8 Years of Age. American Journal of Respiratory and Critical Care Medicine, 186(12), 1286–91. Available at: https://doi.org/10.1164/rccm.201206-1045OC

[25] Kan et al. 2007. Traffic Exposure and Lung Function in Adults: The Atherosclerosis Risk in Communities Study. Thorax, 62(10), 873–79. Available at: https://doi.org/10.1136/thx.2006.073015.

[26] Garcia et al. 2019. Association of Changes in Air Quality With Incident Asthma in Children in California. JAMA, 321(19), 1906–15. Available at: https://doi.org/10.1001/jama.2019.5357.

[27] Ghosh et al. 2012. Assessing the Influence of Traffic-Related Air Pollution on Risk of Term Low Birth Weight on the Basis of Land-Use-Based Regression Models and Measures of Air Toxics. American Journal of Epidemiology, 175(12), 1262–74. Available at: https://doi.org/10.1093/aje/kwr469

[28] Ritz et al. 2007. Ambient Air Pollution and Preterm Birth in the Environment and Pregnancy Outcomes Study at the University of California, Los Angeles. American Journal of Epidemiology, 166(9), 1045–52. Available at: https://doi.org/10.1093/aje/kwm181.

further contribute to respiratory and cardiovascular health risks in Santa Barbara and overburdened communities in Santa Barbara County.

Cumulative Effects Including Coastal Zone STRs

In addition to the Inland Area, STRs located in the Coastal Zone are also subject to regulatory changes. Similar displacement dynamics would be expected to occur in the Coastal Zone. When considered cumulatively, the reduction in STR availability across both areas would incrementally concentrate visitor activity in hotel-dominated areas and along major transportation corridors. Due to the close proximity of the Coastal Zone and the Inland Area, this concentration of activity would likely be in the same areas.

Because these areas overlap with census tracts identified by CalEnviroScreen as having elevated environmental and socioeconomic burdens, the redistribution of visitor travel and associated emissions under both ordinances combined has the potential to exacerbate existing disparities to a greater extent than the Inland Area restrictions alone.

5 The Proposed STR Regulations Have the Potential to Increase Energy Demands and Overall Environmental Impact of a Visitor Traveling to the Area that Must be Evaluated under CEQA

As a result of the proposed STR regulations, a substantial percentage of visitors who would have otherwise stayed in STRs are expected to choose to stay in hotels instead. Hotels consume more energy per person than STRs. Using CalEEMod, Ramboll modeled the operational GHG emissions of hotels and STRs for comparison. The single-family home CalEEMod land use type was used as a surrogate for STR. Assuming an occupancy rate of 3 people per hotel room and 3.5 people per STR, hotels have much higher associated GHG emissions per person. It was found that hotels consume more electricity and natural gas per person than STRs, as shown in Table 2 and in the calculations and CalEEMod output in Appendix B.[29]

Table 2. Operational Energy Use per Person

Land Use	Electricity	Natural Gas	CO2e
	kWh/yr/person	kBTU/yr/person	MT/yr/person
Short Term Rentals	1,809	12,391	1.3
Hotel	6,769	14,159	2.7
Percent Increase	274%	14%	114%

As a result of the increase in energy consumption when staying in a hotel instead of an STR, per visitor electricity consumption would increase by 274 percent and GHG emissions would increase by 114 percent. These estimates are based on modeled averages using CalEEMod land use types and are intended to provide a comparative indication of relative energy use, rather than precise representations of individual building performance.

Additionally, the proposed STR regulations may increase the overall environmental impact of a visitor traveling to the area due to water consumption and waste production. Hotel accommodations typically

[29] The CalEEMod analysis is based on 214 dwelling units, which is the amount of STRs that would accommodate the same number of people as a 250 room hotel. However, the energy use per person and percent increase in GHG emission is independent of the absolute number of short-term rentals in Santa Barbara.

require more frequent towel and linen washing compared to STR accommodations. Hotels often use single-use items such as coffee filters, shampoos, and soap which result in a large amount of waste per room when compared to a STR, where single-use items are not needed. Additionally, most STRs are single-family homes with recycling services and provide recycling bins. Hotels do not often provide recycling bins in addition to waste bins.

As mentioned above, hotels also tend to produce more VMT per person because visitors make more trips from their hotel to restaurants, stores, and other attractions compared to STRs, which results in additional emissions.

Cumulative Effects Including Coastal Zone STRs

The regulatory changes in the Coastal Zone would further increase energy demands. Similar shifts in visitor accommodations would be expected to occur in the Coastal Zone. When considered cumulatively, the reduction in STR availability across all areas may increase the overall proportion of visitors staying in hotels compared to STRs, resulting in yet higher energy demand, water use, and waste generation associated with visitor lodging. These combined changes increase the overall environmental footprint of visitor accommodations in the region relative to the Inland Area-only scenario.

6 The Proposed STR Regulations Have the Potential to Increase Fossil Fuel Usage that Must be Evaluated Under CEQA

In addition, increased VMT would require greater reliance on fossil fuels to power longer vehicle trips. Even with California's policies to shift the vehicle fleet towards cleaner cars and trucks, vehicle usage may continue to rely on gasoline for car and truck trips for years to come. The proposed STR regulations therefore result in greater reliance on fossil fuels, inconsistent with regional and state climate policy. The estimated fuel use for scenario 1, which assumes half of existing STR users may use alternative STRs and the other half may use hotels, and scenario 2, which assumes 70% of existing STR uses may use alternative STRs and 30% may use hotels, is summarized in Table 3 and utilizes the same assumptions from Table 1. Additional calculation details can be found in Appendix A.[30] As shown in Table 3, the increase in fuel consumption is similar for both scenarios, which demonstrates that regardless of the alternative accommodations a visitor may choose, fuel consumption will similarly increase.

Table 3. Daily Mobile Fuel Consumption

Land Use	Scenario 1 (50% STR / 50% Hotel)		Scenario 2 (70% STR / 30% Hotel)	
	Gasoline Gallons/day	Diesel Gallons/day	Gasoline Gallons/day	Diesel Gallons/day
Short Term Rentals (STR) Before Regulation	207	15	207	15
After Regulation	430	31	434	31
Percent of fuel consumption to serve the same STR population	207%	207%	209%	209%

[30] The fuel usage is based on 445 STRs in Santa Barbara. However, the percent increase is independent of the number of short-term rentals in Santa Barbara.

Cumulative Effects Including Coastal Zone STRs

The regulatory changes in the Coastal Zone would increase the additional fuel consumption because similar changes in vehicle travel behavior would be expected in the Coastal Zone. When considered cumulatively, the reduction in STR availability across both areas would increase total vehicle miles traveled associated with visitor accommodations, resulting in greater overall fuel consumption. This combined increase in fuel use would further contribute to reliance on fossil fuels and associated emissions beyond those estimated for the Inland Area-only scenario.

7 The Proposed Regulations have the Potential to Concentrate Traffic, Resulting in Potential Noise and Health Impacts that Must be Evaluated under CEQA

The proposed STR regulations may concentrate traffic on roadways, which may have noise and attendant health impacts to the surrounding land uses. As described above, removing STRs as a means for lodging in the City would result in some visitors relying on hotels for their stay while others would travel to other areas to stay at an STR. Currently, there are approximately 54 hotels in the City limits and over half of them are located near West Beach, with the rest in Santa Barbara Downtown within the area affected by the regulation. It can safely be assumed that the incremental increase in hotel guests after adoption of the proposed STR regulations will significantly increase traffic to these parts of the City, as this additional traffic may then be concentrated on the roadways leading to and from the hotel sites. Furthermore, with access to STRs reduced, more vehicles would travel along Highway 101 and State Street to reach STRs outside City limits. Highway 101 is the main access route to many destinations in the City and surrounding areas. In comparison, traffic from visitors traveling to and from various STRs dispersed throughout the City would have more diversified, less concentrated traffic patterns as all visitors have unique destinations in their individual STR. Furthermore, potential new hotel construction to meet induced demand following adoption of the STRs restrictions would likely occur in the City's popular hotel zones, thereby concentrating even more traffic in these areas, including hauling and material transport trucks, job site machinery etc. for construction phases.

Health Risk Impacts from Traffic

Restricting STR availability in Santa Barbara may shift visitor accommodations toward hotels concentrated along major roadways or toward STRs located in nearby jurisdictions. These shifts may increase traffic volumes and vehicle miles traveled on roadways such as Highway 101 and State Street, particularly where visitors must travel farther between lodging and their intended destinations. Increased traffic volumes along these corridors may increase exposure to traffic-related air pollutants, including diesel particulate matter, particulate matter, and toxic air contaminants, at nearby residential and other sensitive receptors.

The magnitude of potential health risk impacts would depend on the location of displaced lodging demand, the amount of additional vehicle activity, roadway-specific traffic volumes, fleet mix, receptor proximity, and other site-specific factors. Because the proposed STR regulations may increase vehicle activity along already-burdened transportation corridors and shift visitor activity toward hotel zones near sensitive receptors, the potential for localized health risk impacts should be evaluated further under CEQA.

In addition, hotel accommodations can generate vehicle activity beyond guest trips, including employee commute trips and deliveries of food, beverages, linens, housekeeping supplies, and other goods. These operational trips may further contribute to traffic-related emissions in hotel-concentrated areas. Accordingly, further restricting STRs in Santa Barbara may increase traffic-related pollutant exposure along certain roadways and in nearby communities, creating the potential for localized health impacts that warrant additional evaluation.

Noise Impacts from Traffic

Ramboll evaluated whether a potential traffic volume increase may cause a traffic noise increase that is considered either substantial (per CEQA Guidelines) or increases the ambient conditions to a level above the City Noise Ordinance Limitations (60 dBA CNEL and 65 dBA CNEL for single-unit zones and multi-unit residential land uses, respectively).[31]

Traffic noise analyses require specific knowledge of existing and future traffic volumes and vehicle mixes as well as project-related traffic volumes and mixes. The following figure shows the best available exterior levels of noise created by traffic traveling along roadways in the City. The City's noise and land use compatibility standards consider exterior levels above 60 dBA (CNEL) for single-family units and 65 dBA (CNEL) for multi-family units to be generally incompatible for noise sensitive uses.

When residential or other noise-sensitive areas within the City that are currently below the 60/65 dBA CNEL level experience traffic volume increases, specifically due to additional concentrated travel as a result of traveling from farther STRs or increased hotel demand due to the proposed STR regulations, and the traffic volume increase increases the CNEL level, the STR regulations may be considered to have caused a significant impact. The Santa Barbara Environmental Resources Element - Noise Element establishes that a significant noise impact on a noise-sensitive receptor occurs when there is an increase in CNEL, as shown in the table below.

Table 4. Santa Barbara Noise Element Ldn /CNEL

CNEL (dBA)	dBA Increase
55	3
60	2
65	1
70	1
Over 75	1

The magnitude of a traffic noise increase is dependent on several factors including the traffic volume increase, the vehicle mix, and the local site conditions. Based on standard methodologies prescribed by the Federal Highway Administration (FHWA) and considering a vehicle mix typical of suburban/urban areas, traffic volume increases would be expected to result in the following traffic noise increases.

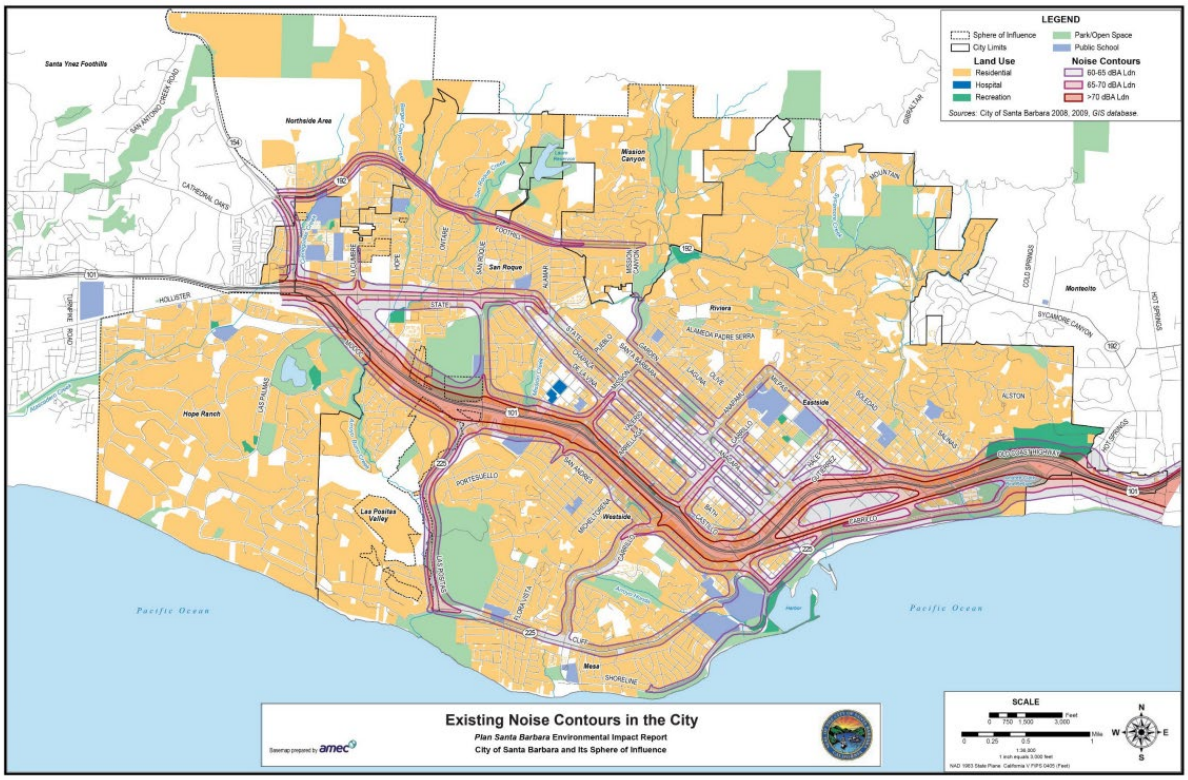
Table 5. Noise Impact from Traffic Increase

Traffic Volume Increase	Potential Traffic Noise Increase
25%	1 dB
50%	2 dB
100%	3 dB

[31] City of Santa Barbara. 2021. City of Santa Barbara Planning – Noise Ordinance Limitations: https://santabarbaraca.gov/sites/default/files/documents/Services/Planning%20Handouts%20-%20updated/Noise%20Guide.pdf

Project-specific detailed analysis, including a traffic analysis, would be required to further evaluate noise impacts.

As shown in the Figure below, areas with existing sound levels already above the noise standards of 60/65 dBA, or near the standard are where the majority of the current hotels are located (West Beach and Santa Barbara Downtown) and near Highway 101. Therefore, adding additional traffic to this area due to the shift to farther STRs or hotels following adoption of the proposed STR regulations, or the addition of new hotel rooms in the area, has the potential to exacerbate the existing noise impacts or create a significant cumulative noise impact. Therefore, without analysis, it cannot be seen with certainty that the proposed STR regulations may not have a significant impact on noise.



Source: City of Santa Barbara 2010

Figure 4. Contours from The Program EIR For the Plan Santa Barbara General Plan Update (https://santabarbaraca.gov/sites/default/files/documents/General%20Plan/Certified%20Final%20Program%20Environmental%20Impact%20Report/Volume%20I.pdf).

Cumulative Effects Including Coastal Zone STRs

In addition to the Inland Area, STRs located in the Coastal Zone are also subject to regulatory changes. While the analysis in this section focuses on Inland Area conditions, similar shifts in visitor accommodation patterns can be expected in the Coastal Zone. Due to the close proximity of the Coastal Zone and the Inland Area, the concentration of activity would likely be in the same areas. When considered cumulatively, the reduction in STR availability across both areas would further concentrate visitor-related traffic in hotel-dominated areas and along major transportation corridors, including State Street, Cabrillo Boulevard, and Highway 101. This combined redistribution of trips may increase localized traffic volumes and associated noise levels in these areas beyond those associated with the Inland Area-only scenario, particularly in locations where existing noise conditions and traffic-related health risks are already elevated.

8 Elimination of Short-Term Rentals May Cause the Construction of New Hotels or New Hotel Rooms in Existing Hotels to Meet Increased Demand; the Construction of New Hotels Would Result in Numerous Environmental Impacts That Require Studying

The prohibition of STRs, including those currently operating within the City, by compelling increased demand for hotels, potentially leads to the development of additional hotels or expansion of existing ones. The potential for additional hotel development is evaluated as a reasonably foreseeable response to reduced STR availability, based on the need to accommodate displaced visitor demand under substantially more constrained lodging supply conditions. Construction activity associated with new or expanded hotels has impacts on the environment that have not been studied. In particular, hotel construction has potential noise and air quality impacts as discussed below.

Potential Hotel Construction Air Quality and Health Impacts Resulting from STR Regulations

Ramboll performed a screening health risk assessment to determine the potential cancer risk resulting from construction activity of a hypothetical new hotel. The emissions associated with the construction of these hotels encompass on-site, off-road heavy equipment, off-site, on-road vehicle travel, architectural coating, paving, and fugitive dust. Ramboll utilized CalEEMod to estimate construction emissions from one 250-room hotel as shown in Appendix B, which is an average mid-size hotel.

Ramboll used an existing hotel project site to model emissions in AERMOD as a surrogate for the space of hotel construction. Concentrations resulting from diesel particulate matter (DPM) emissions from off-road construction equipment in CalEEMod were modeled on receptors in a grid of 20 meters. The health risk assessment used default exposure assumptions for residents as outlined by OEHHA.[32]

As indicated in Table 6, the construction of a hotel without emissions mitigation results in an excess cancer risk of 41 in a million for the maximum exposed individual (MEI), which exceeds the SBCAPCD's threshold of 10 in a million. Cancer risks continue to exceed the threshold up to 440 feet from the construction area.[33]

Table 6. Cancer Risk from Hotel Construction

Source	Cancer Risk (in a million)
Construction of a 250-room Hotel	41
SBCAPCD Threshold of Significance	10

Potential Noise Impacts due to New Hotels Resulting from the STR Regulation

Land Use Compatibility per the City of Santa Barbara Noise Element

The California Planning and Zoning Law encourages each local government to implement a noise element as part of its general plan. In addition, the California Governor's Office of Land Use and Climate Innovation has developed guidelines for preparing noise elements, which include recommendations for evaluating the compatibility of various land uses as a function of community noise exposure. The City of Santa Barbara has established a Noise Element as part of the Santa

[32] OEHHA. 2015. Air Toxics Hot Spots Program. Risk Assessment Guidelines. Guidance Manual for Preparation of Health Risk Assessments. February.

[33] The results presented here are based on pollutant dispersion using the meteorological data from the Santa Barbara National Guard station.

Barbara General Plan.[34] The Noise Element works to ensure that the City limits the exposure of the community to excessive noise levels in noise-sensitive areas and at noise-sensitive times of day. Specifically, the City has established standards for noise levels (Overall day/night sound level [Ldn], dBA) for land uses as displayed in Figure 5. It is noted that the City has updated multi-unit residential noise level limits to an Ldn of 65 dBA, which is not shown in the land use compatibility standard.

Sound levels resulting from a project exceeding the standards listed in Figure 6 or that cause the existing conditions to increase above these standards would typically be considered to be significantly impacting the surrounding community.

TABLE 3
SUMMARY LAND USE
COMPATIBILITY STANDARDS

Land Use Category	Normally Acceptable Exterior Noise Exposure, L_{dn} dBA[1]
Residential-Single Family, Duplex, Mobile Homes, Multiple Family, Dormitories, etc.	60
Transient Lodging	70
School Classrooms, Libraries, Churches	65
Hospitals, Nursing Homes	65
Auditoriums, Concert Halls, Music Shells	60
Sports Arenas, Outdoor Spectator Sports	65
Playgrounds, Neighborhood Parks	65
Golf Courses, Riding Stables, Water Recreation, Cemeteries	70
Office Buildings, Personal, Business, and Professional	75
Commercial-Retail, Movie Theaters, Restaurants	75
Commercial-Wholesale, Some Retail Industry, Manufacturing, Utilities	80
Manufacturing-Communications (Noise sensitive)	70
Livestock Farming, Animal Breeding	75
Agriculture (except Livestock), Mining, Fishing	95
Public Right-of-Way	85
Extensive Natural Recreation Areas	75

[1] These noise exposure levels represent the upper limit of the range of "normally acceptable" noise levels. "Normally acceptable" is defined as being an exposure that is great enough to be of some concern, but common building constructions will make the indoor environment acceptable, even for sleeping quarters. Above these levels, unusual and costly building constructions are necessary to ensure adequate performance of activities.

Figure 5. Noise Standards from the Noise Element. Source: Noise Element, Santa Barbara General Plan, April 2010.

Analysis of Construction Noise associated with the Building of New Hotels

The effect of construction noise impacts on nearby noise-sensitive neighbors is dependent on the location and nature of the construction activities. Depending on the construction activities and neighboring land uses, there is a potential for possible significance threshold exceedances related to the resulting construction activities, particularly in relation to residential communities.

Noise emissions from construction activities are not regulated by the Santa Barbara Municipal Code. However, a permit is required to perform any construction activities during nighttime hours (between

[34] City of Santa Barbara. 2011. General Plan Chapter 8, Noise. Available at: https://santabarbaraca.gov/sites/default/files/documents/General%20Plan/General%20Plan/Environmental%20Resources%20Element%20%28includes%20Noise%2A%20and%20Conservation%2A%29.pdf

8:00 P.M. and 7:00 A.M.). The potential for substantial temporary increases to the existing ambient conditions may be considered relative to CEQA guidelines.

Construction typically involves the use of heavy machinery that can be a significant source of noise and, while often temporary, can result in significant impacts. Construction equipment commonly includes air compressors, backhoes, concrete trucks, cranes, dump trucks, excavators, graders, pavers, tractors/dozers, vibratory rollers, portable generators, and water trucks. Depending on the phase of construction, project construction typically involves a combination of these types of off-road and portable construction equipment. Assuming a typical construction plan, common types of construction equipment, and typical construction equipment sound levels published by resources such as the U.S. Federal Highway Administration, the Federal Transit Administration, and manufacturers, potential overall sound levels can be estimated. Accordingly, construction sound levels may range from approximately 75 to 90 dBA assuming typical receptor distances of 500 ft to 50 ft. Construction activities also may need to occur at night due to various limitations. Examples include concrete pours that need to occur when other construction is not happening or would impede traffic or roadway construction work that needs to occur at nighttime.

The table below outlines general construction phasing and equipment assumptions employed to estimate approximate sound pressure levels (SPL) for common construction phases for a hotel use as generated in CalEEMod.[35] It is anticipated that these sound pressure levels are above typical suburban/urban ambient sound levels and therefore may cause a temporary increase above the threshold discussed above. For reference, typical suburban/urban background sound levels are commonly on the order of 45 to 55 dBA during daytime hours and lower during nighttime hours.[36] Because sound pressure levels from construction of a new hotel, needed due to a STR regulation, have the potential to cause a temporary increase above the noise level threshold, more analysis is needed to evaluate specific impacts generated in likely new or expanded hotel locations and potential mitigation. While construction may be exempt from the noise ordinance during daytime hours, the table below shows that construction still may have a significant noise impact on human communities.

Furthermore, to the extent nighttime construction activity is needed for the hotel, the noise levels below show that threshold for nighttime work in the noise ordinance would be exceeded.

Table 7. Noise Impacts from Construction Activity

Construction Phase	Equipment Type	QTY	Avg. Usage Hours per Day	Size (Hp)	Equipment Lmax SPL @ 50 ft dBA	Acoustical Use Factor	Equipment Leq SPL @ 50 ft dBA	Total Leq @ 50 ft dBA	Total Leq @ 50 ft dBA	Total Leq @ 500 ft dBA
Site Preparation	Rubber Tired Dozers	1	7	367	85	40%	81	81	**85**	**75**
	Tractors Loaders Backhoes	1	8	84	84	40%	80	80		
	Graders	1	8	148	85	40%	81	81		
Grading	Graders	1	8	148	85	40%	81	81	**87**	**77**
	Rubber Tired Dozers	1	8	367	85	40%	81	81		
	Tractors Loaders	2	8	84	84	40%	80	83		

[35] California Air Pollution Control Officers Association (CAPCOA). California Emissions Estimator Model (CalEEMod®), Version 2022.1. Available online at https://www.caleemod.com/ .

[36] U.S. Environmental Protection Agency, Community Noise, December 31, 1971.

Construction Phase	Equipment Type	QTY	Avg. Usage Hours per Day	Size (Hp)	Equipment Lmax SPL @ 50 ft dBA	Acoustical Use Factor	Equipment Leq SPL @ 50 ft dBA	Total Leq @ 50 ft dBA	Total Leq @ 50 ft dBA	Total Leq @ 500 ft dBA
	Backhoes									
Building Construction	Cranes	1	6	367	83	16%	75	75	**84**	**74**
	Forklifts	1	6	82	75	40%	71	71		
	Generator Sets	1	8	14	82	50%	79	79		
	Tractors Loaders Backhoes	1	6	84	84	40%	80	80		
	Welders	3	8	46	74	40%	70	75		
Paving	Pavers	2	8	81	85	50%	82	85	**90**	**80**
	Paving Equipment	2	6	89	85	50%	82	85		
	Rollers	2	6	36	85	20%	78	81		
	Cement and Mortar Mixers	1	6	10	85	40%	81	81		
	Tractors Loaders Backhoes	1	6	84	84	40%	80	80		
Architectural Coating	Air Compressors	1	6	37	80	40%	76	76	76	66

Cumulative Effects Including Coastal Zone STRs

In addition to the Inland Area, regulatory changes for the STRs located in the Coastal Zone would exacerbate the demand for hotels in the area. When considered cumulatively, the combined reduction in STR availability across both areas would further increase the likelihood that additional hotel capacity may be required to accommodate displaced visitors. This may result in a greater potential for new hotel construction or expansion compared to the Inland Area-only scenario, thereby increasing the potential for associated construction-related air quality, noise, and health impacts on surrounding communities.

APPENDIX A
CALCULATION DETAILS

Appendix Table A1: VMT and Mobile Emissions Comparison of Short Term Rentals and Hotels

Land Use		Population Rate[1] (per STR or hotel room)	Quantity	Unit	Assumed Occupancy Rate	Population Capacity[1]	Trip Distance[2] (miles)	Trip Rate[3] (trips/day)	Peak Daily Trips[4] (one-way trips/day)	Peak Daily VMT[5] (miles/day)	Percent of Operational Emissions under Proposed Regulation Compared to Existing STR Use to serve the same Population[6]						
											VOC	NO_x	CO	SO_x	PM_{10}	$PM_{2.5}$	CO_2e
Scenario 1: 50/50 STR-Hotel Population Displacement																	
Short Term Rental	Existing	3.5	445	STRs	77%	1,199	2.84	3.55	1580	4,491	197%	205%	206%	207%	207%	207%	207%
Short Term Rental	Future	3.5	171	STRs	--	600	7.84	3.55	608	4,770							
Hotel		3	200	Hotel Rooms	--	600	2.84	7.99	1597	4,540							
Scenario 2: 70/30 STR-Hotel Population Displacement																	
Short Term Rental	Existing	3.5	445	STRs	77%	1,199	2.84	3.55	1580	4,491	195%	206%	207%	209%	209%	209%	209%
Short Term Rental	Future	3.5	240	STRs	--	839	7.84	3.55	851	6,678							
Hotel		3	120	Hotel Rooms	--	360	2.84	7.99	958	2,724							

Notes:

[1] There are 445 active STRs within the Inland Area of Santa Barbara affected by the regulation, and the average capacity is 3.5 people per STR. It is assumed that as a result of the STR restriction, guests would stay in hotels or in STRs located further away. To compare current and future STR and hotel VMT, scenarios must be evaluated on an equivalent per capita basis. Scenario 1 represents if 50% of the displaced STR population stayed in STR's located further away, and 50% stayed in hotels, while Scenario 2 represents if 70% of the displaced population stayed in STRs and 30% stayed in hotels. The number of future hotel rooms and STRs required to accommodate the total existing STR capacity is 200 hotel rooms and 171 STRs (Scenario 1) and 120 hotel rooms and 240 STRs (Scenario 2), assuming an average occupancy rate of 3 people per hotel room. The percent increase in emissions remains constant regardless of the number of displaced STRs.

[2] Trip distances assume CalEEMod default trip lengths in Santa Barbara rounded to the nearest thousandth. For this comparison, it is assumed that visitors staying at future STRs farther away must travel at least five additional miles to get to a STR located outside of the STR restriction jurisdiction. This assumption is based on the proximity to nearby cities that allow STRs. The trip distance for hotels is conservatively assumed to be the same as that for existing STRs.

[3] Daily trip rate for Recreational Homes (ITE Land Use 260) and Hotel (ITE Land Use 310).

[4] The number of peak daily trips was determined by multiplying the trip rate by the number of STRs or number of hotel rooms.

[5] The number of peak daily VMT was determined by multiplying the daily trips by the trip length.

[6] Percent changes in emissions under the proposed regulation were calculated for criteria air pollutants and carbon dioxide equivalents. Emissions were determined using EMFAC2025 v2.1.1 emission factors for Santa Barbara County in 2026. Global Warming Potentials were taken from CARB guidance. The variation in the percentages between pollutants is due to the ratio of gram per trip and gram per mile emission factors for each pollutant.

Abbreviations:

CalEEMod - California Emissions Estimator Model
CO - carbon monoxide
CO_2e - carbon dioxide equivalents
ITE - Institute of Transportation Engineers
NO_x - nitrogen oxide compounds ($NO + NO_2$)
$PM_{2.5}$ - particulate matter less than 2.5 microns in diameter
PM_{10} - particulate matter less than 10 microns in diameter
SO_x - sulfur oxide compounds
STR - short term rental
VOC - volatile organic compounds
VMT - vehicle miles traveled

References:

Airbtics 2026. Santa Barbara. Available at: https://app.airbtics.com/airbnb-data/United-States/CA/Santa%20Barbara,%20California
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ITE. Trip Generation Manual 11th Edition.
California Air Resources Board (ARB) 2025. EMFAC2025 Version 2.1.1. Available at: https://arb.ca.gov/emfac/
California Air Resources Board (ARB) 2024. GHG Global Warming Potentials. Available at: https://ww2.arb.ca.gov/ghg-gwps

Appendix Table A2: VMT and Fuel Consumption Comparison of Short Term Rentals and Hotels

Fuel	Percent of Fleet[1,2]	Fuel Consuption[2] (gal/mile)
Gasoline	91%	0.051
Diesel	9%	0.038

Land Use		Peak Daily VMT[3] (miles/day)	Gasoline Consumption (gal)[4]	Diesel Consumption (gal)[4]
Scenario 1: 50/50 STR-Hotel Population Displacement				
Short Term Rental	Existing	4,491	207	15
Short Term Rental Hotel	Future	9,310	430	31
Scenario 2: 70/30 STR-Hotel Population Displacement				
Short Term Rental	Existing	4,491	207	15
Short Term Rental Hotel	Future	9,402	434	31

Notes:

[1] Gasoline includes gasoline fueled vehicles and plug-in hybrids. Natural gas is excluded from this analysis due to the negligible VMT from natural gas vehicles.

[2] The fleet mix and fuel consumption per mile is determined using EMFAC2025 for Santa Barbara in 2026. The fuel consumption rate is weighted based on fleet type.

[3] The number of peak daily VMT was determined in Appendix Table A1.

[4] Gasoline and diesel consumption values are calculated by multiplying the VMT by the fuel-specific percentage and the weighted fuel consumption factor (gal/VMT) derived from EMFAC output.

Abbreviations:

STR - short term rental

VMT - vehicle miles traveled

gal - gallon

References:

California Air Resources Board (ARB) 2025. EMFAC2025. Available at: https://arb.ca.gov/emfac/

Appendix Table A3: Hotel Construction Cancer Risk Calculation Details

Year	Receptor Age Group[1]	Exposure Parameters						
		Daily Breathing Rate (DBR)[2]	Exposure Duration (ED)[3]	Fraction of Time at Home (FAH)[4]	Exposure Frequency (EF)[2]	Age Sensitivity Factor (ASF)[5]	Averaging Time (AT)[7]	ASF-Weighted Intake Factor, Inhalation (IF_{inh})
		[L/kg-day]	[years]	[unitless]	[days/year]		[days]	[m^3/kg-day]
Year 1	3rd Trimester	361	0.25	1.00	350	10	25550	0.012
	0-<2	1090	0.75	1.00		10		0.11
Year 2	0-<2	1090	1.0	1.00		10		0.15

Construction Phase[6]	DPM Emissionsf from Construction [ton/yr]	
	Year 1	Year 2
Site Preparation	0.0007	--
Grading	0.0019	--
Building Construction	0.0287	--
Paving	0.00078	0.00010
Architectural Coating	--	0.000084
Total	**0.032**	**0.00019**

Cancer Risk Calculation					
Year	AERMOD Dispersion Factor at MEI[7]	Construction Emissions[8]	Average DPM Concentration[9]	DPM Cancer Potency Factor[10]	Cancer Risk[11]
	(ug/m^3)/(g/s)	g/s	ug/m^3	(mg/kg-day)$^{-1}$	in a million
Year 1	146	2.0E-03	2.9E-01	1.1	40
Year 2		1.2E-05	1.7E-03		0.28
Total Cancer Risk					41

Notes:

1. The most conservative age group is a resident child beginning at the third trimester. All nearby receptors were conservatively modeled as residents to capture the maximum risk potential.
2. Daily breathing rates and exposure frequency by age bin are consistent with OEHHA's Guidance Manual for Preparation of Health Risk Assessments.
3. Annual exposure duration represents one full year. The exposure duration for all years is 1, as the health risk assessment is based on annual emissions.
4. Fraction of time spent at home is conservatively assumed to be 1 (i.e., 24 hours/day) for age groups from the third trimester to less than 16 years old based on the recommendation from OEHHA.
5. Age Sensitive Factors account for an "anticipated special sensitivity to carcinogens" of infants and children as recommended in the OEHHA guidance.
6. Construction emissions were calculated in CalEEMod using default information for the construction of a mid-sized (250-room) hotel located in the hotel zone along State Street in Santa Barbara. PM_{10} emissions were used as a surrogate for diesel particulate matter (DPM).
7. The construction area was modeled as an area source in AERMOD using the Santa Barbara National Guard met station. Using the Chi/Q method, the maximally impacted receptor was identified by the receptor with the largest dispersion factor.
8. The emission rate used in the cancer risk calculation is the DPM ton/year emissions converted to grams per second assuming 11 hours of construction per day, which is consistent with the City of Santa Barbara's allowed construction hours of 8AM to 7PM.
9. The average concentration of diesel particulate matter is a product of the emission rate and the dispersion factor at the MEI.
10. The cancer potency factor for DPM is provided by OEHHA guidance.
11. Excess lifetime cancer risks were estimated using the following equation:

$$Risk_{inh} = \Sigma C_i \times CF \times IF_{inh} \times CPF_i \times ASF$$

$Risk_{inh}$ = Cancer Risk for the Inhalation Pathway (unitless)
C_i = Annual Average Air Concentration for Chemical "i" ug/m^3
CF = Conversion Factor (mg/ug)
IF_{inh} = Intake Factor for Inhalation (m^3/kg-day)
CPF_i = Cancer Potency Factor (mg/kg-day)$^{-1}$
ASF = Age Sensitivity Factor (unitless)

Abbreviations:

AT - averaging time
ASF - Age Sensitivity Factor
CalEEMod - California Emissions Estimator Module
DBR - daily breathing rate
DPM - diesel particulate matter
ED - exposure duration
EF - exposure frequency
FAH - fraction of time at home
g - gram
IF_{inh} - intake factor
kg - kilogram
L - liter
m^3 - cubic meter
MEI - maximally impacted receptor
OEHHA - Office of Environmental Health Hazard Assessment
s - second

References:

OEHHA. 2015. Air Toxics Hot Spots Program Risk Assessment Guidelines. Guidance Manual for Preparation of Health Risk Assessments. Available at https://oehha.ca.gov/media/downloads/crnr/2015guidancemanual.pdf

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California Air Pollution Control Officers Association (CAPCOA). California Emissions Estimator Model (CalEEMod®), Version 2022.1. Available online at http://www.caleemod.com/

Appendix Table B1: Energy Use and Greenhouse Gas Emissions by Dwelling Type

Land Use[1]	Size[2]	Population[2]	Electricity Use		Natural Gas Use		Total CO_2e[3]	
			kWh/yr	kWh/yr/person	kBTU/yr	kBTU/yr/person	MT/yr	MT/yr/person
Single-Family Housing	214 DU	750	1,356,821	1,809	9,293,116	12,391	951	1.3
Hotel	250 rooms	750	5,076,559	6,769	10,619,262	14,159	2,035	2.7
Percent Increase[4]			274%		14%		114%	

Notes:

[1] The land use types were selected to allow for the use of CalEEMod® for emissions and energy use calculations. The single-family housing land use type was used to represent a theoretical STR.

[2] The quantity of households/rooms was determined from an assumed population of 750 individuals and an average occupancy rate of 3.5 guests per STR in Santa Barabara and 3 guests per hotel room.

[3] Sources of GHG emissions include electricity consumption, consumer products, architectural coatings, and landscaping equipment. The CalEEMod default CO_2, CH_4, and N_2O intensity factor for Southern California Edison was assumed.

[4] The percent change in electricity use, natural gas use, and emissions does not vary with the number of units and is only shown for descriptive purposes.

Abbreviations

CalEEMod® - California Emissions Estimator Model
CO_2 - carbon dioxide
CO_2e - carbon dioxide equivalents
CH_4 - methane
DU - dwelling unit
MT - metric ton
N_2O - nitrous oxide
kWh - kilowatt-hour
STR - short-term rental

References

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Airbtics 2026. Santa Barbara. Available at: https://app.airbtics.com/airbnb-data/United-States/CA/Santa%20Barbara,%20California

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APPENDIX B
CALEEMOD REPORTS

Single Family Res - Santa Barbara -2028 Operation Detailed Report

Table of Contents

1. Basic Project Information

1.1. Basic Project Information

1.2. Land Use Types

1.3. User-Selected Emission Reduction Measures by Emissions Sector

2. Emissions Summary

2.3. Operations Emissions Compared Against Thresholds

2.4. Operations Emissions by Sector, Unmitigated

4. Operations Emissions Details

4.1. Mobile Emissions by Land Use

4.1.1. Unmitigated

4.2. Energy

4.2.1. Electricity Emissions By Land Use - Unmitigated

4.2.3. Natural Gas Emissions By Land Use - Unmitigated

4.3. Area Emissions by Source

4.3.1. Unmitigated

4.4. Water Emissions by Land Use

4.4.1. Unmitigated

4.5. Waste Emissions by Land Use

4.5.1. Unmitigated

4.6. Refrigerant Emissions by Land Use

4.6.1. Unmitigated

4.7. Offroad Emissions By Equipment Type

4.7.1. Unmitigated

4.8. Stationary Emissions By Equipment Type

4.8.1. Unmitigated

4.9. User Defined Emissions By Equipment Type

4.9.1. Unmitigated

4.10. Soil Carbon Accumulation By Vegetation Type

4.10.1. Soil Carbon Accumulation By Vegetation Type - Unmitigated

4.10.2. Above and Belowground Carbon Accumulation by Land Use Type - Unmitigated

4.10.3. Avoided and Sequestered Emissions by Species - Unmitigated

5. Activity Data

5.9. Operational Mobile Sources

5.9.1. Unmitigated

5.10. Operational Area Sources

5.10.1. Hearths

5.10.2. Architectural Coatings

5.10.3. Landscape Equipment

5.11. Operational Energy Consumption

5.11.1. Unmitigated

5.12. Operational Water and Wastewater Consumption

5.12.1. Unmitigated

5.13. Operational Waste Generation

5.13.1. Unmitigated

5.14. Operational Refrigeration and Air Conditioning Equipment

5.14.1. Unmitigated

5.15. Operational Off-Road Equipment

5.15.1. Unmitigated

5.16. Stationary Sources

5.16.1. Emergency Generators and Fire Pumps

5.16.2. Process Boilers

5.17. User Defined

5.18. Vegetation

5.18.1. Land Use Change

5.18.1.1. Unmitigated

5.18.1. Biomass Cover Type

5.18.1.1. Unmitigated

5.18.2. Sequestration

5.18.2.1. Unmitigated

6. Climate Risk Detailed Report

6.1. Climate Risk Summary

6.2. Initial Climate Risk Scores

6.3. Adjusted Climate Risk Scores

6.4. Climate Risk Reduction Measures

7. Health and Equity Details

7.1. CalEnviroScreen 4.0 Scores

7.2. Healthy Places Index Scores

7.3. Overall Health & Equity Scores

7.4. Health & Equity Measures

7.5. Evaluation Scorecard

7.6. Health & Equity Custom Measures

8. User Changes to Default Data

8.1. Justifications

8.3. Land Use

1. Basic Project Information

1.1. Basic Project Information

Data Field	Value
Project Name	Single Family Res - Santa Barbara -2028 Operation
Operational Year	2028
Lead Agency	—
Land Use Scale	Project/site
Analysis Level for Defaults	County
Windspeed (m/s)	2.40000
Precipitation (days)	22.8000
Location	31 W Carrillo St, Santa Barbara, CA 93101, USA
County	Santa Barbara
City	Santa Barbara
Air District	Santa Barbara County APCD
Air Basin	South Central Coast
TAZ	3366
EDFZ	8
Electric Utility	Southern California Edison
Gas Utility	Southern California Gas
App Version	2022.1.1.44

1.2. Land Use Types

Land Use Subtype	Size	Unit	Lot Acreage	Building Area (sq ft)	Landscape Area (sq ft)	Special Landscape Area (sq ft)	Population	Description
Single Family Housing	214.000	Dwelling Unit	69.4805	417,300	2,506,551	—	750.000	—
Parking Lot	214.000	Space	1.92600	0.00000	0.00000	—	—	—

1.3. User-Selected Emission Reduction Measures by Emissions Sector

No measures selected

2. Emissions Summary

2.3. Operations Emissions Compared Against Thresholds

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Un/Mit.	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	18.4110	17.9030	5.60567	39.5867	0.06117	0.23255	4.09808	4.33063	0.22877	1.03930	1.26807	117.332	10,017.6	10,135.0	11.0059	0.35645	17.7997	10,534.1
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	17.3610	16.8856	5.80615	30.5365	0.06003	0.22693	4.09808	4.32501	0.22454	1.03930	1.26385	117.332	9,922.95	10,040.3	11.0572	0.37652	3.37273	10,432.3
Average Daily (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	17.6630	17.1757	5.71694	34.4943	0.05929	0.22886	3.94795	4.17681	0.22584	1.00144	1.22728	117.332	9,837.54	9,954.87	11.0281	0.36355	9.24126	10,348.2
Annual (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	3.22349	3.13456	1.04334	6.29521	0.01082	0.04177	0.72050	0.76227	0.04122	0.18276	0.22398	19.4257	1,628.72	1,648.14	1.82583	0.06019	1.53000	1,713.26
Exceeds (Annual)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Threshold	—	—	—	—	—	—	—	—	0.00000	—	—	—	—	—	—	—	—	—
Unmit.	—	—	—	—	—	—	—	—	Yes	—	—	—	—	—	—	—	—	—

2.4. Operations Emissions by Sector, Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Sector	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	7.18129	6.86987	3.14433	26.4260	0.04567	0.03716	4.09808	4.13524	0.03478	1.03930	1.07408	—	4,656.59	4,656.59	0.41883	0.29780	14.8110	4,770.62
Area	10.9552	10.8959	0.11497	12.1623	0.00053	0.00569	—	0.00569	0.00428	—	0.00428	0.00000	32.4611	32.4611	0.00136	0.00027	—	32.5753
Energy	0.27458	0.13729	2.34637	0.99845	0.01498	0.18971	—	0.18971	0.18971	—	0.18971	—	5,062.97	5,062.97	0.39289	0.02128	—	5,079.14
Water	—	—	—	—	—	—	—	—	—	—	—	16.0669	265.598	281.665	0.07168	0.03710	—	294.512
Waste	—	—	—	—	—	—	—	—	—	—	—	101.265	0.00000	101.265	10.1211	0.00000	—	354.293
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.98870	2.98870
Total	18.4110	17.9030	5.60567	39.5867	0.06117	0.23255	4.09808	4.33063	0.22877	1.03930	1.26807	117.332	10,017.6	10,135.0	11.0059	0.35645	17.7997	10,534.1
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	7.24875	6.91056	3.45979	29.5381	0.04505	0.03722	4.09808	4.13530	0.03484	1.03930	1.07414	—	4,594.38	4,594.38	0.47153	0.31814	0.38403	4,701.36
Area	9.83770	9.83770	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Energy	0.27458	0.13729	2.34637	0.99845	0.01498	0.18971	—	0.18971	0.18971	—	0.18971	—	5,062.97	5,062.97	0.39289	0.02128	—	5,079.14
Water	—	—	—	—	—	—	—	—	—	—	—	16.0669	265.598	281.665	0.07168	0.03710	—	294.512
Waste	—	—	—	—	—	—	—	—	—	—	—	101.265	0.00000	101.265	10.1211	0.00000	—	354.293
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.98870	2.98870
Total	17.3610	16.8856	5.80615	30.5365	0.06003	0.22693	4.09808	4.32501	0.22454	1.03930	1.26385	117.332	9,922.95	10,040.3	11.0572	0.37652	3.37273	10,432.3
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	6.99960	6.67884	3.31387	27.4980	0.04406	0.03635	3.94795	3.98430	0.03402	1.00144	1.03546	—	4,492.96	4,492.96	0.44179	0.30503	6.25255	4,601.16
Area	10.3888	10.3595	0.05670	5.99784	0.00026	0.00280	—	0.00280	0.00211	—	0.00211	0.00000	16.0082	16.0082	0.00067	0.00013	—	16.0645
Energy	0.27458	0.13729	2.34637	0.99845	0.01498	0.18971	—	0.18971	0.18971	—	0.18971	—	5,062.97	5,062.97	0.39289	0.02128	—	5,079.14
Water	—	—	—	—	—	—	—	—	—	—	—	16.0669	265.598	281.665	0.07168	0.03710	—	294.512
Waste	—	—	—	—	—	—	—	—	—	—	—	101.265	0.00000	101.265	10.1211	0.00000	—	354.293
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.98870	2.98870
Total	17.6630	17.1757	5.71694	34.4943	0.05929	0.22886	3.94795	4.17681	0.22584	1.00144	1.22728	117.332	9,837.54	9,954.87	11.0281	0.36355	9.24126	10,348.2

Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	1.27743	1.21889	0.60478	5.01839	0.00804	0.00663	0.72050	0.72713	0.00621	0.18276	0.18897	—	743.861	743.861	0.07314	0.05050	1.03518	761.775
Area	1.89595	1.89061	0.01035	1.09461	0.00005	0.00051	—	0.00051	0.00039	—	0.00039	0.00000	2.65034	2.65034	0.00011	0.00002	—	2.65966
Energy	0.05011	0.02505	0.42821	0.18222	0.00273	0.03462	—	0.03462	0.03462	—	0.03462	—	838.233	838.233	0.06505	0.00352	—	840.909
Water	—	—	—	—	—	—	—	—	—	—	—	2.66006	43.9728	46.6329	0.01187	0.00614	—	48.7598
Waste	—	—	—	—	—	—	—	—	—	—	—	16.7656	0.00000	16.7656	1.67566	0.00000	—	58.6572
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.49481	0.49481
Total	3.22349	3.13456	1.04334	6.29521	0.01082	0.04177	0.72050	0.76227	0.04122	0.18276	0.22398	19.4257	1,628.72	1,648.14	1.82583	0.06019	1.53000	1,713.26

4. Operations Emissions Details

4.1. Mobile Emissions by Land Use

4.1.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	7.18129	6.86987	3.14433	26.4260	0.04567	0.03716	4.09808	4.13524	0.03478	1.03930	1.07408	—	4,656.59	4,656.59	0.41883	0.29780	14.8110	4,770.62
Parking Lot	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	7.18129	6.86987	3.14433	26.4260	0.04567	0.03716	4.09808	4.13524	0.03478	1.03930	1.07408	—	4,656.59	4,656.59	0.41883	0.29780	14.8110	4,770.62
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	7.24875	6.91056	3.45979	29.5381	0.04505	0.03722	4.09808	4.13530	0.03484	1.03930	1.07414	—	4,594.38	4,594.38	0.47153	0.31814	0.38403	4,701.36

Parking Lot	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	7.24875	6.91056	3.45979	29.5381	0.04505	0.03722	4.09808	4.13530	0.03484	1.03930	1.07414	—	4,594.38	4,594.38	0.47153	0.31814	0.38403	4,701.36
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	1.27743	1.21889	0.60478	5.01839	0.00804	0.00663	0.72050	0.72713	0.00621	0.18276	0.18897	—	743.861	743.861	0.07314	0.05050	1.03518	761.775
Parking Lot	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	1.27743	1.21889	0.60478	5.01839	0.00804	0.00663	0.72050	0.72713	0.00621	0.18276	0.18897	—	743.861	743.861	0.07314	0.05050	1.03518	761.775

4.2. Energy

4.2.1. Electricity Emissions By Land Use - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	—	1,977.55	1,977.55	0.12267	0.01487	—	1,985.05
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	—	107.116	107.116	0.00664	0.00081	—	107.522
Total	—	—	—	—	—	—	—	—	—	—	—	—	2,084.66	2,084.66	0.12932	0.01567	—	2,092.57
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	—	1,977.55	1,977.55	0.12267	0.01487	—	1,985.05
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	—	107.116	107.116	0.00664	0.00081	—	107.522

Total	—	—	—	—	—	—	—	—	—	—	—	—	2,084.66	2,084.66	0.12932	0.01567	—	2,092.57
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	—	327.406	327.406	0.02031	0.00246	—	328.647
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	—	17.7342	17.7342	0.00110	0.00013	—	17.8015
Total	—	—	—	—	—	—	—	—	—	—	—	—	345.140	345.140	0.02141	0.00260	—	346.449

4.2.3. Natural Gas Emissions By Land Use - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	0.27458	0.13729	2.34637	0.99845	0.01498	0.18971	—	0.18971	0.18971	—	0.18971	—	2,978.31	2,978.31	0.26358	0.00561	—	2,986.57
Parking Lot	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	—	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	0.27458	0.13729	2.34637	0.99845	0.01498	0.18971	—	0.18971	0.18971	—	0.18971	—	2,978.31	2,978.31	0.26358	0.00561	—	2,986.57
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	0.27458	0.13729	2.34637	0.99845	0.01498	0.18971	—	0.18971	0.18971	—	0.18971	—	2,978.31	2,978.31	0.26358	0.00561	—	2,986.57
Parking Lot	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	—	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	0.27458	0.13729	2.34637	0.99845	0.01498	0.18971	—	0.18971	0.18971	—	0.18971	—	2,978.31	2,978.31	0.26358	0.00561	—	2,986.57
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Single Family Housing	0.05011	0.02505	0.42821	0.18222	0.00273	0.03462	—	0.03462	0.03462	—	0.03462	—	493.093	493.093	0.04364	0.00093	—	494.460
Parking Lot	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	—	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	0.05011	0.02505	0.42821	0.18222	0.00273	0.03462	—	0.03462	0.03462	—	0.03462	—	493.093	493.093	0.04364	0.00093	—	494.460

4.3. Area Emissions by Source

4.3.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Source	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hearths	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Consumer Products	8.93682	8.93682	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Architectural Coatings	0.90088	0.90088	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Landscape Equipment	1.11747	1.05816	0.11497	12.1623	0.00053	0.00569	—	0.00569	0.00428	—	0.00428	—	32.4611	32.4611	0.00136	0.00027	—	32.5753
Total	10.9552	10.8959	0.11497	12.1623	0.00053	0.00569	—	0.00569	0.00428	—	0.00428	0.00000	32.4611	32.4611	0.00136	0.00027	—	32.5753
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hearths	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000

Consumer Product	8.93682	8.93682	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Architectural Coatings	0.90088	0.90088	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	9.83770	9.83770	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hearths	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Consumer Products	1.63097	1.63097	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Architectural Coatings	0.16441	0.16441	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Landscape Equipment	0.10057	0.09523	0.01035	1.09461	0.00005	0.00051	—	0.00051	0.00039	—	0.00039	—	2.65034	2.65034	0.00011	0.00002	—	2.65966
Total	1.89595	1.89061	0.01035	1.09461	0.00005	0.00051	—	0.00051	0.00039	—	0.00039	0.00000	2.65034	2.65034	0.00011	0.00002	—	2.65966

4.4. Water Emissions by Land Use

4.4.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	16.0669	265.598	281.665	0.07168	0.03710	—	294.512
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	16.0669	265.598	281.665	0.07168	0.03710	—	294.512
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	16.0669	265.598	281.665	0.07168	0.03710	—	294.512
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	16.0669	265.598	281.665	0.07168	0.03710	—	294.512
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	2.66006	43.9728	46.6329	0.01187	0.00614	—	48.7598
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	2.66006	43.9728	46.6329	0.01187	0.00614	—	48.7598

4.5. Waste Emissions by Land Use

4.5.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	101.265	0.00000	101.265	10.1211	0.00000	—	354.293
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	101.265	0.00000	101.265	10.1211	0.00000	—	354.293
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	101.265	0.00000	101.265	10.1211	0.00000	—	354.293
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	101.265	0.00000	101.265	10.1211	0.00000	—	354.293
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	16.7656	0.00000	16.7656	1.67566	0.00000	—	58.6572
Parking Lot	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	16.7656	0.00000	16.7656	1.67566	0.00000	—	58.6572

4.6. Refrigerant Emissions by Land Use

4.6.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.98870	2.98870
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.98870	2.98870
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.98870	2.98870
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.98870	2.98870
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Single Family Housing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.49481	0.49481
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.49481	0.49481

4.7. Offroad Emissions By Equipment Type

4.7.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.8. Stationary Emissions By Equipment Type

4.8.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.9. User Defined Emissions By Equipment Type

4.9.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10. Soil Carbon Accumulation By Vegetation Type

4.10.1. Soil Carbon Accumulation By Vegetation Type - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Vegetation	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10.2. Above and Belowground Carbon Accumulation by Land Use Type - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10.3. Avoided and Sequestered Emissions by Species - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Species	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

5. Activity Data

5.9. Operational Mobile Sources

5.9.1. Unmitigated

Land Use Type	Trips/Weekday	Trips/Saturday	Trips/Sunday	Trips/Year	VMT/Weekday	VMT/Saturday	VMT/Sunday	VMT/Year
Single Family Housing	2,020.16	2,041.56	1,829.70	728,543	5,742.99	5,803.83	5,201.55	2,071,133
Parking Lot	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

5.10. Operational Area Sources

5.10.1. Hearths

Land Use	Hearth Type	Unmitigated (number)	Mitigated (number)
Single Family Housing	Wood Fireplaces	0	0
Single Family Housing	Gas Fireplaces	0	0
Single Family Housing	Propane Fireplaces	0	0
Single Family Housing	Electric Fireplaces	0	0
Single Family Housing	No Fireplaces	214	214

Single Family Housing	Conventional Wood Stoves	0	0
Single Family Housing	Catalytic Wood Stoves	0	0
Single Family Housing	Non-Catalytic Wood Stoves	0	0
Single Family Housing	Pellet Wood Stoves	0	0
Parking Lot	Wood Fireplaces	0	0
Parking Lot	Gas Fireplaces	0	0
Parking Lot	Propane Fireplaces	0	0
Parking Lot	Electric Fireplaces	0	0
Parking Lot	No Fireplaces	0	0
Parking Lot	Conventional Wood Stoves	0	0
Parking Lot	Catalytic Wood Stoves	0	0
Parking Lot	Non-Catalytic Wood Stoves	0	0
Parking Lot	Pellet Wood Stoves	0	0

5.10.2. Architectural Coatings

Residential Interior Area Coated (sq ft)	Residential Exterior Area Coated (sq ft)	Non-Residential Interior Area Coated (sq ft)	Non-Residential Exterior Area Coated (sq ft)	Parking Area Coated (sq ft)
845,033	281,678	0.00000	0.00000	5,033.79

5.10.3. Landscape Equipment

Season	Unit	Value
Snow Days	day/yr	0.00000
Summer Days	day/yr	180.000

5.11. Operational Energy Consumption

5.11.1. Unmitigated

Electricity (kWh/yr) and CO2 and CH4 and N2O and Natural Gas (kBTU/yr)

Land Use	Electricity (kWh/yr)	CO2	CH4	N2O	Natural Gas (kBTU/yr)
Single Family Housing	1,356,821	531.983	0.0330	0.0040	9,293,116
Parking Lot	73,493.4	531.983	0.0330	0.0040	0.00000

5.12. Operational Water and Wastewater Consumption

5.12.1. Unmitigated

Land Use	Indoor Water (gal/year)	Outdoor Water (gal/year)
Single Family Housing	7,518,478	36,589,373
Parking Lot	0.00000	0.00000

5.13. Operational Waste Generation

5.13.1. Unmitigated

Land Use	Waste (ton/year)	Cogeneration (kWh/year)
Single Family Housing	187.898	0.00000
Parking Lot	0.00000	0.00000

5.14. Operational Refrigeration and Air Conditioning Equipment

5.14.1. Unmitigated

Land Use	Equipment Type	Refrigerant	GWP	Quantity (kg)	Operations Leak Rate	Service Leak Rate	Times Serviced
Single Family Housing	Average room A/C & Other residential A/C and heat pumps	R-410A	2,088.00	0.00225	2.50000	2.50000	10.00000
Single Family Housing	Household refrigerators and/or freezers	R-134a	1,430.00	0.11538	0.60000	0.00000	1.000000

5.15. Operational Off-Road Equipment

5.15.1. Unmitigated

5.16. Stationary Sources

5.16.1. Emergency Generators and Fire Pumps

5.16.2. Process Boilers

5.17. User Defined

5.18. Vegetation

5.18.1. Land Use Change

5.18.1.1. Unmitigated

Vegetation Land Use Type	Vegetation Soil Type	Initial Acres	Final Acres

5.18.1. Biomass Cover Type

5.18.1.1. Unmitigated

Biomass Cover Type	Initial Acres	Final Acres

5.18.2. Sequestration

5.18.2.1. Unmitigated

Tree Type	Number	Electricity Saved (kWh/year)	Natural Gas Saved (btu/year)

6. Climate Risk Detailed Report

6.1. Climate Risk Summary

Cal-Adapt midcentury 2040–2059 average projections for four hazards are reported below for your project location. These are under Representation Concentration Pathway (RCP) 8.5 which assumes GHG emissions will continue to rise strongly through 2050 and then plateau around 2100.

Climate Hazard	Result for Project Location	Unit
Temperature and Extreme Heat	6.89000	annual days of extreme heat
Extreme Precipitation	6.85000	annual days with precipitation above 20 mm
Sea Level Rise	—	meters of inundation depth
Wildfire	0.00000	annual hectares burned

Temperature and Extreme Heat data are for grid cell in which your project are located. The projection is based on the 98th historical percentile of daily maximum/minimum temperatures from observed historical data (32 climate model ensemble from Cal-Adapt, 2040–2059 average under RCP 8.5). Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.
Extreme Precipitation data are for the grid cell in which your project are located. The threshold of 20 mm is equivalent to about ¾ an inch of rain, which would be light to moderate rainfall if received over a full day or heavy rain if received over a period of 2 to 4 hours. Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.
Sea Level Rise data are for the grid cell in which your project are located. The projections are from Radke et al. (2017), as reported in Cal-Adapt (Radke et al., 2017, CEC-500-2017-008), and consider inundation location and depth for the San Francisco Bay, the Sacramento-San Joaquin River Delta and California coast resulting different increments of sea level rise coupled with extreme storm events. Users may select from four scenarios to view the range in potential inundation depth for the grid cell. The four scenarios are: No rise, 0.5 meter, 1.0 meter, 1.41 meters
Wildfire data are for the grid cell in which your project are located. The projections are from UC Davis, as reported in Cal-Adapt (2040–2059 average under RCP 8.5), and consider historical data of climate, vegetation, population density, and large (> 400 ha) fire history. Users may select from four model simulations to view the range in potential wildfire probabilities for the grid cell. The four simulations make different assumptions about expected rainfall and temperature are: Warmer/drier (HadGEM2-ES), Cooler/wetter (CNRM-CM5), Average conditions (CanESM2), Range of different rainfall and temperature possibilities (MIROC5). Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.

6.2. Initial Climate Risk Scores

Climate Hazard	Exposure Score	Sensitivity Score	Adaptive Capacity Score	Vulnerability Score
Temperature and Extreme Heat	N/A	N/A	N/A	N/A
Extreme Precipitation	N/A	N/A	N/A	N/A
Sea Level Rise	1	0	0	N/A
Wildfire	1	0	0	N/A
Flooding	N/A	N/A	N/A	N/A
Drought	0	0	0	N/A
Snowpack Reduction	N/A	N/A	N/A	N/A
Air Quality Degradation	N/A	N/A	N/A	N/A

The sensitivity score reflects the extent to which a project would be adversely affected by exposure to a climate hazard. Exposure is rated on a scale of 1 to 5, with a score of 5 representing the greatest exposure.

The adaptive capacity of a project refers to its ability to manage and reduce vulnerabilities from projected climate hazards. Adaptive capacity is rated on a scale of 1 to 5, with a score of 5 representing the greatest ability to adapt.
The overall vulnerability scores are calculated based on the potential impacts and adaptive capacity assessments for each hazard. Scores do not include implementation of climate risk reduction measures.

6.3. Adjusted Climate Risk Scores

Climate Hazard	Exposure Score	Sensitivity Score	Adaptive Capacity Score	Vulnerability Score
Temperature and Extreme Heat	N/A	N/A	N/A	N/A
Extreme Precipitation	N/A	N/A	N/A	N/A
Sea Level Rise	1	1	1	2
Wildfire	1	1	1	2
Flooding	N/A	N/A	N/A	N/A
Drought	1	1	1	2
Snowpack Reduction	N/A	N/A	N/A	N/A
Air Quality Degradation	N/A	N/A	N/A	N/A

The sensitivity score reflects the extent to which a project would be adversely affected by exposure to a climate hazard. Exposure is rated on a scale of 1 to 5, with a score of 5 representing the greatest exposure.
The adaptive capacity of a project refers to its ability to manage and reduce vulnerabilities from projected climate hazards. Adaptive capacity is rated on a scale of 1 to 5, with a score of 5 representing the greatest ability to adapt.
The overall vulnerability scores are calculated based on the potential impacts and adaptive capacity assessments for each hazard. Scores include implementation of climate risk reduction measures.

6.4. Climate Risk Reduction Measures

7. Health and Equity Details

7.1. CalEnviroScreen 4.0 Scores

The maximum CalEnviroScreen score is 100. A high score (i.e., greater than 50) reflects a higher pollution burden compared to other census tracts in the state.

Indicator	Result for Project Census Tract
Exposure Indicators	—
AQ-Ozone	20.8463
AQ-PM	14.6484

AQ-DPM	57.9091
Drinking Water	17.2849
Lead Risk Housing	35.9546
Pesticides	0.00000
Toxic Releases	10.6277
Traffic	25.0875
Effect Indicators	—
CleanUp Sites	92.6465
Groundwater	99.8174
Haz Waste Facilities/Generators	89.5831
Impaired Water Bodies	66.7367
Solid Waste	96.2658
Sensitive Population	—
Asthma	50.5982
Cardio-vascular	29.9352
Low Birth Weights	76.6359
Socioeconomic Factor Indicators	—
Education	56.7325
Housing	42.8264
Linguistic	62.2412
Poverty	65.4146
Unemployment	70.9006

7.2. Healthy Places Index Scores

The maximum Health Places Index score is 100. A high score (i.e., greater than 50) reflects healthier community conditions compared to other census tracts in the state.

Indicator	Result for Project Census Tract
Economic	—
Above Poverty	30.30925189

Employed	38.86821506
Median HI	14.20505582
Education	—
Bachelor's or higher	65.18670602
High school enrollment	100
Preschool enrollment	20.53124599
Transportation	—
Auto Access	3.079686898
Active commuting	95.36763762
Social	—
2-parent households	4.914667009
Voting	77.24881304
Neighborhood	—
Alcohol availability	32.68317721
Park access	81.35506224
Retail density	98.57564481
Supermarket access	94.25125112
Tree canopy	37.67483639
Housing	—
Homeownership	4.093417169
Housing habitability	10.95855255
Low-inc homeowner severe housing cost burden	14.65417683
Low-inc renter severe housing cost burden	51.31528295
Uncrowded housing	36.04516874
Health Outcomes	—
Insured adults	39.07352752
Arthritis	14.6
Asthma ER Admissions	43.6

High Blood Pressure	15.9
Cancer (excluding skin)	24.3
Asthma	23.6
Coronary Heart Disease	8.3
Chronic Obstructive Pulmonary Disease	14.4
Diagnosed Diabetes	31.9
Life Expectancy at Birth	37.7
Cognitively Disabled	12.5
Physically Disabled	13.7
Heart Attack ER Admissions	85.2
Mental Health Not Good	35.7
Chronic Kidney Disease	10.6
Obesity	38.6
Pedestrian Injuries	99.7
Physical Health Not Good	30.9
Stroke	15.1
Health Risk Behaviors	—
Binge Drinking	63.5
Current Smoker	38.5
No Leisure Time for Physical Activity	42.3
Climate Change Exposures	—
Wildfire Risk	0.0
SLR Inundation Area	49.4
Children	33.8
Elderly	23.2
English Speaking	41.7
Foreign-born	42.4
Outdoor Workers	54.5

Climate Change Adaptive Capacity	—
Impervious Surface Cover	36.8
Traffic Density	35.3
Traffic Access	0.0
Other Indices	—
Hardship	70.8
Other Decision Support	—
2016 Voting	69.7

7.3. Overall Health & Equity Scores

Metric	Result for Project Census Tract
CalEnviroScreen 4.0 Score for Project Location (a)	62.0000
Healthy Places Index Score for Project Location (b)	38.0000
Project Located in a Designated Disadvantaged Community (Senate Bill 535)	No
Project Located in a Low-Income Community (Assembly Bill 1550)	Yes
Project Located in a Community Air Protection Program Community (Assembly Bill 617)	No

a: The maximum CalEnviroScreen score is 100. A high score (i.e., greater than 50) reflects a higher pollution burden compared to other census tracts in the state.
b: The maximum Health Places Index score is 100. A high score (i.e., greater than 50) reflects healthier community conditions compared to other census tracts in the state.

7.4. Health & Equity Measures

No Health & Equity Measures selected.

7.5. Evaluation Scorecard

Health & Equity Evaluation Scorecard not completed.

7.6. Health & Equity Custom Measures

No Health & Equity Custom Measures created.

8. User Changes to Default Data

8.1. Justifications

Screen	Justification
Land Use	Population adjusted to match that served by a 250-room hotel assuming a STR capacity of 3.5 people/STR and a hotel capacity of 3 people/room. (214.3 rooms, rounded down to 214 rooms).

8.3. Land Use

Model Parameter	Units	Default Value	New Value
Population	people	612.000	750.000

Hotel - Santa Barbara 2027 - 2028 Detailed Report

Table of Contents

1. Basic Project Information

1.1. Basic Project Information

1.2. Land Use Types

1.3. User-Selected Emission Reduction Measures by Emissions Sector

2. Emissions Summary

2.1. Construction Emissions Compared Against Thresholds

2.2. Construction Emissions by Year

2.2.1. Total Construction Emissions by Year, Unmitigated

2.2.2. Onsite Construction Emissions by Year, Unmitigated

2.2.3. Offsite Construction Emissions by Year, Unmitigated

2.3. Operations Emissions Compared Against Thresholds

2.4. Operations Emissions by Sector, Unmitigated

3. Construction Emissions Details

3.1. Site Preparation (2027)

3.1.1. Onsite - Unmitigated

3.1.2. Offsite - Unmitigated

3.2. Grading (2027)

3.2.1. Onsite - Unmitigated

3.2.2. Offsite - Unmitigated

3.3. Building Construction (2027)

3.3.1. Onsite - Unmitigated

3.3.2. Offsite - Unmitigated

3.4. Paving (2027)

3.4.1. Onsite - Unmitigated

3.4.2. Offsite - Unmitigated

3.5. Paving (2028)

3.5.1. Onsite - Unmitigated

3.5.2. Offsite - Unmitigated

3.6. Architectural Coating (2028)

3.6.1. Onsite - Unmitigated

3.6.2. Offsite - Unmitigated

4. Operations Emissions Details

4.1. Mobile Emissions by Land Use

4.1.1. Unmitigated

4.2. Energy

4.2.1. Electricity Emissions By Land Use - Unmitigated

4.2.3. Natural Gas Emissions By Land Use - Unmitigated

4.3. Area Emissions by Source

4.3.1. Unmitigated

4.4. Water Emissions by Land Use

4.4.1. Unmitigated

4.5. Waste Emissions by Land Use

4.5.1. Unmitigated

4.6. Refrigerant Emissions by Land Use

4.6.1. Unmitigated

4.7. Offroad Emissions By Equipment Type

4.7.1. Unmitigated

4.8. Stationary Emissions By Equipment Type

4.8.1. Unmitigated

4.9. User Defined Emissions By Equipment Type

4.9.1. Unmitigated

4.10. Soil Carbon Accumulation By Vegetation Type

4.10.1. Soil Carbon Accumulation By Vegetation Type - Unmitigated

4.10.2. Above and Belowground Carbon Accumulation by Land Use Type - Unmitigated

4.10.3. Avoided and Sequestered Emissions by Species - Unmitigated

5. Activity Data

5.1. Construction Schedule

5.2. Off-Road Equipment

5.2.1. Unmitigated

5.3. Construction Vehicles

5.3.1. Unmitigated

5.4. Vehicles

5.4.1. Construction Vehicle Control Strategies

5.5. Architectural Coatings

5.6. Dust Mitigation

5.6.1. Construction Earthmoving Activities

5.6.2. Construction Earthmoving Control Strategies

5.7. Construction Paving

5.8. Construction Electricity Consumption and Emissions Factors

5.9. Operational Mobile Sources

5.9.1. Unmitigated

5.10. Operational Area Sources

5.10.1. Hearths

5.10.2. Architectural Coatings

5.10.3. Landscape Equipment

5.11. Operational Energy Consumption

5.11.1. Unmitigated

5.12. Operational Water and Wastewater Consumption

5.12.1. Unmitigated

5.13. Operational Waste Generation

5.13.1. Unmitigated

5.14. Operational Refrigeration and Air Conditioning Equipment

5.14.1. Unmitigated

5.15. Operational Off-Road Equipment

5.15.1. Unmitigated

5.16. Stationary Sources

5.16.1. Emergency Generators and Fire Pumps

5.16.2. Process Boilers

5.17. User Defined

5.18. Vegetation

5.18.1. Land Use Change

5.18.1.1. Unmitigated

5.18.1. Biomass Cover Type

5.18.1.1. Unmitigated

5.18.2. Sequestration

5.18.2.1. Unmitigated

6. Climate Risk Detailed Report

6.1. Climate Risk Summary

6.2. Initial Climate Risk Scores

6.3. Adjusted Climate Risk Scores

6.4. Climate Risk Reduction Measures

7. Health and Equity Details

7.1. CalEnviroScreen 4.0 Scores

7.2. Healthy Places Index Scores

7.3. Overall Health & Equity Scores

7.4. Health & Equity Measures

7.5. Evaluation Scorecard

7.6. Health & Equity Custom Measures

8. User Changes to Default Data

8.1. Justifications

8.3. Land Use

8.4. Construction

8.4.1. Construction Phases

1. Basic Project Information

1.1. Basic Project Information

Data Field	Value
Project Name	Hotel - Santa Barbara 2027 - 2028
Construction Start Date	1/1/2027
Operational Year	2028
Lead Agency	—
Land Use Scale	Project/site
Analysis Level for Defaults	County
Windspeed (m/s)	2.40000
Precipitation (days)	22.8000
Location	31 W Carrillo St, Santa Barbara, CA 93101, USA
County	Santa Barbara
City	Santa Barbara
Air District	Santa Barbara County APCD
Air Basin	South Central Coast
TAZ	3366
EDFZ	8
Electric Utility	Southern California Edison
Gas Utility	Southern California Gas
App Version	2022.1.1.44

1.2. Land Use Types

Land Use Subtype	Size	Unit	Lot Acreage	Building Area (sq ft)	Landscape Area (sq ft)	Special Landscape Area (sq ft)	Population	Description
Hotel	250.000	Room	1.000000	363,000	0.00000	—	—	—

Enclosed Parking Structure	250.000	Space	1.000000	100,000.0	0.00000	—	—	—

1.3. User-Selected Emission Reduction Measures by Emissions Sector

No measures selected

2. Emissions Summary

2.1. Construction Emissions Compared Against Thresholds

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Un/Mit.	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	2.10846	1.79388	10.7208	17.0296	0.02829	0.27905	1.54643	1.82548	0.25815	0.37661	0.63476	—	4,272.24	4,272.24	0.16049	0.25853	7.49091	4,360.79
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	768.683	768.649	365.102	131.699	1.70860	3.69091	73.8193	77.5102	3.65309	21.7595	25.4126	—	260,150	260,150	14.0846	41.1309	11.6246	272,770
Average Daily (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	23.1690	23.1677	9.88863	11.7909	0.03177	0.21316	1.65839	1.87155	0.19908	0.46741	0.66648	—	4,774.68	4,774.68	0.21913	0.49462	3.54256	4,931.10
Annual (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	4.22835	4.22810	1.80467	2.15184	0.00580	0.03890	0.30266	0.34156	0.03633	0.08530	0.12163	—	790.503	790.503	0.03628	0.08189	0.58651	816.400

2.2. Construction Emissions by Year

2.2.1. Total Construction Emissions by Year, Unmitigated

Includes both onsite and offsite emissions.

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Year	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily - Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	2.10846	1.79388	10.7208	17.0296	0.02829	0.27905	1.54643	1.82548	0.25815	0.37661	0.63476	—	4,272.24	4,272.24	0.16049	0.25853	7.49091	4,360.79
Daily - Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	20.8379	6.44952	365.102	131.699	1.70860	3.69091	73.8193	77.5102	3.65309	21.7595	25.4126	—	260,150	260,150	14.0846	41.1309	11.6246	272,770
2028	768.683	768.649	4.16149	6.86136	0.00940	0.14628	0.24181	0.25717	0.13458	0.05668	0.15280	—	1,064.18	1,064.18	0.04297	0.01206	0.02190	1,068.71
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	1.49814	1.18221	9.88863	11.7909	0.03177	0.21316	1.65839	1.87155	0.19908	0.46741	0.66648	—	4,774.68	4,774.68	0.21913	0.49462	3.54256	4,931.10
2028	23.1690	23.1677	0.04382	0.09572	0.00009	0.00104	0.00748	0.00852	0.00095	0.00175	0.00270	—	15.0142	15.0142	0.00056	0.00041	0.01148	15.1616
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	0.27341	0.21575	1.80467	2.15184	0.00580	0.03890	0.30266	0.34156	0.03633	0.08530	0.12163	—	790.503	790.503	0.03628	0.08189	0.58651	816.400
2028	4.22835	4.22810	0.00800	0.01747	0.00002	0.00019	0.00137	0.00155	0.00017	0.00032	0.00049	—	2.48578	2.48578	0.00009	0.00007	0.00190	2.51017

2.2.2. Onsite Construction Emissions by Year, Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Year	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily - Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	1.16707	0.97105	8.25338	9.90715	0.01942	0.26132	0.00000	0.26132	0.24041	0.00000	0.24041	—	1,800.91	1,800.91	0.07305	0.01461	0.00000	1,807.09
Daily - Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	1.63491	1.37378	12.1813	13.8677	0.02267	0.53897	7.72315	8.19590	0.49585	3.42474	3.92059	—	2,455.46	2,455.46	0.09960	0.01992	0.00000	2,463.88
2028	768.521	768.499	4.12704	6.47373	0.00940	0.14628	0.00000	0.14628	0.13458	0.00000	0.13458	—	991.455	991.455	0.04022	0.00804	0.00000	994.858
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

2027	0.76694	0.63969	5.40340	6.49762	0.01254	0.17602	0.19931	0.37533	0.16194	0.09219	0.25412	—	1,174.77	1,174.77	0.04765	0.00953	0.00000	1,178.80
2028	23.1640	23.1630	0.04051	0.05904	0.00009	0.00104	0.00000	0.00104	0.00095	0.00000	0.00095	—	7.90425	7.90425	0.00032	0.00006	0.00000	7.93138
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	0.13997	0.11674	0.98612	1.18582	0.00229	0.03212	0.03637	0.06850	0.02955	0.01682	0.04638	—	194.497	194.497	0.00789	0.00158	0.00000	195.165
2028	4.22742	4.22724	0.00739	0.01077	0.00002	0.00019	0.00000	0.00019	0.00017	0.00000	0.00017	—	1.30864	1.30864	0.00005	0.00001	0.00000	1.31313

2.2.3. Offsite Construction Emissions by Year, Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Year	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily - Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	0.94138	0.82283	2.46738	7.12249	0.00887	0.01773	1.54643	1.56416	0.01773	0.37661	0.39434	—	2,471.33	2,471.33	0.08744	0.24392	7.49091	2,553.70
Daily - Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	19.4217	5.25954	354.664	120.124	1.68953	3.21816	66.0962	69.3143	3.21816	18.5347	21.7528	—	258,084	258,084	14.0008	41.1141	11.6246	270,698
2028	0.16154	0.14971	0.10718	1.20605	0.00000	0.00000	0.24181	0.24181	0.00000	0.05668	0.05668	—	226.260	226.260	0.00857	0.01097	0.02190	229.767
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	0.73120	0.54252	4.48523	5.29327	0.01923	0.03714	1.45908	1.49622	0.03714	0.37522	0.41236	—	3,599.91	3,599.91	0.17148	0.48509	3.54256	3,752.29
2028	0.00507	0.00470	0.00331	0.03668	0.00000	0.00000	0.00748	0.00748	0.00000	0.00175	0.00175	—	7.11000	7.11000	0.00024	0.00034	0.01148	7.23022
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2027	0.13344	0.09901	0.81855	0.96602	0.00351	0.00678	0.26628	0.27306	0.00678	0.06848	0.07526	—	596.006	596.006	0.02839	0.08031	0.58651	621.235
2028	0.00093	0.00086	0.00060	0.00669	0.00000	0.00000	0.00137	0.00137	0.00000	0.00032	0.00032	—	1.17714	1.17714	0.00004	0.00006	0.00190	1.19704

2.3. Operations Emissions Compared Against Thresholds

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Un/Mit.	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e

Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	21.7958	20.9370	7.28578	58.4945	0.09276	0.30929	6.88466	7.19395	0.29700	1.74600	2.04300	87.3194	19,036.2	19,123.5	8.72217	0.50375	592.343	20,084.0
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	18.2887	17.6793	7.52853	41.2397	0.09048	0.27359	6.88466	7.15824	0.27003	1.74600	2.01603	87.3194	18,844.2	18,931.5	8.77246	0.52862	568.106	19,876.5
Average Daily (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	19.6179	18.9020	7.33752	48.0356	0.08788	0.28869	6.48471	6.77339	0.28098	1.64492	1.92590	87.3194	18,558.7	18,646.1	8.73037	0.50364	577.731	19,592.1
Annual (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unmit.	3.58027	3.44962	1.33910	8.76649	0.01604	0.05269	1.18346	1.23614	0.05128	0.30020	0.35148	14.4567	3,072.61	3,087.07	1.44541	0.08338	95.6500	3,243.70

2.4. Operations Emissions by Sector, Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Sector	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	7.81062	7.38508	4.26401	35.9618	0.07445	0.05675	6.88466	6.94140	0.05319	1.74600	1.79919	—	7,590.72	7,590.72	0.50444	0.40717	24.8820	7,749.55
Area	13.6714	13.3950	0.16943	20.1368	0.00120	0.03577	—	0.03577	0.02704	—	0.02704	—	82.8060	82.8060	0.00347	0.00071	—	83.1046
Energy	0.31376	0.15688	2.85234	2.39597	0.01711	0.21678	—	0.21678	0.21678	—	0.21678	—	11,312.7	11,312.7	0.79183	0.06588	—	11,352.1
Water	—	—	—	—	—	—	—	—	—	—	—	13.5521	50.0095	63.5616	0.04967	0.02998	—	73.7379
Waste	—	—	—	—	—	—	—	—	—	—	—	73.7672	0.00000	73.7672	7.37277	0.00000	—	258.087
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	567.461	567.461
Total	21.7958	20.9370	7.28578	58.4945	0.09276	0.30929	6.88466	7.19395	0.29700	1.74600	2.04300	87.3194	19,036.2	19,123.5	8.72217	0.50375	592.343	20,084.0
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Mobile	7.88760	7.43512	4.67619	38.8437	0.07337	0.05681	6.88466	6.94147	0.05325	1.74600	1.79925	—	7,481.55	7,481.55	0.55820	0.43276	0.64515	7,625.11
Area	10.0873	10.0873	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Energy	0.31376	0.15688	2.85234	2.39597	0.01711	0.21678	—	0.21678	0.21678	—	0.21678	—	11,312.7	11,312.7	0.79183	0.06588	—	11,352.1
Water	—	—	—	—	—	—	—	—	—	—	—	13.5521	50.0095	63.5616	0.04967	0.02998	—	73.7379
Waste	—	—	—	—	—	—	—	—	—	—	—	73.7672	0.00000	73.7672	7.37277	0.00000	—	258.087
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	567.461	567.461
Total	18.2887	17.6793	7.52853	41.2397	0.09048	0.27359	6.88466	7.15824	0.27003	1.74600	2.01603	87.3194	18,844.2	18,931.5	8.77246	0.52862	568.106	19,876.5
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	7.44938	7.02662	4.40163	35.7091	0.07017	0.05427	6.48471	6.53898	0.05087	1.64492	1.69579	—	7,155.23	7,155.23	0.51439	0.40742	10.2701	7,299.77
Area	11.8548	11.7185	0.08355	9.93046	0.00059	0.01764	—	0.01764	0.01333	—	0.01333	—	40.8358	40.8358	0.00171	0.00035	—	40.9831
Energy	0.31376	0.15688	2.85234	2.39597	0.01711	0.21678	—	0.21678	0.21678	—	0.21678	—	11,312.7	11,312.7	0.79183	0.06588	—	11,352.1
Water	—	—	—	—	—	—	—	—	—	—	—	13.5521	50.0095	63.5616	0.04967	0.02998	—	73.7379
Waste	—	—	—	—	—	—	—	—	—	—	—	73.7672	0.00000	73.7672	7.37277	0.00000	—	258.087
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	567.461	567.461
Total	19.6179	18.9020	7.33752	48.0356	0.08788	0.28869	6.48471	6.77339	0.28098	1.64492	1.92590	87.3194	18,558.7	18,646.1	8.73037	0.50364	577.731	19,592.1
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mobile	1.35951	1.28236	0.80330	6.51692	0.01281	0.00990	1.18346	1.19336	0.00928	0.30020	0.30948	—	1,184.63	1,184.63	0.08516	0.06745	1.70034	1,208.56
Area	2.16350	2.13863	0.01525	1.81231	0.00011	0.00322	—	0.00322	0.00243	—	0.00243	—	6.76084	6.76084	0.00028	0.00006	—	6.78522
Energy	0.05726	0.02863	0.52055	0.43726	0.00312	0.03956	—	0.03956	0.03956	—	0.03956	—	1,872.94	1,872.94	0.13110	0.01091	—	1,879.47
Water	—	—	—	—	—	—	—	—	—	—	—	2.24371	8.27964	10.5233	0.00822	0.00496	—	12.2082
Waste	—	—	—	—	—	—	—	—	—	—	—	12.2130	0.00000	12.2130	1.22065	0.00000	—	42.7292
Refrig.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	93.9497	93.9497
Total	3.58027	3.44962	1.33910	8.76649	0.01604	0.05269	1.18346	1.23614	0.05128	0.30020	0.35148	14.4567	3,072.61	3,087.07	1.44541	0.08338	95.6500	3,243.70

3. Construction Emissions Details

3.1. Site Preparation (2027)

3.1.1. Onsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	1.41617	1.18998	10.4379	11.5743	0.01907	0.47275	—	0.47275	0.43493	—	0.43493	—	2,065.36	2,065.36	0.08378	0.01676	—	2,072.45
Dust From Material Movement	—	—	—	—	—	—	7.72315	7.72315	—	3.22483	3.22483	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.01164	0.00978	0.08579	0.09513	0.00016	0.00389	—	0.00389	0.00357	—	0.00357	—	16.9756	16.9756	0.00069	0.00014	—	17.0339
Dust From Material Movement	—	—	—	—	—	—	0.06348	0.06348	—	0.02651	0.02651	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.00212	0.00178	0.01566	0.01736	0.00003	0.00071	—	0.00071	0.00065	—	0.00065	—	2.81050	2.81050	0.00011	0.00002	—	2.82015

Dust From Material Movement	—	—	—	—	—	—	0.01158	0.01158	—	0.00484	0.00484	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.1.2. Offsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.03231	0.03003	0.02245	0.24789	0.00000	0.00000	0.04663	0.04663	0.00000	0.01093	0.01093	—	44.4297	44.4297	0.00182	0.00212	0.00462	45.1105
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	19.3894	5.22951	354.641	119.877	1.68953	3.21816	66.0495	69.2677	3.21816	18.5237	21.7419	—	258,040	258,040	13.9990	41.1120	11.6200	270,653
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00026	0.00024	0.00018	0.00197	0.00000	0.00000	0.00038	0.00038	0.00000	0.00009	0.00009	—	0.36552	0.36552	0.00001	0.00002	0.00063	0.37168
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.16135	0.04430	2.93007	0.97933	0.01389	0.02645	0.53667	0.56312	0.02645	0.15070	0.17715	—	2,120.49	2,120.49	0.11506	0.33791	1.58863	2,225.65
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00005	0.00004	0.00003	0.00036	0.00000	0.00000	0.00007	0.00007	0.00000	0.00002	0.00002	—	0.06052	0.06052	< 0.000005	< 0.000005	0.00010	0.06154
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.02945	0.00809	0.53474	0.17873	0.00253	0.00483	0.09794	0.10277	0.00483	0.02750	0.03233	—	351.071	351.071	0.01905	0.05594	0.26302	368.481

3.2. Grading (2027)

3.2.1. Onsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	1.63491	1.37378	12.1813	13.8677	0.02267	0.53897	—	0.53897	0.49585	—	0.49585	—	2,455.46	2,455.46	0.09960	0.01992	—	2,463.88
Dust From Material Movement	—	—	—	—	—	—	7.08259	7.08259	—	3.42474	3.42474	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.03135	0.02635	0.23361	0.26596	0.00043	0.01034	—	0.01034	0.00951	—	0.00951	—	47.0910	47.0910	0.00191	0.00038	—	47.2526
Dust From Material Movement	—	—	—	—	—	—	0.13583	0.13583	—	0.06568	0.06568	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.00572	0.00481	0.04263	0.04854	0.00008	0.00189	—	0.00189	0.00174	—	0.00174	—	7.79645	7.79645	0.00032	0.00006	—	7.82320

Dust From Material Movement	—	—	—	—	—	—	0.02479	0.02479	—	0.01199	0.01199	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.2.2. Offsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.04308	0.04004	0.02994	0.33052	0.00000	0.00000	0.06218	0.06218	0.00000	0.01457	0.01457	—	59.2396	59.2396	0.00243	0.00282	0.00616	60.1473
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00082	0.00076	0.00057	0.00614	0.00000	0.00000	0.00117	0.00117	0.00000	0.00028	0.00028	—	1.13719	1.13719	0.00004	0.00005	0.00196	1.15633
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00015	0.00014	0.00010	0.00112	0.00000	0.00000	0.00021	0.00021	0.00000	0.00005	0.00005	—	0.18827	0.18827	0.00001	0.00001	0.00033	0.19144
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.3. Building Construction (2027)

3.3.1. Onsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	1.16707	0.97105	8.25338	9.90715	0.01942	0.26132	—	0.26132	0.24041	—	0.24041	—	1,800.91	1,800.91	0.07305	0.01461	—	1,807.09
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	1.16707	0.97105	8.25338	9.90715	0.01942	0.26132	—	0.26132	0.24041	—	0.24041	—	1,800.91	1,800.91	0.07305	0.01461	—	1,807.09
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.70344	0.58529	4.97464	5.97143	0.01171	0.15751	—	0.15751	0.14491	—	0.14491	—	1,085.48	1,085.48	0.04403	0.00881	—	1,089.21
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.12838	0.10682	0.90787	1.08979	0.00214	0.02874	—	0.02874	0.02645	—	0.02645	—	179.714	179.714	0.00729	0.00146	—	180.331
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.3.2. Offsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.82913	0.76996	0.52303	6.22660	0.00000	0.00000	1.20906	1.20906	0.00000	0.28340	0.28340	—	1,175.96	1,175.96	0.03858	0.05487	4.61264	1,197.89
Vendor	0.11226	0.05287	1.94435	0.89589	0.00887	0.01773	0.33737	0.35510	0.01773	0.09321	0.11094	—	1,295.37	1,295.37	0.04885	0.18905	2.87827	1,355.80
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.83770	0.77854	0.58219	6.42723	0.00000	0.00000	1.20906	1.20906	0.00000	0.28340	0.28340	—	1,151.97	1,151.97	0.04716	0.05487	0.11977	1,169.63
Vendor	0.11058	0.05119	2.01161	0.92048	0.00887	0.01773	0.33737	0.35510	0.01773	0.09321	0.11094	—	1,296.42	1,296.42	0.05052	0.18905	0.07456	1,354.09
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.49975	0.46409	0.34574	3.74992	0.00000	0.00000	0.71808	0.71808	0.00000	0.16815	0.16815	—	695.002	695.002	0.02584	0.03308	1.19988	706.705
Vendor	0.06766	0.03186	1.20774	0.54574	0.00534	0.01069	0.20084	0.21153	0.01069	0.05555	0.06624	—	781.032	781.032	0.03045	0.11395	0.74820	816.498
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.09120	0.08470	0.06310	0.68436	0.00000	0.00000	0.13105	0.13105	0.00000	0.03069	0.03069	—	115.066	115.066	0.00428	0.00548	0.19865	117.003
Vendor	0.01235	0.00582	0.22041	0.09960	0.00098	0.00195	0.03665	0.03860	0.00195	0.01014	0.01209	—	129.309	129.309	0.00504	0.01887	0.12387	135.181
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.4. Paving (2027)

3.4.1. Onsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e

Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.54404	0.45646	4.29849	6.48965	0.00940	0.16865	—	0.16865	0.15516	—	0.15516	—	991.534	991.534	0.04022	0.00804	—	994.937
Paving	0.26200	0.26200	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.01384	0.01161	0.10935	0.16510	0.00024	0.00429	—	0.00429	0.00395	—	0.00395	—	25.2249	25.2249	0.00102	0.00020	—	25.3115
Paving	0.00667	0.00667	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.00253	0.00212	0.01996	0.03013	0.00004	0.00078	—	0.00078	0.00072	—	0.00072	—	4.17628	4.17628	0.00017	0.00003	—	4.19061
Paving	0.00122	0.00122	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.4.2. Offsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e

Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.05385	0.05004	0.03742	0.41315	0.00000	0.00000	0.07772	0.07772	0.00000	0.01822	0.01822	—	74.0495	74.0495	0.00303	0.00353	0.00770	75.1842
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00136	0.00126	0.00094	0.01017	0.00000	0.00000	0.00195	0.00195	0.00000	0.00046	0.00046	—	1.88564	1.88564	0.00007	0.00009	0.00326	1.91739
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00025	0.00023	0.00017	0.00186	0.00000	0.00000	0.00036	0.00036	0.00000	0.00008	0.00008	—	0.31219	0.31219	0.00001	0.00001	0.00054	0.31745
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.5. Paving (2028)

3.5.1. Onsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Off-Road Equipm	0.51364	0.43091	4.12704	6.47373	0.00940	0.14628	—	0.14628	0.13458	—	0.13458	—	991.455	991.455	0.04022	0.00804	—	994.858
Paving	0.26200	0.26200	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.00201	0.00169	0.01615	0.02534	0.00004	0.00057	—	0.00057	0.00053	—	0.00053	—	3.88045	3.88045	0.00016	0.00003	—	3.89377
Paving	0.00103	0.00103	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.00037	0.00031	0.00295	0.00462	0.00001	0.00010	—	0.00010	0.00010	—	0.00010	—	0.64245	0.64245	0.00003	0.00001	—	0.64466
Paving	0.00019	0.00019	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.5.2. Offsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.05192	0.04812	0.03445	0.38763	0.00000	0.00000	0.07772	0.07772	0.00000	0.01822	0.01822	—	72.7206	72.7206	0.00276	0.00353	0.00704	73.8477

Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00020	0.00019	0.00013	0.00147	0.00000	0.00000	0.00030	0.00030	0.00000	0.00007	0.00007	—	0.28488	0.28488	0.00001	0.00001	0.00046	0.28970
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00004	0.00003	0.00002	0.00027	0.00000	0.00000	0.00005	0.00005	0.00000	0.00001	0.00001	—	0.04717	0.04717	< 0.000005	< 0.000005	0.00008	0.04796
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.6. Architectural Coating (2028)

3.6.1. Onsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.12985	0.10731	0.80814	1.11833	0.00173	0.01536	—	0.01536	0.01413	—	0.01413	—	133.517	133.517	0.00542	0.00108	—	133.975
Architectural Coatings	768.392	768.392	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.00391	0.00323	0.02435	0.03370	0.00005	0.00046	—	0.00046	0.00043	—	0.00043	—	4.02380	4.02380	0.00016	0.00003	—	4.03761
Architectural Coatings	23.1570	23.1570	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Off-Road Equipment	0.00071	0.00059	0.00444	0.00615	0.00001	0.00008	—	0.00008	0.00008	—	0.00008	—	0.66619	0.66619	0.00003	0.00001	—	0.66847
Architectural Coatings	4.22615	4.22615	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Onsite truck	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

3.6.2. Offsite - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Location	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.16154	0.14971	0.10718	1.20605	0.00000	0.00000	0.24181	0.24181	0.00000	0.05668	0.05668	—	226.260	226.260	0.00857	0.01097	0.02190	229.767

Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Average Daily	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00487	0.00451	0.00318	0.03521	0.00000	0.00000	0.00718	0.00718	0.00000	0.00168	0.00168	—	6.82511	6.82511	0.00023	0.00033	0.01102	6.94051
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Worker	0.00089	0.00082	0.00058	0.00643	0.00000	0.00000	0.00131	0.00131	0.00000	0.00031	0.00031	—	1.12998	1.12998	0.00004	0.00005	0.00183	1.14908
Vendor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Hauling	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

4. Operations Emissions Details

4.1. Mobile Emissions by Land Use

4.1.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	7.81062	7.38508	4.26401	35.9618	0.07445	0.05675	6.88466	6.94140	0.05319	1.74600	1.79919	—	7,590.72	7,590.72	0.50444	0.40717	24.8820	7,749.55
Enclosed Parking Structure	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	7.81062	7.38508	4.26401	35.9618	0.07445	0.05675	6.88466	6.94140	0.05319	1.74600	1.79919	—	7,590.72	7,590.72	0.50444	0.40717	24.8820	7,749.55
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Hotel	7.88760	7.43512	4.67619	38.8437	0.07337	0.05681	6.88466	6.94147	0.05325	1.74600	1.79925	—	7,481.55	7,481.55	0.55820	0.43276	0.64515	7,625.11
Enclosed Parking Structure	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	7.88760	7.43512	4.67619	38.8437	0.07337	0.05681	6.88466	6.94147	0.05325	1.74600	1.79925	—	7,481.55	7,481.55	0.55820	0.43276	0.64515	7,625.11
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	1.35951	1.28236	0.80330	6.51692	0.01281	0.00990	1.18346	1.19336	0.00928	0.30020	0.30948	—	1,184.63	1,184.63	0.08516	0.06745	1.70034	1,208.56
Enclosed Parking Structure	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Total	1.35951	1.28236	0.80330	6.51692	0.01281	0.00990	1.18346	1.19336	0.00928	0.30020	0.30948	—	1,184.63	1,184.63	0.08516	0.06745	1.70034	1,208.56

4.2. Energy

4.2.1. Electricity Emissions By Land Use - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	7,399.02	7,399.02	0.45898	0.05563	—	7,427.07
Enclosed Parking Structure	—	—	—	—	—	—	—	—	—	—	—	—	510.329	510.329	0.03166	0.00384	—	512.264
Total	—	—	—	—	—	—	—	—	—	—	—	—	7,909.35	7,909.35	0.49063	0.05947	—	7,939.34
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	7,399.02	7,399.02	0.45898	0.05563	—	7,427.07

Enclosed	—	—	—	—	—	—	—	—	—	—	—	—	510.329	510.329	0.03166	0.00384	—	512.264
Total	—	—	—	—	—	—	—	—	—	—	—	—	7,909.35	7,909.35	0.49063	0.05947	—	7,939.34
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	1,224.99	1,224.99	0.07599	0.00921	—	1,229.64
Enclosed Parking Structure	—	—	—	—	—	—	—	—	—	—	—	—	84.4908	84.4908	0.00524	0.00064	—	84.8112
Total	—	—	—	—	—	—	—	—	—	—	—	—	1,309.48	1,309.48	0.08123	0.00985	—	1,314.45

4.2.3. Natural Gas Emissions By Land Use - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	0.31376	0.15688	2.85234	2.39597	0.01711	0.21678	—	0.21678	0.21678	—	0.21678	—	3,403.32	3,403.32	0.30119	0.00641	—	3,412.76
Enclosed Parking Structure	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	—	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	0.31376	0.15688	2.85234	2.39597	0.01711	0.21678	—	0.21678	0.21678	—	0.21678	—	3,403.32	3,403.32	0.30119	0.00641	—	3,412.76
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	0.31376	0.15688	2.85234	2.39597	0.01711	0.21678	—	0.21678	0.21678	—	0.21678	—	3,403.32	3,403.32	0.30119	0.00641	—	3,412.76
Enclosed Parking Structure	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	—	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	0.31376	0.15688	2.85234	2.39597	0.01711	0.21678	—	0.21678	0.21678	—	0.21678	—	3,403.32	3,403.32	0.30119	0.00641	—	3,412.76
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Hotel	0.05726	0.02863	0.52055	0.43726	0.00312	0.03956	—	0.03956	0.03956	—	0.03956	—	563.458	563.458	0.04987	0.00106	—	565.021
Enclosed Parking Structure	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000	0.00000	—	0.00000	—	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	0.05726	0.02863	0.52055	0.43726	0.00312	0.03956	—	0.03956	0.03956	—	0.03956	—	563.458	563.458	0.04987	0.00106	—	565.021

4.3. Area Emissions by Source

4.3.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Source	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Consumer Products	7.77163	7.77163	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Architectural Coatings	2.31570	2.31570	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Landscape Equipment	3.58405	3.30768	0.16943	20.1368	0.00120	0.03577	—	0.03577	0.02704	—	0.02704	—	82.8060	82.8060	0.00347	0.00071	—	83.1046
Total	13.6714	13.3950	0.16943	20.1368	0.00120	0.03577	—	0.03577	0.02704	—	0.02704	—	82.8060	82.8060	0.00347	0.00071	—	83.1046
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Consumer Products	7.77163	7.77163	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Architect Coatings	2.31570	2.31570	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	10.0873	10.0873	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Consumer Products	1.41832	1.41832	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Architectural Coatings	0.42262	0.42262	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Landscape Equipment	0.32256	0.29769	0.01525	1.81231	0.00011	0.00322	—	0.00322	0.00243	—	0.00243	—	6.76084	6.76084	0.00028	0.00006	—	6.78522
Total	2.16350	2.13863	0.01525	1.81231	0.00011	0.00322	—	0.00322	0.00243	—	0.00243	—	6.76084	6.76084	0.00028	0.00006	—	6.78522

4.4. Water Emissions by Land Use

4.4.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	13.5521	50.0095	63.5616	0.04967	0.02998	—	73.7379
Enclosed Parking Structure	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	13.5521	50.0095	63.5616	0.04967	0.02998	—	73.7379

Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	13.5521	50.0095	63.5616	0.04967	0.02998	—	73.7379
Enclosed Parking Structure	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	13.5521	50.0095	63.5616	0.04967	0.02998	—	73.7379
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	2.24371	8.27964	10.5233	0.00822	0.00496	—	12.2082
Enclosed Parking Structure	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	2.24371	8.27964	10.5233	0.00822	0.00496	—	12.2082

4.5. Waste Emissions by Land Use

4.5.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	73.7672	0.00000	73.7672	7.37277	0.00000	—	258.087
Enclosed Parking Structure	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	73.7672	0.00000	73.7672	7.37277	0.00000	—	258.087

Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	73.7672	0.00000	73.7672	7.37277	0.00000	—	258.087
Enclosed Parking Structure	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	73.7672	0.00000	73.7672	7.37277	0.00000	—	258.087
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	12.2130	0.00000	12.2130	1.22065	0.00000	—	42.7292
Enclosed Parking Structure	—	—	—	—	—	—	—	—	—	—	—	0.00000	0.00000	0.00000	0.00000	0.00000	—	0.00000
Total	—	—	—	—	—	—	—	—	—	—	—	12.2130	0.00000	12.2130	1.22065	0.00000	—	42.7292

4.6. Refrigerant Emissions by Land Use

4.6.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	567.461	567.461
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	567.461	567.461
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	567.461	567.461
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	567.461	567.461

Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Hotel	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	93.9497	93.9497
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	93.9497	93.9497

4.7. Offroad Emissions By Equipment Type

4.7.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.8. Stationary Emissions By Equipment Type

4.8.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.9. User Defined Emissions By Equipment Type

4.9.1. Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Equipment Type	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10. Soil Carbon Accumulation By Vegetation Type

4.10.1. Soil Carbon Accumulation By Vegetation Type - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Vegetation	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e

Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10.2. Above and Belowground Carbon Accumulation by Land Use Type - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Land Use	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

4.10.3. Avoided and Sequestered Emissions by Species - Unmitigated

Criteria Pollutants (lb/day for daily, ton/yr for annual) and GHGs (lb/day for daily, MT/yr for annual)

Species	TOG	ROG	NOx	CO	SO2	PM10E	PM10D	PM10T	PM2.5E	PM2.5D	PM2.5T	BCO2	NBCO2	CO2T	CH4	N2O	R	CO2e
Daily, Summer (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Daily, Winter (Max)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Annual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Avoided	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sequestered	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Removed	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

5. Activity Data

5.1. Construction Schedule

Phase Name	Phase Type	Start Date	End Date	Days Per Week	Work Days per Phase	Phase Description
Site Preparation	Site Preparation	1/30/2027	2/3/2027	5.00000	3.00000	—
Grading	Grading	2/4/2027	2/12/2027	5.00000	7.00000	—
Building Construction	Building Construction	2/13/2027	12/18/2027	5.00000	220.000	—
Paving	Paving	12/19/2027	1/2/2028	5.00000	10.00000	—
Architectural Coating	Architectural Coating	1/3/2028	1/17/2028	5.00000	11.0000	—

5.2. Off-Road Equipment

5.2.1. Unmitigated

Phase Name	Equipment Type	Fuel Type	Engine Tier	Number per Day	Hours Per Day	Horsepower	Load Factor
Site Preparation	Tractors/Loaders/Back hoes	Diesel	Average	1.000000	8.00000	84.0000	0.37000
Site Preparation	Graders	Diesel	Average	1.000000	8.00000	148.000	0.41000
Site Preparation	Rubber Tired Dozers	Diesel	Average	1.000000	7.00000	367.000	0.40000
Grading	Graders	Diesel	Average	1.000000	8.00000	148.000	0.41000
Grading	Rubber Tired Dozers	Diesel	Average	1.000000	8.00000	367.000	0.40000
Grading	Tractors/Loaders/Back hoes	Diesel	Average	2.00000	7.00000	84.0000	0.37000
Building Construction	Cranes	Diesel	Average	1.000000	6.00000	367.000	0.29000
Building Construction	Forklifts	Diesel	Average	1.000000	6.00000	82.0000	0.20000
Building Construction	Generator Sets	Diesel	Average	1.000000	8.00000	14.0000	0.74000
Building Construction	Tractors/Loaders/Back hoes	Diesel	Average	1.000000	6.00000	84.0000	0.37000
Building Construction	Welders	Diesel	Average	3.00000	8.00000	46.0000	0.45000
Paving	Pavers	Diesel	Average	1.000000	6.00000	81.0000	0.42000

Paving	Paving Equipment	Diesel	Average	1.000000	8.00000	89.0000	0.36000
Paving	Rollers	Diesel	Average	1.000000	7.00000	36.0000	0.38000
Paving	Cement and Mortar Mixers	Diesel	Average	1.000000	6.00000	10.00000	0.56000
Paving	Tractors/Loaders/Back hoes	Diesel	Average	1.000000	8.00000	84.0000	0.37000
Architectural Coating	Air Compressors	Diesel	Average	1.000000	6.00000	37.0000	0.48000

5.3. Construction Vehicles

5.3.1. Unmitigated

Phase Name	Trip Type	One-Way Trips per Day	Miles per Trip	Vehicle Mix
Site Preparation	Worker	7.50000	8.80000	LDA,LDT1,LDT2
Site Preparation	Vendor	—	5.30000	HHDT,MHDT
Site Preparation	Hauling	3,649.33	20.0000	HHDT
Site Preparation	Onsite truck	—	—	HHDT
Grading	Worker	10.00000	8.80000	LDA,LDT1,LDT2
Grading	Vendor	—	5.30000	HHDT,MHDT
Grading	Hauling	0.00000	20.0000	HHDT
Grading	Onsite truck	—	—	HHDT
Building Construction	Worker	194.460	8.80000	LDA,LDT1,LDT2
Building Construction	Vendor	75.8857	5.30000	HHDT,MHDT
Building Construction	Hauling	0.00000	20.0000	HHDT
Building Construction	Onsite truck	—	—	HHDT
Paving	Worker	12.5000	8.80000	LDA,LDT1,LDT2
Paving	Vendor	—	5.30000	HHDT,MHDT
Paving	Hauling	0.00000	20.0000	HHDT
Paving	Onsite truck	—	—	HHDT
Architectural Coating	Worker	38.8920	8.80000	LDA,LDT1,LDT2

Architectural Coating	Vendor	—	5.30000	HHDT,MHDT
Architectural Coating	Hauling	0.00000	20.0000	HHDT
Architectural Coating	Onsite truck	—	—	HHDT

5.4. Vehicles

5.4.1. Construction Vehicle Control Strategies

Non-applicable. No control strategies activated by user.

5.5. Architectural Coatings

Phase Name	Residential Interior Area Coated (sq ft)	Residential Exterior Area Coated (sq ft)	Non-Residential Interior Area Coated (sq ft)	Non-Residential Exterior Area Coated (sq ft)	Parking Area Coated (sq ft)
Architectural Coating	0.00000	0.00000	546,460	181,718	2,613.60

5.6. Dust Mitigation

5.6.1. Construction Earthmoving Activities

Phase Name	Material Imported (Cubic Yards)	Material Exported (Cubic Yards)	Acres Graded (acres)	Material Demolished (sq. ft.)	Acres Paved (acres)
Site Preparation	—	87,582.0	2.81250	0.00000	0.00000
Grading	—	—	7.00000	0.00000	0.00000
Paving	0.00000	0.00000	0.00000	0.00000	1.000000

5.6.2. Construction Earthmoving Control Strategies

Non-applicable. No control strategies activated by user.

5.7. Construction Paving

Phase Name	Land Use	Area Paved (acres)	% Asphalt
Paving	Hotel	0.00000	0%
Paving	Enclosed Parking Structure	1.000000	100%

5.8. Construction Electricity Consumption and Emissions Factors

kWh per Year and Emission Factor (lb/MWh)

Year	kWh per Year	CO2	CH4	N2O
2027	0.00000	531.983	0.03300	0.00400
2028	0.00000	531.983	0.03300	0.00400

5.9. Operational Mobile Sources

5.9.1. Unmitigated

Land Use Type	Trips/Weekday	Trips/Saturday	Trips/Sunday	Trips/Year	VMT/Weekday	VMT/Saturday	VMT/Sunday	VMT/Year
Hotel	2,090.00	2,047.50	1,487.50	729,218	9,750.26	9,551.99	6,939.48	3,401,944
Enclosed Parking Structure	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000

5.10. Operational Area Sources

5.10.1. Hearths

Land Use	Hearth Type	Unmitigated (number)	Mitigated (number)
Hotel	Wood Fireplaces	0	0
Hotel	Gas Fireplaces	0	0
Hotel	Propane Fireplaces	0	0
Hotel	Electric Fireplaces	0	0
Hotel	No Fireplaces	0	0
Hotel	Conventional Wood Stoves	0	0
Hotel	Catalytic Wood Stoves	0	0
Hotel	Non-Catalytic Wood Stoves	0	0
Hotel	Pellet Wood Stoves	0	0
Enclosed Parking Structure	Wood Fireplaces	0	0

Enclosed Parking Structure	Gas Fireplaces	0	0
Enclosed Parking Structure	Propane Fireplaces	0	0
Enclosed Parking Structure	Electric Fireplaces	0	0
Enclosed Parking Structure	No Fireplaces	0	0
Enclosed Parking Structure	Conventional Wood Stoves	0	0
Enclosed Parking Structure	Catalytic Wood Stoves	0	0
Enclosed Parking Structure	Non-Catalytic Wood Stoves	0	0
Enclosed Parking Structure	Pellet Wood Stoves	0	0

5.10.2. Architectural Coatings

Residential Interior Area Coated (sq ft)	Residential Exterior Area Coated (sq ft)	Non-Residential Interior Area Coated (sq ft)	Non-Residential Exterior Area Coated (sq ft)	Parking Area Coated (sq ft)
0.00000	0.00000	546,460	181,718	2,613.60

5.10.3. Landscape Equipment

Season	Unit	Value
Snow Days	day/yr	0.00000
Summer Days	day/yr	180.000

5.11. Operational Energy Consumption

5.11.1. Unmitigated

Electricity (kWh/yr) and CO2 and CH4 and N2O and Natural Gas (kBTU/yr)

Land Use	Electricity (kWh/yr)	CO2	CH4	N2O	Natural Gas (kBTU/yr)
Hotel	5,076,559	531.983	0.0330	0.0040	10,619,262
Enclosed Parking Structure	350,143	531.983	0.0330	0.0040	0.00000

5.12. Operational Water and Wastewater Consumption

5.12.1. Unmitigated

Land Use	Indoor Water (gal/year)	Outdoor Water (gal/year)
Hotel	6,341,693	0.00000
Enclosed Parking Structure	0.00000	0.00000

5.13. Operational Waste Generation

5.13.1. Unmitigated

Land Use	Waste (ton/year)	Cogeneration (kWh/year)
Hotel	136.875	0.00000
Enclosed Parking Structure	0.00000	0.00000

5.14. Operational Refrigeration and Air Conditioning Equipment

5.14.1. Unmitigated

Land Use	Equipment Type	Refrigerant	GWP	Quantity (kg)	Operations Leak Rate	Service Leak Rate	Times Serviced
Hotel	Household refrigerators and/or freezers	R-134a	1,430.00	0.00000	0.60000	0.00000	1.000000
Hotel	Other commercial A/C and heat pumps	R-410A	2,088.00	1.80000	4.00000	4.00000	18.0000
Hotel	Walk-in refrigerators and freezers	R-404A	3,922.00	0.00040	7.50000	7.50000	20.0000

5.15. Operational Off-Road Equipment

5.15.1. Unmitigated

5.16. Stationary Sources

5.16.1. Emergency Generators and Fire Pumps

5.16.2. Process Boilers

5.17. User Defined

5.18. Vegetation

5.18.1. Land Use Change

5.18.1.1. Unmitigated

Vegetation Land Use Type	Vegetation Soil Type	Initial Acres	Final Acres

5.18.1. Biomass Cover Type

5.18.1.1. Unmitigated

Biomass Cover Type	Initial Acres	Final Acres

5.18.2. Sequestration

5.18.2.1. Unmitigated

Tree Type	Number	Electricity Saved (kWh/year)	Natural Gas Saved (btu/year)

6. Climate Risk Detailed Report

6.1. Climate Risk Summary

Cal-Adapt midcentury 2040–2059 average projections for four hazards are reported below for your project location. These are under Representation Concentration Pathway (RCP) 8.5 which assumes GHG emissions will continue to rise strongly through 2050 and then plateau around 2100.

Climate Hazard	Result for Project Location	Unit
Temperature and Extreme Heat	6.89000	annual days of extreme heat
Extreme Precipitation	6.85000	annual days with precipitation above 20 mm
Sea Level Rise	—	meters of inundation depth
Wildfire	0.00000	annual hectares burned

Temperature and Extreme Heat data are for grid cell in which your project are located. The projection is based on the 98th historical percentile of daily maximum/minimum temperatures from observed historical data (32 climate model ensemble from Cal-Adapt, 2040–2059 average under RCP 8.5). Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.
Extreme Precipitation data are for the grid cell in which your project are located. The threshold of 20 mm is equivalent to about ¾ an inch of rain, which would be light to moderate rainfall if received over a full day or heavy rain if received over a period of 2 to 4 hours. Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.
Sea Level Rise data are for the grid cell in which your project are located. The projections are from Radke et al. (2017), as reported in Cal-Adapt (Radke et al., 2017, CEC-500-2017-008), and consider inundation location and depth for the San Francisco Bay, the Sacramento-San Joaquin River Delta and California coast resulting different increments of sea level rise coupled with extreme storm events. Users may select from four scenarios to view the range in potential inundation depth for the grid cell. The four scenarios are: No rise, 0.5 meter, 1.0 meter, 1.41 meters
Wildfire data are for the grid cell in which your project are located. The projections are from UC Davis, as reported in Cal-Adapt (2040–2059 average under RCP 8.5), and consider historical data of climate, vegetation, population density, and large (> 400 ha) fire history. Users may select from four model simulations to view the range in potential wildfire probabilities for the grid cell. The four simulations make different assumptions about expected rainfall and temperature are: Warmer/drier (HadGEM2-ES), Cooler/wetter (CNRM-CM5), Average conditions (CanESM2), Range of different rainfall and temperature possibilities (MIROC5). Each grid cell is 6 kilometers (km) by 6 km, or 3.7 miles (mi) by 3.7 mi.

6.2. Initial Climate Risk Scores

Climate Hazard	Exposure Score	Sensitivity Score	Adaptive Capacity Score	Vulnerability Score
Temperature and Extreme Heat	N/A	N/A	N/A	N/A
Extreme Precipitation	N/A	N/A	N/A	N/A
Sea Level Rise	1	0	0	N/A
Wildfire	1	0	0	N/A
Flooding	N/A	N/A	N/A	N/A
Drought	0	0	0	N/A
Snowpack Reduction	N/A	N/A	N/A	N/A
Air Quality Degradation	N/A	N/A	N/A	N/A

The sensitivity score reflects the extent to which a project would be adversely affected by exposure to a climate hazard. Exposure is rated on a scale of 1 to 5, with a score of 5 representing the greatest exposure.
The adaptive capacity of a project refers to its ability to manage and reduce vulnerabilities from projected climate hazards. Adaptive capacity is rated on a scale of 1 to 5, with a score of 5 representing the greatest ability to adapt.
The overall vulnerability scores are calculated based on the potential impacts and adaptive capacity assessments for each hazard. Scores do not include implementation of climate risk reduction measures.

6.3. Adjusted Climate Risk Scores

Climate Hazard	Exposure Score	Sensitivity Score	Adaptive Capacity Score	Vulnerability Score
Temperature and Extreme Heat	N/A	N/A	N/A	N/A
Extreme Precipitation	N/A	N/A	N/A	N/A
Sea Level Rise	1	1	1	2
Wildfire	1	1	1	2
Flooding	N/A	N/A	N/A	N/A
Drought	1	1	1	2
Snowpack Reduction	N/A	N/A	N/A	N/A
Air Quality Degradation	N/A	N/A	N/A	N/A

The sensitivity score reflects the extent to which a project would be adversely affected by exposure to a climate hazard. Exposure is rated on a scale of 1 to 5, with a score of 5 representing the greatest exposure.
The adaptive capacity of a project refers to its ability to manage and reduce vulnerabilities from projected climate hazards. Adaptive capacity is rated on a scale of 1 to 5, with a score of 5 representing the greatest ability to adapt.
The overall vulnerability scores are calculated based on the potential impacts and adaptive capacity assessments for each hazard. Scores include implementation of climate risk reduction measures.

6.4. Climate Risk Reduction Measures

7. Health and Equity Details

7.1. CalEnviroScreen 4.0 Scores

The maximum CalEnviroScreen score is 100. A high score (i.e., greater than 50) reflects a higher pollution burden compared to other census tracts in the state.

Indicator	Result for Project Census Tract
Exposure Indicators	—
AQ-Ozone	20.8463
AQ-PM	14.6484
AQ-DPM	57.9091
Drinking Water	17.2849
Lead Risk Housing	35.9546

Pesticides	0.00000
Toxic Releases	10.6277
Traffic	25.0875
Effect Indicators	—
CleanUp Sites	92.6465
Groundwater	99.8174
Haz Waste Facilities/Generators	89.5831
Impaired Water Bodies	66.7367
Solid Waste	96.2658
Sensitive Population	—
Asthma	50.5982
Cardio-vascular	29.9352
Low Birth Weights	76.6359
Socioeconomic Factor Indicators	—
Education	56.7325
Housing	42.8264
Linguistic	62.2412
Poverty	65.4146
Unemployment	70.9006

7.2. Healthy Places Index Scores

The maximum Health Places Index score is 100. A high score (i.e., greater than 50) reflects healthier community conditions compared to other census tracts in the state.

Indicator	Result for Project Census Tract
Economic	—
Above Poverty	30.30925189
Employed	38.86821506
Median HI	14.20505582
Education	—

Bachelor's or higher	65.18670602
High school enrollment	100
Preschool enrollment	20.53124599
Transportation	—
Auto Access	3.079686898
Active commuting	95.36763762
Social	—
2-parent households	4.914667009
Voting	77.24881304
Neighborhood	—
Alcohol availability	32.68317721
Park access	81.35506224
Retail density	98.57564481
Supermarket access	94.25125112
Tree canopy	37.67483639
Housing	—
Homeownership	4.093417169
Housing habitability	10.95855255
Low-inc homeowner severe housing cost burden	14.65417683
Low-inc renter severe housing cost burden	51.31528295
Uncrowded housing	36.04516874
Health Outcomes	—
Insured adults	39.07352752
Arthritis	14.6
Asthma ER Admissions	43.6
High Blood Pressure	15.9
Cancer (excluding skin)	24.3
Asthma	23.6

Coronary Heart Disease	8.3
Chronic Obstructive Pulmonary Disease	14.4
Diagnosed Diabetes	31.9
Life Expectancy at Birth	37.7
Cognitively Disabled	12.5
Physically Disabled	13.7
Heart Attack ER Admissions	85.2
Mental Health Not Good	35.7
Chronic Kidney Disease	10.6
Obesity	38.6
Pedestrian Injuries	99.7
Physical Health Not Good	30.9
Stroke	15.1
Health Risk Behaviors	—
Binge Drinking	63.5
Current Smoker	38.5
No Leisure Time for Physical Activity	42.3
Climate Change Exposures	—
Wildfire Risk	0.0
SLR Inundation Area	49.4
Children	33.8
Elderly	23.2
English Speaking	41.7
Foreign-born	42.4
Outdoor Workers	54.5
Climate Change Adaptive Capacity	—
Impervious Surface Cover	36.8
Traffic Density	35.3

Traffic Access	0.0
Other Indices	—
Hardship	70.8
Other Decision Support	—
2016 Voting	69.7

7.3. Overall Health & Equity Scores

Metric	Result for Project Census Tract
CalEnviroScreen 4.0 Score for Project Location (a)	62.0000
Healthy Places Index Score for Project Location (b)	38.0000
Project Located in a Designated Disadvantaged Community (Senate Bill 535)	No
Project Located in a Low-Income Community (Assembly Bill 1550)	Yes
Project Located in a Community Air Protection Program Community (Assembly Bill 617)	No

a: The maximum CalEnviroScreen score is 100. A high score (i.e., greater than 50) reflects a higher pollution burden compared to other census tracts in the state.
b: The maximum Health Places Index score is 100. A high score (i.e., greater than 50) reflects healthier community conditions compared to other census tracts in the state.

7.4. Health & Equity Measures

No Health & Equity Measures selected.

7.5. Evaluation Scorecard

Health & Equity Evaluation Scorecard not completed.

7.6. Health & Equity Custom Measures

No Health & Equity Custom Measures created.

8. User Changes to Default Data

8.1. Justifications

Screen	Justification
Land Use	Lot acreage more representative for Santa Barbara, CA.

Construction: Construction Phases	Removed demolition. Manually updated years to 2027-2028

8.3. Land Use

Model Parameter	Units	Default Value	New Value
Lot Area	acre	8.33333	1.000000
Landscape Area	sq. ft	—	0.00000
Lot Area	acre	2.25000	1.000000
Landscape Area	sq. ft	—	0.00000

8.4. Construction

8.4.1. Construction Phases

Phase Type	Phase Name	Model Parameter	Default Value	New Value
Grading	Grading	Work Days per Phase	6.00000	7.00000
Architectural Coating	Architectural Coating	Work Days per Phase	10.00000	11.0000

From:	Nicole Grisanti
To:	Kristen Sneddon; Mike Wiltshire; Oscar Gutierrez; John Doimas; Kelly R. McAdoo; Tava Ostrenger; Rene Eyerly; Allison DeBusk; City Clerk
Subject:	FW: 10/6/26 Ordinance Committee - Inclusionary Housing Public Comment
Date:	Tuesday, October 6, 2026 11:41:20 AM
Attachments:	2026.10.05 CHC Comments to PC on Inclusionary Housing and In-Lieu Fee Study(53221005.1).pdf 2026.04.16 CHC Comments to PC on Inclusionary Housing and In-Lieu Fee StudyFINAL.pdf 2026.02.28 CHC Comments on Inclusionary Housing and In-Lieu Fee Study_FINAL(50524328.1).pdf

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From: Craig Minus <Craig@chcsb.org>
Sent: Tuesday, October 6, 2026 11:37 AM
To: Nicole Grisanti <ngrisanti@SantaBarbaraCA.gov>
Subject: 10/6/26 Ordinance Committee - Inclusionary Housing Public Comment

> You don't often get email from craig@chcsb.org. Learn why this is important

Hi Nicole,

Please see attached 10/6/26 letter (and attachments) for distribution to Committee.

Thanks,
Craig

Craig Minus
Executive Director
(**c**) 805.403.2752
(**o**) 805.570.1250
PO Box 1076 | Santa Barbara | CA 93102
www.coastalhousingcoalition.org

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October 6, 2026

Ordinance Committee
City of Santa Barbara
Via Email: ngrisanti@santabarbaraca.gov

Subject: Inclusionary Housing Ordinance Amendments

Dear Chair Gutierrez and Council Members:

The Coastal Housing Coalition (CHC), formed in 2005, is a nonprofit organization and the voice of local employers and employees in support of workforce housing. CHC advocates for housing available to households earning 120-200% of the area median income (AMI)-households that often earn too much to qualify for subsidized housing but too little to afford market-rate homes on the South Coast. Our volunteer board consists of industry professionals—architects, planners, developers, real estate agents, and attorneys—with expertise in South Coast housing. We believe that the lack of available, affordable housing near jobs is adversely affecting our region's economy, environment, and civic life, all of which will worsen if we do not address this crucial problem.

CHC appreciates the opportunity to review and provide feedback on the City's proposed Inclusionary Housing Ordinance Amendments (Amendments). Inclusionary housing rules require builders of new housing to set aside a share of units at below-market rents or prices, or to pay an "in-lieu" fee to the City instead. We previously raised concerns with the City's Inclusionary Housing and In-Lieu Fee Study (Study), which provides the basis for these Amendments (see Attachment A). These concerns remain unaddressed. **Therefore, we respectfully request that you direct staff to revise the Amendments to address CHC's comments on the draft Study and the concerns set forth below.**

CHC wishes to emphasize and reiterate the following points:

1. The Study found that **under current market conditions, all typical multifamily development prototypes are financially infeasible**. Following the previous deliberations on the Study, the City's consultant, BAE, studied two additional in-lieu fee options and again found both options "**not likely feasible**." All of these analyses point to one conclusion: the Amendments will render a significant number of new residential developments **infeasible**—meaning **fewer residential projects will be built, leading to fewer market-rate and affordable units**. An infeasible project generates no new residential units or fees. Staff candidly acknowledges that the offset fee rates "were not calibrated for feasibility impacts on development." An ordinance whose central compliance mechanisms are demonstrated to render housing infeasible

contradicts Housing Element Policy H1.4 (reduce City-imposed constraints), Goal 1 (Create New Housing), and the City's obligation under Government Code section 65583(a)(5) and (c)(3) to analyze and remove governmental constraints, including fees and exactions. In plain terms: the City's own consultant concluded that, under today's construction costs, rents, and sale prices, typical multifamily projects are not financially viable. When a project does not make financial sense, it is not built, and the City receives neither new homes nor fees. State law and the City's own Housing Element direct the City to remove local barriers to housing like these, not add to them.

2. A "nexus" study is supposed to show a direct link between a new project and the need it creates. Here, **the Study is fundamentally flawed**. The Residential Nexus Study relies on an attenuated and speculative causal chain to justify taxing new residential development: "The residential nexus calculation ***assumes*** that new households in Santa Barbara will spend some of their money within the local economy, thereby supporting employment for new workers, a portion of which will be in need of affordable housing."[1] The Study asserts that new market-rate housing construction results in "induced demand" for lower- and moderate-income housing.[2] The Residential Nexus Study's flaws include:

- **a.** It assumes that occupants of new market-rate units are new households generating new spending, rather than existing residents moving within Santa Barbara. This ignores that the City's Housing Element recognizes significant overcrowding within residential units, suggesting that new units may be rented by households already living within the City. Intra-city moves generate no net new consumer spending.
- **b.** It ignores that new market-rate housing construction has been shown to stabilize or reduce rents in existing housing units by absorbing higher-income households.[3] When higher-income households move into new buildings, they stop competing for older apartments, which helps keep rents in check for the lower-income residents who rely on that housing. The Study ignores this proven concept. A nexus analysis that counts only the demand side and ignores this supply-side offset overstates impact.
- **c.** It conflates regional, pre-existing deficits with project impacts. The City's affordable housing shortfall reflects decades of underproduction. A fee may mitigate only the incremental impact attributable to the development on which it is imposed, not pre-existing deficiencies (Gov. Code, § 66001(g)). Requiring

[1] Study, App. D, p. 104.

[2] See Study, App. D, p. 112, Table 26.

[3] See, e.g., Eduardo Mendoza, The Research All Points in the Same Direction: Adding More Homes Curbs Rents for Low-Income Tenants (Feb. 17, 2026) https://www.metroabundance.org/adding-more-homes-curbs-rent/; Shane Phillips et al., Research Roundup: The Effect of Market-Rate Development on Neighborhood Rents, UCLA Lewis Center (Feb. 2021) https://www.lewis.ucla.edu/research/market-rate-development-impacts/; Brian J. Asquith et al., Local Effects of Large New Apartment Buildings in Low-Income Areas, MIT Press Direct, https://doi.org/10.1162/rest_a_01055.

only new residential development to pay for hypothetical new demand without accounting for historical shortfalls likely violates the Mitigation Fee Act. State law does not allow the City to charge new projects to fix a housing shortage that built up over decades.

d. It neither credits the other revenue streams generated by "induced demand" nor imposes similar costs on other drivers of "induced demand." The very consumer spending contemplated by the Study's model generates sales tax, property tax, and transient occupancy tax revenue, yet the Study does not account for these offsetting revenues. Moreover, new or expanded commercial development may more directly "induce demand" for housing, but the Study does not address it.

The Study therefore fails to meet the requirements of the Mitigation Fee Act and risks constituting an unlawful exaction under the Fifth Amendment. As such, the City Council should **reject the Amendments as proposed until staff can develop legally defensible inclusionary housing requirements and in-lieu fees**.

3. The Amendments are calibrated to Moderate-Income rental units and Middle-/Upper-Middle-Income ownership units, but staff concedes that the in-lieu or offset fees deposited into the Local Housing Trust Fund likely would support lower-income households, not Moderate- and Middle-/Upper-Middle-Income households. A fee justified by the needs of one income group, but spent on housing for another, weakens the reasonable relationship between the fee's use and the need it purports to address (Gov. Code, § 66001(a)(3)). **The Amendments should earmark fee revenue for the income tiers that generate the obligation**, or the nexus analysis should be revised to justify the actual use of the funds.

4. The Amendments do not reflect that many jurisdictions have recognized that unsubsidized inclusionary requirements can suppress housing production. A recent paper concludes that **inclusionary zoning operates as a tax on residential construction that is paid by market-rate renters and that reduces the overall housing supply**.[4] Specifically, the paper finds that the typical inclusionary housing ordinance reduces residential construction by 31.8 percent.[5] The Oregon Legislature passed Senate Bill 1521, prohibiting cities within the greater Portland area from enacting unfunded inclusionary requirements due to a decade of underproduction of both market-rate and affordable units.[6] The City of San Francisco implemented recommendations from its Inclusionary Housing Technical Advisory Committee to reduce its inclusionary housing requirements from 15% to 5% to improve the feasibility of residential development and increase housing production.[7] When cities require builders to provide

---

[4] Noah Kouchekinia, Inclusionary Zoning and Housing Supply: Evidence from California's Palmer Fix (June 11, 2026) https://bpb-us-e2.wpmucdn.com/sites.uci.edu/dist/b/5302/files/2026/06/IZ_Kouchekinia.pdf.

[5] *Ibid*.

[6] See Oregon State Legislature https://olis.oregonlegislature.gov/liz/2026R1/Measures/Overview/SB1521 (accessed on Apr. 13, 2025).

[7] Inclusionary Housing Technical Advisory Committee Meeting (Apr. 7, 2026) https://www.sf.gov/meeting--april-2-2026---inclusionary-housing-technical-advisory-committee-meeting; San Francisco Planning, Inclusionary

below-market units without public funding to cover the cost, fewer homes of all types tend to be built, and other jurisdictions have scaled back these requirements for that reason. The Ordinance Committee should carefully consider whether the Amendments and Study align with the City's Housing Element goals and reflect the best practices of local agencies seeking to spur housing production at all income levels.

Accordingly, CHC requests that the Ordinance Committee direct staff to revise the Amendments and Study and meaningfully consider the following **recommendations**, which are more likely to achieve the City's goals:

- Calibrate inclusionary requirements to demonstrated financial feasibility so that requirements are set at levels projects can actually support.
- Protect small and mid-sized infill projects from disproportionate burden, as these projects have the least ability to absorb added costs.
- Streamline approvals for compliant projects to reduce the time and cost of building.
- Consider alternatives to imposing inclusionary housing requirements on housing developers, such as general fund revenues, special taxes, or commercial inclusionary fees, to fund affordable housing development and spread the cost of a community-wide need more broadly.

Thank you for considering these comments. CHC appreciates the City's commitment to revising the Amendments and Study to address public concerns and to develop policies that effectively incentivize the development of new housing supply. CHC welcomes the opportunity to work with the City on the Amendments, the Study, and any implementing policies that support workforce and missing-middle housing within the City.

Sincerely,

Craig Minus
Executive Director

Copy to: Allison DeBusk
Dana Falk

Affordable Housing Program https://sfplanning.org/project/inclusionary-affordable-housing-program#about (accessed on Oct. 5, 2026).

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April 15, 2026

Planning Commission
City of Santa Barbara
Via Email: PCSecretary@SantaBarbaraCA.gov

Subject: Inclusionary Housing and In-Lieu Fee Study (CITY2026-00003)

Dear Chair Boss and Planning Commissioners:

The Coastal Housing Coalition (CHC), formed in 2005, is a non-profit organization and the voice of local employers and employees in support of workforce housing. The CHC advocates for housing available to households earning 120-200% of the area median income (AMI). Our volunteer boards consists of industry professionals—architects, planners, developers, real estate agents, and attorneys—with expertise in South Coast housing. We believe that the lack of available, affordable housing near jobs is adversely affecting our region's economy, environment, and civic life, all of which will worsen if we do not address this crucial problem.

CHC appreciates the opportunity to review and provide feedback on the City's Inclusionary Housing and In-Lieu Fee Study (Study) before the City Council finalizes the Study and seeks to implement it through zoning ordinance amendments. **Based on our review of the Study, we respectfully recommend that you direct staff to revise the Study to address CHC's comments provided on the draft Study which are attached hereto as Attachment A.** As evidence from a redline comparison showing minimal changes (Attachment B), **the Study remains fundamentally flawed as a policy tool and therefore will undermine the City's affordable housing goals.**

CHC wishes to emphasize and reiterate the following points:

1. The Study finds that **under current market conditions all typical multifamily development protypes are financially infeasible** under the City's existing Inclusionary Housing Ordinance (IHO), yet the Study recommend increasing and expanding the City's inclusionary housing requirements and *doubling* in-lieu fees. Both of which will reduce the financial feasibility of multifamily development projects and render the development of market rate and affordable units infeasible.
2. The Study's Residential Nexus Study relies on tortured, speculative causal chain to justify taxing new residential development: "The residential nexus calculation *assumes* that new households in Santa Barbara will spend some of their money within the local economy, thereby supporting employment for new workers, a portion of which will be in need of

affordable housing."[1] The Study asserts that new market rate housing construction results in "induced demand" for lower and moderate income housing.[2] This framework seeks to require new market rate construction to pay for the any new affordable housing construction—depsite the City's decades long underproduction of affordable housing. The Residential Nexus Study has numerous flaws. For example, it ignores that new market rate housing construction has been shown to preserve or reduce rents in existing housing units, by allowing new market rate construction to absorb high-income households.[3] As such, it overestimates the amount of affordable housing demand created by new housing. As another example, the Residential Nexus Study seemingly assumes that all occupants of the new market rate units will be new arrivals "inducing demand," rather than individuals already living in our community getting access to newly built market rate housing. In sum, the Residential Nexus Study relies on flawed assumptions to convert new market rate units to hypothetical new jobs to increased demand for affordable housing, which cannot otherwise be offset with other revenue sources and must be paid for by new development.[4] These flawed assumptions in this convoluted causal chain breaks the City's analysis. Accordingly, the **Residential Nexus Study fails to meet the requirements of the Fee Mitigation Act and would constitute an unlawful exaction under the Fifth Amendment**. The City thus must recalibrate its Residential Nexus Analysis based on the weight of the research and evidence to ensure that it that undermines its assumption of "induced demand" from market rate construction.

3. Importantly, the Study fails to evaluate all the City's options to equitably finance affordable housing. The Residential Nexus Study requires only new development to fund new affordable housing; this increases the costs of new construction reducing supply and will never address the City's affordable housing deficit. Simply put, the proposed Inclusionary Housing Requirements and Fee will fail because new development will only pencil when market rate rents are so high that they can fund affordable units. That is no way to achieve broad affordability; it simply requires 51.8% of worker households (120+% area median income (AMI)) to subsidize housing for 3.1% of worker households (120% AMI).[5] Importantly, the Study ignores that other more financing options are available—like the sales tax revenue generated by new "induced demand"—that reflect actual increases in demand and provides a more straightforward funding mechanism.

---

[1] Study, App. D, p. 104.

[2] See Study, App. D, p. 112, Table 26.

[3] See, e.g., Eduardo Mendoz, The Research All Points in the Same Direction: Adding More Homes Curbs Rents for Low-Income Tenants (Feb. 17, 2026) https://www.metroabundance.org/adding-more-homes-curbs-rent/; Shane Philips et al., Research Roundup: The Effect of Market-Rate Development on Neighborhood Rents, UCLA Lewis Cener, (Feb. 2021) https://www.lewis.ucla.edu/research/market-rate-development-impacts/; Brian J. Asquith et al., Local Effects of Large New Apartment Buildings in Low-Income Areas, MIT Press Direct, https://doi.org/10.1162/rest_a_01055.

[4] See Study, App. D, pp. 104-116.

[5] See Study, App. D, p. 108, Table 23.

4. Many agencies recognize that unsubsized inclusionary requirements are failed policies. The Oregon Legislature passed Senate Bill 1521 prohibiting cities within the greater Portland from enacting unfunded inclusionary requirements due to a decade of underproduction of both market rate and affordable unts.[6] The City of San Francisco's Inclusionary Housing Technical Advisory Committee also recently recommended that the City **reduce** its inclusionary housing requirements from 15% to 5%.[7] The City's staff report further recognizes this finding that the majority of lower income affordable units are from 100% affordable projects financed heavily by federal, state, and local fundings sources.[8] The Planning Commission should carefully consider the Study's findings to ensure that the Study's recommendations align with the Study and other agencies' findings that unfunded inclusionary housing requirements fail to produce affordable housing.

Accordingly, CHC requests that the Planning Commission direct staff to revise the Study and meaningfully consider the following **recommendations** that are more likely to achieve the City's goals:

- Calibrate inclusionary requirements to demonstrated financial feasibility.
- Provide meaningful concessions tied to inclusionary requirements, such as tying the local City density bonus program with State Density Bonus Law or providing subsidies for inclusionary housing units.
- Protect small and mid-sized infill projects from disproportionate burden.
- Streamline approvals for compliant projects.
- Consider postponing existing inclusionary requirements until after the project has proven feasibility (i.e., delaying inclusionary requirements until 10+ years after project completion).
- Consider alternatives to exacting inclusionary housing requirements on housing developers, such as general fund revenues, special taxes or commercial inclusionary fees, to fund affordable housing development.

Thank you for consideration of these comments. CHC appreciates the City's commitment to revising the Study to address public concerns and to develop policies that effectively incentivize the development of new housing supply. CHC welcomes working with the City on the Study and any implementing policies that support workforce and missing middle housing within the City.

Sincerely,

Craig Minus
Executive Director

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[6] See Oregon State Legislature https://olis.oregonlegislature.gov/liz/2026R1/Measures/Overview/SB1521 (accessed on Apr. 13, 2025).

[7] Inclusionary Housing Technical Advisory Committee Meeting (Apr. 7, 2026) https://www.sf.gov/meeting--april-2-2026---inclusionary-housing-technical-advisory-committee-meeting; The Real Deal, SF Committee Recommends Cut to Affordable Units Mandate (Apr. 9, 2026) https://therealdeal.com/san-francisco/2026/04/09/san-francisco-committee-proposes-cut-to-affordable-units-rule/

[8] Staff Report, p. 5.

Copy to: Allison DeBusk
Dana Falk
Santa Barbara Planning Commission

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February 28, 2026

Dana Falk
Project Planner
City of Santa Barbara
Via Email: InclusionaryHousing@SantaBarbaraCA.gov

Subject: Draft Inclusionary Housing and In-Lieu Fee Study

Dear Ms. Falk:

The Coastal Housing Coalition (CHC), formed in 2005, is a non-profit organization and the voice of local employers and employees in support of workforce housing. The CHC advocates for housing available to households earning 120-200% of the area median income (AMI). Our volunteer boards consists of industry professionals including architects, planners, developers, real estate agents, and attorneys with expertise in South Coast housing. We believe that the lack of available, affordable housing near jobs is adversely affecting our region's economy, environment, and civic life, all of which will worsen if we do not address this crucial problem.

CHC appreciates the opportunity to review and provide feedback on the City's Draft Inclusionary Housing and In-Lieu Fee Study (Study) before staff finalize the Study and seek to implement it through zoning ordinance amendments. Based on our review of the Study, we have prepared detailed comments regarding its underlying assumptions and recommended improvements and would like to highlight the following high-level concerns with the Study:

1. Since the City's existing inclusionary housing requirements worsen project feasibility, they should be reconsidered rather than expanded.

The Draft Study acknowledges that under current market conditions, typical multifamily development prototypes are not financially feasible when utilizing the City's existing Inclusionary Housing Ordinance (IHO).[1] As detailed in the Study's Financial Feasibility Analysis, residential projects are only considered "feasible" when they exceed a certain profitability threshold, **which all development prototypes under the City's IHO <u>fail</u> to meet by a wide margin**.[2]

[1] Draft Study, p. 7 ("Overall, this Study found that all residential development prototypes are infeasible under the Existing Program."); Draft Study, p. 30 ("No baseline prototypes utilizing the Existing Program are identified as feasible under current market conditions.").
[2] See Draft Study, pp. 30-32 (estimating a feasibility gap ranging from $44-68 per square foot for ownership projects and $53-83 per square foot for rental projects using the City's AUD program).

This is a significant finding that must guide the City's policy direction to restore feasibility to residential development projects rather than erode it. Instead, the Study recommends (1) expanding the City's IHO to apply to all rental projects with 5+ units, regardless of whether they benefit from the City's AUD program, and (2) maintaining current inclusionary housing requirements despite the clear need to reconsider them.

Accordingly, **these recommendations are unsound and divorced from the Study's own logic**. Since the City's applied its IHO to rental units under the AUD program in 2019, development of rental units utilizing the program has stalled significantly.[3] Expanding these inclusionary requirements to all rental projects of 5+ units, regardless of whether they use the AUD program, "would mean that non-AUD rental projects inland and all rental projects in the coastal zone would be subject to inclusionary housing requirements," which the Study acknowledges would "impact financial feasibility for rental projects not utilizing the AUD Program."[4] If the City's IHO already makes it infeasible to develop rental projects that utilize the AUD program, broad application of inclusionary housing requirements to all rental projects with 5+ units, without the appropriate offsets, will only worsen housing availability and affordability. An IHO that renders housing development infeasible will not generate any new units, moderate income or otherwise, or generate any new affordable housing fees for the City. Such an outcome worsens housing affordability for all.

2. The recommended increases to in-lieu fees are unjustified.

Since the Study finds that all baseline protypes are financially infeasible considering existing in-lieu fee amounts, the recommendation to increase those amounts even further and newly apply in-lieu fees to rental projects of 5+ units, regardless of whether the project uses the City's AUD program, is unjustified. Still, the Study recommends setting a new in-lieu fee of $50 per square foot for ownership projects with 10+ units, *doubling* the existing in-lieu fee from $25 to $50 per square foot for rental projects with 10+ units, and setting a "lower" in-lieu fee of $35 per square foot for rental projects with fewer than 10 units.

The Study appears to justify the recommendations regarding in-lieu fee amounts by adjusting those amounts for inflation and construction costs; however, actual rents and ownership sales have not kept with this inflation trend, so inflated in-lieu fees represent a proportionally greater amount of potential developer profit and further erode project feasibility. This is concerning given that the Study dismisses the preexisting and significant hurdles to project feasibility under the City's current IHO.[5] Again, all project prototypes in the Study saw a significant

[3] See, e.g., AUD Incentive Program Progress Report: A Look Back on a Decade of Housing Production (2023) (noting that the inclusionary housing requirement is "one of the most disliked aspects" of the AUD program and noting that only 32 rental units using the AUD program had been proposed since application of the 2019 inclusionary housing requirement). Available at: https://santabarbaraca.gov/sites/default/files/2023-10/AUD%20Progress%20Report_2023_Public.pdf.

[4] Draft Study, pp. 9, 48.

[5] See, e.g., Draft Study, p. 51 (stating that "[t]he financial feasibility analysis indicates that an in-lieu fee rate of $50 per net square foot would minimally decrease financial feasibility in applicable prototypes" even though those

feasibility gap under the City's existing IHO, ranging from $44-68 per square foot for ownership projects and $53-83 per square foot for rental projects using the City's AUD program.[6] Raising in-lieu fees while maintaining existing inclusionary percentages will only render infeasible already marginal projects, reducing housing production.

3. The IHO will promote use of State Density Bonus Law over the production of moderate income units.

Of further concern, the Study demonstrates that State Density Bonus Law (SDBL) is structurally more compelling than the City's IHO.[7] SDBL restores feasibility by providing additional density, flexibility via concessions and waivers, and predictable streamlined approvals. The IHO, by contrast, imposes fixed affordability requirements without guaranteed offsets. If the City's IHO is not reconsidered to provide additional offsets and local density bonuses for moderate income units to compete with SDBL, the likely outcome is clear: **developers will structure projects under SDBL rather than rely on the City's inclusionary framework unless the City's framework is significantly improved**.[8]

This outcome erodes local control over housing development projects and fails to achieve the City's goal of generating more moderate and middle income housing units. By failing to provide local development incentive programs that are greater than or equal to incentive programs provided by the State, the City's current policy and recommendations appear to be inconsistent with the City's desire to obtain a pro-housing designation and to create affordable housing for all.

4. In addition to the Study's provided analysis, other metrics should be evaluated when considering project feasibility.

Although the Study finds that all residential prototypes under the City's IHO are infeasible, key assumptions underlying the Study suggest that financial feasibility is even ***lower*** than the Study currently estimates. In order to align these assumptions with the City's priorities of increasing the availability of affordable housing, we recommend the City reconsider the following assumptions to recalibrate the analysis:

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prototypes are already considered infeasible); Draft Study, p. 54 (stating that an in-lieu fee amount of $35 per square foot for smaller rental projects would "marginally to significantly decrease financial feasibility" for the baseline prototypes).

[6] See Draft Study, pp. 30-32.

[7] Draft Study, p. 7 ("As financial feasibility is challenging for development in the current economic climate, the City has seen an uptick in the number of projects utilizing [SDBL], as it improves financial feasibility in the studied development prototypes."); Draft Study, p. 78 ("Nearly all interviewees indicated that State Density Bonus Law incentives are comparatively more attractive to pursue than development within the AUD Program and/or the City's Local Density Bonus Program."); *id*. ("As long as the ability to request [SDBL] waivers is in place, one applicant reported it was 'hard to imagine' using the existing Local Density Bonus Ordinance.").

[8] This trend is already apparent from the Study. Of the 1,899 affordable housing units in the City (including both rental and ownership), only 21% are Moderate Income (400 units). Of those 400 units, only 41 have been constructed in the last 20 years (2006 and 2011), and they are all ownership units.

- **Using Residual Land Value (RLV) to determine feasibility thresholds:** Although CHC agrees that RLV is an important measure to consider when determining feasibility, this estimate serves as a single metric and does not sufficiently capture whether a project is truly financially feasible. Accordingly, the Study should be supplemented to evaluate a project's feasibility by identifying the project's lender debt service coverage ratio (DSCR),[9] which typically should fall between 1.2-1.25 for the developer to reliably obtain a loan. This measure does not appear to be considered throughout the Financial Feasibility Analysis; where debt coverage is considered in estimating construction costs for the City's in-lieu fee calculations, the Study assumes a debt coverage ratio of 1.15.[10] Considered in tandem with RLV, including sufficient DSCR assumption in the analysis would provide a more comprehensive feasibility analysis that estimates the reasonable likelihood of successful financing of the project together with the project's reasonable land value expectation.
- **Setting a 110% AMI target:** CHC agrees with increasing the target AMI from 100%, but the 110% AMI target rate appears to be insufficient. For example, the Study indicates that more than 50% of workers in the City are above 120%.[11] This suggests that a target rate at 120% AMI or above is appropriate for the City to consider. Setting the rate lower would penalize the majority of workers in the City and further isolate the housing industry in order to offset hypothetical job creation from further housing development.
- **Setting a 10% developer profit margin:** Given the significant entitlement risks and construction delivery risks, including time delays, labor, cost of goods, lending fluctuations, and other hurdles developers experience in the City, a 10% profit margin is likely insufficient to incentivize development, especially of market rate projects. In CHC's conversations with developers, a 10% profit margin would be the absolute floor that would be considered: although profit margins can be lowered as the size of the project increases, the lack of sufficient lot sizes in the City for large projects preclude lower profit margins near 10%. Accordingly, This profit margin should be increased to recalibrate the Study's analysis of what is feasible in the City.
- **Estimate of hard costs:** The hard costs of a project, including development costs and operating costs identified throughout Appendix C of the Study, appear to be underestimated. These costs have risen dramatically in the last several years, outpacing rents and income. Accordingly, these costs should be recalibrated to better assess project feasibility.
- **Developer income and capitalization rates:** The Study utilizes CoStar data and interviews with developers to estimate developer income, and thus assess project feasibility, based on asking rents rather than actual rents. Additionally, while costs for goods and services have increased due to inflation, rents have not kept the same pace with inflation or the rising costs

[9] DSCR is an important threshold measure to consider because a project will not be built if the project is outside of acceptable lending parameters at the time of construction. This is a case where the "tail should help wage the dog."

[10] See Draft Study, p. 39, Table 9: In-Lieu Fee Rates by Construction Cost Analysis.

[11] See Draft Study, p. 102, Table 23: Worker Household Income Level by Industry of Employment, Santa Barbara County (showing at only 3.9% of workers qualify as moderate income at 120% of AMI).

of utility services.[12] Accordingly, the Study likely overestimates the amount of return a developer can obtain on any of the prototypes analyzed. Since developer incomes are likely overstated by the study, the assumed capitalization rate of 4.87% is likely overestimated as well. These figures should be recalibrated to better assess project feasibility.

- **Assumptions about "Induced Housing Demand":** The Study asserts that new market rate housing construction results in "induced demand" for lower and moderate income housing.[13] However, the Study ignores that new market rate housing construction has been shown to preserve or reduce rents in existing housing units, by allowing new market rate construction to absorb high-income households.[14] Table 26 and the Residential Nexus Analysis must be recalibrated based on the weight of the research that undermines its assumption of "induced" demand from market rate construction.
- **Residential Nexus Analysis**: The Residential Nexus Analysis purports to calculate a maximum allowable in-lieu fee based on the tenuous and hypothetical relationship between market rate housing construction and the need for affordable housing. Again, this analysis ignores that new market rate housing construction preserves or reduces rents in existing housing units. Further, this approach cannot satisfy the City's obligation to ensure that its development fees are "roughly proportional" to its need for affordable housing, since setting fees near this maximum level will only provide a barrier that will slow the construction of any new housing, market-rate or affordable, in the City.

In summary, inclusionary requirements are often, in part, one of the variables that impact a project's financial feasibility. This is because reduced income is obtained from this units without reducing corresponding construction costs. The result is that, if the project's net operating income is reduced due to reduced rent, the project may fail to meet acceptable DSCR. Many projects are skinny at the front end and struggle to meet construction lending requirements, but over time, most projects can both pay down their debt service and appreciate in value. At this point in time, a project's ability to provide inclusionary rents becomes more feasible.

Programs and policies should be considered that transfers inclusionary requirements to the point where a project has financially stabilized so that inclusionary requirements do not impact a developer's ability to service debt. This would avoid conditions where inclusionary requirements overly burden

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[12] See Draft Study, p. 16, Table 2, Figure 2 (showing that, although asking rents have increased by an average of 19% from 2021-25, utility, maintenance, and other costs have risen by greater than 30% in the same period).
[13] See Draft Study, p. 107, Table 26.
[14] See, e.g., Eduardo Mendoz, The Research All Points in the Same Direction: Adding More Homes Curbs Rents for Low-Income Tenants (Feb. 17, 2026) https://www.metroabundance.org/adding-more-homes-curbs-rent/; Shane Philips et al., Research Roundup: The Effect of Market-Rate Development on Neighborhood Rents, UCLA Lewis Cener, (Feb. 2021) https://www.lewis.ucla.edu/research/market-rate-development-impacts/; Brian J. Asquith et al., Local Effects of Large New Apartment Buildings in Low-Income Areas, MIT Press Direct, https://doi.org/10.1162/rest_a_01055.

projects at the outset while maintaining inclusionary housing over time when projects can better absorb costs.

Accordingly, CHC requests that the City consider the following **recommendations** that are more likely to achieve the City's goals:

- Calibrate inclusionary requirements to demonstrated financial feasibility.
- Provide meaningful concessions tied to inclusionary requirements, such as tying the local City density bonus program with SDBL or providing subsidies for inclusionary housing units.
- Protect small and mid-sized infill projects from disproportionate burden.
- Streamline approvals for compliant projects.
- Consider postponing existing inclusionary requirements until after the project has proven feasibility (i.e., delaying inclusionary requirements until 10+ years after project completion).
- Consider alternatives to exacting inclusionary housing requirements on housing developers, such as general fund revenues, special taxes or inclusionary fees for commercial projects, to fund affordable housing development.

Thank you for consideration of these comments. CHC appreciates the City's commitment to revising the draft Study to address public concerns and to develop policies that effectively incentivize the development of new housing supply. CHC welcomes working with the City on the Study and any implementing policies that support workforce and missing middle housing within the City.

Sincerely,

Craig Minus
Executive Director

Copy to:
- Allison DeBusk
- Santa Barbara City Council

bae urban economics

~~DRAFT~~

Inclusionary Housing and In-Lieu Fee Study

Prepared for the City of Santa Barbara

~~January 13~~April 1, 2026

~~DRAFT~~

TABLE OF CONTENTS

EXECUTIVE SUMMARY 5

Study Objectives 5

Key Study Findings 6

Study Recommendations 7

INTRODUCTION 12

Study Objectives 13

Study Organization 13

Residential Development Trends 15

Housing Affordability 21

EXISTING PROGRAM 23

Inclusionary Housing Requirements for Ownership Projects 23

Inclusionary Housing Requirements for Rental Projects 24

DEVELOPMENT PROTOTYPES 26

Site Selection 26

Baseline Prototypes 26

Density Bonus Prototypes 28

Adaptive Reuse 29

FINANCIAL FEASIBILITY ANALYSIS 32

Financial Feasibility Methodology 32

Baseline Prototypes 34

Density Bonus Prototypes 38

IN-LIEU FEE ANALYSES 40

Construction Cost Analysis 43

Fee Equivalent Analysis 46

BENCHMARK ANALYSIS 47

RECOMMENDATIONS 52

A. Apply Inclusionary Housing Requirements to All Rental Projects with 5+ units 53

B. Maintain Current Inclusionary Housing Requirements 54

~~DRAFT~~

C. Update the In-Lieu Fee Rate for Rental Projects 57
D. Set an In-Lieu Fee Rate for Ownership Projects 58
E. Set a Lower In-Lieu Fee Rate for "Small" Projects 58
F. Count Rental Inclusionary Units as Bonus Density 60
G. Consider Options for In-Lieu Fee Payment to Fulfill Inclusionary Requirements 60
H. Simplify In-Lieu Fee Calculations for Ownership Projects 64
I. Implement Automatic Annual In-Lieu Fee Rate Adjustments 64
J. Adjust Target AMI for Moderate-Income Households 66
APPENDIX A: ASSUMPTIONS~~,~~ AND FORMULAS 67
~~Income ..... 67~~
~~Unit Monthly Rents and Sale Prices ..... 67~~
~~In-Lieu Fee Calculations ..... 72~~
~~Financial Feasibility Methodology ..... 79~~
APPENDIX B: INPUT FROM PRACTITIONERS 81
APPENDIX C: RESIDENTIAL PRO-FORMAS 85
APPENDIX D: RESIDENTIAL NEXUS ANALYSIS 104
APPENDIX E: OVERVIEW OF IMPLAN 117

LIST OF TABLES

Table 1: Recommendations for Updates to Existing Program 8
Table 2: Multifamily Market Overview, Built 2017+, City of Santa Barbara 19
Table 3: Affordability of New Market-Rate Residential Units by Target AMI 21
Table 4: Summary of Residential Prototypes, Baseline and Density Bonus 31
Table 5: Summary of Residential Development Feasibility, Existing Program 36
Table 6: Summary of Residential Development Feasibility, Baseline vs SDBL 39
Table 7: Spread of In-Lieu Fee Rates by Methodology for Rental Projects with 10+ units 42
Table 8: Spread of In-Lieu Fee Rates by Methodology for Ownership Projects with 10+ units. 42
Table 9: In-Lieu Fee Rates by Construction Cost Analysis 44
Table 10: In-Lieu Fee Rates by Fee Equivalent 46
Table 11: Recommendations for Updates to Existing Program 52
Table 12: City of Santa Barbara Income Limits, effective April 2025 67
Table 13: Multifamily Market Overview, Built 2017+, City of Santa Barbara 68
Table 14: Sales Prices in Newer (2007+) Condominiums, City of Santa Barbara 68
Table 15: Maximum Rents for Low- and Moderate-Income Households 69
Table 16: Maximum Sales Prices by Income Level, City of Santa Barbara, 2025 70
Table 17: Utility Allowance Table, City of Santa Barbara, 2025 71
Table 18: Median 2-br Condominium Sales Price, Q1 2025, City of Santa Barbara 73
Table 19: LIHTC Completed Project Sample for Construction Cost 78
Table 20: Comparable Land Sales, Santa Barbara 80
Table 21: Income Required to Rent New Multifamily Units (built in 2017 or later) in Santa Barbara 105
Table 22: Income Required to Purchase New Market-Rate Units in Santa Barbara 106
Table 23: Worker Household Income Level by Industry of Employment, Santa Barbara County 108
Table 24: Jobs and Worker Household Generation by Income Level from New Multifamily Rental Housing 110
Table 25: Jobs and Worker Household Generation by Income Level from New Ownership Housing 111
Table 26: Summary of Induced Housing Need per 100 Units by Residential Development Type by Income Category 112
Table 27: Affordable Housing Financing Gaps, Santa Barbara, 2025 114
Table 28: Nexus-Based Fee Rates for Market-Rate Residential Units 116

LIST OF FIGURES

Figure 1: Annual Permitted Units in Multiunit Projects, City and Santa Barbara County 17
Figure 2: Multifamily Asking Rent per Unit, Q1 2018 to Q1 2025, City of Santa Barbara 19
Figure 3: Theoretical Rental In-Lieu Fee Rate per net square foot, applied to Prototype V..... 48
Figure 4: Financial Feasibility under Existing Program, Prototype I: Ownership Townhome Prototype 87
Figure 5: Financial Feasibility, Prototype I with Recommended Small Project In-Lieu Fee $35.00/sf 88
Figure 6: Financial Feasibility under Existing Program, Prototype II: Ownership Condominium Prototype 89
Figure 7: Financial Feasibility, Ownership Prototype II: Recommended Option G1 90
Figure 8: Financial Feasibility under Existing Program, Prototype III: Rental Townhome Prototype 91
Figure 9: Financial Feasibility, Rental Prototype III: Recommended Small Project In-Lieu Fee $35.00/sf 92
Figure 10: Financial Feasibility under Existing Program, Prototype IV: Rental Mixed-Use Prototype 93
Figure 11: Financial Feasibility, Rental Prototype IV: Hypothetical 15% Moderate-Income Requirement 94
Figure 12: Financial Feasibility, Rental Prototype IV: Recommendation F (Count Rental Inclusionary as Bonus) 95
Figure 13: Financial Feasibility, Rental Prototype IV: 10% Moderate-Income w/ Recommended Target 110% AMI 96
Figure 14: Financial Feasibility under Existing Program, Prototype V: Rental Mixed-Use Large Prototype 97
Figure 15: Financial Feasibility, Rental Prototype V: Recommended In-Lieu Fee $50.00/sf.... 98
Figure 16: Financial Feasibility, Rental Prototype V: Recommendation F (Count Rental Inclusionary as Bonus) 99
Figure 17: Financial Feasibility, Rental Prototype V: 10% Moderate-Income w/ Recommended Target 110% AMI 100
Figure 18: Financial Feasibility, Rental Prototype V: Hypothetical 15% Moderate-Income Requirement 101
Figure 19: Financial Feasibility, Prototype SDBL-I: Rental Mixed-Use Density Bonus Prototype 102
Figure 20: Financial Feasibility, Prototype SDBL-II: Rental Density Bonus Prototype 103

EXECUTIVE SUMMARY

This Inclusionary Housing and In-Lieu Fee Study ("Study") analyzes the City of Santa Barbara's existing inclusionary housing requirements for ownership and rental housing developments ("Existing Program") to assist the City in considering changes to the program. The Existing Program is broadly summarized as follows:

- Ownership projects with 10 or more units require 15 percent of units to be sold at prices affordable to Middle-Income households[1]. The ownership inclusionary units are allowed above a site's maximum density (as bonus density).
- Ownership projects of two through nine units may designate one unit as affordable to Middle-Income households[1] or pay a prorated in-lieu fee based on the number and size of the proposed units.
- Ownership projects of one unit are not subject to any inclusionary housing requirements.
- Rental projects pursuant to the Average Unit-Size Density Incentive Program ("AUD Program") with 10 or more units require 10 percent of the units onsite as affordable to Moderate-Income households.
- Rental projects pursuant to the AUD Program with five to nine units may designate one unit as affordable to Moderate-Income households or pay an in-lieu fee of $25.00 per net residential square foot.
- Rental projects pursuant to the AUD Program with four or fewer units are not subject to any inclusionary housing requirements.
- Rental projects not using the AUD Program are not subject to any inclusionary requirements.

Study Objectives

The objectives of this Study are:

- Implement goals, policies, and programs from the 2023—2031 Housing Element that encourage affordable and market rate housing units in support of the City's Regional Housing Needs Allocation ("RHNA").

- Identify opportunities to align the separate ownership and rental inclusionary housing requirements into one Inclusionary Housing Program.

[1] For Residential Lot Subdivisions for the construction of single unit homes, units may be sold to Upper-Middle-Income households.

- Evaluate the Existing Program's inclusionary requirements and in-lieu fee rates under current market conditions and development standards.
- Analyze the extent to which current in-lieu fee rates reflect the cost to build inclusionary units as required under the Existing Program.
- Identify in-lieu fee rates that support the City's Local Housing Trust Fund for affordable housing development while not negatively impacting the financial feasibility of new market-rate residential development.
- Address administration difficulties with the Existing Program to align fee calculations, fee adjustments, and other local methodologies with industry best practices.
- Communicate potential alternatives to the Existing Program with respect to financial feasibility, such as use of State Density Bonus Law ("SDBL") and the availability of waivers and concessions.

Key Study Findings

Through the analysis in this Study, several key findings were identified that informed the recommendations. Key findings relate to in-lieu fee rates, calculation methodologies, and the financial feasibility of residential development projects.

Permitted Inclusionary Housing Units and Collected In-Lieu Fees

The inclusionary housing requirements have successfully created affordable housing units for Moderate- and Middle-Income households and have generated funds used to support affordable housing from collected in-lieu fees.

In-Lieu Fees and Inflation

The in-lieu fee rate for AUD Program rental projects has not been updated since adoption of the rental inclusionary housing requirement in July 2019. This indicates the collected in-lieu fee payments have not kept pace with the cost to construct inclusionary units that are funded by these collected fees. Had the fee rate been indexed for inflation, the current in-lieu fee would be approximately $31.72/sf.[2]

Multiple and Complex In-Lieu Fee Calculations Methods

The City uses a variety of calculation methods to determine in-lieu fee payment amounts depending on a project's tenure. In particular, the method for ownership projects is complex and could be more effectively administrated if aligned with fee calculations for rental projects,

[2] Estimate based on the Consumer Price Index for All Urban Consumers (CPI-U) for the "Pacific" region between July 2019 and September 2025.

as is done in other cities. In most jurisdictions surveyed, in-lieu fees for both ownership and rental projects are charged on a per residential square foot basis, applied to the entirety of the project.

Financial Feasibility Challenges under Existing Program

This Study evaluated the financial feasibility of local development projects via the preparation of static pro-forma models. Overall, this Study found that all residential development prototypes are infeasible under the Existing Program. Smaller projects of less than 10 units tend to be less feasible on a per square foot basis than larger projects with 10 or more units.

~~*Financial Feasibility Improves under State Density Bonus Law (SDBL)*~~

As financial feasibility is challenging for development in the current economic climate, the City has seen an uptick in the number of projects utilizing State Density Bonus Law ("SDBL"), as it improves financial feasibility in the studied development prototypes. Applicants utilizing SDBL are also entitled to concessions and incentives as defined under State law, which allow applicants to deviate from design standards and/or development regulations.

~~*"Fee Out" Options are Not Customary*~~

~~Nearly all benchmarked jurisdictions impose restrictions on a developer's ability to satisfy all inclusionary housing requirements through payment of an in-lieu fee alone. These restrictions may include requiring City Council approval to pay an in-lieu fee for the entirety of the inclusionary housing requirement, allowing in-lieu fee payments only for the purpose of meeting a fractional unit requirement, or only allowing in-lieu fee payments for smaller projects.~~

Study Recommendations

The key findings ~~noted above~~ inform ~~targeted~~ 10 recommendations to update the Existing Program. The recommendations fall into ~~across~~ three major categories: program-related, policy-related, and administration-related~~, as described in Table 1 below~~.

- **Program-related recommendations** are updates to the Existing Program requirements, such as in-lieu fee rates, citywide applicability, and recalibrated requirements for large and small projects.

- **Policy-related recommendations** are updates designed to encourage housing development and provide in-lieu fee payment options.

- **Administration-related recommendations** are updated designed to simplify and clarify functions associated with administering the Existing Program.

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Table 1: Recommendations for Updates to the Existing Program

Program-Related	Policy-Related	Administration-Related
~~*Updates to Existing Program requirements such as in-lieu fee rates, eligible geographies, and differentiation between large and small projects.*~~	~~*Updates designed to encourage housing development and fee payment options under the Existing Program.*~~	~~*Updates designed to simplify and streamline functions associated with administering the Existing Program.*~~
A. Apply Inclusionary Housing Requirements to All Rental Projects with 5+ units	F. Count Rental Inclusionary Units as Bonus Density	H. Simplify In-Lieu Fee Calculations for Ownership Projects
B. Maintain Current Inclusionary Housing Requirements	G. Consider Options for In-Lieu Fee Payments to Fulfill Inclusionary Requirements	I. Implement Automatic Annual In-Lieu Fee Rate Adjustments
C. Update the In-Lieu Fee Rate for Rental Projects with 10+ units	G.1. Consider In-Lieu Fee Payment for All Fractional Inclusionary Requirements	J. Adjust Target AMI for Moderate-Income Rents from 100% to 110%
D. Set an In-Lieu Fee Rate for Ownership Projects with 10+ units	G.2. Consider In-Lieu Fee Payment for All Inclusionary Requirements	
E. Set a Lower In-Lieu Fee Rate for "Small" Rental and Ownership Projects		

The recommendations are structured to work together in updating the Existing Program, although each recommendation can proceed as a standalone change. Incorporating all recommendations from the Study into the inclusionary housing ordinance would have the greatest impact on generating inclusionary housing and in-lieu fee payments while balancing development feasibility.

Program-Related Recommendations

The five program-related recommendations update the variable requirements for inclusionary housing while the Existing Program structure remains unchanged.

A. Apply Inclusionary Housing Requirements to All Rental Projects with 5+ units

This Study recommends expanding the inclusionary housing requirements to all rental projects of five or more units developed in the City, not solely those using the AUD Program. This would mean that non-AUD rental projects inland and all rental projects in the coastal zone would be subject to the inclusionary housing requirements.

B. Maintain Current Inclusionary Housing Requirements

- Rental Projects
  This Study recommends maintaining the Existing Program's inclusionary housing percentage and income category for rental projects (i.e., no change to the current requirement that 10 percent of units in rental projects be set aside for Moderate-Income households).

- Ownership Projects
  This Study recommends maintaining the Existing Program's inclusionary housing percentage and income categories for ownership projects (i.e., no change to the current requirements that 15 percent of units in ownership projects be set aside for Middle-Income or Upper Middle-Income, as appropriate, households).

C. Update the In-Lieu Fee Rate for Rental Projects with 10+ Units

This Study recommends setting the in-lieu fee rate for rental projects at $50.00 per net square foot of residential space for fractional unit requirements in rental projects with 10 or more units.

This recommendation would help the City account for construction cost increases since adoption of the $25.00 per net sf fee in 2019, and more accurately reflect the cost of constructing an inclusionary unit with collected funds.

D. Set an In-Lieu Fee Rate for Ownership Projects with 10+ Units

This Study recommends setting the in-lieu fee rate for ownership projects to $50.00 per net square foot of residential space for fractional unit requirements in ownership projects of 10 or more units.

Setting the ownership in-lieu fee rate based on the net square footage of the proposed project would align the ownership requirements with the existing rental inclusionary housing requirements and methodologies. This also supports simplifying administration of the Existing Program.

E. Set a Lower In-Lieu Fee Rate for "Small" Rental and Ownership Projects
This Study recommends setting a lower in-lieu fee rate of $35.00 per net square foot for "small" ownership and rental projects with fewer than ten units. Small projects face financial feasibility challenges when compared to larger projects with 10 or more units, as described in the Financial Feasibility Analysis chapter, due to factors such as reduced economies of scale. As such, this Study does not recommend the $50.00 per net square foot fee rate that is being proposed for larger projects.

Policy-Related Recommendations
There is one policy-related recommendation and one option to consider, both intended to encourage housing development.

F. Count Rental Inclusionary Units as Bonus Density
This Study recommends that the City exclude inclusionary units from maximum density calculations for rental projects. This recommendation would align the ownership and rental inclusionary housing requirements to count all inclusionary units as bonus density (i.e., ownership units in the Existing Program are already entitled a bonus density for on-site units).

G. Consider Options for In-Lieu Fee Payments to Fulfill Inclusionary Requirements
This Study recommends the City consider expanding compliance options for inclusionary housing requirements with in-lieu fee payments. This recommendation proposes two options that are standalone; only one option can be implemented.

> ***Option G.1 Consider In-Lieu Fee Payment for All Fractional Inclusionary Requirements***
> Consider allowing in-lieu fee payment for all fractional inclusionary requirements, regardless of the total number of units proposed in the project or the tenure of the units (i.e., on projects with 10 or more units, do not require an additional unit for fractions of 0.5 or more). This recommendation would apply the in-lieu fee rates proposed in Recommendations C (rental projects) and D (ownership projects).
>
> ***Option G.2 Consider In-Lieu Fee Payment for All Inclusionary Requirements***
> Consider allowing all inclusionary housing requirements to be fulfilled with an in-lieu fee payment, without requiring any onsite inclusionary units. This recommendation would apply an in-lieu fee rate up to $72.00 per square foot.

Administration-Related Recommendations
The three administration-related recommendations simplify and clarify processes and calculations used to administer the Existing Program.

H. Simplify In-Lieu Fee Calculations for Ownership Projects
This Study recommends simplifying the methodology for calculating in-lieu fee amounts for ownership projects by aligning it with the methodology in place for rental projects. This

recommendation would apply in-lieu fee requirements for ownership projects on a net residential square foot basis, rather than a per-unit basis.

I. Implement Automatic Annual In-Lieu Fee Rate Adjustments

This Study recommends that the City implement a system for automatically adjusting the recommended in-lieu fee rates annually to help account for inflationary increases in the cost of construction.

J. Adjust Target AMI for Moderate-Income Rents from 100% to 110%

This Study recommends adjusting the Target Income for maximum rent calculations for Moderate-Income inclusionary units. This recommendation would align the City with methodology used by the State by applying a target of 110 percent of AMI for Moderate-Income rent calculations.

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INTRODUCTION

The City of Santa Barbara is situated in one of the highest-cost regions in the country, where market-rate housing is often ~~unattainable~~ unaffordable[3] for ~~lower~~Lower-, ~~moderate~~Moderate-, and ~~middle~~Middle-~~income~~ Income households. The City has sought to address these challenges through a variety of policies, programs, and actions over the years, including inclusionary housing requirements for some units in new market-rate housing developments to be made affordable.

This Inclusionary Housing and In-Lieu Fee Study ("Study") analyzes the existing inclusionary housing requirements for ownership and rental housing developments ("Existing Program") to assist the City of Santa Barbara in considering changes to the program. The Existing Program is broadly summarized as follows:

- Ownership projects with 10 or more units require 15 percent of units to be sold at prices affordable to Middle-Income[4] households. The ownership inclusionary units are allowed above a site's maximum density (as bonus density).
- Ownership projects of two through nine units may designate one unit as affordable to Middle-Income households[3] or pay a prorated in-lieu fee based on the number and size of the proposed units.
- Ownership projects of one unit are not subject to any inclusionary housing requirements.
- Rental projects pursuant to the Average Unit-Size Density Incentive Program (AUD Program)[5] with 10 or more units require 10 percent of the units onsite as affordable to Moderate-Income households.
- Rental projects pursuant to the AUD Program with five to nine units may designate one unit as affordable to Moderate-Income households or pay an in-lieu fee rate of $25.00 per net residential square foot.
- Rental projects pursuant to the AUD Program with four or fewer units are not subject to any inclusionary housing requirements.
- Rental projects not utilizing the AUD Program are not subject to inclusionary housing requirements.

[3] Housing costs are considered affordable if they do not exceed 30 percent of a household income, as established by the US Department of Housing and Urban Development (HUD).
[4] For Residential Lot Subdivisions for the construction of single unit homes, units may be sold to Upper-Middle-Income households.
[5] When the AUD Program was first adopted in 2013, the City could not require inclusionary units for rental housing due to a 2009 court decision. In response to changes in state law, an inclusionary requirement for AUD rental projects was added in 2019.

This Study helps the City of Santa Barbara implement programs from the 2023—2031 Housing Element. Each of these programs calls for economic feasibility analyses to support associated amendments to the zoning ordinance, as well as meet Housing Element Goal #2: Prioritize Affordable Housing and Goal #8: Fund Affordable Housing.

- Program HE-12: Prioritize Deed-Restricted Affordable Housing
- Program HE-13: Evaluate Inclusionary Housing Ordinance

Study Objectives

The objectives of this Study are:

- Implement goals, policies, and programs from the 2023—2031 Housing Element that encourage affordable and market rate housing units in support of the City's Regional Housing Needs Allocation ("RHNA").

- Identify opportunities to align the separate ownership and rental inclusionary housing requirements into one Inclusionary Housing Program.

- Evaluate the Existing Program's inclusionary requirements and in-lieu fee rates under current market conditions and development standards.

- Analyze the extent to which current in-lieu fee rates reflect the cost to build inclusionary units as required under the Existing Program.

- Identify in-lieu fee rates that support the City's Local Housing Trust Fund for affordable housing development while not negatively impacting the financial feasibility of new market-rate residential development.

- Address administration difficulties with the Existing Program, to align fee calculations, fee adjustments, and other local methodologies with industry best practices.

- Communicate potential alternatives to the Existing Program with respect to financial feasibility, such as use of State Density Bonus Law ("SDBL") and the availability of waivers and concessions.

Study Organization

The Study is organized as follows:

- The **Introduction** chapter outlines the objectives and framework for the Inclusionary Housing and In-Lieu Fee Study, residential development trends, and the current state of housing affordability in the City of Santa Barbara.

- The **Existing Program** chapter provides an overview of the City's Existing Program and key findings related to recommended changes to the Existing Program.

- The **Development Prototypes** chapter outlines a series of baseline multi-unit residential development prototypes consisting of two ownership prototypes and three rental prototypes, all of varying size and density. Two additional prototypes are versions of the baseline prototypes using State Density Bonus Law (California Government Code Sections §65915 - 65918).

- The **Financial Feasibility Analysis** chapter evaluates the financial feasibility of the prototypes defined in the previous chapter to explore the extent to which inclusionary requirements are commensurate with local market conditions and development standards. This chapter also compares the financial feasibility of prototypes using State Density Bonus Law.

- The **In-Lieu Fee Analyses** chapter analyzes potential changes to the in-lieu fees calculation methods and rates. The Construction Cost analysis calculates potential in-lieu fee rates based on the cost to construct an inclusionary unit under the City's Existing Program requirements. The Fee Equivalent analysis calculates in-lieu fee rates equal to the net impact to the project of providing onsite inclusionary units as required under the Existing Program.

- The **Benchmark Analysis** chapter provides an overview of inclusionary housing requirements in jurisdictions that have comparable market conditions and are in proximity to Santa Barbara.

- The **Recommendations** chapter presents policy options and recommendations based on the analysis in the preceding chapters.

- **Appendix A: Assumptions and Formulas**
  Appendix A provides background data and information that informs assumptions related to maximum affordable rent and sales prices, utility allowances, and fee calculations. This appendix includes formulas in the pro-formas used to analyze financial feasibility.

- **Appendix B: Input from Practitioners**
  Appendix B summarizes community engagement that informed this Study, conducted as a series of one-on-one interviews with professionals in the Santa Barbara development community. The interviews focused on detailed assumptions for the financial feasibility analysis, and solicited general feedback on the impact that

changes to the City's Existing Program might have on development feasibility in Santa Barbara.

- **Appendix C: Residential Pro-Formas**
  Appendix C provides detailed pro-formas for the residential development prototypes. This appendix explains the key assumptions that informed the residential pro-formas.

- **Appendix D: Residential Nexus Analysis**
  Appendix D provides a nexus analysis for the in-lieu fee that quantifies the estimated relationship between new market-rate residential development in Santa Barbara, the need for workforce housing, and the public cost to construct housing that is affordable to lower-income workers. A nexus analysis is not necessarily required to establish an in-lieu fee under recent state legislation, but it is a basis for evaluating potential in-lieu fee amounts.

- **Appendix E: Overview of IMPLAN**
  Appendix E provides additional clarification on the IMPLAN input-output model that informed the Residential Nexus Analysis.

Residential Development Trends

Despite strong fundamentals including high rents and sales prices, as well as a lack of development impact fees when compared to neighboring communities, residential development in Santa Barbara faces multiple headwinds. Beyond the local and regional context, state and federal factors impact residential development feasibility. Federally, ~~High~~ high interest rates implemented since 2022 have raised the cost of debt and equity ~~since 2022~~, ~~increasing the cost of money,~~while more recently imposed tariffs on construction materials increase the cost to build, all of which contribute~~s~~ to higher development costs overall. ~~Development is inherently risky, and the increased perception of risk from high interest rates has required higher return on investment for projects to proceed.~~

Since 2020, the cost of construction materials has climbed by more than 40 percent, according to Associated Builders and Contractors, a national trade association that releases reports based on data from the Bureau of Labor Statistics.[6] Additionally, tariffs on steel, aluminum, and lumber further~~could~~ increase the cost of construction materials. Regionally, ~~The~~ the rebuilding effort associated with the Los Angeles area fires may also contribute to increased local development costs due to regional demand for labor and materials.

[6] https://www.independent.com/2025/04/30/trumps-tariff-war-has-santa-barbara-contractors-on-alert/

Development is inherently risky, and the increased perception of risk from high interest rates, uncertain tariffs on materials, and regional need for construction labor has required higher return on investment for projects to proceed.

Local Trends

Looking at one-year residential trends ~~across~~ for all of Santa Barbara County, the total number of permitted units in multi-unit residential projects for all jurisdictions and the County increased from 179 in 2023 to 368 in 2024, according to Annual Progress Report (APR) data published by the California Department of Housing and Community Development (HCD). Comparatively, permitted units in multi-unit residential projects in the City of Santa Barbara remained consistent from 2023 to 2024, increasing by just one unit (89 to 90). The County rezoned 28 sites for higher density residential development to meet their RHNA. Many of the County sites are large acreage and able to accommodate hundreds of units in a single project. By contrast, the City of Santa Barbara was able to meet RHNA using existing zoning and redevelopment of relatively small sites.

Figure 1: Annual Permitted Units in Multi-unit Projects, City of Santa Barbara and Santa Barbara County

Note: Permitted units in structures of two or more units
Source: Annual Progress Report (APR) data published by HCD, 2018-2024

Increasingly, multi-unit residential projects are utilizing SDBL in the City of Santa Barbara. In the current 2023—2031 Housing Element Planning cycle[7], 409 units have been permitted in 21 multi-unit residential projects, as of December 31, 2025. Of these, almost half of the permitted units (174 units in six projects) are using SDBL. This aligns with legislative changes by the State to SDBL.

Rental Data

This Study evaluated local market conditions for newly-built (2017 -– first quarter 2025) rental residential construction in the City of Santa Barbara using data from CoStar. Key highlights from the rental evaluation include:

- Approximately 387 dwelling units have been constructed across 12 properties between 2017 and 2025.
- The average unit size is approximately 790 square feet across all unit types (studio, one-, two-, and three-bedroom).
- Two-bedroom units have been the most prolific in recent construction, making up 64 percent of all new units. Studio and one-bedroom units are the next most common new unit type (17 percent and 15 percent, respectively). The remaining four percent of new units are three-bedroom units.
- In early 2025 (January-March), studio units had an average monthly rent of $3,559, one-bedroom units had rents of $3,731 per month, two-bedroom units had rents of $4,360 per month, and three-bedroom units had rents of $4,744.

The average asking rents per square foot for newly-~~constructed~~ built (2017-2025) rental units informed the feasibility analysis and recommendations because~~in~~ this Study focuses on the financial feasibility of new residential development.

[7] The 2023-2031 Housing Element planning cycle counts units issued a building permit after June 30,2022. The most recent housing production numbers are through December 31, 2025.

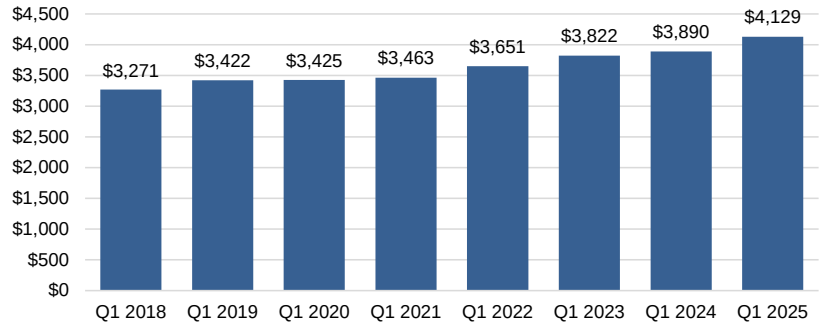
Table 2: Multifamily Market Overview, Newly-Built 2017~~+~~, -2025, City of Santa Barbara

City of Santa Barbara	Studio	1 BR	2 BR	3 BR	All Unit Types
Inventory, Q1 2025 (units)	66	58	248	15	387
% of Units	17.1%	15.0%	64.1%	3.9%	100.0%
Occupied Units	64	55	220	14	353
Vacant Units	2	3	28	1	34
Vacancy Rate	3.0%	5.2%	11.3%	6.7%	8.8%
Avg. Unit Size (sf)	557	661	852	1,020	790
Avg. Asking Rents, Q2 2024 - Q1 2025					
Avg. Asking Rent per unit, Q1 2025	$3,559	$3,731	$4,360	$4,744	$4,129
Avg. Asking Rent per unit, Q2 2024	$3,619	$3,631	$4,085	$4,544	$3,943
% Change Q2 2024 - Q1 2025	-1.7%	2.8%	6.7%	4.4%	4.7%
Avg. Asking Rent psf, Q1 2025	$6.74	$5.67	$5.15	$4.65	$5.39
Avg. Asking Rent psf, Q2 2024	$6.86	$5.52	$4.82	$4.45	$5.15

Source: CoStar, 2025; BAE, 2025

As shown in Figure 2 below, average asking rents have steadily increased over the past few years, rising from $3,271 per month for all bedroom types in early 2018 to $4,129 per month in early 2025, an increase of 26 percent.

Figure 2: Multifamily Asking Rent per Unit, Q1 2018 to Q1 2025, City of Santa Barbara



Note: Includes all bedroom counts.
Source: CoStar, 2025; BAE, 2025

South Coast Rent Survey

The City of Santa Barbara annually publishes a South Coast Rent Survey in April to provide an overview of the local rental housing market.

Similar to the CoStar data used in this Study, the Rent Survey analyzes median rents by housing type and number of bedrooms. The two methodologies diverge by distinguishing data by building age; CoStar further segregates unit rents by building age to isolate rents in newly-~~constructed~~ built buildings while the Rent Survey does not distinguish asking rents by structure age.

Because the rents from the South Coast Rent Survey combine all units regardless of age into rent averages, the rents are lower than those available from CoStar for newly-built residential units. For example, the 2025 Rent Survey has an average monthly rent of $3,836 for a two-bedroom apartment while CoStar data for newly-built two-bedroom apartments has a monthly rent of $4,360—a monthly difference of more than $500 for a newly-constructed, two-bedroom unit.

As this Study focuses on the financial feasibility of new residential development, CoStar data for newly-built units is used for all analysis to more accurately reflect asking rents for the newly-built units.

Ownership Data

This Study uses sales data from Redfin to evaluate recent market conditions (December 2023-December 2024) for ownership projects in the City of Santa Barbara. Key highlights from the ownership data include:

- Over 100 condominiums sold (108 transactions) within the City of Santa Barbara during the 12-month period from December 2023 through December 2024.
- The median sales price of a two-bedroom condominium was $1,129,750, excluding deed-restricted units. The median unit size of these two-bedroom units was approximately 1,358 square feet.
- The median sales price of a three-bedroom condominium was $1,390,000. Studio and one-bedroom condominiums sold for a median price of $860,000.

The median sale price of a two-bedroom condominium unit informs the in-lieu fee calculation for ownership projects.

For ownership pro-formas, BAE isolated a subset of two-bedroom condominium sales in condominium buildings constructed after 2007 to inform the in-lieu fee calculation. The

sample size of newer condominium buildings is relatively small due to lack of construction. The median sales price of a two-bedroom condominium unit in a newer (2007+) building was $1,862,000. This is a price of approximately $1,117 per square foot.

Housing Affordability

In the City of Santa Barbara, market-rate housing is often unaffordable for Lower-, Moderate-, and Middle-income households. Housing costs are considered affordable if a household's housing costs do not exceed 30 percent of their household income, as established by the US Department of Housing and Urban Development (HUD).

HUD and the California Department of Housing and Community Development (HCD) categorize households based on percentages of the Area Median Income (AMI). Both the state and the City utilize a target AMI percentage when calculating affordable sale prices and monthly rents for each income category. In all instances, the City's target AMI percentage is lower than the upper percentage amount for each income category. See Appendix A: Assumptions and Formulas for more about AMI and affordable housing sale price and rent calculations.

Table 3 below compares housing costs for Moderate- and Middle-Income households, the two AMI categories served by the Existing Program's inclusionary requirements. The table shows the housing costs for newly-built market-rate units in the City of Santa Barbara (data from table 2) compared to affordable housing costs~~, as~~ calculated using data from HUD and the City of Santa Barbara. The affordability of newly-built market-rate units for households of all income groups is challenging, since housing costs for all market-rate units exceed the maximum affordable housing costs in all instances.

For example, a ~~moderate~~Moderate ~~income~~ Income household of three can afford maximum housing costs of $2,549 per month (~~affordable~~ rent and utility costs equal to 30% of household income). However, the average market-rate housing costs for new two-bedroom unit is $4,535 per month (market-rate rent and utility costs ~~utilities~~)~~.~~. This calculates to ~~creating~~ an affordability gap of $1,986 per month (difference between affordable housing costs and market-rate housing costs).

Table 3: Affordability of New Market-Rate Residential Units by Target AMI

~~DRAFT~~

		1 Person (Studio)	2 Person (1 bed)	3 Person (2 bed)	4 person (3 bed)
Market Rate Rent	(a)	$3,559	$3,731	$4,360	$4,744
Utility Costs	(b)	$97	$134	$175	$241
Total Market Rate Housing Cost	(c)	$3,656	$3,865	$4,535	$4,985
Moderate-Income (80-120% AMI)					
Household Income (120% of Median)	(d)	$95,172	$108,768	$122,364	$135,960
Max. Affordable Monthly Housing Cost (100% Target)	(e)	$1,700	$2,124	$2,549	$2,833
Amount Above (Below) Market Rate Housing Cost		($1,956)	($1,741)	($1,986)	($2,152)
Middle-Income (120-160% AMI)					
Household Income (160% of Median)	(d)	$126,896	$145,024	$163,152	$181,280
Max. Affordable Monthly Housing Cost (120% Target)	(e)	$2,039	$2,549	$3,059	$3,399
Amount Above (Below) Market Rate Housing Cost		($1,617)	($1,316)	($1,476)	($1,586)

Notes:
(a) Displays average asking rents by unit size in newly-constructed buildings (2017-2025) within the City of Santa Barbara.
(b) Utility allowance effective Jan. 2025 published by the Housing Authority of the City of Santa Barbara.
Utility allowances include: "Basic" Electric, Gas, Water, Sewer, and Trash.
(c) Housing Cost equals the Monthly Rents plus the Utility Costs.
(d) City of Santa Barbara Income Limits published April 2025, based on HUD AMI of $113,300.
(e) Rent Limits effective April 1, 2025, published by the City of Santa Barbara.
Source: City of Santa Barbara, 2025.

The relationship between production of housing units and the increased need for affordable housing in the City was established in the 2017 Nexus and Economic Study that informed adoption of the rental inclusionary housing requirements. This relationship between construction of new market-rate residential units and the need for affordable housing is explained and re-analyzed in Appendix D: Residential Nexus Analysis. The residential nexus analysis assumes that new households in Santa Barbara will spend some of their money within the local economy, thereby supporting employment for new workers, a portion of which will need affordable housing.

EXISTING PROGRAM

The City's inclusionary housing requirements ("Existing Program") apply to ownership residential development projects as well as rental residential development projects utilizing the Average Unit Size Density Incentive Program (AUD Program). Ownership inclusionary requirements focus on Middle-Income and Upper-Middle-Income households, while rental inclusionary requirements focus on Moderate-Income households.

The inclusionary housing requirements have successfully created affordable housing units for Moderate- and Middle-Income households and have generated funds used to support affordable housing from collected in-lieu fees.

Inclusionary Housing Requirements for Ownership Projects

The ownership inclusionary housing requirements apply to all ownership projects (SBMC Chapter 30.160 and Chapter 28.43). At the time of ordinance adoption in 2004, the lack of housing options for Middle- and Upper-Middle-Income households was considered a major issue affecting the City, as these households struggled to own homes in the local market and are not served by local, state, or federal affordable housing programs.

The ownership inclusionary requirement applies to newly built units and to ownership units created though conversion to condominiums. Ownership projects with 10 or more units must provide 15 percent of units at sale prices affordable to Middle-Income households. Ownership projects with two through nine units are required to provide one unit as an owner-occupied Middle-Income unit or pay a prorated in-lieu fee based on the number and size of the proposed units. Ownership projects with one unit have no inclusionary housing requirement. The ownership inclusionary units can be provided as bonus units that are allowed above the density allowed (bonus density).

The target affordability for ownership inclusionary units is Middle-Income households with a target income of 120 percent AMI. Projects subdividing land to create detached ownership units have similar inclusionary housing requirements focused on Upper-Middle Income households with a target affordability of 160 percent AMI.

Residential lot subdivisions to create 10 or more parcels, where individual houses are not proposed to be constructed, are required to pay an in-lieu fee amount equal to 15 percent of the number of units that could be permitted on the lots. Residential lot subdivisions creating two to nine parcels, where individual houses are not proposed to be constructed, can either provide an owner-occupied Middle-Income unit or pay an in-lieu fee amount prorated for the number of units that could be permitted on the lots. Alternatively, residential lot subdivision projects have the option to utilize alternative compliance means such as offsite units, land

dedication, or any combination proposed by an applicant and approved by the Planning Commission.

Inclusionary Housing Requirements for Rental Projects

The rental inclusionary housing requirements apply only to rental projects using the AUD Program (SBMC Section 30.150.110). Adopted much later than the ownership inclusionary housing requirements, rental inclusionary was added to the AUD Program in 2019 to require inclusionary units for Moderate-Income households (targeting 100 percent AMI). Rental inclusionary requirements address a need for Moderate-Income units that was not being met by market-rate development or nonprofit housing entities ~~because of limited funding opportunities at the local, state, and federal level for Moderate-Income households~~at the time of ordinance adoption.[8]

Inclusionary housing requirements for AUD Program rental projects with 10 or more units is 10 percent of units onsite at rents affordable to Moderate-Income households. AUD Program rental projects with five to nine units may build an onsite unit affordable to Moderate-Income households or pay a prorated in-lieu fee of $25.00 per net residential square foot. AUD Program rental projects consisting of four or fewer units are not subject to the inclusionary housing requirement. Rental inclusionary units are required within the allowed site density and are not bonus density units.

There are no inclusionary housing requirements for rental projects in the coastal zone or rental projects that use base density (i.e. that are not proposed under the AUD Program).

In-Lieu Fee Calculations

In-lieu fee calculation methods differ depending on project tenure. Having two calculation methods presents complication in administration for staff and uncertainty for project applicants.

In-lieu fee calculations for rentals are more straightforward than ownership calculations. Rental in-lieu fee amounts are calculated based on a project's total units and residential square footage. Rental projects use a standardized in-lieu fee rate of $25.00 per net square foot. See Appendix A for the calculation formula and an example in-lieu fee amount calculation.

In-lieu fee calculations for ownership projects are more complex and must be completely re-calculated by staff for every ownership project. The in-lieu fee amount is informed by sale

[8] In 2017-2019, the research and analysis of residential development trends found that market-rate developments using the AUD Program were producing above-moderate income units and nonprofit housing providers were developing lower-income units.

prices of two-bedroom condominium units in the four most recent calendar quarters, which requires new sales data for each calculation. Additionally, the in-lieu fee calculation accounts for average unit size (square feet) of the proposed project units, difference in sale price of an income-restricted unit to a market-rate unit, developer profit, and the total number of units proposed in the project. See Appendix A for the calculation formula and an example in-lieu fee amount calculation.

All inclusionary housing requirements are calculated based on a project's size. This "sliding scale" approach aligns the amount of onsite inclusionary units and/or the in-lieu fee amount to the size of a project. Smaller projects with fewer units have a lower inclusionary housing requirement than larger projects because the inclusionary requirement is a percentage of total units. By default, 10 (rental) or 15 (ownership) percent of fewer total units will always result in a lower inclusionary housing requirement than projects with a higher quantity of units. For example, a rental project of 11 units has an inclusionary requirement of 1.1 equating to one onsite unit and a fractional in-lieu fee amount for the remaining 0.1. On the opposite end of the spectrum, a rental project of 94 units has an inclusionary requirement of 9.4 equating to nine onsite units and a fractional in-lieu fee amount for the remaining 0.4. Additionally, the in-lieu fee amount is further assessed on a "sliding scale" because the building size (net square feet) affects the calculated in-lieu fee amount.

In benchmarked jurisdictions, in-lieu fee amounts for inclusionary housing requirements are typically charged on a per residential square foot basis, such as rental in-lieu fee amounts in the City. See the Benchmark Analysis chapter for more information about comparative jurisdictions and their inclusionary housing requirements.

In-Lieu Fees and Inflation

Since adopted in 2019, in-lieu fee amounts for rental units have used the same rate of $25 per square foot, which has not kept pace with inflation. While the ordinance allows for annual adjustments, it is not automatic and is tied to a source that requires a paid subscription to the Engineering News Record Building Cost Index for the City of Los Angeles.

In July 2019, the Consumer Price Index for All Urban Consumers (CPI-U) for the "Pacific" region was 105.397. In September 2025, the most recent month for which data was available, the CPI-U had risen to 133.724, for an increase of 26.9 percent.[9]

Had the in-lieu fee been implemented with an automatic adjustment to account for inflation based on the CPI-U for the "Pacific" region, the equivalent fee as of September 2025 would be approximately $31.72 per square foot of residential space. See the full calculation in Appendix A.

[9] https://data.bls.gov/timeseries/CUUR0490SA0

DEVELOPMENT PROTOTYPES

This Study is based on a series of residential development prototypes, which are representative of existing multi-unit development in the City of Santa Barbara. Development prototypes do not reflect conditions at a specific site. The prototype assumptions are based on project information such as typical unit types from recent developments in the City. ~~were~~ informed by staff, and refined through a series of one-on-one interviews with local development practitioners.

Site Selection

To align with development trends in the City, the development prototypes were driven by typical parcel sizes and associated zoning development standards in Medium-High Density, High Density, and Priority Housing Overlay areas.

Medium-High Density site

A parcel size of 9,000 sf (0.21 acres) is assumed in the Residential Multi-Unit (R-M) zone. The Medium-High Density tier allows for ownership and rental projects with maximum densities that range from 15 to 27 dwelling units an acre (du/acre) and maximum average unit sizes that range from 1,450 to 905 sf per unit, respectively.

High Density site

A parcel size of 15,000 sf (0.34 acres) is assumed in the Commercial General (C-G) zone. The High Density tier allows for ownership and rental projects with maximum densities that range from 28 to 36 du/acre and maximum average unit sizes that range from 1,245 sf to 970 sf per unit, respectively.

Priority Housing Overlay sites

Parcel sizes of 15,000 sf or 30,000 sf (0.34 acres and 0.69 acres, respectively) are assumed in the Commercial General (C-G) zones. The Priority Housing Overlay is available only for rental housing, employer-sponsored housing, or limited-equity housing cooperative projects and allows the highest densities in the city with maximum densities that range from 37 to 63 du/acre and maximum average unit sizes ranging from 970 to 811 sf per unit, respectively.

Baseline Prototypes

"Baseline" residential development prototypes comply with the City's zoning standards. For the purposes of this Study, most baseline prototypes are assumed at densities just below the maximum allowed to align with methodology used in the Suitable Sites Inventory in the 2023—2031 Housing Element. Baseline prototypes generally achieve the maximum average unit size to which they are entitled.

Lot coverage, circulation efficiencies, and other inputs were estimated based on a review of Title Sheets associated with similar projects in the City.

- A prototype's "Net Residential Area" is generally consistent with "Net Residential" or "Net Leasable" square footage and forms the basis for applying in-lieu fee rates to baseline prototypes. Net residential floor area is limited by the maximum average unit size associated with the prototype's density under the AUD Program.
- "Gross Residential Area" is estimated from summing all building area associated with the "R" code classification for residential area, along with "Non-Livable" floor area associated with Storage, Mechanical, Utility, and other categories, lending an implied circulation factor for each prototype.
- Ground-floor podiums for vehicle parking and ancillary commercial space are included in some prototypes.
- No Baseline Prototype features a building height that exceeds 48 feet.
- Prototypes whose proposed roof and impervious flatwork is estimated to exceed 15,000 square feet are also presumed to comply with Tier 4 storm water management program (SWMP) requirements.

Prototype I: Ownership Townhome Prototype

Prototype I is a small ownership development on a 9,000 sf site in the Medium-High Density area with four residential units averaging 1,131 sf. All units have two bedrooms and are configured in a two-story townhome-style arrangement above private garages directly underneath each unit (three stories with a total building height of 32 feet).

The inclusionary housing requirement is satisfied with an in-lieu fee payment. With four residential units, Prototype I pays a prorated in-lieu fee amount of $96,971.

Prototype II: Ownership Prototype

Prototype II is an ownership development on a 15,000 sf site in the High Density area with 15 residential units averaging 970 sf, two of which are Middle-Income inclusionary units allowed above maximum density. The two-bedroom units are arranged across three stories atop a podium parking garage (four stories with a total building height of 45 feet).

The inclusionary housing requirement is satisfied with onsite units. Prototype II includes 15 percent of project units at prices affordable to Middle-Income households, resulting in two inclusionary units and 13 market-rate units.

Prototype III: Rental Townhome Prototype

Prototype III is a small AUD Program rental development on a 9,000 sf site in the Medium-High Density area with five residential units averaging 905 sf. There are four two-bedroom units and

one three-bedroom unit configured in a townhome-style arrangement above private garages directly underneath each unit (three stories with a total building height of 32 feet).

The inclusionary housing requirement is satisfied with an in-lieu fee payment. With five residential units, Prototype III pays a prorated (0.5) in-lieu fee payment of $113,125.

Prototype IV: Rental Mixed-Use Prototype

Prototype IV is a rental development on a 15,000 sf site in the Priority Housing Overlay area with 20 residential units averaging 811 sf, two of which are Moderate-Income inclusionary units. The five one-bedroom units and 15 two-bedroom units are arranged across three stories atop a podium parking garage (four stories with a total building height of 48 feet). This prototype is mixed-use and includes 1,096 sf of commercial space on the ground floor.

The inclusionary housing requirement is satisfied with onsite units. Prototype IV includes 10 percent of project units at rental prices affordable to Moderate-Income households, resulting in two inclusionary units and 18 market-rate units.

Prototype V: Rental Mixed-Use Large Prototype

Prototype V is a rental development on a 30,000 sf site in the Priority Housing Overlay area with 43 units averaging 811 sf, four of which are Moderate-Income inclusionary units. The 11 one-bedroom units and 32 two-bedroom units are arranged across three stories atop a podium parking garage (four stories with a total building height of 48 feet). This prototype is mixed-use and includes 1,869 sf of commercial space on the ground floor.

The inclusionary housing requirement is satisfied with onsite units and a fractional in-lieu fee payment. Prototype V includes 10 percent of project units at rental prices affordable to Moderate-Income households, resulting in four inclusionary units and 39 market-rate units. The prorated (0.3 units) in-lieu fee payment is $60,825.

Density Bonus Prototypes

This Study also evaluated density bonus prototypes to compare financial feasibility for projects utilizing State Density Bonus Law. The density bonus prototypes are variations on the baseline prototypes which include additional density. Similar to the baseline prototypes, density bonus prototypes were informed by review of Title Sheets associated with similar projects submitted to the City in regard to average unit size, height, and parking treatments.

Density bonus prototypes utilize additional density o*nly* and not additional building area, unless parking podiums on the ground floor are removed entirely and replaced with residential units. Evidence of this approach is borne out by projects that have eliminated parking entirely on the ground floor to accommodate bonus units, for example, rather than reduce average unit size. This also represents a conservative approach to estimating financial feasibility, as other requested concessions could have the impact of increasing buildable area if approved.

Prototype SDBL-I: Rental Mixed-Use Density Bonus Prototype

Prototype SDBL-I, based on Prototype V, is a rental development on a 30,000 sf site in the Priority Housing Overlay area with 59 units averaging 614 sf. This prototype includes five units affordable to Very-Low-Income households and is eligible for a 32.5 percent density bonus (resulting density of 84 du/acre). The 15 studio units, 30 one-bedroom units, and 14 two-bedroom units are arranged across three stories atop a podium parking garage (four stories with a total building height of 48 feet). This prototype is mixed-use and includes 1,869 sf of commercial space on the ground floor.

No Moderate-Income units are provided since the inclusionary housing requirement is being met by the five Very-Low-Income units for SDBL.

Prototype SDBL-II: Rental Density Bonus Prototype

Prototype SDBL-II, based on Prototype V, is a rental development on a 30,000 sf site in the Priority Housing Overlay area with 66 units averaging 811 sf. This prototype includes seven units affordable to Very-Low-Income households and is eligible for a 50 percent density bonus (resulting density 95 du/acre). The 17 studio units, 33 one-bedroom units, and 16 two-bedroom units are arranged across four stories (total building height of 60 feet). No parking is provided.

No Moderate-Income units are provided since the inclusionary housing requirement is being met by the seven Very-Low-Income units for SDBL.

Adaptive Reuse

Adaptive reuse is the process of converting buildings to accommodate new uses. In contrast to development built from the ground up, which can be modeled with some degree of predictability, such as the seven development prototypes in this Study, no adaptive reuse project is alike. Building form and floorplate layout; the extent to which a building requires seismic reinforcement, fire sprinklers, potential remediation; and a host of other factors all contribute to the economic viability (or lack thereof) of a reuse to housing.

Due to the inherent difficulty in identifying a “prototypical” adaptive reuse project to test financial feasibility, this Study does not explore the financial feasibility of modified inclusionary housing requirements for adaptive reuse projects. Generally speaking, however, it should be noted that adapting existing commercial buildings into residential units tends to be more expensive than new construction.[10]

[10] Adaptive Reuse Challenges and Opportunities in California. Turner Center for Housing Innovation, UC Berkeley, November 2021.

It can be inferred that adaptive reuse projects might not perform as well financially as a comparative "new build." Many cities have either pared back inclusionary requirements for adaptive reuse projects, such as the City of Los Angeles, or provided additional financial support to encourage the turning over of underperforming uses, such as property tax abatements in the cities of New York City, Washington, D.C., and Boston.

During the course of this Study, the City of Santa Barbara amended the inland zoning ordinance to facilitate adaptive reuse projects creating housing by adding SMBC Section 30.185.045, Adaptive Reuse Projects. The ordinance incentivizes reuse to housing with development standard incentives for maximum residential density, minimum automobile parking stall requirements, open yard requirements, and setbacks, with further incentivization by exempting rental inclusionary housing requirements for adaptive reuse projects within the Central Business District proposing fewer than 40 total units.

Table 4: Summary of Residential Prototypes, Baseline and Density Bonus

	Baseline Prototypes					Density Bonus Prototypes	
	Prototype I **Owner 2-9 units** **Townhome**	**Prototype II** **Owner 10+ units** **Condominium**	**Prototype III** **Rental 5-9 units** **Townhome Rental**	**Prototype IV** **Rental 10+ units** **Mixed-Use**	**Prototype V** **Rental 10+ units** **Mixed-Use (Large)**	**Prototype SDBL-I** **Rental 10+ units** **Mixed-Use (Large)**	**Prototype SDBL-II** **Rental 10+ units** **No Parking**
Zone	R-M	C-G	R-M	C-G	C-G	C-G	C-G
General Plan Land Use	Medium-High	High	Medium-High	AUD Priority	AUD Priority	AUD Priority	AUD Priority
Maximum Density (du/acre)	**27**	**36**	27	63	63	63	63
SDBL Utilization	None	None	None	None	None	32.50%	50.0%
Buildout Assumptions							
Site Size (sf)	9,000	15,000	9,000	15,000	30,000	30,000	30,000
Lot Coverage Assumptions	32.4%	95.3%	32.4%	95.3%	90.6%	90.6%	66.2%
GF Building Footprint (sf)	2,913	14,302	2,913	14,302	27,181	27,181	19,854
Unit Assumptions							
Maximum "Base" Units	**6.0**	**13.0**	**6.0**	**22.0**	**44.0**	**44.0**	**44.0**
Actual Units	**4.0**	**15.0**	**5.0**	**20.0**	**43.0**	**59.0**	**66.0**
Max Avg. Unit Size (sf)	1450	970	905	811	811	n/a	n/a
Actual Avg. Unit Size (sf)	1131	970	905	811	811	614	811
Residential Circ adj. (%)	85.0%	80.0%	85.0%	85.0%	85.0%	**88.4%**	85.0%
Total Residential (sf, net)	4,525	14,550	4,525	16,220	34,873	36,250	53,526
Total Residential (sf, gross)	5,324	18,188	5,324	19,082	41,027	41,027	62,972
GF Commercial (sf, gross)	**0**	0	0	1,096	1,869	1,869	0
Gross Building Area (sf)	**5,324**	**18,188**	**5,324**	**20,178**	**42,896**	**42,896**	**62,972**
Max Building Height (ft)	45	45	45	48	48	48	60
Actual Height	32	45	32	48	48	48	60
Vehicle Parking Spaces (#)	8	24	5	24	45	45	0

Sources: City of Santa Barbara; BAE, 2025.

~~DRAFT~~

FINANCIAL FEASIBILITY ANALYSIS

This chapter evaluates the financial feasibility of five baseline residential development prototypes that comply with the existing inclusionary housing requirements and development standards, and two residential development prototypes utilizing SDBL. The financial feasibility analysis models a residential development from a developer's perspective since the production of market-rate units, and the associated inclusionary units or in-lieu fees, requires developer interest to construct the project.

~~A full list of assumptions for the financial feasibility analysis, including cost assumptions, affordability thresholds, as well as the pro-forma models prepared for this analysis, are provided in Appendix C: Residential Pro-Formas.~~

Financial Feasibility Methodology

The ~~Financial~~ financial feasibility for each development prototype was ~~determined~~ analyzed ~~via~~ using ~~the preparation of~~ static pro-forma models ~~for each prototype~~. ~~These static~~ Static pro-forma models ~~represent~~ are a form of financial feasibility analysis that developers often use as an initial ~~test~~ screen to conceptually test ~~of~~ financial viability for a development concept. In their simplest form, a static pro-forma can inform a "go or no go" decision to construct a project.

The pro-formas are structured to calculate the Residual Land Value (RLV) associated with each prototype. This financial feasibility method solves for the land price ~~The RLV approximates the maximum amount that a developer should be willing to pay for a given site, based on the value of the project that the developer would build on that site. The RLV method accounts for total development costs (excluding land), net operating income and capitalized sale value, among other factors, to solve for the amount~~ a well-informed, capable developer could afford to pay for ~~land~~ a site and earn a market responsive return on investment. The RLV analysis maintains profit as an fixed percentage in the pro-formas to compare the financial feasibility of development prototypes consistently. The profit assumptions reflect the return threshold that a developer would likely require when deciding whether to pursue a project, based on the level of risk associated with each development prototype. The analysis estimates the market value of the project, hard costs and soft costs to construct the project, and developer profit to solve for the RLV. ~~If the RLV is negative or below the typical range of sales prices for land or underdeveloped properties, then the project is likely to be infeasible under current conditions.~~

Residual Land Value = Total Project Value – Total Project Costs – Developer Profit

The factors influencing financial feasibility are dynamic, and development activity and market conditions are highly cyclical. Hard costs can fluctuate due to changes in construction labor availability and costs, material costs, and a multitude of other factors. Similarly, a project's

revenue (value) can increase or decrease depending on the availability of housing supply in the local market, changes in the attractiveness of a project's location, or other factors impacting sale and rent prices. The minimum threshold for investments can also fluctuate based on federal interest rates and trends in real estate capital markets—recognizing that real estate development must compete against all other investment options. In almost all instances, a development must generate a competitive profit that corresponds to the comparatively higher risk of development in order for a developer to pursue a project.

There is no universal financial feasibility methodology that applies to all circumstances. Standard feasibility analyses commonly calculate RLV or return on cost (ROC)[11]. Additionally, no single metric of financial feasibility, such as RLV or ROC, is best for every situation. Nor can a feasibility method account for every detail of a development's financials or predict future costs, revenues, or other factors impacting development. Because this Study analyzes development prototypes and not an actual development proposal, a static pro-forma rather than a more detailed cash flow analysis solving for an internal rate of return, is appropriate to model prototypical initial feasibility.

Commented [AD1]: ROC should be defined (footnote is fine).

Commented [DF2R1]: Added

Any change in the factors and assumptions that informed the pro-formas and the feasibility analysis could enable more housing development projects to become financially feasible. For example, a lowering of the cap rate or an increase in rents (following trends in Figure 2) could potentially make a prototype feasible.

A full list of assumptions for the financial feasibility analysis, including cost assumptions, affordability thresholds, as well as the pro-forma models prepared for this analysis, are provided in Appendix C: Residential Pro-Formas.

Financial Feasibility Thresholds

Prototypes are considered financially feasible, marginally feasible, or not feasible, depending on the resulting RLV. Prototypes achieving or exceeding the ~~density area's RLV~~site's prevailing land cost (based on cost per square foot of comparable land sales) are considered "likely feasible." Prototypes whose RLV does not quite achieve the prevailing land ~~residual threshold~~cost may be considered "marginally feasible," and could become feasible under more favorable conditions, such as discounted land value, participation with a longer term property owner, or maintaining an existing revenue-generating use on a portion of the project site, such as a self-storage facility. Prototypes ~~below the density area's~~with a negative RLV or an RLV below the typical range of land costs are considered "not likely feasible."

- Likely feasible if RLV > land cost

[11] Return on Cost (ROC) is a point-in-time analysis comparing financial performance (Net Operating Income) and total cost to construct. It measures the value of the development against market conditions.

- Not likely feasible if RLV < land cost

For each density tier (Medium-High, High, Priority Housing Overlay), the ~~RLV~~ land cost assumption is informed by ~~land valuation assumptions based on~~ recent sales in the City of Santa Barbara (~~Appendix C: Residential Pro Formas~~Appendix A: Assumptions and Forumlas) as well as conversations with local developers (Appendix B: Input from Practitioners).

The RLV thresholds used to determine financial feasibility in this Study are:

- Medium-High and High Density area: RLV of $125 per site square foot
- Priority Housing Overlay area: RLV of $150 per site square foot

~~Prototypes achieving or exceeding the density area's RLV are considered "likely feasible." Prototypes whose RLV does not quite achieve the land residual threshold may be considered "marginally feasible," and could become feasible under more favorable conditions, such as discounted land value, participation with a longer term property owner, or maintaining an existing revenue generating use on a portion of the project site, such as a self storage facility. Prototypes below the density area's RLV are considered "not likely feasible."~~

If a developer is able to acquire land for a price that is lower than the residual land value associated with their project, the difference between the residual land value and the actual sale price essentially represents additional profit.

The pro-forma feasibility analysis reflects current market conditions relevant to the generalized and prototypical residential developments in this Study. Financial performance of development projects shifts over time as changes occur in economic conditions. Project-specific conditions like existing land uses, property owner motivations and acquisition/holding costs, access to financing, area-specific land use regulations, and costs for construction labor and materials will benefit or challenge a development's financial feasibility. Many of these factors are outside City control and all have a great impact on feasibility of development that the City is unable to influence.

Baseline Prototypes

No baseline prototypes utilizing the Existing Program are identified as feasible under current market conditions. It should be noted that market conditions are subject to fluctuation:~~, and that~~ changes in construction costs, interest rates, financing terms, capitalization rates, and other macroeconomic conditions outside of City control all impact local development feasibility. As a point in time analysis, this Study does not consider economic conditions that may benefit development feasibility in the future nor the economic conditions that supported development feasibility in the past.

Ownership projects utilizing the Existing Program are not likely feasible under current market conditions.

- Ownership Townhome Prototype (Prototype I) in the Medium-High Density area has an RLV of $81/sf. This does not meet the financial feasibility threshold of $125/sf. Prototype I is not likely feasible.

- Ownership Prototype (Prototype II) in the High Density area has an RLV of $57/sf. This does not meet the financial feasibility threshold of $125/sf. Prototype II is not likely feasible.

Rental projects utilizing the Existing Program are not likely feasible under current market conditions.

- Rental Townhome Prototype (Prototype III) in the Medium-High Density area has an RLV of $42/sf. This does not meet the financial feasibility threshold of $125/sf. Prototype III is not likely feasible.

- Rental Mixed-Use Prototype (Prototype IV) in the Priority Housing Overlay area has an RLV of $97/sf. This does not meet the financial feasibility threshold of $150/sf. Prototype IV is not likely feasible.

- Rental Mixed-Use Large Prototype (Prototype V) in the Priority Housing Overlay area has an RLV of $82/sf. This does not meet the financial feasibility threshold of $150/sf. Prototype V is not likely feasible.

Table 5 displays the financial feasibility outcomes of the five baseline prototypes that comply with the City's zoning standards.

Table 5: Summary of Residential Development Feasibility, Existing Program

	Prototype I Owner 2-9 units Townhome	Prototype II Owner 10+ units Condominium	Prototype III Rental 5-9 units Townhome Rental	Prototype IV Rental 10+ units Mixed-Use	Prototype V Rental 10+ units Mixed-Use (Large)
Site Size (sf)	9,000	15,000	9,000	15,000	30,000
Building Size (sf, gross)	5,324	18,188	5,324	20,178	42,896
Residential Area (sf, net)	4,525	14,550	4,525	16,220	34,873
Avg. Unit Size (sf, net)	1,131	970	905	811	811
Total Units	**4**	**15**	**5**	**20**	**43**
Summary of Existing Requirement					
Affordability Requirement	15% Middle	15% Middle	10% Moderate	10% Moderate	10% Moderate
Prototype Requirement	In-Lieu (2-9 units)	Onsite, Round Up	In-Lieu (5-9 units)	Onsite	Onsite + Fractional Fee
Unit Obligation	**0.60**	**1.95**	**0.50**	**2.00**	**4.30**
Compliance Method	In-Lieu Fee	2 Middle Income	In-Lieu Fee	2 Mod Income	4 Mod+Fract Fee
Fee (if required)	**$96,971**	n/a	**$113,125**	n/a	**$60,825**
Total Development Costs, Excluding Land					
Total Dev Cost (TDC)	$4,074,622	$13,375,355	$3,258,365	$12,143,275	$26,570,367
TDC per Unit	$1,018,656	$891,690	$651,673	$607,164	$617,916
TDC per Gross Building sf	$765	$735	$612	$602	$619
Residual Land Value Analysis					
Capitalized Value (Rental)	N/A	N/A	$3,635,969	$13,602,754	$29,028,303
Net Sales Rev (For Sale)	$4,801,314	$14,224,755	N/A	N/A	N/A
Residual Land Value (RLV)	$726,692	$849,400	$377,604	$1,459,480	$2,457,937
RLV per site sf	**$81**	**$57**	**$42**	**$97**	**$82**
RLV Threshold per site sf	$125	$125	$125	$150	$150
Financially Feasible?	***Not Likely Feasible***	***Not Likely Feasible***	***Not Likely Feasible***	***Not Likely Feasible***	***Not Likely Feasible***

Sources: City of Santa Barbara; BAE, 2025

Prototype I: Ownership Townhome Prototype

Not Likely Feasible

The Ownership Townhome Prototype (Prototype I) is not likely financially feasible under current market conditions.

The prototype has a total development cost of $4.07 million, not including land, and net sale proceeds totaling $4.80 million. After accounting for developer profit, the RLV for this prototype is approximately $81/sf.

Prototype II: Ownership Condominium Prototype

Not Likely Feasible

Ownership Condominium Prototype (Prototype II) is not likely financially feasible under current market conditions.

The prototype has a total development cost of $13.38 million, not including land, and net sale proceeds totaling $14.22 million. After accounting for developer profit, the RLV for this prototype is approximately $57/sf.

Prototype III: Rental Townhome Prototype

Not Likely Feasible

Rental Townhome Prototype (Prototype III) is not likely financially feasible under current market conditions.

The prototype has a total development cost of $3.26 million, not including land, and a capitalized value totaling $3.64 million. After accounting for developer profit, the RLV for this prototype is approximately $42/sf.

Prototype IV: Rental Mixed-Use Prototype

Not Likely Feasible

Rental Mixed-Use Prototype (Prototype IV) is not likely financially feasible under current market conditions.

The prototype has a total development cost of $12.14 million, not including land, and a capitalized value totaling $13.60 million. After accounting for developer profit, the RLV for this prototype is $97/sf.

Prototype V: Rental Mixed-Use Large Prototype

Not Likely Feasible

Rental Mixed-Use Large Prototype (Prototype V) is not likely financially feasible under current market conditions.

The prototype has a total development cost of $26.57 million, not including land, and a capitalized value totaling $29.03 million. After accounting for developer profit, the RLV for this prototype is approximately $82/sf.

Density Bonus Prototypes

Unlike the baseline prototypes, prototypes that utilize SDBL are likely *more* financially feasible than those meeting local zoning standards, even when factoring in the deeper affordability requirements.

Table 6 below displays the financial feasibility outcomes of prototypes utilizing SDBL.

Prototype SDBL-I: Rental Mixed-Use Density Bonus Prototype

Likely Feasible

Rental Mixed-Use Density Bonus Prototype (Prototype SDBL-I), based on Prototype V, is likely feasible under current market conditions. Prototype SDBL-I includes 10 percent of project units at rental prices affordable to Very-Low-Income households to receive 32.5 increased density from SDBL, resulting in five affordable units and 54 market-rate units.

The prototype has a total development cost of $26.46 million, not including land, and a capitalized value totaling $31.17 million. After accounting for developer profit, the RLV for this prototype is approximately $157/sf. This exceeds the financial feasibility threshold of $150/sf, and is therefore likely feasible.

Prototype SDBL-II: Rental Density Bonus Prototype

Likely Feasible

Rental Density Bonus Prototype (Prototype SDBL-II), based on Prototype V, is likely feasible based on current market conditions. Prototype SDBL-II includes 15 percent of project units at rental prices affordable to Very-Low-Income households to receive 50 percent increased density from SDBL, resulting in seven affordable units and 59 market-rate units.

The prototype has a total development cost of $35.07 million, not including land, and a capitalized value totaling $40.66 million. After accounting for developer profit, the RLV for this prototype is approximately $187/sf. This exceeds the financial feasibility threshold of $150/sf, and is therefore likely feasible.

Table 6: Summary of Residential Development Feasibility, Baseline vs SDBL

	Baseline	Density Bonus	
	Prototype V Rental 10+ units Mixed-Use (Large)	**Prototype SDBL-I Rental 10+ units Mixed-Use (Large)**	**Prototype SDBL-II Rental No Parking**
Site Size (sf)	30,000	30,000	30,000
Building Size (sf, gross)	42,896	42,896	62,972
Residential Area (sf, net)	34,873	36,250	53,526
Avg. Unit Size (sf, net)	811	614	811
Total Units	**43**	**59**	**66**
Summary of Existing Requirement			
Affordability Requirement	10% Moderate	10% VLI	15% VLI
Prototype Requirement	Onsite + Fractional Fee		
Unit Obligation	**4.30**	**5.00**	**7.00**
Compliance Method	4 Mod+Fract Fee	n/a	n/a
Fee (if required)	**$60,825**	n/a	n/a
Total Development Costs, Excluding Land			
Total Dev Cost (TDC)	$26,570,367	$26,460,245	$35,066,474
TDC per Unit	$617,916	$448,479	$531,310
TDC per Gross Building sf	$619	$617	$557
Residual Land Value Analysis			
Capitalized Value (Rental)	$29,028,303	$31,173,076	$40,662,185
Net Sales Rev (For Sale)	N/A	N/A	N/A
Residual Land Value (RLV)	$2,457,937	$4,712,832	$5,595,711
RLV per site sf	**$82**	**$157**	**$187**
RLV Threshold per site sf	$150	$150	$150
Financially Feasible?	*Not Likely Feasible*	***Likely Feasible***	***Likely Feasible***

Source: BAE, 2025.

IN-LIEU FEE ANALYSES

This chapter analyzes potential inclusionary housing in-lieu fee rates the City may charge. In-lieu fees are an alternative to providing onsite inclusionary units within a project, though the extent to which the in-lieu fee option is available for multi-unit residential projects varies.

- Ownership projects of two to nine units pay a prorated in-lieu fee.
- AUD Program rental projects with five to nine units pay a prorated in-lieu fee.
- AUD Program rental projects with 10 or more units only pay a prorated in-lieu fee based on fractional inclusionary housing requirements below 0.5.

A relatively high in-lieu fee rate tends to incentivize construction of onsite inclusionary units because the in-lieu fee payment exceeds the cost to provide the inclusionary units. Conversely, a low in-lieu fee rate tends to incentivize paying the in-lieu fee rather than providing the inclusionary units. This chapter specifically explores two possible methodologies for setting the in-lieu fee rates, as described below:

- **Construction Cost Analysis**
  The Construction Cost methodology calculates the cost for a developer to construct an onsite inclusionary unit within the project, expressed as a fee rate per square foot. Some jurisdictions use this approach to set their in-lieu fee rates to ensure that the revenue from an in-lieu fee is sufficient to support the construction of an affordable unit off site.

- **Fee Equivalent Analysis**
  The Fee Equivalent methodology calculates the in-lieu fee rate that would have the same resulting project feasibility as the cost to the developer to construct an onsite inclusionary unit. This approach estimates the in-lieu fee rate that is approximately equivalent in cost to providing inclusionary units within a market-rate project under the Existing Program.

The Residential Nexus Analysis in Appendix D identifies the “legal maximum fee” by documenting the nexus relationship between the construction of new market-rate residential units, the need for affordable housing, and the need for funds to construct affordable housing. The Residential Nexus Analysis estimates the fee rate needed to make the in-lieu fee payment commensurate with the revenue needed to address the estimated affordable housing need associated with the construction of new market-rate development. It is the highest legally defensible amount the City could charge for in-lieu fee rates.

Across all analyses conducted, the possible spread of in-lieu fee rates is shown below in Table 7 and Table 8.

Table 7: Spread of In-Lieu Fee Rates by Methodology for Rental Projects with 10+ units

	Current Fee	Fee Equivalent Analysis	Construction Cost Analysis	Maximum Nexus-Based Fee
Fee per net sf (residential)	$25.00/sf	$33.66/sf to $34.91/sf	$72.52 to $73.66/sf	$91.41/sf
Notes	Paying an in-lieu fee is not currently allowed for rental projects with 10 or more units, unless it is for a fraction below 0.5.	Setting an in-lieu fee rate of $34.91/sf, for example, has the equivalent impact on a prototype's RLV as providing four Moderate-Income units, plus a fractional fee (Prototype V).	Setting an in-lieu fee rate of $73.66/sf, for example, is roughly equivalent to the "cost" of providing four Moderate-Income units (Prototype V).	Setting an in-lieu fee rate of $91.41/sf is the legal maximum that could be charged for rental projects, as concluded in the Residential Nexus Analysis (Appendix D).

Table 8: Spread of In-Lieu Fee Rates by Methodology for Ownership Projects with 10+ units

	Current Fee	Fee Equivalent Analysis	Construction Cost Analysis	Maximum Nexus-Based Fee
Fee per net sf (residential)	n/a Current in-lieu fee rates are calculated on a per unit basis.	$72.54/sf	$83.00/sf	$72.53/sf
Notes	Paying an in-lieu fee is generally not currently allowed for ownership projects with 10 or more units projects , unless alternate compliance methods are pursued via SBMC Section 30.160.080.	Setting an in-lieu fee rate of $72.54/sf has the equivalent impact on a prototype's RLV as providing two Middle-Income units (Prototype II).	Setting an in-lieu fee rate of $83.00/sf is roughly equivalent to the "cost" of providing two Middle-Income units (Prototype II).	Setting an in-lieu fee rate of $72.53/sf is the legal maximum that could be charged for ownership projects, as concluded in the Residential Nexus Analysis (Appendix D). The comparatively lower ownership fee is due primarily to the dilution effect of larger unit sizes compared to rental projects.

Construction Cost Analysis

Many jurisdictions base their inclusionary in-lieu fee rates on the cost for a developer to construct an inclusionary unit, often through a formula that is tied to the cost of construction. This construction cost methodology estimates the needed subsidy (e.g., "affordability gap") to construct inclusionary housing units.

Conceptually, charging inclusionary housing in-lieu fees that are equal to the cost of constructing an inclusionary unit ensures that the revenue from an in-lieu fee rate is sufficient to support the construction of an affordable unit off site. As such, total development costs used in this analysis also account for the cost of land to capture the full construction cost of an affordable unit.

The in-lieu fee rates for each prototype for the construction cost analysis are shown in Table 9 below. All fees are based on a per square foot basis of net residential area.

Ownership Projects

The cost to construct the inclusionary units in ownership projects is based on the per-unit construction cost, including land, minus the restricted sale price for the inclusionary units.

- For Ownership Townhome Prototype (Prototype I), the estimated in-lieu fee rate using the construction cost methodology is $113.14/sf.
- For Ownership Condominium Prototype (Prototype II), the estimated in-lieu fee rate using the construction cost methodology is $83.00/sf.

Rental Projects

The cost to construct the inclusionary units in rental projects is based on the per-unit construction cost, including land, minus the amount of debt service that an inclusionary unit can support.

- For Rental Townhome Prototype (Prototype III), the estimated in-lieu fee rate using the construction cost methodology is $79.83/sf.
- Rental Mixed-Use Prototype (Prototype IV), the estimated in-lieu fee rate using the construction cost methodology is $72.52/sf.
- Rental Mixed-Use Large Prototype (Prototype V), the estimated in-lieu fee rate using the construction cost methodology is $73.66/sf.

Table 9: In-Lieu Fee Rates by Construction Cost Analysis

		Prototype I Owner 2-9 units Townhome	Prototype II Owner 10+ units Condominium	Prototype III Rental 5-9 units Townhome Rental	Prototype IV Rental 10+ units Mixed-Use	Prototype V Rental 10+ units Mixed-Use (Large)
Site Size (sf)		9,000	15,000	9,000	15,000	30,000
Building Size (sf, gross)		5,324	18,188	5,324	20,178	42,896
Residential Area (sf, net)		4,525	14,550	4,525	16,220	34,873
Avg. Unit Size (sf, net)		1,131	970	905	811	811
Total Units		**4**	**15**	**5**	**20**	**43**
Summary of Existing Requirement						
Affordability Requirement		15% Middle	15% Middle	10% Moderate	10% Moderate	10% Moderate
Prototype Requirement		In-Lieu (2-9 units)	Onsite, Round Up	In-Lieu (5-9 units)	Onsite	Onsite + Fractional Fee
Unit Obligation	(a)	**0.60**	**1.95**	**0.50**	**2.00**	**4.30**
Compliance Method		In-Lieu Fee	2 Middle Income	In-Lieu Fee	2 Mod Income	4 Mod+Fract Fee
Fee (if required)		**$96,971**	n/a	**$113,125**	n/a	**$60,825**
Fee Analysis						
TDC per Unit (exc. land and fees)	(b)	$994,413	$891,690	$629,048	$607,164	$616,501
Land per unit		$281,250	$150,000	$225,000	$112,500	$104,651
TDC per Unit including Land		$1,275,663	$1,041,690	$854,048	$719,664	$721,152
Rental Prototypes						
Avg. Monthly Rent / Inclusionary Unit	(c)	n/a	n/a	$2,181	$2,181	$2,118
Monthly Net Operating Income / Unit		n/a	n/a	$907	$907	$853
Supportable Debt / Inclusionary Unit	(d)	n/a	n/a	$131,555	$131,555	$123,745
For-Sale Prototypes						
Avg. Net Sales Revenue per Inc Unit	(e)	$422,370	$422,370	n/a	n/a	n/a
In-Lieu Fee Per Inclusionary Unit	(f)	$853,293	$619,320	$722,493	$588,109	$597,407
Total In-Lieu Fee Amount	(g)	$511,976	$1,207,675	$361,246	$1,176,217	$2,568,849
In-Lieu Fee (sf, net residential)		**$113.14**	**$83.00**	**$79.83**	**$72.52**	**$73.66**
equals Total In-Lieu Fee Amount / Net Project Area (sf)						

Notes:
(a) Refers to the number of inclusionary units required by the Existing Program.
(b) Equal to the per-unit development cost shown in the pro-formas provided in Appendix C, minus any in-lieu fee amounts for partial units or land.
(c) Average monthly rent per inclusionary unit based on rents shown in the pro-formas provided in Appendix C. Prototype III uses Prototype IV values.
(d) Supportable loan amount is based on assumed loan terms: 1.15 Debt Coverage Ratio, 6.0%, interest rate, 30 year term.
(e) Average net sales revenue per inclusionary unit is based on net sales revenues shown in the pro-formas provided in Appendix C. Prototype I uses Prototype II values.
(f) For rental prototypes, the in-lieu fee per inclusionary unit is equal to the total development cost minus the supportable debt per inclusionary unit.
For ownership prototypes, in-lieu fee per inclusionary unit is equal to the total development cost minus the average net sales revenue per inclusionary unit.

(g) Equals in-lieu fee rate multiplied by the Unit Obligation.

Fee Equivalent Analysis

The Fee Equivalent Analysis represents the hypothetical in-lieu fee amount that would be equal to the net cost to the developer of providing inclusionary units onsite. Specifically, this analysis calculates the hard-coded hypothetical in-lieu fee that (when applied) in the pro-forma model would yield an identical RLV as the same prototype with the onsite inclusionary units instead.

When alternate compliance methods *may* allow in-lieu fee payments to meet the entirety of an inclusionary housing requirement, setting the in-lieu fee rate commensurate with the fee equivalent amount neither incentivizes nor disincentivizes onsite unit creation. To the developer, a fee equivalent results in the same project financials. In-lieu fee rates that are higher than fee equivalent will generally incentivize developers to provide inclusionary units onsite because onsite units would be less expensive to the project. In-lieu fee rates that are lower than fee equivalent will generally incentivize developers to pay the in-lieu fee since the in-lieu fee amount would be less expensive.

The in-lieu fee amounts for each prototype based on the Fee Equivalent Analysis are shown in Table 10. All fees are applied on a per square foot basis of net residential area. The analysis incorporates all costs, including land, to comply with the Existing Program.

- For ownership projects, the estimated fee equivalent is $72.54/sf (Prototype II).
- For rental projects, the estimated fee equivalent ranges from $33.66 to $34.91/sf (Prototypes IV and Prototype V, respectively).

Table 10: In-Lieu Fee Rates by Fee Equivalent

	Prototype II Owner 10+ units Condominium	**Prototype IV Rental 10+ units Mixed-Use**	**Prototype V Rental 10+ units Mixed-Use (Large)**
Residential Area (sf, net)	14,550	16,220	34,873
Avg. Unit Size (sf, net)	970	811	811
Total Units	**15**	**20**	**43**
Development Program, In-Lieu Fee Scenario			
Affordability Requirement	15% Middle	10% Moderate	10% Moderate
Prototype Requirement	Onsite, Round Up	Onsite	Onsite + Fractional Fee
Unit Obligation	1.95	**2.00**	**4.30**
Compliance Method	**2 Middle Income**	**2 Mod Income**	**4 Mod+Fract Fee**
Fee (if required)	n/a	n/a	$60,825
Equivalent Fee Analysis			
In-Lieu Fee (sf, net residential)	**$72.54**	**$33.66**	**$34.91**

Source: BAE, 2025.

BENCHMARK ANALYSIS

This Benchmark Analysis chapter provides an overview of inclusionary housing requirements in jurisdictions that have comparable market conditions and are in proximity to Santa Barbara.

In-lieu fee rates and inclusionary requirements reflect each jurisdiction's approach to balancing affordable housing production with development feasibility by aligning inclusionary housing requirements and in-lieu fee rates with housing policy objectives and local market conditions. They do not necessarily reflect likely feasibility outcomes without evidence of units built or fee revenue paid, an important consideration to weigh.

This Study explores in-lieu fee rates in the following jurisdictions:

- Santa Barbara County
- City of Goleta
- City of Ventura
- City of Santa Monica
- City of San Luis Obispo

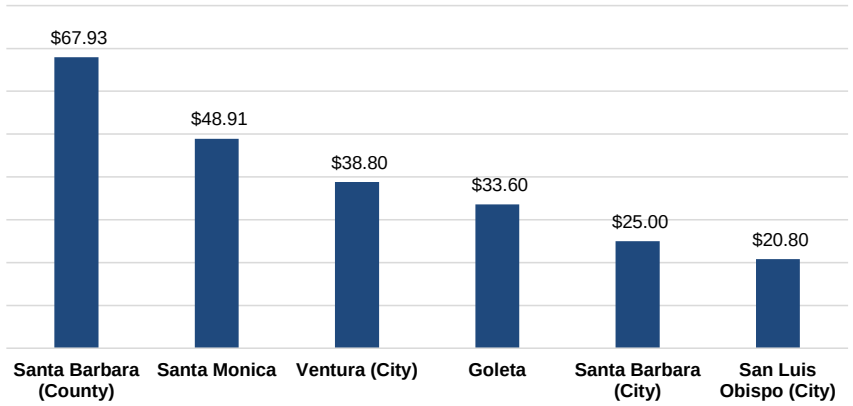
Nearly all benchmarked jurisdictions have limited ability for a developer to satisfy all inclusionary housing requirements through payment of an in-lieu fee alone. These restrictions may include requiring City Council approval to pay an in-lieu fee for the entirety of the inclusionary housing requirement, allowing in-lieu fee payments only for the purpose of meeting a fractional unit requirement, or only allowing in-lieu fee payments for smaller projects.

In-Lieu Fee Rate Comparison – Rental Projects

Figure 3 below illustrates a hypothetical inclusionary housing in-lieu fee rate applied to Prototype V if it were allowed across comparable jurisdictions. Since in-lieu fee payments are assessed using different methodologies in each benchmarked jurisdiction, this comparison normalizes all in-lieu fee rates based on an assumed project size (total unit quantity and net square feet) to identify an in-lieu fee rate per net square foot.

The City's in-lieu fee rate for rental projects is currently lower than that of other benchmarked jurisdictions, with the exception of San Luis Obispo.

Figure 3: Theoretical Rental In-Lieu Fee Rate per net square foot, applied to Prototype V



Sources: Santa Barbara County; City of Santa Monica; City of San Luis Obispo; City of Goleta; City of Ventura; BAE, 2025
Notes:
(a) The County of Santa Barbara assumes a fee of $232,700 per unit for the 2.5 percent Very-Low-Income requirement applied to 1.075 units, a fee of $232,700 per unit for the 2.5 percent Low-Income requirement applied to 1.75 units, and a fee of $869,100 per unit for the 5.0 percent Moderate-Income requirement applied to 2.15 units. The total fee is $2.37 million, which is then divided by 34,873 net square feet. The Workforce requirement is waived.
(b) The City of Santa Monica assumes a fee per gross square foot of $41.39, which is applied to 41,027 gross square feet for a total fee of $1.7 million, which is then divided by the net square footage.
(c) The City of Ventura calculation assumes a fee per net square foot of $38.80.
(d) The City of Goleta calculation assumes a fee per net square foot of $7.24 (Extremely-Low-Income), $6.50 (Very-Low-Income), $12.26 (Low-Income), and $7.60 (Moderate-Income) for a combined fee of $33.60 per net square foot.
(e) The City of Santa Barbara calculation assumes a fee per net square foot of $25.00
(f) The City of San Luis Obispo calculation applies a fee per net square foot of $20.80.

Santa Barbara County

Santa Barbara County has the same inclusionary housing requirements for both ownership and rental projects. Inclusionary units are income-restricted for a 90-year term.

Projects with 20 or more units require a total of up to 15 percent of total units as onsite, income-restricted units at multiple income categories: Very-Low-Income, Low-Income, Moderate-Income, and workforce (120-200 percent). One moderate unit is required for projects with five to 19 units. There is no inclusionary housing requirement for projects of four or fewer units. In 2025 the workforce requirement was waived for rental projects, however, resulting in a total 10 percent inclusionary requirement.

Developers may opt to pay an in-lieu fee rather than constructing onsite inclusionary units. The in-lieu fee amount is calculated on a per-unit fee structure, with fees ranging from $ 232,700 to $869,100 per unit depending on project location and income category.

Adaptive Reuse
Santa Barbara County does not currently have an adaptive reuse policy in place.

City of Goleta
The City of Goleta has inclusionary housing requirements for both ownership and rental projects. Inclusionary units are income-restricted for a 55-year term but can be reduced to a 30-year term by City Council.

Projects with five or more units are required to provide 20 percent of total units as income-restricted onsite at multiple income categories: Extremely-Low-Income, Very-Low-Income, Low-Income, Moderate-Income, and Above-Moderate-Income. In-lieu fee payments are required for larger projects for any fractional inclusionary housing remainder at each income category, although a project can elect to provide additional Low-Income inclusionary units instead of paying the fractional in-lieu fee amount. Projects of two to four units pay an in-lieu fee amount.

There are separate in-lieu fee rates for small (two to four units) projects and large (five or more units) projects. In-lieu fee rates for larger projects are further specified based on tenure (rental or ownership) and income category of the inclusionary requirement.

Alternative compliance methods for larger projects include lowered inclusionary housing requirements (down to 15 percent of total units) upon finding that the developer will provide a public benefit exceeding the inclusionary requirements (e.g. public park or open space) or payment of an in-lieu fee only if on-site construction is deemed infeasible.

Adaptive Reuse
Although Goleta's Industrial Districts chapter of the zoning code (Chapter 17.10) briefly mentions the term "adaptive reuse" as one of the goals of Industrial Districts, the ordinance does not establish a dedicated adaptive reuse program with procedures, exemptions, or incentives.

City of Santa Monica
The City of Santa Monica has inclusionary housing requirements for both ownership and rental projects. Inclusionary units are income-restricted for a 55-year term.

Projects consisting of six or more dwelling units must provide 15 percent of units as on-site inclusionary units, distributed across Very-Low-Income, Low-Income, and Moderate-Income levels. Projects of two to five units can provide an on-site inclusionary unit or pay an in-lieu fee.

Santa Monica calculates in-lieu fees for projects with five or fewer units per gross square foot using the in-lieu fee rate of $43.91 for rental projects and $51.30 for ownership projects. Similar to the City of Santa Barbara, rounding rules for the inclusionary requirements of

projects proposing six or more units round up to the next whole number if 0.5 or above and require a fractional in-lieu fee payment for a remainder below 0.5.

Larger projects (over 20 units) may opt to provide inclusionary units off-site at 20 percent of total units. These off-site units must be affordable to Very-Low- or Low-Income households. Any multiunit project may request a waiver for alternative compliance through dedication of land to affordable housing.

Adaptive Reuse

The City of Santa Monica adopted an Adaptive Reuse Ordinance (Section 9.31.035) in October 2024. The ordinance encourages the conversion of existing buildings to housing by exempting such projects from the City's Affordable Housing Production Program (Chapter 9.64). While this effectively streamlines adaptive reuse as a primarily market-rate housing tool, the ordinance does allow projects to be developed as 100 percent affordable housing or as "extremely affordable adaptive reuse projects" under state law, which could also unlock additional state-level incentives like density bonuses. In practice, the policy lowers barriers to reuse and boosts overall housing supply, but affordable housing will only result when developers voluntarily pursue it.

City of San Luis Obispo

The City of San Luis Obispo has inclusionary housing requirements for both ownership and rental projects. Inclusionary units are income-restricted for a 45-year term if ownership and a 55-year term if rental.

Ownership Projects

Ownership projects have an inclusionary housing requirement of 10 percent of total units evenly split for Low-Income and Moderate-Income households. Projects have the option to provide an onsite unit or pay an in-lieu fee amount based on net square feet. The in-lieu fee rate is $25.95 per net square foot.

Rental Projects

Rental projects have an inclusionary housing requirement of six percent of total units evenly split for Very-Low-Income and Low-Income households. Projects have the option to provide an onsite unit or pay an in-lieu fee amount based on net square feet. The in-lieu fee rate is $20.80 per net square foot.

Adaptive Reuse

San Luis Obispo does not currently have an adaptive reuse policy in place.

City of Ventura

The City of Ventura has inclusionary housing requirements for both ownership and rental projects. Inclusionary units are income-restricted for a 45-year term if ownership and a 55-year term if rental.

Ownership Projects

Ownership projects of seven or more units have a 10 percent inclusionary housing requirement. Projects may provide a Moderate-Income unit onsite; Very-Low-Income unit offsite; pay an in-lieu fee amount; dedicate land; or acquire, rehabilitate, and preserve existing units (20 percent project units). The in-lieu fee rate is $36.90 per net square foot.

Rental Projects

Rental projects of seven or more units have a 15 percent inclusionary housing requirement. Projects of seven to 20 units may provide Very-Low-Income and Low-Income units onsite; Very-Low-Income units offsite; pay an in-lieu fee amount; dedicate land; or acquire, rehabilitate, and preserve existing units (20 percent of project units). Projects of 21 or more units have the same compliance options but may only pay an in-lieu fee amount if onsite units are an "extreme hardship." The in-lieu fee rate is $38.80 per net square foot.

Adaptive Reuse

The city's 2021-2029 Housing Element references a future Adaptive Reuse Ordinance, but an ordinance has not yet been passed.

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RECOMMENDATIONS

The following chapter provides 10 recommendations for targeted updates to the Existing Program. ~~For organizational purposes, the~~ The recommendations ~~are grouped~~fall into three major categories~~, as defined in the table below~~: program-related, policy-related, administration-related.

- **Program-related recommendations** are updates to the Existing Program requirements, such as in-lieu fee rates, citywide applicability, and recalibrated requirements for large and small projects.
- **Policy-related recommendations** are updates designed to encourage housing development and provide in-lieu fee payment options.
- **Administration-related recommendations** are updates design to simplify and clarify functions associate with administering the Existing Program.

Table 11: Recommendations for Updates to Existing Program

Program-Related	Policy-Related	Administration-Related
~~*Updates to Existing Program requirements such as in-lieu fee rates, eligible geographics, and differentiation between large and small projects.*~~	~~*Updates designed to encourage housing development and fee payment options under the Existing Program.*~~	~~*Updates designed to simplify and streamline functions associated with administering the Existing Program.*~~
A. Apply Inclusionary Housing Requirements to All Rental Projects with 5+ units	F. Count Rental Inclusionary Units as Bonus Density	H. Simplify In-Lieu Fee Calculations for Ownership Projects
B. Maintain Current Inclusionary Housing Requirements	G. Consider Options for In-Lieu Fee Payments to Fulfill Inclusionary Requirements	I. Implement Automatic Annual In-Lieu Fee Rate Adjustments
C. Update the In-Lieu Fee Rate for Rental Projects with 10+ units	G.1. Consider In-Lieu Fee Payment for All Fractional Inclusionary Requirements	J. Adjust Target AMI for Moderate-Income Rents from 100% to 110%

D. Set an In-Lieu Fee Rate for Ownership Projects with 10+ units E. Set a Lower In-Lieu Fee Rate for "Small" Rental and Ownership Projects	G.2. Consider In-Lieu Fee Payment for All Inclusionary Requirements	

The recommendations are structured to work together in updating the Existing Program, although each recommendation was analyzed and can proceed as a standalone change to the inclusionary housing requirements.

Where applicable, recommendations are framed within the context of their relative impact on financial feasibility. Impacts to a prototype's residual land value (RLV) are classified as "minimal" (0 to 5 percent impact); "marginal" (5 to 10 percent impact); or "significant" (impact greater than 10 percent).

Incorporating all recommendations from the Study into the inclusionary housing ordinance would have the greatest impact on generating inclusionary housing units and in-lieu fee payments while balancing development feasibility.

Program-Related Recommendations

The five program-related recommendations update the variable requirements for inclusionary housing while the Existing Program structure remains unchanged. The recommendations maintain consistency in overall inclusionary requirements and adjust in-lieu fee rates for inflation, costs, and project size.

A. Apply Inclusionary Housing Requirements to All Rental Projects with 5+ units

This Study recommends expanding the inclusionary housing requirements to all rental projects of five or more units developed in the City, not solely those using the AUD Program. This would mean that non-AUD rental projects inland and all rental projects in the coastal zone would be subject to the inclusionary housing requirements.

Recommendation A would increase the number of projects citywide subject to inclusionary housing requirements. This could generate additional moderate-income restricted units and revenue for the Local Housing Trust Fund, but would impact financial feasibility for rental projects not utilizing the AUD Program.

B. Maintain Current Inclusionary Housing Requirements

Rental Projects

This Study recommends maintaining the Existing Program's inclusionary housing percentage and income category for rental projects (i.e., no change to the current requirement that 10 percent of units in rental projects be set aside for Moderate-Income households).

Maintain Focus on Moderate-Income Households

- This Study considered requiring deeper affordability (e.g., Low-Income or Very-Low-Income). However, requiring inclusionary units with deeper affordability levels would reduce the financial feasibility of projects, and could trigger automatic SDBL density bonus and therefore the associated concessions, incentives, and waivers of development standards. This could potentially create more lower income units but could result in fewer Moderate-Income units to meet the Regional Housing Needs Allocation ("RHNA").

- This Study considered requiring shallower affordability (e.g., Middle-Income). While this would improve the financial feasibility of projects (because affordable rents would be higher for these units), it would not help the City comply with its RHNA obligations for Moderate-Income households.

- This Study recommends maintaining the Moderate-Income affordability requirement for rental inclusionary units**.** Moderate-Income affordable units have more limited funding sources (Federal, State, local, or non-profits) available to subsidize the project, and therefore they are a difficult category to obtain other than through inclusionary requirements. Maintaining the Existing Program's requirement supports meeting RHNA numbers for Moderate-Income households.

Maintain the 10 Percent Requirement

- This Study recommends maintaining the 10 Percent Moderate-Income affordability requirement for rental inclusionary units because it balances the findings from the financial feasibility analysis with the need to produce affordable housing.

- This Study considered a higher percentage requirement (e.g., 15 percent) of units set aside for Moderate-Income households. The financial feasibility analysis indicates that increasing the required inclusionary percentage would significantly decrease financial feasibility for relevant prototypes as follows:

    - For example, Prototype IV: Rental Mixed-Use Prototype would remain not likely feasible, and RLV would decrease by 23 percent, from $97 to $75 per site sf.

- For example, Prototype V: Rental Mixed-Use Large Prototype would remain not likely feasible, and RLV would decrease by 24 percent, from $82 per site sf to $62 per site sf.

A higher percentage requirement (e.g., 15 percent) may also have the unintended effect of making SDBL an even more attractive alternative. SDBL projects have primarily provided lower-income units (e.g., Very-Low-Income or Low-Income), but not Moderate-Income units, based on recent project applications reviewed by the City.

- This Study considered a lower percentage requirement (e.g., 5 percent) of units set aside for Moderate-Income households. The financial feasibility analysis indicates that reducing the required inclusionary percentage would increase financial feasibility for relevant prototypes. However, reducing the inclusionary requirement to this level would negatively impact the City's ability to achieve RHNA requirements for Moderate-Income units. In addition, best practices generally support maintaining stable inclusionary housing requirements, rather than making frequent, market-driven adjustments, in order to preserve predictability and transparency for the development community. Once reduced, higher inclusionary requirements are difficult to reinstate, even under improved feasibility conditions, as developers would incorporate the lower standards into their long-term project planning and financial assumptions.

Ownership Projects

This Study recommends maintaining the Existing Program's inclusionary housing percentage and income categories for ownership projects (i.e., 15 percent of units in ownership projects set aside for Middle-Income or Upper Middle-Income, as appropriate, households).

Maintain Focus on Middle-Income/Upper-Middle-Income Households

- This Study considered requiring deeper affordability (e.g., Moderate-Income). However, requiring inclusionary units with deeper affordability levels would reduce the financial feasibility of projects, and could trigger automatic SDBL density bonus and therefore the associated concessions, incentives, and waivers of development standards. This could potentially create more Moderate-Income units, but would not assist in creating Middle- and Upper-Middle-Income units, which are income categories not currently being served by the ownership market.

Maintain the 15 Percent Requirement

- This Study recommends maintaining the existing percentage requirement (e.g., 15 percent) of inclusionary housing units set aside for Middle-Income households because it balances the findings from the financial feasibility analysis with the need to

produce affordable housing, although not at an income category recognized by the state or in RHNA reporting.

- The financial feasibility analysis indicates that the existing inclusionary percentage of 15 percent for ownership projects set aside for Middle-Income households is not financially feasible under current market conditions. As such, this Study did not consider a higher percentage requirement (e.g., 20 percent) of inclusionary housing units set aside for Middle-Income households.

- This Study considered a lower percentage requirement (e.g., 5 percent) of units set aside for Middle-Income households. However, as noted above, reductions in established inclusionary requirements are not generally in line with best practices, as lower requirements can be difficult to reverse once incorporated into developers' financial assumptions.

C. Update the In-Lieu Fee Rate for Rental Projects with 10+ Units

This Study recommends setting the in-lieu fee rate for rental projects at **$50.00 per net square foot** of residential space for fractional unit requirements in rental projects with 10 or more units.

- This recommendation would help the City account for construction cost increases since adoption of the $25.00 per net square foot fee rate in 2019, and more accurately reflect the cost of constructing an inclusionary unit with collected funds.

- The maximum legal in-lieu fee rate that could be charged for rental projects, as shown in the Residential Nexus Analysis (Appendix D), is $91.41 per net square foot. Setting the in-lieu fee rate higher than this amount could pose legal challenges for the City.

- The financial feasibility analysis indicates that an in-lieu fee rate of $50.00 per net square foot would minimally decrease financial feasibility for applicable prototypes.

    - For example, the RLV for Prototype V: Rental Mixed-Use Large Prototype would decrease by two percent, from $82 to $80 per site sf.

    - For example, the RLV for Prototype IV: Rental Mixed-Use Prototype would not change since this prototype does not pay an in-lieu fee.

- The recommended rental in-lieu fee rate of $50.00 per net square foot could generate additional revenue for the Local Housing Trust Fund, and is unlikely to materially impact whether new development gets built based on the minimal impact on RLV.

    - In the case of Prototype V: Rental Mixed-Use Large Prototype, Recommendation C would require a higher in-lieu fee payment of $121,650, up from $60,825 under the Existing Program.

      In-Lieu Fee Payment = Fractional Remainder ÷ Total Inclusionary Requirement x In-Lieu Fee Rate x Net Floor Area

      Fractional Remainder = 0.3

      Total Inclusionary Requirement = 4.3

      In-Lieu Fee Rate = $50.00 per square foot

      Net Floor Area = 34,873 sf

      0.3 ÷4.3 x $50.00 per sf x 34,873 sf = $121,650

      In-Lieu Fee Payment = $121,650

D. Set an In-Lieu Fee Rate for Ownership Projects with 10+ Units

This Study recommends setting the in-lieu fee rate for ownership projects to **$50.00 per net square foot** of residential space for fractional unit requirements in ownership projects of 10 or more units.

- Setting the ownership in-lieu fee rate based on the net square footage of the proposed project would align the ownership requirements with the existing rental inclusionary housing requirements and methodologies. This also supports simplifying administration of the Existing Program.

- The financial feasibility analysis indicates that an ownership in-lieu fee rate of $50.00 per net square foot would improve financial feasibility for projects that would be newly-eligible for paying on a fractional unit, such as Prototype II.

- The maximum legal in-lieu fee rate that could be charged for ownership projects, as shown in the Residential Nexus Analysis (Appendix D), is $72.53 per net square foot. Setting the in-lieu fee rate higher than this amount could pose legal challenges for the City.

- Possible benefits to implementing Recommendation D could include generating additional revenue for the Local Housing Trust Fund.

E. Set a Lower In-Lieu Fee Rate for "Small" Rental and Ownership Projects

This Study recommends setting a lower in-lieu fee rate of **$35.00 per net square foot** for "small" ownership and rental projects with fewer than 10 units.

- "Small" projects are defined as those proposing fewer than 10 units; the lower in-lieu fee rate would apply to ownership projects with two to nine units and rental projects with five to nine units.

- Small projects face financial feasibility challenges when compared to larger projects with 10 or more units due to factors such as reduced economies of scale. As such, this Study does not recommend the $50.00 per net square foot fee that is being proposed for larger projects in Recommendations C (rental projects) and D (ownership projects).

- The recommended in-lieu fee rate for smaller projects is based in part on the current fee rate of $25.00 per net square foot of residential space, adopted in 2019 for rental AUD projects, adjusted for inflation. The recommended $35.00 per net square foot in-

lieu fee rate could help the City account for cost increases and more accurately reflect the cost of constructing an inclusionary unit with collected funds.

- The financial feasibility analysis indicates that implementing Recommendation E could marginally to significantly decrease financial feasibility for applicable prototypes:
    - For example, Prototype I: Ownership Townhome Prototype would remain not likely feasible, and have a decreased RLV of 9.9 percent, from $81 to $73 per site sf.
    - For example: Prototype III: Rental Townhome Prototype would remain not likely feasible and have a decreased RLV of 14 percent, from $42 to $36 per site sf.

- There is no identified precedent in the benchmarked jurisdictions of Santa Barbara County, City of Goleta, City of Santa Monica, City of San Luis Obispo, and City of Ventura for setting a lower fee for small projects, but there is precedent in other California cities (such as the City of Sunnyvale and the City of Berkeley).

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Policy-Related Recommendations

There is one policy-related recommendation and one option to consider, both intended to encourage housing development. The recommendation aligns the rental and ownership program, while the option offers two variations to allow broader use of in-lieu fee payments.

F. Count Rental Inclusionary Units as Bonus Density

This Study recommends that the City exclude inclusionary units from maximum density calculations for rental projects. This recommendation would align the ownership and rental inclusionary housing requirements to count *all* inclusionary units as bonus density (i.e., ownership units in the Existing Program are already entitled a bonus density for on-site units).

- Counting rental inclusionary units as bonus density would benefit total rental units created in all projects that require onsite inclusionary units.
    - For example, Prototype IV: Rental Mixed-Use Prototype, with an obligation of two Moderate-Income inclusionary units, could provide 22 total units (versus 20 units under current requirements).
    - For example, Prototype V: Rental Mixed-Use Large Prototype, with an obligation of four Moderate-Income inclusionary units, could provide 47 units (versus 43 units under current requirements).
- The financial feasibility analysis indicates that implementing Recommendation F would significantly improve financial feasibility for applicable prototypes:
    - For example, the RLV for Prototype IV: Rental Mixed-Use Prototype would increase by 28 percent from not likely feasible ($97 per site sf) to marginally feasible ($124 per site sf).
    - For example, the RLV for Prototype V: Rental Mixed-Use Large Prototype would increase by 38 percent from $82 to $113 per site sf, although it would remain not likely feasible.

G. Consider Options for In-Lieu Fee Payments to Fulfill Inclusionary Requirements

This Study recommends the City consider expanding compliance options for inclusionary housing requirements with in-lieu fee payments. This recommendation proposes two options that are standalone; only one option can be implemented.

- ***Option G.1 Consider In-Lieu Fee Payment for All Fractional Inclusionary Requirements***

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Consider allowing in-lieu fee payment for all fractional inclusionary requirements, regardless of the total number of units proposed in the project or the tenure of the units (i.e., on projects with 10 or more units, do not require an additional unit for fractions of 0.5 or more). This recommendation would apply the in-lieu fee rates proposed in Recommendations C (rental projects) and D (ownership projects). The Existing Program only allows small projects with fewer than 10 units the option to fulfill inclusionary housing requirements with an in-lieu fee payment; this recommendation would allow projects of all sizes this compliance option.

- This option would simplify program requirements as well as reduce program application and administration complexities.
    - For example: Prototype II, with an obligation of 1.95 Middle–Income units, provides two onsite units as affordable to Middle-Income households, due to rounding conventions for ownership projects in place under the Existing Program.
    - Allowing a fee of $50.00 per net sf of residential space to be paid on the fractional remainder of 0.95 would significantly improve financial feasibility for Prototype II, with RLV increasing by 23 percent from $57 per site sf to $70 per site sf.
- ~~*~~o Compared to projects with no fractional requirement, projects with a fractional unit requirement face greater feasibility constraints because the cost of providing the affordable unit that is rounded up ~~is spread across a smaller number of market rate units~~. Allowing an in-lieu fee payment for all fractional units could mitigate this feasibility challenge for projects with fractional requirements.
- ~~*~~o The requirement to round fractional inclusionary unit obligations up to the next whole unit for projects of ten or more units may, in some cases, discourage developers from maximizing unit counts in order to avoid triggering an additional inclusionary unit (e.g. building 24 units instead of 25 units). Allowing an in-lieu fee payment alternative would reduce this incentive and support more efficient residential project sizing.
- Expanding compliance options for in-lieu fee payments to meet inclusionary housing requirements may increase flexibility for a developer—a project can provide an onsite unit or pay the in-lieu fee amount—and could generate additional revenue for the Local Housing Trust Fund. This option could also be seen as a benefit to a developer, since fewer inclusionary units are constructed

within the multi-unit residential project, and there is no 90-year relationship with the City to manage the inclusionary units.

- Consequences of this option may be a possible decrease in the number of onsite inclusionary units created in multi-unit residential developments, since some projects that would have provided one additional inclusionary unit would no longer be required to do so.

- ***Option G.2 Consider In-Lieu Fee Payment for All Inclusionary Requirements***
  Consider allowing all inclusionary housing requirements to be fulfilled with an in-lieu fee payment, without requiring any onsite inclusionary units. This recommendation would apply a different set of in-lieu fee rates than those in Recommendations C (rental projects), D (ownership projects), and E (small projects).

  - A "fee-out" option is not common. Nearly all benchmarked jurisdictions impose restrictions on a developer's ability to satisfy all inclusionary housing requirements through payment of an in-lieu fee alone. These restrictions may include requiring City Council approval to pay an in-lieu fee for the entirety of the inclusionary housing requirement, allowing in-lieu fee payments only for the purpose of meeting a fractional unit requirement (currently allowed in the Existing Program for projects of nine or fewer options, increase to all projects under Option G.1), or only allowing in-lieu fee payments for smaller projects.

  - Option G2 was not evaluated for financial feasibility; rather, it is presented as a range illustrating the minimum fee amount needed to construct the inclusionary unit(s) and the maximum legally allowable fee amount.

  - **Construction-Cost-Based Fee Rate:** The minimum in-lieu fee rates derived from the construction cost analysis, which reflects the cost to construct an inclusionary unit.

    - $72.52 to $73.66 per net residential sf for rental projects
    - $83.00 per net residential sf for ownership projects

  - **Nexus-Based Fee Rate:** From a legal perspective, the maximum in-lieu fee rate possible would need to be set *below* those analyzed in the Residential Nexus Analysis (Appendix D).

    - $91.41 per net residential sf for rental projects
    - $72.53 per net residential sf for ownership projects

Commented [AD3]: Appropriate to state Existing Program and expanded through Option G.1?

Commented [DF4R3]: Revised to include more explanation

- **Possible Method for Setting In-Lieu Fee Rates for Projects that Waive all Onsite Inclusionary Requirements:**
  To the extent that the City chooses to allow projects to address the entire inclusionary requirement through payment of an in-lieu fee, consider setting a single in-lieu fee rate of up to $72.00 per net square foot for both rental and ownership projects. This fee rate is consistent with the fee based on construction cost for rental projects and the Nexus-based fee for ownership projects. While the Nexus Analysis supports a fee of up to $91.41 per net residential square foot for rental projects, applying the same rate to both rental and ownership projects avoids charging rental units more than ownership units. Because rental housing is generally more affordable, fees for rental units are typically equal to or lower than those for ownership units, reducing the potential for favoring ownership housing over rental housing.

- Benefits to expanding options for in-lieu fee payments to meet inclusionary housing requirements could include generating additional revenue for the Local Housing Trust Fund, and allowing increased flexibility for a project to either pay the in-lieu fee amount or construct onsite inclusionary units. This option could also be seen as a benefit to a developer; since no inclusionary units are constructed within the multi-unit residential project, and there is no 90-year relationship with the City to manage the inclusionary units.

- This option could reduce the production of Moderate- and Middle-Income units, as developers might choose to pay an in-lieu fee instead of providing units at these affordability levels on site, with the resulting revenues directed to the Local Housing Trust Fund, which is predominantly used to support the production and preservation of lower income affordable units.

Administration-Related Recommendations

The three administration-related recommendations simplify and clarify processes and calculations used to administer the Existing Program. These recommendations benefit staff by reducing the differences between the rental and ownership inclusionary administration processes to make one inclusionary housing program. These same recommendations will also benefit developers by simplifying calculations within the program and with other affordable housing programs.

H. Simplify In-Lieu Fee Calculations for Ownership Projects

This Study recommends simplifying the methodology for calculating in-lieu fee amounts for ownership projects by aligning it with the methodology currently in place for rental projects. This recommendation would apply in-lieu fee requirements for ownership projects on a net residential square foot basis, rather than a per-unit basis.

- The recommended in-lieu fee calculation formula for ownership projects is the current calculation formula used for rental projects.

  In-Lieu Fee Payment = Fractional Remainder ÷ Total Inclusionary Requirement x In-Lieu Fee Rate x Net Floor Area

- Recommendation H would reduce the administrative burden for City staff, and minimize confusion among applicants. This recommendation works in tandem with Recommendations C (rental projects), D (ownership projects), and E ("small" projects).

I. Implement Automatic Annual In-Lieu Fee Rate Adjustments

This Study recommends that the City implement a system for automatically adjusting the recommended in-lieu fee rates annually to help account for inflationary increases in the cost of construction.

- The current rental in-lieu fee rate of $25.00 per net sf of residential space has not been updated since adoption of the rental inclusionary housing requirements in July 2019. Had the in-lieu fee been implemented with an automatic adjustment to account for inflation based on the Consumer Price Index for All Urban Consumers (CPI-U) for the "Pacific" region, the equivalent fee as of September 2025 would be approximately $31.72 per sf of residential space.[12]

[12] https://data.bls.gov/timeseries/CUUR0490SA0

- The recommended automatic annual in-lieu fee rate adjustment calculation is based on the change in the CPI-U for the "Pacific" region, available from the U.S. Bureau of Labor Statistics.[13]

    - *Inflation Adjustment Calculation:*
      Change in Inflation Rate = Current Inflation Rate – Previous Inflation Rate
      Inflation Adjustment = Change in Inflation Rate ÷ Previous Inflation Rate

      Example: Inflation Adjustment Calculation:
      Change in Inflation Rate = Current Inflation Rate – Previous Inflation Rate
      Current Inflation Rate (CPI-U September 2025) = 133.724
      Previous Inflation Rate (CPI-U July 2019) = 105.397
      133.724 – 105.397 = 28.327
      Change in Inflation Rate = 28.327

      Inflation Adjustment = Change in Inflation Rate ÷ Previous Inflation Rate
      Change in Inflation Rate = 28.327
      Previous Inflation Rate (CPI-U July 2019) = 105.397
      28.327 ÷ 105.397 = 26.9 percent increase
      Inflation Adjustment = 1.269

    - *Adjusted In-Lieu Fee Rate Calculation:*
      Adjusted In-Lieu Fee Rate = Current In-Lieu Fee Rate x Inflation Adjustment

      Example: In-Lieu Fee Rate Adjustment Calculation:
      Adjusted In-Lieu Fee Rate = Current In-Lieu Fee Rate x Inflation Adjustment
      Current In-Lieu Fee Rate = $25.00 per square foot
      Inflation Adjustment = 1.269
      $25.00 x 1.269 = $31.72
      Adjusted In-Lieu Fee Rate = $31.72 per square foot

- Recommendation I maintains in-lieu fee rates over time to remain proportionally consistent with inflating costs. This recommendation would align future in-lieu fee payments collected in the Local Housing Trust Fund to better support inflating construction costs for affordable units. If local rents do not increase at the same rate as the CPI-U, financial feasibility may decrease.

[13] https://data.bls.gov/timeseries/CUUR0490SA0

J. Adjust Target AMI for Moderate-Income Rents from 100% to 110%

This Study recommends adjusting the Target Income for maximum rent calculations for Moderate-Income inclusionary units. This recommendation would align the City with methodology used by the State by applying a target of 110 percent of AMI for Moderate-Income rent calculations.

- The financial feasibility analysis indicates that Recommendation J would marginally increase financial feasibility.
    - For example, Prototype IV: Rental Mixed-Use Prototype would remain not likely feasible but would have an increased RLV of seven percent, from $97 to $104 per site sf.
    - For example, Prototype V: Rental Mixed-Use Large Prototype would remain not likely feasible but would have an increased RLV of seven percent, from $82 to $88 per site sf.
- Recommendation J would increase maximum monthly rent required from a tenant in an inclusionary unit.
- The lack of alignment between City programs and those used by state and federal agencies is posing complications for applicants and staff, especially when rents for inclusionary units may be calculated differently than HUD (Federal) and CTCAC (State) standards.
- Additional variables in the City's methodology for calculating income limits and maximum rents for inclusionary and affordable units should also be evaluated to better align with existing methodologies used for State and Federally funded affordable units, such as the City-specific Unit Size Adjustment Factor (USAF).

APPENDIX A: ASSUMPTIONS AND FORMULAS

Income

The City of Santa Barbara bases its household income limits on Area Median Income (AMI) figures supplied by the United States Department of Housing and Urban Development (HUD), published each year in April. Table 12 below displays income limits for the City of Santa Barbara, effective in 2025, based on an AMI of $113,300.

Table 12: City of Santa Barbara Income Limits, effective April 2025

City of Santa Barbara
Income Limits

Effective Date: April 1, 2025
Area Median Income: $ 113,300

Income Category	*% of Median*	*Household Size*					
		1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons
Household Size Adjustment		*0.7*	*0.8*	*0.9*	*1*	*1.08*	*1.16*
Median	100%	$ 79,310	$ 90,640	$ 101,970	$ 113,300	$ 122,364	$ 131,428
Extremely Low*		$ 37,100	$ 42,400	$ 47,700	$ 52,950	$ 57,200	$ 61,450
Very Low*	50%	$ 61,800	$ 70,600	$ 79,450	$ 88,250	$ 95,350	$ 102,400
Low*	80%	$ 98,850	$ 113,000	$ 127,100	$ 141,200	$ 152,500	$ 163,800
Moderate	120%	$ 95,172	$ 108,768	$ 122,364	$ 135,960	$ 146,837	$ 157,714
Middle	160%	$ 126,896	$ 145,024	$ 163,152	$ 181,280	$ 195,782	$ 210,285
Upper-Middle	200%	$ 158,620	$ 181,280	$ 203,940	$ 226,600	$ 244,728	$ 262,856

* figures supplied by HUD for the County of SB due to the high cost area

Calculation for Mod, Mid, and Up-Mid: AMI x Household Size Adjustment x % of Median

Unit Monthly Rents and Sale Prices

Market-Rate Rents

Market-Rate rents used in this Study are based on Q1 2025 date from CoStar for newly-~~constructed~~ built (2017-2025) multiunit residential properties. The dataset includes approximately 387 units in 12 buildings. Price per square foot values, shown in Table 13 below, were used to calculate market-rate rents based on prototype unit sizes for each residential pro-forma.

Table 13: Multifamily Market Overview, Built 2017+, City of Santa Barbara

City of Santa Barbara	Studio	1 BR	2 BR	3 BR	All Unit Types
Inventory, Q1 2025 (units)	66	58	248	15	387
% of Units	17.1%	15.0%	64.1%	3.9%	100.0%
Occupied Units	64	55	220	14	353
Vacant Units	2	3	28	1	34
Vacancy Rate	3.0%	5.2%	11.3%	6.7%	8.8%
Avg. Unit Size (sf)	557	661	852	1,020	790
Avg. Asking Rents, Q2 2024 - Q1 2025					
Avg. Asking Rent per unit, Q1 2025	$3,559	$3,731	$4,360	$4,744	$4,129
Avg. Asking Rent per unit, Q2 2024	$3,619	$3,631	$4,085	$4,544	$3,943
% Change Q2 2024 - Q1 2025	-1.7%	2.8%	6.7%	4.4%	4.7%
Avg. Asking Rent psf, Q1 2025	$6.74	$5.67	$5.15	$4.65	$5.39
Avg. Asking Rent psf, Q2 2024	$6.86	$5.52	$4.82	$4.45	$5.15

Source: CoStar, 2025; BAE, 2025

Market-Rate Sales Prices

Market-rate ownership unit sale prices used in this Study are based on condominium sales in newer buildings (built 2007 or later) from Redfin. The sample size of newer condominium buildings is comparatively small—only 3 locations—due to lack of recent condominium construction. Price per square foot values, shown in Table 14 below, were used to calculate market-rate sale prices based on prototype unit sizes for each residential pro-forma.

Table 14: Sales Prices in Newer (2007+) Condominiums, City of Santa Barbara

Address	Sale Price	Size (sf)	Price per sf
601 E Micheltorena St	$1,550,000	1281	$1,210
3718 State Street	$1,850,000	1627	$1,137
105 De La Guerra	$1,875,000	1820	$1,030
105 De La Guerra	$1,995,000	1819	$1,097
Median Sale Price		**$1,862,500**	
Median Sale ppsf		**$1,116.91**	

Source: Redfin, 2025; BAE, 2025.

Affordable Rents

Maximum affordable rents are calculated by City staff based on the annual income limits published by HUD (see Table 15).

The residential pro-formas use the City's maximum rent calculation method.

Table 15: Maximum Rents for Low- and Moderate-Income Households

City of Santa Barbara
Rent Limits

Effective Date: 4/1/2025

Area Median Income: $ 113,300

Maximum Rental Amount								
				Studio	**1 Bdrm**	**2 Bdrm**	**3 Bdrm**	**4 Bdrm**
	Target Income %	Maximum Income %	USAF	0.60	0.75	0.90	1.00	1.08
Low Income	60%	80%		**$ 1,020**	**$ 1,275**	**$ 1,530**	**$ 1,700**	**$ 1,835**
Moderate Income	100%	120%		**$ 1,700**	**$ 2,124**	**$ 2,549**	**$ 2,833**	**$ 3,059**

Maximum Rent Formula:

1/12 x 30% x Area Median Income x Target Income % x Unit Size Adjustment Factor (USAF)

The City's requirements for maximum rents assume that the landlord pays all utilities. If the tenant is required to pay some or all of the utilities, the maximum rents are reduced in accordance with a schedule prepared by the Housing Authority and approved by HUD. The utility schedule varies not only by number of bedrooms in the unit but also by the various utility combinations (i.e., all electric versus all electric except space heating, etc.)

Affordable Sale Prices

Affordable sale prices for ownership units are calculated annually by the City following procedures in the Affordable Housing Policies and Procedures. See Table 16.

Table 16: Maximum Sales Prices by Income Level, City of Santa Barbara, 2025

City of Santa Barbara

AFFORDABLE HOUSING UNITS - MAXIMUM SALE PRICES

April 1, 2025

Area Median Income $ 113,300

Income Restricted

Income Level	Target Income	Studio	1 BD	2 BD	3BD	4BD
Low 80% or below	70%	$ 102,000	$ 127,200	$ 152,200	$ 173,800	$ 194,000
Moderate 80% - 120%	100%	$ 257,100	$ 306,600	$ 355,700	$ 405,200	$ 444,600
Middle 120% - 160%	120%	$ 267,000	$ 355,700	$ 444,600	$ 503,800	$ 551,200
Upper Middle 160% - 200%	160%	$ 385,400	$ 503,800	$ 622,200	$ 701,000	$ 764,100

Moderate thru Upper-Middle Assumes:

10% down
5.8% interest rate
.25% added to rate for PMI
35% housing debt to income
$590 HOA average from survey of market rate
1.25% yearly property tax rate

LOW Income Ownership Assumes:

5% down
5.8% interest rate
.25% added to rate for PMI
30% housing debt to income
$590 HOA average from survey of market rate
1.25% yearly property tax rate
Utility Allowance for Sewer & Trash

Utility Allowances

Utility allowances are based on data published by the U.S. Department of Housing and Urban Development (HUD), effective January 2025, as shown in Table 17 below. Utility allowances used in this Study are based on a blended electric and natural gas using Basic Electricity, All Natural Gas, Water, Sewer, and Trash.

Table 17: Utility Allowance Table, City of Santa Barbara, 2025

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ALLOWANCES FOR TENANT FURNISHED UTILITIES AND OTHER SERVICES
SECTION 8 AND PUBLIC HOUSING (EXCEPT VISTA LA CUMBRE AND SYCAMORE GARDENS)

Effective 01/01/25

Locality: *Santa Barbara City*
All Dwelling Types

Localidad: *Ciudad de Santa Barbara*
Todo Tipo de Viviendas

Monthly Allowance
Mensualidades Autorizadas

UTILITY OR SERVICE (Utilidad O Servicio)	0-BR	1-BR	2-BR	3-BR	4-BR	5-Br+
ELECTRICITY (Electricidad)						
1. Basic (Básico)	26	34	45	55	69	80
2. Cooking (Cocinar)	9	10	11	11	15	19
3. Domestic Hot Water (Agua Caliente)	4	10	13	17	23	26
4. Heating (Calefacción)	5	9	12	15	19	20
5. All Electric (Todo Eléctrico)	44	63	81	98	126	145
NATURAL GAS (Gas Natural)						
1. Space Heating (Calefacción)	7	9	10	14	17	19
2. Cooking (Cocinar)	7	9	10	12	14	16
3. Domestic Hot Water (Agua Caliente)	5	11	14	16	22	24
4. All Natural Gas (Todo Gas Natural)	19	29	34	42	53	59
WATER (Agua)	19	28	39	50	55	65
SEWER (Drenaje)	18	24	33	52	58	69
TRASH (Colección De Basura)	15	19	24	42	42	42
RANGE (Estufa)	5	5	5	5	5	5
REFRIGERATOR (Refrigerador)	6	6	6	6	6	6

In-Lieu Fee Calculations

Existing Program

In-Lieu Fee Calculation for Ownership

The in-lieu fee amount for ownership projects is prorated based on project size. The amount is based on the Estimated Production Cost of a two-bedroom unit, the average unit size of market-rate units, and the number of proposed units. City staff calculates the in-lieu fee rate. The ownership in-lieu fee calculation method is provided in SBMC Chapter 30.160, Inclusionary Housing, and the Affordable Housing Policies and Procedures.

The following is a sample in-lieu fee calculation for Prototype I: Ownership Townhome.

The Estimated Production Cost of a two-bedroom unit is $1,129,750 as shown below in Table 18 (SBMC 30.160.070.B).

Estimate Production Cost Calculation Formula (SBMC 30.160.070.B)
Median Sales Price of 2-bedroom Condo – Developer Profit – Affordable Sale Price for Low-Income Household

Example Calculation (Existing Program): Estimated Production Cost
Estimated Production Cost = Median Sales Price of 2-bedroom Condo – Developer Profit – Affordable Sale Price for Low-Income Household

Median Sales Price of 2-bedroom Condominium Unit = $1,129,750 *(see* Table 18*)*
Developer Profit = 15% ($1,129,750 x 15% = $169,462.50)
Affordable Sale Price for Low-Income household = $152,200 (see Table 16*)*

$1,129,750 - $169,462.50 - $152,200 = $808,088

Table 18: Median 2-br Condominium Sales Price, Q1 2025, City of Santa Barbara

Condominium Address	Sales Price	# Beds	# Baths	Size (sf)	Year Built	Price per sf
401 Chapala St #405	$3,650,000	2	2	1969	2008	$1,854.00
929 Laguna St #D	$2,402,000	2	2.5	1901	2007	$1,264.00
350 Chapala St #301	$2,100,000	2	2	1868	2003	$1,124.00
208 Santa Barbara St #D	$2,050,000	2	2.5	1954	2003	$1,049.00
105 W De la Guerra St #Q	$1,995,000	2	2.5	1819	2007	$1,097.00
105 W De la Guerra St #R	$1,875,000	2	2.5	1820	2007	$1,030.00
362 Por la Mar Cir	$1,850,000	2	2	1100	1996	$1,682.00
3718 State St #315	$1,850,000	2	2	1627	2019	$1,137.00
400 E Pedregosa St #C	$1,800,000	2	2	1655	1962	$1,088.00
105 W De la Guerra St #P	$1,765,000	2	2.5	1809	2007	$976.00
216 Santa Barbara St #B	$1,660,000	2	2.5	1696	2004	$979.00
212 Santa Barbara St #B	$1,610,000	2	2.5	1696	2004	$949.00
2754 Miradero Dr	$1,595,000	2	2	1604	1963	$994.00
271 Calle Esperanza	$1,465,000	2	2.5	1499	1997	$977.00
18 E Valerio St	$1,340,000	2	2.5	1343	1980	$998.00
50 Barranca Ave #10	$1,295,000	2	2		1973	
15 W Arrellaga St #1	$1,280,000	2	2	1578	1987	$811.00
2824 Miradero Dr	$1,250,000	2	2	1358	1963	$920.00
2090 Cliff Dr	$1,246,000	2	2.5	1582	1983	$788.00
513 Coronel Pl #2	$1,175,000	2	2.5	1484	2003	$792.00
2525 State St #20	$1,150,000	2	1.5	1368	1967	$841.00
2633 State St #1	$1,132,000	2	2	1392	1958	$813.00
101 Oceano Ave #12	$1,127,500	2	2	892	1959	$1,264.00
1026 E De la Guerra St #2	$1,112,000	2	2	1375	1981	$809.00
2732 Miradero Dr	$1,099,000	2	2	1184	1963	$928.00
2732 Miradero Dr Unit A	$1,099,000	2	2	1184	1963	$928.00
1924 Bath St #B	$1,050,000	2	2	690	1924	$1,522.00
325 Ladera St #5	$975,000	2	2	1090	1987	$894.00
12 W Constance Ave #4	$975,000	2	2	1392	1958	$700.00
2821 Miradero Dr #D	$949,000	2	1.5	1088	1964	$872.00
972 Miramonte Dr #3	$940,500	2	1.5	1104	1973	$852.00
3340 McCaw Ave #205	$930,000	2	2	1246	1974	$746.00
1225 E Cota St #B	$925,000	2	2	1170	1987	$791.00
3639 San Remo Dr #18	$915,000	2	2	1049	1963	$872.00
520 E De la Guerra St #C	$910,000	2	1.5	1271	1985	$716.00
1600 Garden St #29	$905,000	2	2	1076	1968	$841.00
2648 State St #29	$900,000	2	2	1311	1968	$686.00
25 Ocean View Ave #A2	$898,149	2	1.5	1286	1981	$698.00
611 W Sola St #9	$890,000	2	1.5	1110	1983	$802.00
1121 Chino St #3	$890,000	2	1.5	1112	1977	$800.00
3663 San Remo Dr #1g	$880,000	2	2	1123	1968	$784.00
2525 State St #16	$875,000	2	2	1400	1968	$625.00
1600 Garden St #32	$799,000	2	2	889	1968	$899.00
2727 Miradero Dr #305	$760,000	2	2	1063	1969	$715.00
Median 2 br Sales Price	**$1,129,750**					

Notes: Based on previous 12 month sales within City of Santa Barbara as of Q1 2025.
Excludes sales prices associated with deed-restricted units.
Source: Redfin, 2025; BAE, 2025.

When market-rate units have an average unit size smaller than 1,700 square feet, the Estimated Production Cost is appropriately adjusted. (SBMC 30.160.070.D)

- 15 percent reduction when average market-rate unit sizes are 1,400 to 1,699 sf
- 20 percent reduction when average market-rate unit sizes are 1,100 to 1,399 sf
- 25 percent reduction when average market-rate unit sizes are 800 to 1,099 sf
- 30 percent reduction when average market-rate unit sizes are less than 800 sf

Adjusted Estimated Production Cost Calculation Formula (SBMC 30.160.070.D)
Estimated Production Cost – (Estimated Production Cost x Adjustment Percent)

Example Calculation (Existing Program): Adjusted Estimated Production Cost
Estimated Production Cost – (Estimated Production Cost x Adjustment Percent)
Estimated Production Cost = $808,088
Adjustment Percent = 20% reduction
$808,088 – ($808,088 x 20%) = $646,470

The ownership in-lieu fee rate for projects of two to nine units is five percent of the adjusted Estimated Production Cost. (SBMC 30.160.030.A.2)

In-Lieu Fee Rate for Two to Nine Unit Project Calculation Formula (SBMC 30.160.030.A.2)
Adjusted Estimated Production Cost x 5%

Example Calculation (Existing Program): In-Lieu Fee Rate for Two to Nine Unit Projects
Adjusted Estimated Production Cost x 5%
Adjusted Estimated Production Cost = $646,470
$646,470 x 5% = $32,324

The in-lieu fee amount for projects of two to nine units is the In-Lieu Fee Rate multiplied by one less than the number of units proposed in the project. (SBMC 30.160.030.A.2)

In-Lieu Fee Amount for Two to Nine Unit Project Calculation Formula (SBMC 30.160.030.A.2)
In-Lieu Fee Rate for Two to Nine Unit Project x (Total Proposed Units – 1 Unit)

Example Calculation (Existing Program): In-Lieu Fee Amount for Two to Nine Unit Projects
In-Lieu Fee Rate for Two to Nine Unit Project x (Total Proposed Units – 1 Unit)
In-Lieu Fee Rate for Two to Nine Unit Project = $32,324
Total Proposed Units = 4 units
*$32,324 x (4 units – 1 unit) = **$96,971***

In-Lieu Fee Calculation for Rental

The in-lieu fee amount for AUD Program rental projects is prorated based on project size. The amount is based on the in-lieu fee rate, inclusionary housing requirement, and net residential area of the project.

There is one formula used for all rental in-lieu fee amounts. (SBMC 30.150.120.C)

Rental In-Lieu Fee Amount Calculation Formula (SBMC 30.150.120.C)
Fractional Inclusionary Requirements / Total Inclusionary Requirement x In-Lieu Fee Rate x Net Floor Area

The in-lieu fee rate for all AUD Program rental projects is $25.00 per square foot. (SBMC 30.150.120.B)

The inclusionary housing requirement is 10 percent of the total proposed units. The in-lieu fee amount is based on the fractional remainder of the inclusionary housing requirement divided by the total inclusionary housing requirement. For projects of five to nine units, the fractional inclusionary requirement and total inclusionary requirement are always the same number. For projects of 10 or more units, the fractional inclusionary requirement will always be less than 0.5, since any inclusionary requirement calculation with a remainder of 0.5 or above is rounded up to the next whole number for onsite units.

The following are sample in-lieu fee calculations for Prototype III: Rental Townhome and Prototype V: Rental Mixed-Use Large.

Example Calculation (Existing Program): Rental In-Lieu Fee Amount for Prototype III
Fractional Inclusionary Requirements / Total Inclusionary Requirement x In-Lieu Fee Rate x Net Floor Area

Fractional Inclusionary Requirement = 0.5
Total Inclusionary Requirement = 0.5
In-Lieu Fee Rate = $25.00 per square foot
Net Floor Area = 4,525 square feet

0.5 / 0.5 x $25/sf x 4,525 sf = $113,125

Example Calculation (Existing Program): Rental In-Lieu Fee Amount for Prototype V
Fractional Inclusionary Requirements / Total Inclusionary Requirement x In-Lieu Fee Rate x Net Floor Area

Fractional Inclusionary Requirement = 0.3
Total Inclusionary Requirement = 4.3
In-Lieu Fee Rate = $25.00 per square foot
Net Floor Area = 34,873 square feet

0.3 / 4.3 x $25/sf x 34,873 sf = $60,825

In-Lieu Fee Rates and Inflation

The ownership in-lieu fee rate maintains a relationship with inflation and current costs because it is based on unit sales prices from the preceding four quarters.

The rental in-lieu fee rate is a static value of $25.00 per square foot and has not kept pace with inflation and current costs. The rate has remained $25.00 since it was adopted in 2019. To keep pace with inflation, based on the Consumer Price Index for all Urban Consumers (CPI-U) for the "Pacific" region, which is readily available from the U.S. Bureau of Labor Statistics, the rate would have increased 26.9 percent since adoption up to $31.72 per square foot (July 2019 to September 2025).

- *Inflation Adjustment Calculation:*
  Change in Inflation Rate = Current Inflation Rate – Previous Inflation Rate
  Inflation Adjustment = Change in Inflation Rate ÷ Previous Inflation Rate

  Example: Inflation Adjustment Calculation:
  Change in Inflation Rate = Current Inflation Rate – Previous Inflation Rate
  Current Inflation Rate (CPI-U September 2025) = 133.724
  Previous Inflation Rate (CPI-U July 2019) = 105.397
  133.724 – 105.397 = 28.327
  Change in Inflation Rate = 28.327

  Inflation Adjustment = Change in Inflation Rate ÷ Previous Inflation Rate
  Change in Inflation Rate = 28.327
  Previous Inflation Rate (CPI-U July 2019) = 105.397
  28.327 ÷ 105.397 = 26.9 percent increase
  Inflation Adjustment = 1.269

- *Adjusted In-Lieu Fee Rate Calculation:*
  Adjusted In-Lieu Fee Rate = Current In-Lieu Fee Rate x Inflation Adjustment

  Example: In-Lieu Fee Rate Adjustment Calculation:
  Adjusted In-Lieu Fee Rate = Current In-Lieu Fee Rate x Inflation Adjustment
  Current In-Lieu Fee Rate = $25.00 per square foot
  Inflation Adjustment = 1.269
  $25.00 x 1.269 = $31.72
  Adjusted In-Lieu Fee Rate = $31.72 per square foot

Estimated Construction Cost for an Affordable Unit

The estimated average construction cost for an affordable unit in Santa Barbara County is based on cost estimates provided in ten applications for tax credit funding that were submitted in 2023 and 2024 for proposed affordable housing developments in Santa Barbara, Ventura, and San Luis Obispo County. Cost information from applications was inflated to 2025 estimates based on the RS Means Historical Cost Index. Based on the information from these applications, the estimated average cost to construct an affordable housing unit in Santa Barbara County is approximately $757,000, as shown in Table 19 below.

This may underestimate the cost of constructing new affordable units in Santa Barbara; for example, the Housing Authority recently estimated that the cost to construct affordable housing in Santa Barbara averages approximately $1 million per unit. To the extent that the estimate of $757,000 understates the true average cost of constructing an affordable unit in Santa Barbara, this analysis may underestimate the fee that could be supported based on the nexus analysis.

Table 19: LIHTC Completed Project Sample for Construction Cost

Project Name City Tax Credit Type Application Year	Awarded?	Target Pop.	Units	Development Costs Category	Project	Project - Adjusted	Per Unit
College Community Courts (24-467)	Yes	**Large Family**	**57**	**Total**	**$42,275,756**	**$43,778,252**	**$768,040**
Ventura				Acquisition	$640,426	$663,187	$11,635
4%				Hard Costs	$26,144,574	$27,073,762	$474,978
2024				Soft Costs	$15,490,756	$16,041,303	$281,426
Bella Vista (24-172)	Yes	**Large Family**	**48**	**Total**	**$51,044,489**	**$52,858,628**	**$1,101,221**
Santa Barbara				Acquisition	$6,227,000	$6,448,310	$134,340
9%				Hard Costs	$35,209,723	$36,461,089	$759,606
2024				Soft Costs	$9,607,766	$9,949,229	$207,276
Arroyo Terrace (24-017)	Yes	**Large Family**	**63**	**Total**	**$36,598,716**	**$37,899,447**	**$601,579**
Arroyo Grande				Acquisition	$3,318,000	$3,435,923	$54,538
9%				Hard Costs	$23,161,146	$23,984,301	$380,703
2024				Soft Costs	$10,119,570	$10,479,223	$166,337
Monterey Senior (24-018)	Yes	**Senior**	**55**	**Total**	**$37,575,544**	**$38,910,992**	**$707,473**
San Luis Obispo				Acquisition	$4,426,000	$4,583,302	$83,333
9%				Hard Costs	$22,400,096	$23,196,203	$421,749
2024				Soft Costs	$10,749,448	$11,131,487	$202,391
Buellton Garden Apartments (23-497)	Yes	**Large Family**	**89**	**Total**	**$61,889,914**	**$65,053,408**	**$730,937**
Buellton				Acquisition	$2,065,741	$2,171,331	$24,397
4%				Hard Costs	$41,624,035	$43,751,641	$491,591
2023				Soft Costs	$18,200,138	$19,130,435	$214,949
Patterson Point (23-667)	Yes	**Special Needs**	**24**	**Total**	**$18,836,671**	**$19,799,505**	**$824,979**
Goleta				Acquisition	$2,940,000	$3,090,278	$128,762
4%				Hard Costs	$9,430,151	$9,912,172	$413,007
2023				Soft Costs	$6,466,520	$6,797,055	$283,211
Cleaver & Clark (23-030)	Yes	**Large Family**	**53**	**Total**	**$40,971,733**	**$43,065,997**	**$812,566**
Grover Beach				Acquisition	$2,992,360	$3,145,314	$59,346
9%				Hard Costs	$25,110,015	$26,393,510	$497,991
2023				Soft Costs	$12,869,358	$13,527,173	$255,230
Martha Garden Apartments (23-56)	Yes	**Special Needs**	**40**	**Total**	**$19,706,740**	**$20,714,047**	**$517,851**
San Luis Obispo				Acquisition	$3,438,000	$3,613,733	$90,343
9%				Hard Costs	$10,062,485	$10,576,827	$264,421
2023				Soft Costs	$6,206,255	$6,523,487	$163,087
Bridge Street Family Apartments (23-55)	Yes	**Large Family**	**31**	**Total**	**$25,001,889**	**$26,279,857**	**$847,737**
San Luis Obispo				Acquisition	$2,700,000	$2,838,010	$91,549
9%				Hard Costs	$13,653,889	$14,351,805	$462,961
2023				Soft Costs	$8,648,000	$9,090,041	$293,227
Village Senior Apartments (23-119)	Yes	**Special Needs**	**50**	**Total**	**$35,886,254**	**$37,720,575**	**$754,411**
Special Needs				Acquisition	$3,155,101	$3,316,374	$66,327
9%				Hard Costs	$20,930,000	$21,999,834	$439,997
2023				Soft Costs	$11,801,153	$12,404,367	$248,087
Weighted Avg				**Total (Adjusted)**			**$757,021**

Source: BAE, 2025.

Financial Feasibility Methodology

Financial feasibility was determined via the preparation of static pro-forma models for each development prototype, included in Appendix C.

Residual Land Value

The pro-formas calculate the Residual Land Value (RLV) for each development prototype. The RLV represents how much the developer can afford to pay for land after accounting for development costs (hard and soft) and developer profit. RLV is equal to the market value of the completed project net of total development costs and developer profit.

Residual Land Value Calculation Formula
Value of Completed Project – Total Development Cost – Developer Profit

- The value of a completed ownership project is the total revenue from unit sales minus the marketing costs.
- The value of a completed rental project is the annual sum of the collected monthly rents minus the vacancy rate and operating costs (the net operating income), divided by the capitalization ("cap") rate. The cap rate is a common metric used to estimate the value of a property based on its Net Operating Income (NOI), and varies based on property type, location, and other property-specific characteristics.
- Total development costs include both hard costs and soft costs.

Example Calculation: Prototype I: Ownership Townhome RLV
Value of Completed Project – Total Development Cost – Developer Profit
Value of Completed Project = Total Revenue – Marketing Costs
Total Revenue = $5,054,014
Marketing Costs = 5% Total Revenue (5% x $5,054,014 = $252,701)
$5,054,014 – $252,701 = $4,801,313
Total Development Cost = Hard Costs + Soft Costs
Hard Costs = $2,981,765
Soft Costs = $561,385
$2,981,765 + $561,385 = $3,543,150
Developer Profit = 15% Total Development Cost (15% x $3,543,150 = $531,472)
$4,801,313 – $3,543,150 – $531,472 = $726,692

Example Calculation: Prototype III: Rental Townhome RLV
Value of Completed Project – Total Development Cost – Developer Profit
Value of Completed Project = (Annual Rents Collected – Vacancy – Operating Costs) / Capitalization Rate
Annual Rents Collected = $272,418
Vacancy = 5% Annual Rents (5% x $272,418 = $13,621)

Operating Costs = 30% Annual Rents (30% x $272,418 = $81,725)
Capitalization Rate = 4.87%
($272,418 – $13,621 – $81,725) / 4.87% = $3,635,969
Total Development Cost = Hard Costs + Soft Costs
Hard Costs = $2,462,500
Soft Costs = $499,650
$2,462,500 + $499,650 = $2,962,150
Developer Profit = 10% Total Development Cost (10% x $2,962,150 = $296,215)
$3,635,969 – $2,962,150 – $296,215 = $377,604

Financial Feasibility Thresholds

Determination of financial feasibility for the development prototypes depend on comparable land values. Land valuation assumptions are based on recent sales in the City of Santa Barbara, as well as conversations with local developers.

Prototypes are considered financially feasible if they achieve the following RLV thresholds:

- RLV of $125.00 per site square foot ($125/sf) for projects in the Medium-High Density and High Density areas, which allows for densities up to 27 du/acre and 36 du/acre, respectively.
- RLV of $150.00 per site square foot ($150/sf) for projects in the Priority Housing Overlay, which allows for densities up to 63 du/acre.
- Prototypes achieving an RLV of between $125 and $150/sf in the Priority Housing Overlay are considered marginally feasible. These marginally feasible prototypes *could* be made feasible under more favorable conditions, such as a discounted land value or participation with a longer term property owner.

Table 20: Comparable Land Sales, Santa Barbara

Address	City	Ac.	Sq. Ft.	Sale Year	Sale Price	Price per Acre	Price psf
428 Anacapa St	Santa Barbara	0.15	6,534	2023	$1,500,000	$10,000,000	$229.57
102 W De La Guerra St	Santa Barbara	0.59	25,700	2023	$4,578,750	$7,760,593	$178.16
117 E Ortega St	Santa Barbara	1.06	46,174	2023	$7,815,600	$7,373,208	$169.27
1317 Punta Gorda St	Santa Barbara	0.55	23,958	2022	$3,850,000	$7,000,000	$160.70
Camino Pescadero	Unincorporated	0.82	35,719	2023	$3,950,000	$4,817,073	$110.58
105 San Angelo Ave	Unincorporated	1.30	56,628	2024	$3,070,000	$2,361,538	$54.21
4085 State St	Unincorporated	1.71	74,488	2023	$3,025,000	$1,769,006	$40.61
					Avg.	**$5,868,774**	**$134.73**

Note: Includes land sales since 2023, including those with proposed multifamily use, or location near downtown Santa Barbara.
Source: CoStar, 2025; Santa Barbara County Assessor, 2024; BAE, 2025

APPENDIX B: INPUT FROM PRACTITIONERS

BAE conducted a series of one-on-one interviews with nine professionals in the Santa Barbara development community to help inform this Study. The interviews included members from the private sector as well as non-profit and affordable housing providers including the Housing Authority of the City of Santa Barbara. The interviews focused on collecting detailed assumptions for the financial feasibility analysis, as well as soliciting general feedback on the impact that changes to the City's Existing Program might have on development feasibility in Santa Barbara.

Accordingly, BAE sought information related to inputs for pro-formas including construction costs (hard and soft), developer profit thresholds, operating expenses, capitalization rates, land values, and other financial assumptions.

The interviews also helped inform the development prototypes, including factors such as optimal unit size and mix, parking ratios, amenities, and other factors. To this end, local practitioners also provided information on development programs and design features for numerous conceptual, planned, and completed residential projects, which also informed the prototypes.

As requested by City Staff, BAE also solicited more specific information where applicable, including the cost of design solutions related to Tier 4 stormwater mitigation regulations, the impact of affordability covenant length (e.g., 55 versus 90 years) on development strategies, and projected costs associated with the adaptive reuse of commercial buildings.

Financial Feasibility of Residential Development

Many interviewees noted that financial feasibility remains a significant challenge for new residential development in the City of Santa Barbara.

Contributing factors include persistently high interest rates that have made the cost of borrowing higher than in previous development cycles. Banks have also tightened their lending criteria, making it more difficult for developers to secure financing. Some developers noted that the lack of financing has indeed paused some residential projects in the City's residential pipeline, requiring applicants to pursue extensions for their entitlements.

Practitioners also noted significant increases in construction costs, due to factors such as construction labor shortages, materials costs and the potential effect of tariffs. For the residential projects that are moving forward, developers noted that there are often unique factors at play. A forthcoming residential development comprised of "microunits," for example, is only financially feasible due to the cross-subsidy of a more lucrative commercial component (e.g., storage space).

Site Availability

Practitioners reported that obtaining suitable development sites can also represent a key obstacle to producing new housing in Santa Barbara. Santa Barbara is mostly built out with few vacant sites, which means that developers often must purchase property with an existing income-generating use in order to pursue redevelopment. Property owners can be unwilling to sell an income-producing property to make the site available for redevelopment, and due to small lot sizes, many projects also require combining multiple lots to make development feasible. Stakeholders cited challenges in obtaining sites as a barrier to feasibility, particularly for projects along State Street.

Experience with Existing Inclusionary Program

While the City's Inclusionary Program for rental units has been in effect since 2019, some practitioners noted that they have not yet been subject to the Program, as their applications were submitted prior to ordinance implementation. As such, some local developers still do not have direct experience working with City staff to prepare and submit the required Affordable Housing Plans and related marketing materials.

Onsite Unit versus Fee Options

Nearly all practitioners indicated that if given the choice, they would prefer to pay an in-lieu fee rather than provide onsite affordable units under current requirements.

It should be noted that **even if the in-lieu fee rates were raised** to equal the net cost of providing onsite affordable units as required under the Existing Program, most practitioners' preference would be to "fee out" by paying an in-lieu fee and not providing onsite units. Explanations included factors such as the additional paperwork involved in executing the covenant, perceived difficulty in finding qualified applicants at the appropriate income level, and the inability to capture market rents over the covenant period. Over the long-term, property owners are also required to file reports with the City annually and upon each change in occupancy to ensure compliance with the affordability conditions.

Given the strong preference for paying an in-lieu fee versus providing onsite units, the City may wish to ensure that any updated fee rates are appropriately calibrated to meet City goals.

Affordability Covenant Lengths

Santa Barbara requires a 90-year affordability term for inclusionary units. These affordability terms are longer than those required by the State of California, which generally requires 55-year affordability covenants for projects built pursuant to the State Density Bonus Law.

Most development practitioners indicated that covenant length differences **on their own** are not likely to influence development decisions, especially when compared to the many incentives offered by the State. If incentives granted under AUD Program and/or a local density bonus program were to match those already granted by the State, the City could face a

situation in which covenant length played more of a role in developer decisions. However, this is not currently the case.

AUD Program

Generally speaking, applicants reported taking advantage of the maximum unit size to which they are entitled under the AUD Program. More broadly, some stakeholders noted that the AUD Program has essentially implemented a "cap" on net rentable residential floor-area-ratio (FAR) by regulating the maximum average unit size. However, due to the fact that non-leasable floor area (e.g. amenity space) does not count towards maximum building area, this can have the unintended consequence of layouts that are not as efficient, with comparatively high building-wide "circulation factors."

Parking Requirements

Many interviewees expressed that they generally aim to provide one parking space per unit for residential projects, even if allowed to provide less. Others reported having undertaken projects with fewer than one space per unit and expressed a continued interest in lower parking ratios. Developers in Santa Barbara have generally avoided building underground parking due to the high cost of underground construction and issues with water tables, and some have used parking lifts to expand the amount of parking available in at-grade garages.

Storm Water Management Program - Tier 4 Requirements

Most new residential projects within the City of Santa Barbara must comply with the City's Storm Water Management Program (SWMP). New residential projects are required to incorporate permanent storm water protection best management practices (BMPs), which are based on the quantity of "new or replaced" impervious surface.

Of particular note to this Study, "Tier 4" storm water regulations apply to impervious surface areas of 15,000 sf or more, and would *likely* apply to Prototypes V, SDBL-I, and SDBL-II. Given the high lot coverage of these prototypes, design solutions to comply with Tier 4 almost certainly require utilizing cisterns, large above ground rain barrels, and/or underground storage tanks.

Practitioners noted that permeable pavement, which is a less expensive BMP compared to underground storage tanks, is not always an option. Soil engineers, for example, often disallow permeable pavement treatments near the base of a building as they can accumulate moisture near the foundation. Practitioners noted that Tier 4 design solutions such as underground cisterns can add significant cost, impacting financial feasibility, for example, between $250,000 and $1 million in hard costs to the residential project. The updated regulations, which went into effect on March 1, 2021, apply to all projects, regardless of whether they require a discretionary permit.

Potential for Condominium Development

Condominium development is less incentivized when compared to multi-unit rental development, due in part to lower allowable densities when compared to AUD Rental projects in the Priority Housing Overlay. Some stakeholders expressed an interest in condominium development if the standards were changed to allow condominium densities more similar to the allowable densities for rental developments in the Priority Housing Overlay. Stakeholders stated that condominiums can be attractive to a developer in part because the developer can build the units and sell them relatively quickly, whereas rental developments tend to require a longer holding period. Some stakeholders see condominiums as potential starter homes in Santa Barbara's expensive for-sale market, though some expressed skepticism that even condominiums would be truly affordable.

State Density Bonus Law versus AUD Program

Nearly all interviewees indicated that State Density Bonus Law incentives are comparatively more attractive to pursue than development within the AUD Program and/or the City's Local Density Bonus Program. State law requires local governments to grant "waivers" or reductions of development standards that would "physically preclude the construction of a development" at the densities or with the concessions/incentives permitted. Unlike incentives, waivers are not limited in number and are not tied to an implied showing of cost reduction. As such, many practitioners indicated that their projects would not be able to be realized without the utilization of these waivers.

Experience with Local Density Bonus Ordinance

Comparatively few practitioners interviewed were familiar with the City's Local Density Bonus Program. Those that were familiar agreed that the local program is not currently competitive with the Statewide program, due in large part to the broad availability of waivers allowed by the State. As long as the ability to request such waivers is in place, one applicant reported it was "hard to imagine" using the existing Local Density Bonus Ordinance.

APPENDIX C: RESIDENTIAL PRO-FORMAS

This appendix provides the detailed pro-formas for residential development prototypes used in the Inclusionary Housing and In-Lieu Fee Study based on the Existing Program. This appendix also includes a description of the key assumptions used in the residential pro-formas.

Key Assumptions

BAE developed the various modeling inputs and assumptions needed for the financial feasibility analysis based on interviews with residential developers who are active in the local area, data from industry publications and databases, experience with recent development projects in the local area, and other research. Developers vary somewhat in the categorization of various project costs, and therefore may show different cost figures for individual cost items even for projects with similar overall development costs. Any variation in the specific cost items described below would not affect the findings of this analysis provided that the total development costs for the prototype projects are consistent with total development costs for similar projects.

Hard Costs: Hard costs are all costs associated with the physical construction of a building, including all construction materials and labor (non-prevailing wage). This analysis uses a hard cost assumption of $425.00 per gross foot of residential and non-residential space for the rental prototypes, and $500.00 per gross square foot of residential space for the ownership prototypes.

For Prototype V, Prototype SDBL-I, and Prototype SDBL-II requiring Tier 4 storm water mitigation measures due to larger impervious surface areas, a cost premium (additional $17/sf gross building area) is applied based on feedback from local developers.

Parking is included as a separate cost item in order to estimate the specific cost of building parking in these projects. Based on stakeholder interviews, estimated cost for a podium parking space is approximately $40,000 per space.

Soft Costs: Soft costs may include design, legal, permitting and developer fees. This analysis assumes that soft costs are equal to approximately 15 percent of hard costs, as corroborated during interviews with local developers as well as BAE research. This soft cost estimate includes engineering, architecture, financing, and City fees for planning, permitting, and entitlements, but does not include the cost of inclusionary in-lieu fees, which are included as a separate line item in the pro-formas.

Affordable Residential Rents: The affordable rental rates used in this analysis are based on income limits for households at each income level, as published by the City of Santa

Barbara in April of each year, assuming an affordable rent equal to 30 percent of the total household income. Additional information on Affordable Rents can be found in Appendix A.

Market-Rate Residential Rents: Market-Rate rents used in this Study are based on Q1 2025 data from CoStar for newly-constructed (2017-2025) multiunit residential properties. The dataset includes approximately 387 units in 12 buildings. Price per square foot values were used to calculate market-rate rents based on prototype unit sizes for each residential pro-forma.

Market-Rate Residential Sale Prices: This analysis assumes that sale prices for market-rate units will average approximately $1,100.00 per net residential square foot for condominiums. This assumption is based on information provided by data from Redfin for sale prices among recently-sold condominiums in Santa Barbara.

Affordable Residential Sale Prices: The affordable sale prices used in this analysis are based on 2025 figures published by the City of Santa Barbara. Additional information on Affordable Residential Sales Prices can be found in Appendix A.

Residential Rental Operating Expenses: This analysis assumes an estimate of 30 percent of gross revenues per year for all residential rental units.

Developer Profit: Real estate development has higher risk compared to many other types of investment activity, so developers tend to seek higher profit threshold on real estate projects than other investment options as a requirement for deciding whether to pursue a project. As corroborated during interviews with local developers, this study assumes a 10 percent profit threshold (expressed as a percentage of total hard and soft costs) for rental prototypes, and a 15 percent profit threshold for ownership prototypes.

Figure 4: Financial Feasibility under Existing Program, Prototype I: Ownership Townhome Prototype

Development Program Assumptions			
Site Size (acres)		0.21	
Site Size (sf)		9,000	
Total Dwelling Units		**4**	
Avg. Unit Size (net, sf)		1,131	
Gross Building Area (sf)		5,324	
Net (% of gross res. area)		85%	
Net (sf)		4,525	
Total Parking Spaces		0	
Podium Spaces		8	
Tuck-Under Spaces		0	
Parking Ratio (spaces per dwelling unit)		2.00	
Unit Mix	%	#	
One-Bedroom	0%	0	
Two-Bedrooms	100%	4	
Three-Bedrooms	0%	0	
Affordability Share			
Market	100%	4	(a)
Middle/Upper Middle	0%	0	
Affordable Breakdown	**Aff**	**Market**	
One-Bedroom	0	0	
Two-Bedrooms	0	4	
Three-Bedrooms	0	0	
Total	0	4	

Cost and Income Assumptions		
Development Costs		
Construction Hard Costs		
Residential, per sf (includes Site Prep)	$500.00	(b)
Podium Parking, per space	$40,000	
Soft Costs (as a % of hard costs)	15%	(c)
School Fee (per sf residential)	$3.79	(d)
Market Rate Sales Prices		(e)
Market-Rate 1 BR	$830,000	
Market-Rate 2 BR	$1,263,504	
Market Rate 3 BR	$1,395,000	
Middle-Income Sales Prices		(f)
Middle Income 1 BR	$355,700	
Midldle Income 2 BR	$444,600	
Middle Income 3 BR	$503,800	
Marketing and Sales Costs (% of Sale Price)	5%	
Developer Profit (as % of total hard and soft costs)	15%	

Development Cost Analysis		
Hard Costs		
Residential	$2,661,765	
Podium Parking	$320,000	
Underground Parking	$0	
Total Hard Costs	**$2,981,765**	
Hard Costs per Unit	*$745,441*	
Hard Costs per Gross Building sf	*$560*	
Soft costs	$447,265	
School Fee	$17,150	
In-Lieu Fee	$96,971	(g)
Total Soft Costs	**$561,385**	
Developer Profit	**$531,472**	
Total Development Costs (Excl. Land)	**$4,074,622**	
Cost per residential sf	*$765*	
Cost per residential unit	*$1,018,656*	

Valuation Analysis	
Projected Revenue	
Gross Sales from Market Rate Units	$5,054,014
Sales from Moderate 1 BRs	$0
Sales from Moderate 2 BRs	$0
Sales from Moderate 3 BRs	$0
Total Gross Revenue	$5,054,014
Less Marketing Costs	($252,701)
Less Total Development Costs	**($4,074,622)**
Residual Land Value (RLV)	*$726,692*
RLV per Site sf	***$81***
Feasibility Threshold per Site sf	*$125*
Financially Feasible?	***No***

Notes:
(a) Per Santa Barbara Municipal Code Chapter 30.160, ownership projects with less than ten units pay an In-Lieu Fee.
(b) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assumes Tier 3 Stormwater Requirements.
(c) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(d) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(e) Based on sales of recently-sold (previous 12 months) condominiums in City of Santa Barbara, adjusted on a price-per-square foot basis to match prototype.
(f) Per published 2025 Maximum Sales Prices by Bedroom Count for "Middle" Income (120-160% AMI), City of Santa Barbara
(g) Per Santa Barbara Municipal Code Section 30.160.030, Developments of Less Than Ten Units But More Than One Unit –Payment of an In-Lieu Fee.
In-Lieu Fee shall equal 5% of the In-Lieu Fee specified by Subsection 30.160.070.B, Calculation of In-Lieu Fee, multiplied by the number of units less one unit
Equals $1,129,750 x 0.85 - $152,200 = $808,087 x 0.8 x 0.05 x 3
Source: BAE, 2025.

Figure 5: Financial Feasibility, Prototype I with Recommended Small Project In-Lieu Fee $35.00/sf

Development Program Assumptions			
Site Size (acres)		0.21	
Site Size (sf)		9,000	
Total Dwelling Units		**4**	
Avg. Unit Size (net, sf)		1,131	
Gross Building Area (sf)		5,324	
Net (% of gross res. area)		85%	
Net (sf)		4,525	
Total Parking Spaces		0	
Podium Spaces		8	
Parking Ratio (spaces per dwelling unit)		2.00	
Unit Mix	%	#	
One-Bedroom	0%	0	
Two-Bedrooms	100%	4	
Three-Bedrooms	0%	0	
Affordability Share			
Market	100%	4	(a)
Middle/Upper Middle	0%	0	
Affordable Breakdown	**Aff**	**Market**	
One-Bedroom	0	0	
Two-Bedrooms	0	4	
Three-Bedrooms	0	0	
Total	0	4	

Cost and Income Assumptions		
Development Costs		
Construction Hard Costs		
Residential, per sf (includes Site Prep)	$500.00	(b)
Podium Parking, per space	$40,000	
Soft Costs (as a % of hard costs)	15%	(c)
School Fee (per sf residential)	$3.79	(d)
In-Lieu Fee	$35.00	
Market Rate Sales Prices		(e)
Market-Rate 1 BR	$830,000	
Market-Rate 2 BR	$1,263,504	
Market Rate 3 BR	$1,395,000	
Middle-Income Sales Prices		(f)
Middle Income 1 BR	$355,700	
Midldle Income 2 BR	$444,600	
Middle Income 3 BR	$503,800	
Marketing and Sales Costs (% of Sale Price)	5%	
Developer Profit (as % of total hard and soft costs)	15%	

Development Cost Analysis		
Hard Costs		
Residential	$2,661,765	
Podium Parking	$320,000	
Total Hard Costs	**$2,981,765**	
Hard Costs per Unit	*$745,441*	
Hard Costs per Gross Building sf	*$560*	
Soft costs	$447,265	
School Fee	$17,150	
In-Lieu Fee	$158,375	(g)
Total Soft Costs	**$622,789**	
Developer Profit	**$540,683**	
Total Development Costs (Excl. Land)	**$4,145,237**	
Cost per residential sf	*$779*	
Cost per residential unit	*$1,036,309*	

Valuation Analysis	
Projected Revenue	
Gross Sales from Market Rate Units	$5,054,014
Sales from Moderate 1 BRs	$0
Sales from Moderate 2 BRs	$0
Sales from Moderate 3 BRs	$0
Total Gross Revenue	$5,054,014
Less Marketing Costs	($252,701)
Less Total Development Costs	**($4,145,237)**
Residual Land Value (RLV)	*$656,076*
RLV per Site sf	***$73***
Feasibility Threshold per Site sf	*$125*
Financially Feasible?	***No***
RLV Existing	***$81***

Notes:
(a) Per Santa Barbara Municipal Code Chapter 30.160, ownership projects with less than ten units pay an In-Lieu Fee.
(b) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assumes Tier 3 Stormwater Requirements.
(c) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(d) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(e) Based on sales of recently-sold (previous 12 months) condominiums in City of Santa Barbara, adjusted on a price-per-square foot basis to match prototype.
(f) Per published 2025 Maximum Sales Prices by Bedroom Count for "Middle" Income (120-160% AMI), City of Santa Barbara.
(g) Based on recommended in-lieu fee calculation method and in-lieu fee rate. Calculation = 0.5 divided by 0.5 x $35 x 4,525 sf
Source: BAE, 2025

Figure 6: Financial Feasibility under Existing Program, Prototype II: Ownership Condominium Prototype

Development Program Assumptions			
Site Size (acres)		0.34	
Site Size (sf)		15,000	
Total "Base" Units		**13**	
Total Dwelling Units		**15**	(a)
Avg. Unit Size (net, sf)		970	
Gross Building Area (sf)		18,188	
Net (% of gross res. area)		80%	
Net (sf)		14,550	
Total Parking Spaces		24	
Podium Spaces		24	
Tuck-Under Spaces		0	
Parking Ratio (spaces per dwelling unit)		1.60	
Unit Mix	%	#	
One-Bedroom	0%	0	
Two-Bedrooms	100%	15	
Three-Bedrooms	0%	0	
Affordability Share			
Middle/Upper Middle	15%	1.95	(b)
Middle/Upper Middle (adjusted)		2.0	(b)
Affordable Breakdown	**Aff**	**Market**	
One-Bedroom	0.0	0.0	
Two-Bedrooms	2.0	13.0	
Three-Bedrooms	0.0	0.0	
Total	2.0	13.0	

Cost and Income Assumptions		
Development Costs		
Construction Hard Costs		
Residential, per sf	$500.00	(c)
Podium Parking, per space	$40,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fee (per sf residential)	$3.79	(e)
Market Rate Sales Prices		(f)
Market-Rate 1 BR	n/a	
Market-Rate 2 BR	$1,083,402	
Market Rate 3 BR	n/a	
Middle Income Sales Prices		(g)
Middle Income 1 BR	$355,700	
Midldle Income 2 BR	$444,600	
Middle Income 3 BR	$503,800	
Marketing and Sales Costs	5%	
(% of Sale Price)		
Developer Profit	15%	
(as % of total hard and soft costs)		

Development Cost Analysis		
Hard Costs		
Residential	$9,093,750	
Podium Parking	$960,000	
Underground Parking	$0	
Total Hard Costs	**$10,053,750**	
Hard Costs per Unit	*$670,250*	
Hard Costs per Gross Building sf	*$553*	
Soft costs	$1,508,063	
School Fee	$68,931	
In-Lieu Fee	n/a	
Total Soft Costs	**$1,576,993**	
Developer Profit	**$1,744,611**	
Total Development Costs (Excl. Land)	**$13,375,355**	
Cost per residential sf	*$735*	
Cost per residential unit	*$891,690*	

Valuation Analysis	
Projected Revenue	
Gross Sales from Market Rate Units	$14,084,226
Sales from Moderate 1 BRs	$0
Sales from Moderate 2 BRs	$889,200
Sales from Moderate 3 BRs	$0
Total Gross Revenue	$14,973,426
Less Marketing Costs	($748,671)
Less Total Development Costs	**($13,375,355)**
Residual Land Value (RLV)	*$849,400*
RLV per Site sf	***$57***
Feasibility Threshold per Site sf	*$150*
Financially Feasible?	***No***

Notes:
(a) Includes the two required onsite units as "Bonus" density, as allowed for inclusionary ownership projects.
(b) Per Santa Barbara Municipal Code Chapter 30.160, ownership projects with 10+ units to include fifteen percent (15%) of the units be sold at prices affordable to Middle-Income households.
(b) In determining the number of Inclusionary Units required by Chapter 30.160, Inclusionary Housing, any decimal fraction of 0.5 or more shall be rounded up.
(c) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on sales of recently-sold (previous 12 month) condominiums in City of Santa Barbara, adjusted on a price-per-square foot basis to match prototype.
(g) Per published 2025 Maximum Sales Prices by Bedroom Count for "Middle" Income (120-160% AMI), City of Santa Barbara
Source: BAE, 2025.

Figure 7: Financial Feasibility, Ownership Prototype II: Recommended Option G1

Development Program Assumptions			
Site Size (acres)		0.34	
Site Size (sf)		15,000	
Total "Base" Units		**13**	
Total Dwelling Units		**15**	(a)
Avg. Unit Size (net, sf)		970	
Gross Building Area (sf)		18,188	
Net (% of gross res. area)		80%	
Net (sf)		14,550	
Total Parking Spaces		24	
Podium Spaces		24	
Tuck-Under Spaces		0	
Parking Ratio (spaces per dwelling unit)		1.60	
Unit Mix	%	#	
One-Bedroom	0%	0	
Two-Bedrooms	100%	15	
Three-Bedrooms	0%	0	
Affordability Share			
Middle/Upper Middle	15%	1.95	(b)
Middle/Upper Middle (adjusted)		1.0	(b)
Fractional Unit Required		0.95	
Affordable Breakdown	**Aff**	**Market**	
One-Bedroom	0.0	0.0	
Two-Bedrooms	1.0	14.0	
Three-Bedrooms	0.0	0.0	
Total	1.0	14.0	

Cost and Income Assumptions		
Development Costs		
Construction Hard Costs		
Residential, per sf	$500.00	(c)
Podium Parking, per space	$40,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fee (per sf residential)	$3.79	(e)
In-Lieu Fee	$50.00	
Market Rate Sales Prices		(f)
Market-Rate 1 BR	n/a	
Market-Rate 2 BR	$1,083,402	
Market Rate 3 BR	n/a	
Middle Income Sales Prices		(g)
Middle Income 1 BR	$355,700	
Midldle Income 2 BR	$444,600	
Middle Income 3 BR	$503,800	
Marketing and Sales Costs	5%	
(% of Sale Price)		
Developer Profit	15%	
(as % of total hard and soft costs)		

Development Cost Analysis		
Hard Costs		
Residential	$9,093,750	
Podium Parking	$960,000	
Total Hard Costs	**$10,053,750**	
Hard Costs per Unit	*$670,250*	
Hard Costs per Gross Building sf	*$553*	
Soft costs	$1,508,063	
School Fee	$68,931	
In-Lieu Fee	$354,423	(h)
Total Soft Costs	**$1,931,416**	
Developer Profit	**$1,797,775**	
Total Development Costs (Excl. Land)	**$13,782,941**	
Cost per residential sf	*$758*	
Cost per residential unit	*$918,863*	
Projected Revenue		
Gross Sales from Market Rate Units	$15,167,628	
Sales from Middle-Income 1 BRs	$0	
Sales from Middle-Income 2 BRs	$444,600	
Sales from Middle-Income 3 BRs	$0	
Total Gross Revenue	$15,612,228	
Less Marketing Costs	($780,611)	
Less Total Development Costs	**($13,782,941)**	
Residual Land Value (RLV)	*$1,048,675*	
RLV per Site sf	***$70***	
Feasibility Threshold per Site sf	*$150*	
Financially Feasible?	***No***	
RLV Base	***$57***	

Notes:
(a) Includes the two required onsite units as "Bonus" density, as allowed for inclusionary ownership projects.
(b) Per SBMC Chapter 30.160, ownership projects with 10+ units to include fifteen percent (15%) of the units be sold at prices affordable to Middle-Income households.
(b) Hypothetical scenario testing ability to pay a fractional fee instead of current requirements to round up any decimal fraction of 0.5 or more.
(c) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on sales of recently-sold (previous 12 month) condominiums in City of Santa Barbara, adjusted on a price-per-square foot basis to match prototype.
(g) Per published 2025 Maximum Sales Prices by Bedroom Count for "Middle" Income (120-160% AMI), City of Santa Barbara.
(h) Per Santa Barbara Municipal Code Chapter 30.160, to calculate Fractional In-Lieu Fee, divide the amount of the remainder (0.95) by total number of Inclusionary Units required (1.95), multiplied by the recommended in-lieu fee rate of $50. Multiply result by net residential square feet.
Source: BAE, 2025.

Figure 8: Financial Feasibility under Existing Program, Prototype III: Rental Townhome Prototype

Development Program Assumptions		
Site Size (acres)		0.34
Site Size (sf)		9,000
Total Dwelling Units		**5**
Commercial Space (sf, gross)		0
Gross Residential Area (sf)		5,324
Gross Building Area (exc. parking, sf)		5,324
Residential Circulation eff (%)		85%
Net Residential (sf)		4,525
Average Unit Size (net, sf)		905
Total Parking Spaces		0
Surface Spaces		0
Podium Spaces		5
Underground Spaces		0
Parking Ratio (spaces/du)		**1.00**
Unit Mix	**%**	**#**
Studio	0%	0.0
One-Bedroom	0%	0.0
Two-Bedrooms	80%	4.0
Three-Bedrooms	20%	1.0
Total	100%	**5.0**
Affordable Units	10%	0.50 (a)
Affordable Breakdown	**Aff**	**Market**
Studio	0.0	0.0
One-Bedroom	0.0	0.0
Two-Bedrooms	0.0	4.0
Three-Bedrooms	0.0	1.0

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$425	(b)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(c)
School Fee (per sf residential)	$3.79	(d)
In-Lieu Fee	$25.00	
Operating Revenues & Expenses		
Market Rate Studio, per Month	$3,539	(e)
Market Rate 1 BR, per Month	$3,771	
Market Rate 2 BR, per Month	$4,455	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(f)
Moderate Income Studio, per Month	$1,604	
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$2,262,500	
Commercial	$0	
Podium Parking	$200,000	
Underground Parking	$0	
Parking Stackers	$0	
Total Hard Costs	**$2,462,500**	
Hard Costs per Unit	*$492,500*	
Soft Costs	$369,375	
School Fee	$17,150	
In-Lieu Fee	$113,125	(g)
Total Soft Costs	**$499,650**	
Developer Profit	**$296,215**	
Total Development Costs (Excl. Land)	**$3,258,365**	
Cost per non parking sf	*$612*	
Cost per residential unit	*$651,673*	

Valuation Analysis	
Projected Revenue	
Gross Annual Income	$272,418
Less: Vacancy	($13,621)
Less: Operating Expenses	($81,725)
Net Operating Income (NOI)	**$177,072**
Capitalized Project Value	$3,635,969
Less Total Development Costs	($3,258,365)
Residual Land Value (RLV)	*$377,604*
RLV per Site sf	***$42***
Feasibility Threshold per Site sf	*$125*
Financially Feasible?	***No***

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(c) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(d) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(e) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on the unit mix in the prototype.
(f) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
(g) Per Santa Barbara Municipal Code Section 30.150.120, to calculate Fractional In-Lieu Fee, divide the amount of the remainder by total number of Inclusionary Units required, multiplied by the current in-lieu fee rate of $25. Multiply result by net residential square feet. Calculation = 0.5 divided by 0.5 x $25 x 4,525 sf
Source: BAE, 2025.

Figure 9: Financial Feasibility, Rental Prototype III: Recommended Small Project In-Lieu Fee $35.00/sf

Development Program Assumptions			
Site Size (acres)		0.34	
Site Size (sf)		9,000	
Total Dwelling Units		**5**	
Commercial Space (sf, gross)		0	
Gross Residential Area (sf)		5,324	
Gross Building Area (exc. parking, sf)		5,324	
Residential Circulation eff (%)		85%	
Net Residential (sf)		4,525	
Average Unit Size (net, sf)		905	
Total Parking Spaces		0	
Surface Spaces		0	
Podium Spaces		5	
Underground Spaces		0	
Parking Ratio (spaces/du)		**1.00**	
Unit Mix	**%**	**#**	
Studio	0%	0.0	
One-Bedroom	0%	0.0	
Two-Bedrooms	80%	4.0	
Three-Bedrooms	20%	1.0	
Total	100%	**5.0**	
Affordable Units	10%	0.50	(a)
Affordable Breakdown	**Aff**	**Market**	
Studio	0.0	0.0	
One-Bedroom	0.0	0.0	
Two-Bedrooms	0.0	4.0	
Three-Bedrooms	0.0	1.0	

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$425	(b)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(c)
School Fee (per sf residential)	$3.79	(d)
In-Lieu Fee	$35.00	
Operating Revenues & Expenses		
Market Rate Studio, per Month	$3,539	(e)
Market Rate 1 BR, per Month	$3,771	
Market Rate 2 BR, per Month	$4,455	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(f)
Moderate Income Studio, per Month	$1,604	
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$2,262,500	
Commercial	$0	
Podium Parking	$200,000	
Underground Parking	$0	
Parking Stackers	$0	
Total Hard Costs	**$2,462,500**	
Hard Costs per Unit	*$492,500*	
Soft Costs	$369,375	
School Fee	$17,150	
In-Lieu Fee	$158,375	(g)
Total Soft Costs	**$544,900**	
Developer Profit	**$300,740**	
Total Development Costs (Excl. Land)	**$3,308,140**	
Cost per non parking sf	*$621*	
Cost per residential unit	*$661,628*	

Valuation Analysis	
Projected Revenue	
Gross Annual Income	$272,418
Less: Vacancy	($13,621)
Less: Operating Expenses	($81,725)
Net Operating Income (NOI)	**$177,072**
Capitalized Project Value	$3,635,969
Less Total Development Costs	($3,308,140)
Residual Land Value (RLV)	*$327,829*
RLV per Site sf	***$36***
Feasibility Threshold per Site sf	*$125*
Financially Feasible?	***No***
RLV Existing Fee	***$42***

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(c) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(d) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(e) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate is weighted based on unit mix in the prototype.
(f) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
(g) Per Santa Barbara Municipal Code Section 30.150.120, to calculate Fractional In-Lieu Fee, divide the amount of the remainder by total number of Inclusionary Units required, multiplied by the recommended in-lieu fee rate of $35. Multiply result by net residential square feet. Calculation = 0.5 divided by 0.5 x $35 x 4,525 sf
Source: BAE, 2025.

Figure 10: Financial Feasibility under Existing Program, Prototype IV: Rental Mixed-Use Prototype

Development Program Assumptions		
Site Size (acres)		0.34
Site Size (sf)		15,000
Total Dwelling Units		**20**
Commercial Space (sf, gross)		1,096
Gross Residential Area (sf)		19,082
GBA (excluding parking, sf)		20,178
Residential Circulation eff (%)		85%
Net Residential (sf)		16,220
Average Unit Size (net, sf)		811
Total Parking Spaces		24
Surface Spaces		0
Podium Spaces		24
Underground Spaces		0
Parking Ratio (spaces/du)		**1.20**
Garage Size (sf)		10,362
Unit Mix	**%**	**#**
Studio	0%	0.0
One-Bedroom	25%	5.0
Two-Bedrooms	75%	15.0
Three-Bedrooms	0%	0.0
Total	100%	**20.0**
Affordable Units	10%	2.0 (a)
Affordable Breakdown	**Aff**	**Market**
Studio	0.0	0.0
One-Bedroom	1.0	4.0
Two-Bedrooms	1.0	14.0
Three-Bedrooms	0.0	0.0
Total	2.0	18.0

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$425.00	(b)
Commercial Hard Costs, per sf	$425	(c)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fees (per sf residential)	$3.79	(e)
School Fees (per sf commercial)	$0.78	(e)
Market-Rate Rental Prices		(f)
Market Rate Studio, per Month	$3,539	
Market Rate 1 BR, per Month	$3,657	
Market Rate 2 BR, per Month	$4,455	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(g)
Moderate Income Studio, per Month	$1,604	
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$8,110,000	
Commercial	$465,795	
Podium Parking	$960,000	
Underground Parking	$0	
Total Hard Costs	**$9,535,795**	
Hard Costs per Unit	*$476,790*	
Soft Costs	$1,430,369	
School Fee	$73,177	
Total Soft Costs	**$1,503,546**	
Developer Profit	**$1,103,934**	
Total Development Costs (Excl. Land)	**$12,143,275**	
Cost per non parking sf	*$602*	
Cost per residential unit	*$607,164*	
Valuation Analysis		
Projected Revenue		
Gross Annual Income	$1,019,160	
Less: Vacancy	($50,958)	
Less: Operating Expenses	($305,748)	
Net Operating Income (NOI)	**$662,454**	
Capitalized Project Value	$13,602,754	
Less Total Development Costs	($12,143,275)	
Residual Land Value (RLV)	**$1,459,480**	
RLV per Site sf	***$97***	
Feasibility Threshold per Site sf	*$150*	
Financially Feasible?	***No***	

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Residential Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(c) Commercial Hard Costs include Commercial Shell and Tenant Improvements
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on unit mix of prototype.
(g) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
Source: BAE, 2025.

Figure 11: Financial Feasibility, Rental Prototype IV: Hypothetical 15% Moderate-Income Requirement

Development Program Assumptions			
Site Size (acres)		0.34	
Site Size (sf)		15,000	
Total Dwelling Units		**20**	
Commercial Space (sf, gross)		1,096	
Gross Residential Area (sf)		19,082	
GBA (excluding parking, sf)		20,178	
Residential Circulation eff (%)		85%	
Net Residential (sf)		16,220	
Average Unit Size (net, sf)		811	
Total Parking Spaces		24	
Surface Spaces		0	
Podium Spaces		24	
Underground Spaces		0	
Parking Ratio (spaces/du)		**1.20**	
Garage Size (sf)		10,362	
Unit Mix	**%**	**#**	
Studio	0%	0.0	
One-Bedroom	25%	5.0	
Two-Bedrooms	75%	15.0	
Three-Bedrooms	0%	0.0	
Total	100%	**20.0**	
Affordable Units	15%	3.0	(a)
Affordable Breakdown	**Aff**	**Market**	
Studio	0.0	0.0	
One-Bedroom	1.0	4.0	
Two-Bedrooms	2.0	13.0	
Three-Bedrooms	0.0	0.0	
Total	3.0	17.0	

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$425.00	(b)
Commercial Hard Costs, per sf	$425	(c)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fees (per sf residential)	$3.79	(e)
School Fees (per sf commercial)	$0.78	(e)
Market-Rate Rental Prices		(f)
Market Rate Studio, per Month	$3,539	
Market Rate 1 BR, per Month	$3,657	
Market Rate 2 BR, per Month	$4,455	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(g)
Moderate Income Studio, per Month	$1,604	
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$8,110,000	
Commercial	$465,795	
Podium Parking	$960,000	
Total Hard Costs	**$9,535,795**	
Hard Costs per Unit	*$476,790*	
Soft Costs	$1,430,369	
School Fee	$73,177	
Total Soft Costs	**$1,503,546**	
Developer Profit	**$1,103,934**	
Total Development Costs (Excl. Land)	**$12,143,275**	
Cost per non parking sf	*$602*	
Cost per residential unit	*$607,164*	
Valuation Analysis		
Projected Revenue		
Gross Annual Income	$994,167	
Less: Vacancy	($49,708)	
Less: Operating Expenses	($298,250)	
Net Operating Income (NOI)	**$646,209**	
Capitalized Project Value	$13,269,172	
Less Total Development Costs	($12,143,275)	
Residual Land Value (RLV)	**$1,125,898**	
RLV per Site sf	***$75***	
Feasibility Threshold per Site sf	*$150*	
Financially Feasible?	***No***	
RLV per Site sf - 10% Requirement	$97	

Notes:
(a) Hypothetical inclusionary recommendation to change the minimum percent of required inclusionary housing.
(b) Residential Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(c) Commercial Hard Costs include Commercial Shell and Tenant Improvements
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on unit mix of prototype.
(g) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
Source: BAE, 2025.

Figure 12: Financial Feasibility, Rental Prototype IV: Recommendation F (Count Rental Inclusionary as Bonus)

Development Program Assumptions			
Site Size (acres)		0.34	
Site Size (sf)		15,000	
Base Units		**20**	
Commercial Space (sf, gross)		1,096	
Gross Residential Area (sf)		19,082	
GBA (excluding parking, sf)		20,178	
Residential Circulation eff (%)		85%	
Net Residential (sf)		16,220	
Average Unit Size (net, sf)		737	
Affordable Units	10%	2.0	(a)
Total Dwelling Units		**22**	
Total Parking Spaces		24	
Surface Spaces		0	
Podium Spaces		24	
Underground Spaces		0	
Parking Ratio (spaces/du)		**1.20**	
Garage Size (sf)		10,362	
Unit Mix	**%**	**#**	
Studio	0%	0.0	
One-Bedroom	32%	7.0	
Two-Bedrooms	68%	15.0	
Three-Bedrooms	0%	0.0	
Total	100%	**22.0**	
Affordable Breakdown	**Aff**	**Market**	
Studio	0.0	0.0	
One-Bedroom	1.0	6.0	
Two-Bedrooms	1.0	14.0	
Three-Bedrooms	0.0	0.0	
Total	2.0	20.0	

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$425	(b)
Commercial Hard Costs, per sf	$425	(c)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fees (per sf residential)	$3.79	(e)
School Fees (per sf commercial)	$0.78	(e)
Market-Rate Rental Prices		(f)
Market Rate Studio, per Month	$3,370	
Market Rate 1 BR, per Month	$3,629	
Market Rate 2 BR, per Month	$4,120	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(g)
Moderate Income Studio, per Month	$1,604	
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis	
Hard Costs	
Residential	$8,110,000
Commercial	$465,795
Podium Parking	$960,000
Total Hard Costs	**$9,535,795**
Hard Costs per Unit	*$476,790*
Soft Costs	$1,430,369
School Fee	$73,177
Total Soft Costs	**$1,503,546**
Developer Profit	**$1,103,934**
Total Development Costs (Excl. Land)	**$12,143,275**
Cost per non parking sf	*$602*
Cost per residential unit	*$607,164*
Projected Revenue	
Gross Annual Income	$1,048,653
Less: Vacancy	($52,433)
Less: Operating Expenses	($314,596)
Net Operating Income (NOI)	**$681,624**
Capitalized Project Value	$13,996,390
Less Total Development Costs	($12,143,275)
Residual Land Value (RLV)	**$1,853,115**
RLV per Site sf	***$124***
Feasibility Threshold per Site sf	*$150*
Financially Feasible?	***No***
RLV per Site sf Existing	$97

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Residential Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(c) Commercial Hard Costs include Commercial Shell and Tenant Improvements
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on unit mix of prototype.
(g) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
Source: BAE, 2025.

Figure 13: Financial Feasibility, Rental Prototype IV: 10% Moderate-Income w/ Recommended Target 110% AMI

Development Program Assumptions		
Site Size (acres)		0.34
Site Size (sf)		15,000
Total Dwelling Units		**20**
Commercial Space (sf, gross)		1,096
Gross Residential Area (sf)		19,082
GBA (excluding parking, sf)		20,178
Residential Circulation eff (%)		85%
Net Residential (sf)		16,220
Average Unit Size (net, sf)		811
Total Parking Spaces		24
Surface Spaces		0
Podium Spaces		24
Underground Spaces		0
Parking Ratio (spaces/du)		**1.20**
Garage Size (sf)		10,362
Unit Mix	**%**	**#**
Studio	0%	0.0
One-Bedroom	25%	5.0
Two-Bedrooms	75%	15.0
Three-Bedrooms	0%	0.0
Total	100%	**20.0**
Affordable Units	10%	2.0 (a)
Affordable Breakdown	**Aff**	**Market**
Studio	0.0	0.0
One-Bedroom	1.0	4.0
Two-Bedrooms	1.0	14.0
Three-Bedrooms	0.0	0.0
Total	2.0	18.0

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$425	(b)
Commercial Hard Costs, per sf	$425	(c)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fees (per sf residential)	$3.79	(e)
School Fees (per sf commercial)	$0.78	(e)
Market-Rate Rental Prices		(f)
Market Rate Studio, per Month	$3,539	
Market Rate 1 BR, per Month	$3,657	
Market Rate 2 BR, per Month	$4,455	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(g)
Moderate Income Studio, per Month	$2,085	
Moderate Income 1 BR, per Month	$2,359	
Moderate Income 2 BR, per Month	$2,627	
Moderate Income 3 BR, per Month	$2,874	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis	
Hard Costs	
Residential	$8,110,000
Commercial	$465,795
Podium Parking	$960,000
Total Hard Costs	**$9,535,795**
Hard Costs per Unit	*$476,790*
Soft Costs	$1,430,369
School Fee	$73,177
Total Soft Costs	**$1,503,546**
Developer Profit	**$1,103,934**
Total Development Costs (Excl. Land)	**$12,143,275**
Cost per non parking sf	*$602*
Cost per residential unit	*$607,164*
Projected Revenue	
Gross Annual Income	$1,026,646
Less: Vacancy	($51,332)
Less: Operating Expenses	($307,994)
Net Operating Income (NOI)	**$667,320**
Capitalized Project Value	$13,702,661
Less Total Development Costs	($12,143,275)
Residual Land Value (RLV)	**$1,559,386**
RLV per Site sf	***$104***
Feasibility Threshold per Site sf	*$150*
Financially Feasible?	***No***
RLV per Site sf - AMI 100%	$97

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Residential Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(c) Commercial Hard Costs include Commercial Shell and Tenant Improvements
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on unit mix of prototype.
(g) Per Maximum Rent levels for Target AMI of 110%, net Utilities.
Source: BAE, 2025.

Figure 14: Financial Feasibility under Existing Program, Prototype V: Rental Mixed-Use Large Prototype

Development Program Assumptions			
Site Size (acres)		0.69	
Site Size (sf)		30,000	
Total Dwelling Units		**43**	
Commercial Space (sf, gross)		1,869	
Gross Residential Area (sf)		41,027	
GBA (excluding parking, sf)		42,896	
Residential Circulation eff (%)		85%	
Net Residential (sf)		34,873	
Average Unit Size (net, sf)		811	
Total Parking Spaces		45	
Surface Spaces		0	
Podium Spaces		45	
Underground Spaces		0	
Parking Ratio (spaces/du)		**1.05**	
Garage Size (sf)		19,096	
Unit Mix	**%**	**#**	
Studio	0%	0.0	
One-Bedroom	25%	11.0	
Two-Bedrooms	75%	32.0	
Three-Bedrooms	0%	0.0	
Total	0%	**43.0**	
Affordable Units	10%	4.30	(a)
Affordable Breakdown	**Aff**	**Market**	
Studio	0.0	0.0	
One-Bedroom	1.0	10.0	
Two-Bedrooms	3.0	29.0	
Three-Bedrooms	0.0	0.0	
Total	4.0	39.0	

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$443	(b)
Commercial Hard Costs, per sf	$443	(c)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fees (per sf residential)	$3.79	(e)
School Fees (per sf commercial)	$0.78	(e)
Market-Rate Rental Prices		
Market Rate Studio, per Month	$3,303	(f)
Market Rate 1 BR, per Month	$3,686	
Market Rate 2 BR, per Month	$4,455	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(g)
Moderate Income Studio, per Month	$1,604	
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$18,186,500	
Commercial	$828,373	
Podium Parking	$1,800,000	
Underground Parking	$0	
Total Hard Costs	**$20,814,873**	
Hard Costs per Unit	*$484,067*	
Soft Costs	$3,122,231	
School Fees	$156,950	
Fractional Fee	$60,825	(h)
Total Soft Costs	**$3,340,006**	
Developer Profit	**$2,415,488**	
Total Development Costs (Excl. Land)	**$26,570,367**	
Cost per non parking sf	*$619*	
Cost per residential unit	*$617,916*	

Valuation Analysis	
Projected Revenue	
Gross Annual Income	$2,174,890
Less: Vacancy	($108,744)
Less: Operating Expenses	($652,467)
Net Operating Income (NOI)	**$1,413,678**
Capitalized Project Value	$29,028,303
Less Total Development Costs	($26,570,367)
Residual Land Value (RLV)	**$2,457,937**
RLV per Site sf	***$82***
Feasibility Threshold per Site sf	*$150*
Financially Feasible?	***No***

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 4 Stormwater Requirements (additional $17/sf GBA for a $700,000 investment).
(c) Includes Commercial Shell and Tenant Improvements
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on unit mix of prototype.
(g) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
(h) Per Santa Barbara Municipal Code Section 30.150.120, to calculate Fractional In-Lieu Fee, divide the amount of the remainder by total number of Inclusionary Units required, multiplied by the current in-lieu fee rate of $25. Multiply result by net residential square feet.
Source: BAE, 2025.

Figure 15: Financial Feasibility, Rental Prototype V: Recommended In-Lieu Fee $50.00/sf

Development Program Assumptions		
Site Size (acres)		0.69
Site Size (sf)		30,000
Total Dwelling Units		**43**
Commercial Space (sf, gross)		1,869
Gross Residential Area (sf)		41,027
GBA (excluding parking, sf)		42,896
Residential Circulation eff (%)		85%
Net Residential (sf)		34,873
Average Unit Size (net, sf)		811
Total Parking Spaces		45
Surface Spaces		0
Podium Spaces		45
Underground Spaces		0
Parking Ratio (spaces/du)		**1.05**
Garage Size (sf)		19,096
Unit Mix	**%**	**#**
Studio	0%	0.0
One-Bedroom	25%	11.0
Two-Bedrooms	75%	32.0
Three-Bedrooms	0%	0.0
Total	0%	**43.0**
Affordable Units	10%	4.30 (a)
Affordable Breakdown	**Aff**	**Market**
Studio	0.0	0.0
One-Bedroom	1.0	10.0
Two-Bedrooms	3.0	29.0
Three-Bedrooms	0.0	0.0
Total	4.0	39.0

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$443	(b)
Commercial Hard Costs, per sf	$443	(c)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fees (per sf residential)	$3.79	(e)
School Fees (per sf commercial)	$0.78	(e)
In-Lieu Fee	$50.00	
Market-Rate Rental Prices		
Market Rate Studio, per Month	$3,303	(f)
Market Rate 1 BR, per Month	$3,686	
Market Rate 2 BR, per Month	$4,455	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(g)
Moderate Income Studio, per Month	$1,604	
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$18,186,500	
Commercial	$828,373	
Podium Parking	$1,800,000	
Total Hard Costs	**$20,814,873**	
Hard Costs per Unit	*$484,067*	
Soft Costs	$3,122,231	
Impact fees	$156,950	
Fractional Fee	$121,650	(h)
Total Soft Costs	**$3,400,831**	
Developer Profit	**$2,421,570**	
Total Development Costs (Excl. Land)	**$26,637,274**	
Cost per non parking sf	*$621*	
Cost per residential unit	*$619,471*	

Valuation Analysis	
Projected Revenue	
Gross Annual Income	$2,174,890
Less: Vacancy	($108,744)
Less: Operating Expenses	($652,467)
Net Operating Income (NOI)	**$1,413,678**
Capitalized Project Value	$29,028,303
Less Total Development Costs	($26,637,274)
Residual Land Value (RLV)	**$2,391,029**
RLV per Site sf	***$80***
Feasibility Threshold per Site sf	*$150*
Financially Feasible?	***No***
RLV per Site sf - Existing Fee	*$82*

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 4 Stormwater Requirements (additional $17/sf GBA for a $700,000 investment).
(c) Includes Commercial Shell and Tenant Improvements
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on unit mix of prototype.
(g) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
(h) Per Santa Barbara Municipal Code Section 30.150.120, to calculate Fractional In-Lieu Fee, divide the amount of the remainder (0.3) by total number of Inclusionary Units required (4.3), multiplied by the recommended in-lieu fee rate of $50. Multiply result by net residential square feet.
Source: BAE, 2025

Figure 16: Financial Feasibility, Rental Prototype V: Recommendation F (Count Rental Inclusionary as Bonus)

Development Program Assumptions			
Site Size (acres)		0.69	
Site Size (sf)		30,000	
BASE Dwelling Units		**43**	
Commercial Space (sf, gross)		1,869	
Gross Residential Area (sf)		41,027	
GBA (excluding parking, sf)		42,896	
Residential Circulation eff (%)		85%	
Net Residential (sf)		34,873	
Average Unit Size (net, sf)		742	
Total Parking Spaces		45	
Surface Spaces		0	
Podium Spaces		45	
Underground Spaces		0	
Parking Ratio (spaces per dwelling unit)		**1.05**	
Garage Size (sf)		19,096	
Affordable Units	10%	4.30	(a)
Bonus Density (# units)		4	
Total Dwelling Units		**47**	
Unit Mix	**%**	**#**	
Studio	9%	4.0	
One-Bedroom	23%	11.0	
Two-Bedrooms	68%	32.0	
Three-Bedrooms	0%	0.0	
Total	100%	**47.0**	
Affordable Breakdown	**Aff**	**Market**	
Studio	0.0	4.0	
One-Bedroom	1.0	10.0	
Two-Bedrooms	3.0	29.0	
Three-Bedrooms	0.0	0.0	
Total	4.0	43.0	

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$443	(b)
Commercial Hard Costs, per sf	$443	(b)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	**15%**	**(c)**
School Fees (per sf residential)	$3.79	(d)
School Fees (per sf commercial)	$0.78	(d)
Market-Rate Rental Prices		
Market Rate Studio, per Month	$3,303	(e)
Market Rate 1 BR, per Month	$3,912	
Market Rate 2 BR, per Month	$4,120	
Market Rate 3 BR, per Month	$4,883	
Moderate Income Studio, per Month	$1,604	(f)
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$18,174,987	
Commercial	$827,848	
Podium Parking	$1,800,000	
Total Hard Costs	**$20,802,835**	
Hard Costs per Unit	*$442,614*	
Soft Costs	$3,120,425	
School Fee	$156,950	
Fractional Fee	$60,825	(g)
Total Soft Costs	**$3,338,200**	
Developer Profit	**$2,414,104**	
Total Development Costs (Excl. Land)	**$26,555,139**	
Cost per non parking sf	*$619*	
Cost per residential unit	*$617,561*	
Valuation Analysis		
Projected Revenue		
Gross Annual Income	$2,244,138	
Less: Vacancy	($112,207)	
Less: Operating Expenses	($673,241)	
Net Operating Income (NOI)	**$1,458,689**	
Capitalized Project Value	$29,952,555	
Less Total Development Costs	($26,555,139)	
Residual Land Value (RLV)	**$3,397,416**	
RLV/acre	***$4,933,048***	
RLV per Site sf	***$113***	
RLV per site sf Existing	*$82*	

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Residential Hard Costs include Site Prep work (e.g., grading, minor demolition), and assuming Tier 4 Stormwater Requirements.
(b) Commercial Hard Costs include Commercial Shell and Tenant Improvements
(C) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(d) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(e) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown weighted based on unit mix of prototype.
(f) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
(g) Per Santa Barbara Municipal Code Section 30.150.120, for Fractional Fee, divide the amount of the remainder (0.3) by the total # Inclusionary Units required (4.3), multiplied by the current in-lieu fee rate of $25. Multiply result by net residential square feet.
Source: BAE, 2025.

Figure 17: Financial Feasibility, Rental Prototype V: 10% Moderate-Income w/ Recommended Target 110% AMI

Development Program Assumptions		
Site Size (acres)		0.69
Site Size (sf)		30,000
Total Dwelling Units		**43**
Commercial Space (sf, gross)		1,869
Gross Residential Area (sf)		41,027
GBA (excluding parking, sf)		42,896
Residential Circulation eff (%)		85%
Net Residential (sf)		34,873
Average Unit Size (net, sf)		811
Total Parking Spaces		45
Surface Spaces		0
Podium Spaces		45
Underground Spaces		0
Parking Ratio (spaces/du)		**1.05**
Garage Size (sf)		19,096
Unit Mix	**%**	**#**
Studio	0%	0.0
One-Bedroom	25%	11.0
Two-Bedrooms	75%	32.0
Three-Bedrooms	0%	0.0
Total	0%	**43.0**
Affordable Units	10%	4.30 (a)
Affordable Breakdown	**Aff**	**Market**
Studio	0.0	0.0
One-Bedroom	1.0	10.0
Two-Bedrooms	3.0	29.0
Three-Bedrooms	0.0	0.0
Total	4.0	39.0

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$443	(b)
Commercial Hard Costs, per sf	$443	(c)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(d)
School Fees (per sf residential)	$3.79	(e)
School Fees (per sf commercial)	$0.78	(e)
Market-Rate Rental Prices		
Market Rate Studio, per Month	$3,303	(f)
Market Rate 1 BR, per Month	$3,686	
Market Rate 2 BR, per Month	$4,455	
Market Rate 3 BR, per Month	$4,883	
Moderate-Income Rental Prices (net utilities)		(g)
Moderate Income Studio, per Month	$2,085	
Moderate Income 1 BR, per Month	$2,359	
Moderate Income 2 BR, per Month	$2,627	
Moderate Income 3 BR, per Month	$2,874	
Commercial Revenue ($/sf)	$3.26	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$18,186,500	
Commercial	$828,373	
Podium Parking	$1,800,000	
Total Hard Costs	**$20,814,873**	
Hard Costs per Unit	*$484,067*	
Soft Costs	$3,122,231	
Impact fees	$156,950	
Fractional Fee	$60,825	(h)
Total Soft Costs	**$3,340,006**	
Developer Profit	**$2,415,488**	
Total Development Costs (Excl. Land)	**$26,570,367**	
Cost per non parking sf	*$619*	
Cost per residential unit	*$617,916*	
Valuation Analysis		
Projected Revenue		
Gross Annual Income	$2,188,499	
Less: Vacancy	($109,425)	
Less: Operating Expenses	($656,550)	
Net Operating Income (NOI)	**$1,422,525**	
Capitalized Project Value	$29,209,950	
Less Total Development Costs	($26,570,367)	
Residual Land Value (RLV)	**$2,639,583**	
RLV per Site sf	***$88***	
Feasibility Threshold per Site sf	*$150*	
Financially Feasible?	***No***	
RLV per Site sf - AMI 100%	*$82*	

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Residential Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 3 Stormwater Requirements.
(c) Commercial Hard Costs include Commercial Shell and Tenant Improvements
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on unit mix of prototype.
(g) Per Maximum Rent levels for Target AMI of 110%, net Utilities.
(h) Per Santa Barbara Municipal Code Section 30.150.120, to calculate Fractional In-Lieu Fee, divide the remainder (0.45) by total number of Inclusionary Units required (6.45), multiplied by the current in-lieu fee rate of $25. Multiply by net residential square feet.
Source: BAE, 2025

Figure 18: Financial Feasibility, Rental Prototype V: Hypothetical 15% Moderate-Income Requirement

Development Program Assumptions				Cost and Income Assumptions				Development Cost Analysis		
Site Size (acres)		0.69		**Development Costs**				**Hard Costs**		
Site Size (sf)		30,000		Residential Hard Costs, per sf	$443	(b)		Residential	$18,186,500	
				Commercial Hard Costs, per sf	$443	(c)		Commercial	$828,373	
Total Dwelling Units		**43**		Podium Parking, per space	$40,000			Podium Parking	$1,800,000	
Commercial Space (sf, gross)		1,869		Underground Parking, per space	$70,000					
Gross Residential Area (sf)		41,027						**Total Hard Costs**	**$20,814,873**	
GBA (excluding parking, sf)		42,896						*Hard Costs per Unit*	*$484,067*	
Residential Circulation eff (%)		85%		Soft Costs (as a % of hard costs)	15%	(d)				
Net Residential (sf)		34,873		School Fees (per sf residential)	$3.79	(e)		**Soft Costs**	$3,122,231	
Average Unit Size (net, sf)		811		School Fees (per sf commercial)	$0.78	(e)		Impact fees	$156,950	
								Fractional Fee	$60,825	(h)
Total Parking Spaces		45						**Total Soft Costs**	**$3,340,006**	
Surface Spaces		0		**Operating Revenues & Expenses**						
Podium Spaces		45		Market Rate Studio, per Month	$3,303	(f)		**Developer Profit**	**$2,415,488**	
Underground Spaces		0		Market Rate 1 BR, per Month	$3,686					
Parking Ratio (spaces/du)		**1.05**		Market Rate 2 BR, per Month	$4,455			**Total Development Costs (Excl. Land)**	**$26,570,367**	
Garage Size (sf)		19,096		Market Rate 3 BR, per Month	$4,883			*Cost per non parking sf*	*$619*	
								Cost per residential unit	*$617,916*	
Unit Mix	**%**	**#**		**Moderate-Income Rental Prices (net utilities)**		(g)				
Studio	0%	0.0		Moderate Income Studio, per Month	$1,604					
One-Bedroom	25%	11.0		Moderate Income 1 BR, per Month	$1,990			**Projected Revenue**		
Two-Bedrooms	75%	32.0		Moderate Income 2 BR, per Month	$2,372			Gross Annual Income	$2,129,551	
Three-Bedrooms	0%	0.0		Moderate Income 3 BR, per Month	$2,641			Less: Vacancy	($106,478)	
Total	0%	**43.0**		Commercial Revenue ($/sf)	$3.26			Less: Operating Expenses	($638,865)	
								Net Operating Income (NOI)	**$1,384,208**	
Affordable Units	15%	6.45	(a)	Vacancy Assumption	5%					
								Capitalized Project Value	$28,423,163	
Affordable Breakdown	**Aff**	**Market**		Operating Expenses (% gross revenues)	30%			Less Total Development Costs	($26,570,367)	
Studio	0.0	0.0						**Residual Land Value (RLV)**	**$1,852,796**	
One-Bedroom	2.0	9.0		Developer Profit (as % of total project costs)	10%					
Two-Bedrooms	4.0	28.0						***RLV per Site sf***	***$62***	
Three-Bedrooms	0.0	0.0		Capitalization Rate	4.87%			*Feasibility Threshold per Site sf*	*$150*	
Total	6.0	37.0						***Financially Feasible?***	***No***	
								RLV per Site sf - 10%	*$82*	

Notes:
(a) Per Santa Barbara Municipal Code Section 30.150.110, Inclusionary Requirements for Rental Housing Projects.
(b) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 4 Stormwater Requirements (additional $17/sf GBA for a $700,000 investment).
(c) Includes Commercial Shell and Tenant Improvements
(d) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(e) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(f) Based on rents for market-rate units in recently-constructed multifamily rental developments, according to CoStar. Rental rate shown is weighted based on unit mix of prototype.
(g) Per Maximum Rent levels for Target AMI of 100% (City of Santa Barbara), net Utilities.
(h) Per Santa Barbara Municipal Code Section 30.150.120, to calculate Fractional In-Lieu Fee, divide the remainder (0.45) by total number of Inclusionary Units required (6.45), multiplied by the current in-lieu fee rate of $25. Multiply by net residential square feet.
Source: BAE, 2025.

Figure 19: Financial Feasibility, Prototype SDBL-I: Rental Mixed-Use Density Bonus Prototype

Development Program Assumptions				
Site Size (acres)			0.69	
Site Size (sf)			30,000	
AUD Allowable Dwelling Units			**44**	
Total Dwelling Units (SDB)			**59**	(a)
Commercial Space (sf, gross)			1,869	
Gross Residential Area (sf)			41,027	
GBA (excluding parking, sf)			42,896	
Residential Circulation eff (%)			88.4%	
Net Residential (sf)			36,250	
Average Unit Size (net, sf)			614	
Total Parking Spaces			45	
Surface Spaces			0	
Podium Spaces			45	
Underground Spaces			0	
Parking Ratio (spaces/du)			**0.76**	
Unit Mix		**%**	**#**	
Studio		25%	15.0	
One-Bedroom		50%	30.0	
Two-Bedrooms		25%	14.0	
Three-Bedrooms		0%	0.0	
Total		0%	59.0	
VLI Units		10%	5.0	
Mod Units		0%	0.0	(b)
Affordable Breakdown	**VLI**	**Mod**	**Market**	
Studio	1.0	0.0	14.0	
One-Bedroom	3.0	0.0	27.0	
Two-Bedrooms	1.0	0.0	13.0	
Three-Bedrooms	0.0	0.0	0.0	
Total	5.0	0.0	54.0	

Cost and Income Assumptions			
Development Costs			
Residential Hard Costs, per sf	$442	(c)	
Commercial Hard Costs, per sf	$442	(d)	
Podium Parking, per space	$40,000		
Underground Parking, per space	$70,000		
Soft Costs (as a % of hard costs)	15%	(e)	
School Fee (per sf residential)	$3.79	(f)	
School Fee (per sf commercial)	$0.78	(f)	
Operating Revenues & Expenses		(g)	
Market Rate Studio, per Month	$3,303		
Market Rate 1 BR, per Month	$3,402		
Market Rate 2 BR, per Month	$3,966		
Market Rate 3 BR, per Month	$4,883		
Affordable Unit Rental Prices (net utilities)		(h)	
Moderate Income Studio, per Month	$1,604		
Moderate Income 1 BR, per Month	$1,990		
Moderate Income 2 BR, per Month	$2,372		
Moderate Income 3 BR, per Month	$2,641		
Commercial Revenue ($/sf)	$3.26		
VLI Studio, per Month	$895		
VLI 1 BR, per Month	$999		
VLI 2 BR, per Month	$1,098		
VLI 3 BR, per Month	$1,174		
Vacancy Assumption	5%		
Operating Expenses (% gross revenues)	30%		
Developer Profit (as % of total project costs)	10%		
Capitalization Rate	4.87%		

Development Cost Analysis			
Hard Costs			
Residential	$18,153,827	(c)	
Commercial	$826,885	(d)	
Podium Parking	$1,800,000		
Underground Parking	$0		
Parking Stackers	$0		
Total Hard Costs	**$20,780,711**		
Hard Costs per Unit	*$352,215*	(e)	
Soft Costs	$3,117,107		
School Fee	$156,950		
Fractional In-Lieu Fee	n/a		
Total Soft Costs	**$3,274,057**	(g)	
Developer Profit	**$2,405,477**		
Total Development Costs (Excl. Land)	**$26,460,245**		
Cost per non parking sf	*$617*		
Cost per residential unit	*$448,479*	(h)	

Valuation Analysis	
Projected Revenue	
Gross Annual Income	$2,335,583
Less: Vacancy	($116,779)
Less: Operating Expenses	($700,675)
Net Operating Income (NOI)	**$1,518,129**
Capitalized Project Value	$31,173,076
Less Total Development Costs	($26,460,245)
Residual Land Value (RLV)	**$4,712,832**
RLV/acre	**$6,843,031**
RLV per Site sf	***$157***

Notes:
(a) Applies 32.5% Density Bonus to AUD Priority Housing Overlay Density. Calculated on the Base Number of Units allowed (44), rounded up to the nearest whole number.
(b) Providing 10% of base units for lower income households to satisfy SDBL also satisfies the inclusionary requirement for rental.
(c) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 4 Stormwater Requirements (additional $17/sf GBA for a $750,000 investment).
(d) Includes Commercial Shell and Tenant Improvements
(e) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(f) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(g) Based on rents for market-rate units in recently-constructed multifamily rental developments, per CoStar. Rental rate shown is weighted based on unit mix of prototype.
(h) Utilize Maximum Rents for Very-Low Income (Target 50% AMI) households published in April 2025 by the City of Santa Barbara, minus utilities.
Source: BAE, 2025

Figure 20: Financial Feasibility, Prototype SDBL-II: Rental Density Bonus Prototype

Development Program Assumptions				
Site Size (acres)			0.69	
Site Size (sf)			30,000	
AUD Allowable Dwelling Units			**44**	
Total Dwelling Units (SDB)			**66**	(a)
Commercial Space (sf, gross)			0	
Gross Residential Area (sf)			62,972	
GBA (excluding parking, sf)			62,972	
Residential Circulation eff (%)			85.0%	
Net Residential (sf)			53,526	
Average Unit Size (net, sf)			811	
Total Parking Spaces			0	
Surface Spaces			0	
Podium Spaces			0	
Underground Spaces			0	
Parking Ratio (spaces/du)			**0.00**	
Unit Mix		**%**	**#**	
Studio		25%	17.0	
One-Bedroom		50%	33.0	
Two-Bedrooms		25%	16.0	
Three-Bedrooms		0%	0.0	
Total		0%	66.0	
VLI Units		15%	7.0	
Mod Units		0%	0.0	(b)
Affordable Breakdown	**VLI**	**Mod**	**Market**	
Studio	2.0	0.0	15.0	
One-Bedroom	3.0	0.0	30.0	
Two-Bedrooms	2.0	0.0	14.0	
Three-Bedrooms	0.0	0.0	0.0	

Cost and Income Assumptions		
Development Costs		
Residential Hard Costs, per sf	$437	(c)
Commercial Hard Costs, per sf	$437	(d)
Podium Parking, per space	$40,000	
Underground Parking, per space	$70,000	
Soft Costs (as a % of hard costs)	15%	(e)
School Fee (per sf residential)	$3.79	(f)
School Fee (per sf commercial)	$0.78	(f)
Operating Revenues & Expenses		(g)
Market Rate Studio, per Month	$3,694	
Market Rate 1 BR, per Month	$3,903	
Market Rate 2 BR, per Month	$5,315	
Market Rate 3 BR, per Month	$5,695	
Affordable Unit Rental Prices (net utilities)		(h)
Moderate Income Studio, per Month	$1,604	
Moderate Income 1 BR, per Month	$1,990	
Moderate Income 2 BR, per Month	$2,372	
Moderate Income 3 BR, per Month	$2,641	
Commercial Revenue ($/sf)	$3.26	
VLI Studio, per Month	$895	
VLI 1 BR, per Month	$999	
VLI 2 BR, per Month	$1,098	
VLI 3 BR, per Month	$1,174	
Vacancy Assumption	5%	
Operating Expenses (% gross revenues)	30%	
Developer Profit (as % of total project costs)	10%	
Capitalization Rate	4.87%	

Development Cost Analysis		
Hard Costs		
Residential	$27,513,000	
Commercial	$0	
Podium Parking	$0	
Underground Parking	$0	
Parking Stackers	$0	
Total Hard Costs	**$27,513,000**	
Hard Costs per Unit	*$416,864*	
Soft Costs	$4,126,950	
School Fee	$238,663	
Fractional In-Lieu Fee	n/a	
Total Soft Costs	**$4,365,613**	
Developer Profit	**$3,187,861**	
Total Development Costs (Excl. Land)	**$35,066,474**	
Cost per non parking sf	*$557*	
Cost per residential unit	*$531,310*	

Valuation Analysis	
Projected Revenue	
Gross Annual Income	$3,046,536
Less: Vacancy	($152,327)
Less: Operating Expenses	($913,961)
Net Operating Income (NOI)	**$1,980,248**
Capitalized Project Value	$40,662,185
Less Total Development Costs	($35,066,474)
Residual Land Value (RLV)	**$5,595,711**
RLV/acre	**$8,124,972**
RLV per Site sf	***$187***

(a) Applies 50% Density Bonus to AUD Priority Housing Overlay Density. Calculated on the Base Number of Units allowed (44), rounded up to the nearest whole number.
(b) Providing 15% of base units for VLI households to satisfy SDBL also satisfies the inclusionary requirement for rental.
(c) Hard Costs include Site Prep work (e.g., grading, minor demolition), and assume Tier 4 Stormwater Requirements (additional $17/sf GBA for a $750,000 investment).
(d) Includes Commercial Shell and Tenant Improvements
(e) Soft costs shown in this line include engineering, architecture, as well as City cost-recovery fees for planning, permitting, and entitlements, and financing.
(f) Per Santa Barbara Unified Developer Fee Schedule, effective October 2024.
(g) Based on rents for market-rate units in recently-constructed multifamily rental developments ,according to CoStar. Rental rate shown is weighted based on the unit mix in the prototype.
(h) Utilize Maximum Rents for Very-Low Income (Target 50% AMI) households published in April 2025 by the City of Santa Barbara, minus utilities.
Source: BAE, 2025

APPENDIX D: RESIDENTIAL NEXUS ANALYSIS

The residential nexus analysis identifies the relationship between construction of new market-rate residential units, the need for affordable housing, and the need for City funds to construct affordable housing. The nexus analysis establishes the rates the City would need to charge in inclusionary housing in-lieu fees to fully address the estimated affordable housing need associated with the construction of a prototypical new market-rate residential development.

The residential nexus calculation assumes that new households in Santa Barbara will spend some of their money within the local economy, thereby supporting employment for new workers, a portion of which will be in need of affordable housing. The residential nexus-based fee for market-rate residential units represents the fee that the City of Santa Barbara would need to collect to support the construction of the affordable housing needed to house these lower-income worker households.

The process for estimating the relationship between new residential development and the fee revenue necessary to address the resulting affordable housing need consists of the following steps:

Step 1: Identify Housing Types and Prices

The residential nexus analysis evaluates two residential development types that encompass anticipated development in Santa Barbara over the next several years: a multi-unit rental development and an ownership condominium residential project.

First, Step 1 identified the estimated average rent or sale price for each unit type. For rental units, BAE reviewed data from CoStar on rental rates among new (built since 2017) multifamily rental properties in Santa Barbara. For ownership units, BAE reviewed data from Redfin on sale prices among recently-constructed (built since 2007) condominiums in Santa Barbara. Input from interviews with members of the local development community and responses to the developer survey also informed the rent and sale price assumptions that were used in the analysis. The resulting average rent and sale price estimates are shown in Table 21 and Table 22, respectively.

Step 2: Estimate the Incomes of Households in New Market-Rate Housing

Step 2 applies the rent and sale prices for new units in Santa Barbara from Step 1 to estimate the household income needed to occupy new rental and ownership units in Santa Barbara. Table 21 presents the annual household income required to rent new market-rate multifamily rental units in Santa Barbara, assuming households spend 30 percent of their gross income on rent and utilities, in accordance with HUD guidelines. Housing analysts and local, State, and federal housing programs typically consider a household's housing costs to be affordable if the cost of housing is equal to no more than 30 percent of household income.

Based on an estimated average monthly rent of $4,278 for new rental units, the estimated annual household income required to afford these market rents is approximately $177,736.

Table 21: Income Required to Rent New Multifamily Units (built in 2017 or later) in Santa Barbara

	Apartment
Average Monthly Rent (a)	$4,278
Plus Utilities (b)	$166
Total Monthly Housing Costs	$4,443
Annual Housing Costs	$53,321
Household Income Required (c)	**$177,736**

Notes:
(a) Estimated average monthly rents for **new** units (built since 2017) based on data from CoStar, applied to sizes used in the pro-formas.
(b) Includes published utility allowances effective January 2025 from HASB for "Basic" Electric, Gas, Water, Sewer, and Trash.
(c) Assumes 30 percent of gross income spent on housing costs.

Sources: Costar, 2025; Housing Authority of Santa Barbara City, 2025; BAE, 2025.

Table 22 shows the annual household income required to afford a new ownership unit in Santa Barbara. Based on the sale prices for new ownership units, the estimated annual household income needed to afford new ownership units in Santa Barbara is approximately $278,610 for condominiums.

Table 22: Income Required to Purchase New Market-Rate Units in Santa Barbara

	Condominium
Estimated Sale Price for New Residential Unit (a)	$1,265,032
Monthly Housing Costs for a New Residential Unit (b)	$8,126
Annual Housing Costs	$97,514
Household Income Required	**$278,610**
Assumptions	
Annual Interest Rate (c)	6.58%
Term of Mortgage (years)	30
Percent of sales price as down payment	20%
Property tax as a % of Sale Price (annual) (d)	1.08%
Annual homeowner's insurance cost (townhouse/condo) (e)	$599
Monthly homeowners' association fee (Condos) (f)	$494
Percent of household income available for housing costs	35%

Notes:
(a) Based on Redfin previous 12-month condo sales in City of Santa Barbara (2007+), applied to sizes used in pro-formas.
(b) Monthly housing costs based on estimated sale price for each unit type and the resulting monthly housing cost. The monthly housing cost is equal to the monthly mortgage payment, based on the mortgage terms shown in the table, as well as the estimated property tax payment, home insurance cost, and HOA fee.
(c) Equal to the average of the weekly rate for a 30-year fixed rate mortgage between Jan 2023-Feb 2025 per Freddie Mac.
(d) Includes Basic 1.00% Prop 13/AB8 plus applicable SB Unified Bond, SBCC Bond, SC Flood Zone, and Measure S.
(e) Based on insurance rate information provided via California Dept. of Insurance for condos in Santa Barbara County.
(f) Based on HOA fees for recently-constructed (2007+) condominiums in the City that were sold in the past year per Redfin.
Sources: Redfin, 2024-25; Freddie Mac, 2023-2025; California Department of Insurance, 2025; BAE, 2025.

Step 3: Analyze the Spending Patterns for Households in New Market-Rate Units and Estimate the Number of Jobs Associated with this Spending

New household spending within an economy supports jobs. As households spend money on retail goods, food, and services (health, personal, professional, and educational), they support job growth in these and other sectors.

To estimate the effect of new household spending on employment generation, this analysis uses IMPLAN ("Impact Analysis for Planning"), a widely-accepted and utilized software model. See Appendix E for more information about IMPLAN. At the heart of the model is an input-output dollar flow table. For a specified region (in this case, Santa Barbara County), the input-output table accounts for all dollar flows between different sectors of the economy. Using this information, IMPLAN models the way income injected into one sector is spent and re-spent in other sectors of the regional economy, generating waves of economic activity, or so-called "economic multiplier" effects.

For the purpose of this analysis, the economic "event" is the household spending by occupants of new residential units in Santa Barbara. By IMPLAN definition these household expenditures are *direct* impacts, and the resulting spending generates *induced* impacts. For instance, the household expenditures generate jobs for cashiers and baggers at grocery stores patronized by the new households. The process initiated by household expenditures continues as these workers and the businesses they work for spend money in subsequent transactions,

supporting employment at places other than the initial point of sale, such as wholesalers supplying retail stores, or truck drivers delivering goods to those stores. In turn, these businesses and workers spend money to generate additional activity in the local economy. These are all part of the *induced* impacts linked to the household expenditures.

For the two residential unit types evaluated, the IMPLAN analysis provides an estimate of the total number of jobs generated by the household expenditures made by residents in new market-rate housing. Because household spending tends to increase as household incomes increase, the IMPLAN analysis indicates that condominium ownership units will generate a higher number of jobs per unit than multifamily rental units. The IMPLAN analysis estimates the total number of jobs as well as the number of jobs in each industry sector that each unit type will generate. These estimates are shown in Step 4 (Table 24 through Table 26).

Step 4: Estimate New Worker Households by Household Income Level

For the residential nexus, Public Use Microdata Samples (PUMS) data was used to estimate worker household incomes for workers in each industry sector that is associated with job growth attributable to new market-rate residential units, as identified in the IMPLAN analysis in Step 3. Worker households[14] often have more than one employed person. The incomes of individual workers do not provide sufficient information to estimate the distribution of household incomes among new workers because worker households vary with respect to the number of other workers in the household and the individual incomes among any other workers in the household.

Table 23 shows the distribution of workers in each major industry sector by household income level, based on PUMS data for workers employed in each industry sector that work in Santa Barbara County.

[14] A worker household is a household with one or more employed persons. They may be wage and salary workers, or self-employed/sole proprietors.

Table 23: Worker Household Income Level by Industry of Employment, Santa Barbara County

Industry	NAICS Code	Estimated Household Income as a Percent of AMI (a)						Total
		Acutely Low (15% AMI)	Extremely Low (30% AMI)	Very Low (50% AMI)	Low (80% AMI)	Moderate (120% AMI)	Above Moderate >120% AMI)	
Private Sector								
Agriculture and Natural Resources	11, 21	0.4%	18.6%	26.1%	26.3%	6.9%	21.6%	100.0%
Construction	23	1.1%	7.0%	14.7%	23.0%	5.2%	49.0%	100.0%
Manufacturing	31-33	1.1%	2.9%	9.1%	18.8%	4.1%	64.0%	100.0%
Wholesale Trade	42	0.0%	4.0%	17.5%	25.9%	3.5%	49.1%	100.0%
Retail Trade	44-45	3.2%	8.9%	16.5%	25.0%	3.4%	43.0%	100.0%
Transportation, Warehousing, and Utilities	48-49, 22	2.0%	8.1%	14.4%	22.3%	3.6%	49.7%	100.0%
Information	51	1.2%	1.8%	6.0%	13.4%	6.0%	71.8%	100.0%
Finance, Insurance, and Real Estate	52-53	1.0%	4.2%	8.9%	19.0%	3.1%	63.7%	100.0%
Professional, Scientific, & Technical Svcs, & Mgmt of Companies	54-55	0.4%	2.0%	3.3%	9.9%	3.2%	81.3%	100.0%
Administrative and Support and Waste Mgmt. Svcs	56	1.3%	10.3%	19.2%	27.7%	6.4%	35.1%	100.0%
Educational Services	61	2.1%	5.4%	11.7%	19.8%	5.7%	55.3%	100.0%
Health Care and Social Assistance	62	1.2%	5.0%	14.3%	22.3%	2.9%	54.2%	100.0%
Leisure and Hospitality	71-72	2.6%	10.9%	20.1%	25.4%	2.0%	39.0%	100.0%
Other Services Except Public Administration	81	2.6%	7.4%	17.3%	27.7%	4.9%	40.1%	100.0%
All Government Employment		1.8%	4.6%	7.1%	21.6%	3.1%	61.7%	100.0%
Total		**1.6%**	**7.1%**	**13.6%**	**22.0%**	**3.9%**	**51.8%**	**100.0%**

Note:
(a) Based on a cross tabulation of Public Use Microdata Samples (PUMS) from the 2019-2023 American Community Survey. These incomes were compared to 2023 Santa Barbara County household income limits published by HCD to determine the percentage of households in each income category. The analysis controlled for household size, to address the varying income limits for each household size.

Sources: American Community Survey, 2019-2023 Public Use Microdata Sample; CA Dept. of Housing and Community Development (HCD), 2023; BAE, 2025.

Table 24 applies the household income distribution by industry, as shown in Table 23, to the number of jobs generated in each industry as a result of spending by households, as estimated in Step 3. Since the income of an individual household generates only a small amount of employment within each specific industry and household income level category, the tables show the number of jobs generated for every 100 units. The results are then divided by 100 in Step 6 below to show the estimated impact of a single household.

Housing need is based on the number of households rather than the number of jobs. As such, the analysis translates the number of jobs into households by dividing the number of jobs by the average number of workers per worker household for each income category, using PUMS data to identify the average number of workers per worker household by household income level.

The number of jobs that each residential product type generates corresponds to the household income required to afford each unit type. As shown in Table 24, 100 units of high-density multifamily rental housing in Santa Barbara generates a need for approximately 40 housing units for local workers in total, including approximately 21 units affordable to acutely low, extremely low-, very low-, and low-income households. As shown in Table 25, 100 units of condominium ownership housing in Santa Barbara generates a need for approximately 45 housing units for local workers in total, including approximately 23 units affordable to acutely low, extremely low-, very low-, and low-income households. These findings are summarized in Table 26.

The findings shown in Table 24 and Table 25 and summarized in Table 26 can be used to identify the inclusionary housing proportions or fee that would be needed in each residential development type to fully mitigate the need for affordable housing that is attributable to new market-rate development.

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Table 24: Jobs and Worker Household Generation by Income Level from New Multifamily Rental Housing

Industry	NAICS Code	Total Jobs per 100 Units (a)	Estimated Jobs per 100 Units by Worker Household Income Level (b)					
			Up to 15% AMI	15% to 30% AMI	30% to 50% AMI	50% to 80% AMI	80% to 120% AMI	Over 120% AMI
Private Sector								
Agriculture and Natural Resources	11, 21	0.36	0.00	0.07	0.10	0.10	0.03	0.08
Construction	23	0.59	0.01	0.04	0.09	0.14	0.03	0.29
Manufacturing	31-33	0.10	0.00	0.00	0.01	0.02	0.00	0.07
Wholesale Trade	42	1.49	0.00	0.06	0.26	0.39	0.05	0.73
Retail Trade	44-45	10.48	0.33	0.93	1.73	2.62	0.36	4.51
Transportation, Warehousing, and Utilities	48-49, 22	2.05	0.04	0.17	0.29	0.46	0.07	1.02
Information	51	2.13	0.02	0.04	0.13	0.29	0.13	1.53
Finance, Insurance, and Real Estate	52-53	6.22	0.06	0.26	0.55	1.18	0.19	3.96
Professional, Scientific, & Technical Svcs, & Mgmt of Companies	54-55	3.35	0.01	0.07	0.11	0.33	0.11	2.72
Administrative and Support and Waste Management Services	56	3.46	0.05	0.36	0.66	0.96	0.22	1.21
Educational Services	61	2.02	0.04	0.11	0.24	0.40	0.11	1.12
Health Care and Social Assistance	62	15.56	0.19	0.78	2.23	3.46	0.46	8.43
Leisure and Hospitality	71-72	15.43	0.40	1.68	3.10	3.91	0.31	6.02
Other Services Except Public Administration	81	7.88	0.21	0.59	1.36	2.19	0.38	3.16
All Government Employment		1.27	0.02	0.06	0.09	0.28	0.04	0.79
Total Jobs		**72.40**	**1.40**	**5.20**	**10.95**	**16.71**	**2.50**	**35.64**
Workers per Households (c)		1.80	1.24	1.36	1.65	1.85	1.96	1.94
Number of Households		**40.25**	**1.13**	**3.81**	**6.65**	**9.02**	**1.27**	**18.37**

Notes:
(a) Total Jobs is output of IMPLAN model, and shows employment generated by household spending. Columns to right may not sum to Total Jobs due to independent rounding.
(b) Estimated Jobs per 100 Units at each worker household income level is equal to Total Jobs per 100 Units in each industry, as shown in this table, multiplied by the share of workers in each industry at each income level, as shown in Table 23.
(c) Average number of workers per worker household by income category calculated based on American Community Survey PUMS data, 2019-2023.

Sources: American Community Survey, 2019-2023 Public Use Microdata Sample; CA Department of Housing and Community Development, 2023; IMPLAN; BAE, 2025.

Table 25: Jobs and Worker Household Generation by Income Level from New Ownership Housing

Industry	NAICS Code	Total Jobs per 100 Units (a)	Estimated Jobs per 100 Units by Worker Household Income Level (b)					
			Up to 15% AMI	15% to 30% AMI	30% to 50% AMI	50% to 80% AMI	80% to 120% AMI	Over 120% AMI
Private Sector								
Agriculture and Natural Resources	11, 21	0.35	0.00	0.07	0.09	0.09	0.02	0.08
Construction	23	0.59	0.01	0.04	0.09	0.14	0.03	0.29
Manufacturing	31-33	0.10	0.00	0.00	0.01	0.02	0.00	0.06
Wholesale Trade	42	1.43	0.00	0.06	0.25	0.37	0.05	0.70
Retail Trade	44-45	9.95	0.32	0.88	1.64	2.49	0.34	4.28
Transportation, Warehousing, and Utilities	48-49, 22	2.21	0.04	0.18	0.32	0.49	0.08	1.10
Information	51	1.93	0.02	0.03	0.12	0.26	0.12	1.39
Finance, Insurance, and Real Estate	52-53	9.64	0.10	0.41	0.85	1.84	0.30	6.14
Professional, Scientific, & Technical Svcs, & Mgmt of Companies	54-55	3.78	0.01	0.07	0.12	0.37	0.12	3.07
Administrative and Support and Waste Management Services	56	3.49	0.05	0.36	0.67	0.97	0.22	1.22
Educational Services	61	3.77	0.08	0.20	0.44	0.75	0.21	2.09
Health Care and Social Assistance	62	17.42	0.22	0.87	2.50	3.88	0.51	9.44
Leisure and Hospitality	71-72	16.41	0.43	1.78	3.30	4.16	0.33	6.40
Other Services Except Public Administration	81	9.34	0.25	0.69	1.61	2.59	0.45	3.74
All Government Employment		0.99	0.02	0.05	0.07	0.21	0.03	0.61
Total Jobs		**81.40**	**1.54**	**5.70**	**12.09**	**18.62**	**2.83**	**40.62**
Workers per Households (c)		1.80	1.24	1.36	1.65	1.85	1.96	1.94
Number of Households		**45.18**	**1.24**	**4.18**	**7.33**	**10.05**	**1.44**	**20.94**

Notes:
(a) Total Jobs is output of IMPLAN model, and shows employment generated by household spending. Columns to right may not sum to Total Jobs due to independent rounding.
(b) Estimated Jobs per 100 Units at each worker household income level is equal to Total Jobs per 100 Units in each industry, as shown in this table, multiplied by the share of workers in each industry at each income level, as shown in Table 23.
(c) Average number of workers per worker household by income category calculated based on American Community Survey PUMS data, 2019-2023.

Sources: American Community Survey, 2019-2023 Public Use Microdata Sample; CA Department of Housing and Community Development, 2023; IMPLAN; BAE, 2025.

Table 26: Summary of Induced Housing Need per 100 Units by Residential Development Type by Income Category

Jobs	Total Jobs per 100 Units (a)	Estimated Jobs per 100 Units by Worker Household Income Level (b)					
		Up to 15% AMI	15% to 30% AMI	30% to 50% AMI	50% to 80% AMI	80% to 120% AMI	Over 120% AMI
Rental Apartments	72.40	1.40	5.20	10.95	16.71	2.50	35.64
For-Sale Condos	81.40	1.54	5.70	12.09	18.62	2.83	40.62

Households	Total HH per 100 Units (c)	Estimated Worker Households per 100 Units by Worker Household Income Level (c)					
		Up to 15% AMI	15% to 30% AMI	30% to 50% AMI	50% to 80% AMI	80% to 120% AMI	Over 120% AMI
Rental Apartments	40.25	1.13	3.81	6.65	9.02	1.27	18.37
For-Sale Condos	45.18	1.24	4.18	7.33	10.05	1.44	20.94

Notes:
(a) Total Jobs is output of IMPLAN model, and shows employment generated by household spending. Columns to right may not sum to Total Jobs due to independent rounding.
(b) Estimated Jobs per 100 Units at each worker household income level is equal to Total Jobs per 100 Units in each industry, as shown in this table, multiplied by the share of workers in each industry at each income level.
(c) Average number of workers per worker household by income category calculated based on American Community Survey PUMS data, 2019-2023.

Sources: American Community Survey, 2019-2023 Public Use Microdata Sample; CA Department of Housing and Community Development, 2023; IMPLAN; BAE, 2025
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Step 5: Calculate the Affordable Housing Financing Gap

This step calculates the cost to house the extremely low-, very low-, and low-income households from Step 4 by determining the per unit "financing gap" for an affordable unit. The financing gap for an affordable unit is the difference between the development cost for an affordable unit and the amount of permanent financing available to subsidize the development of the unit.

Affordable Unit Development Cost. The estimated average construction cost for an affordable unit in Santa Barbara County is based on cost estimates provided in ten applications for tax credit funding that were submitted in 2023 and 2024 for proposed affordable housing developments in Santa Barbara County. Cost information from applications was inflated to 2025 estimates based on the RS Means Historical Cost Index. Based on the information from these applications, the estimated average cost to construct an affordable housing unit in Santa Barbara County is approximately $757,000, as shown in Table 27 below. This may underestimate the cost of constructing new affordable units in Santa Barbara; for example, the Housing Authority recently estimated that the cost to construct affordable housing in Santa Barbara averages approximately $1 million per unit. To the extent that the estimate of $757,000 understates the true average cost of constructing an affordable unit in Santa Barbara, this analysis may underestimate the fee that could be supported based on the nexus analysis.

Permanent Financing. The financing gap for an affordable unit assumes an affordable housing developer is able to secure four percent Low-Income Housing Tax Credit (LIHTC) equity financing and a permanent loan based on the net operating income (NOI) from each unit.

The analysis assumes four percent LIHTC equity financing because this funding source is more readily available than nine percent LIHTC financing, for which there is considerable competition. However, four percent LIHTC financing is nonetheless limited and is unlikely to be available at the levels that would be necessary to construct all the affordable units needed to address housing needs generated by new market-rate residential development. In addition, inclusion of four percent tax credits as a funding source shifts some of the cost of providing affordable housing onto the public sector because the tax credits reduce the tax credit investors' tax liability. Including four percent LIHTC financing as a source of funding in the nexus model reduces the net affordability gap shown in Table 27, and therefore serves as a conservative assumption in estimating the cost associated with mitigating the housing needs generated by new residential development. As shown in Table 27, four percent LIHTC equity would provide an estimated $276,577 per affordable unit, based on an average development cost of approximately $757,000 per affordable unit. Table 27 does not include any LIHTC equity for moderate-income units because moderate-income units are not eligible for LIHTC funding.

The financing gap calculation does not include financing from other public funding sources because other sources are limited and typically require a heavily competitive application process. These sources are not sufficient to fully address affordable housing needs that arise from the impact of new market-rate residential development projects in Santa Barbara.

Table 27 also shows the estimated permanent loan amount per unit, based on the Net Operating Income (NOI) from each unit (i.e., gross income net of vacancy and expenses) and typical financing terms. The rental rates used in this analysis are the 2025 rent limits for a two-bedroom unit for households at each income level, as set by the Tax Credit Allocation Committee (TCAC) for LIHTC projects, excluding an estimated utility allowance effective January 2025 from Housing Authority of the City of Santa Barbara (HASB) for "Basic" Electric, Gas, Water, Sewer, and Trash.

Table 27: Affordable Housing Financing Gaps, Santa Barbara, 2025

	Income Group			
	ELI	**VLI**	**LI**	**Moderate**
Household Income Limit (a)	$47,700	$79,450	$127,100	$128,600
Maximum Affordable Monthly Contract Rent per Unit (b)	$1,016	$1,811	$3,003	$3,040
Annual Gross Rent per Unit	$12,192	$21,732	$36,036	$36,480
Less 5% Vacancy	($610)	($1,087)	($1,802)	($1,824)
Miscellaneous Income per Unit (Annual) (c)	$131	$131	$131	$131
Less 5% Vacancy	($7)	($7)	($7)	($7)
Total Annual Revenue per Unit	$11,706	$20,769	$34,358	$34,780
Less Annual Operating Expenses per Unit (c)	$11,580	$11,580	$11,580	$11,580
Annual Net Operating Income per Unit	$126	$9,189	$22,778	$23,200
Annual Supportable Debt Service per Unit (d)	$110	$7,990	$19,807	$20,174
Total Development Costs per Affordable Unit (e)	$757,021	$757,021	$757,021	$757,021
Less: Permanent Loan Amount (f)	($1,466)	($106,884)	($264,946)	($269,852)
Less: Tax Credit Financing (4% LIHTC) (g)	($276,577)	($276,577)	($276,577)	$0
Financing Gap per Affordable Unit (h)	**$478,978**	**$373,560**	**$215,498**	**$487,169**

Notes:
(a) Based on a 3-person household, CA Department of Housing & Community Development, 2025.
(b) Maximum affordable rents for 2-bedroom units per TCAC rent limits, excluding 2-bedroom utility costs.
(c) Data from recent (2023 and 2024) applications for affordable housing projects in Santa Barbara, Ventura, and San Luis Obispo Counties.
(d) Net Operating Income divided by Debt Coverage Ratio.
(e) Average of development costs shown in LIHTC applications submitted in 2023-24 for projects in Santa Barbara County.
(f) The financing gap calculations that are shown in this table incorporate credit financing to offset a portion of the cost of constructing an affordable unit, which reduces the estimated financing gaps. However, it should be noted that projects must compete for tax credit financing, with a limited amount of funding available from tax credit financing in each round. It is unlikely that enough tax credits would be available to fully address affordable housing needs in Santa Barbara or in the broader region, and therefore full mitigation of housing needs would likely require affordable housing developments to be constructed without tax credit financing. Therefore, the financing gaps shown in this table likely represent an underestimate of the funding that would be needed to address the full need.
(g) Based on financing terms assumptions. Moderate units are not eligible for LIHTCs.
(h) Total Development Costs less Loan Amount and tax credit financing.
(i) Based on Secured Overnight Financing Rate (SOFR) plus 200 basis points to reflect Q1 2025 financial conditions.
(i) All of the City of Santa Barbara is included within either a Difficult to Develop Area (DDA) or Qualified Census Tract (QCT). Projects in DDAs or QCT receive a tax credit "boost".

The vacancy, miscellaneous income, and operating expense assumptions shown in Table 27 are also based on information provided in 2023 and 2024 applications for LIHTC funding for projects in Santa Barbara County. Based on the NOI for units at each affordability level and standard financing assumptions, the supportable loan amount ranges from $1,466 per unit for units serving extremely low-income households to $269,852 per unit for units serving moderate-income households.

Net Financing Gap. The financing gap per affordable unit is equal to the total development cost less the tax credit equity and supportable loan amount. As shown, the financing gap per affordable unit ranges from $215,498 for low-income units to $487,169 for moderate-income units.

Step 6: Calculate the Maximum Nexus-Based Fee

The final step in calculating the nexus-based fee is to apply the financing gap per unit for each income level (from Step 5) to the total housing need by income level from new market-rate units (from Step 4). As shown in Table 28, the nexus-based fees for residential product types are as follows:

Multifamily Rental:
$91.41 per net square foot
Ownership Condominium:
$72.53 per net square foot

While the nexus analysis shows that condominium units are associated with a higher number of induced jobs than multifamily rental units, the overall nexus-based fee per square foot is lower for condominium units because condominiums generally have larger unit sizes.

Table 28: Nexus-Based Fee Rates for Market-Rate Residential Units

Affordability Level	Affordable Housing Need Per 100 Units (a)	Financing Gap (b)	Nexus-Based Fee Per 100 Units (c)	Nexus-Based Fee Per Unit (d)	Nexus-Based Fee Per Net SF (e)
Multifamily Rental Apartment Units					
Extremely Low Income (up to 30% AMI)	4.940	$478,978	$2,366,246	$23,662	$29.18
Very Low Income (31-50% AMI)	6.645	$373,560	$2,482,356	$24,824	$30.61
Low Income (51-80% AMI)	9.021	$215,498	$1,944,105	$19,441	$23.97
Moderate Income (80-120% AMI)	1.274	$487,169	$620,665	$6,207	$7.65
Total	**21.881**		**$7,413,373**	**$74,134**	**$91.41**
Condominium Units					
Extremely Low Income (up to 30% AMI)	5.420	$478,978	$2,596,189	$25,962	$22.95
Very Low Income (31-50% AMI)	7.331	$373,560	$2,738,634	$27,386	$24.21
Low Income (51-80% AMI)	10.051	$215,498	$2,166,074	$21,661	$19.15
Moderate Income (80-120% AMI)	1.442	$487,169	$702,632	$7,026	$6.21
Total	**24.245**		**$8,203,529**	**$82,035**	**$72.53**

Note:
(a) See Table 26
(b) See Table 27
(c) Equal to affordable housing need per 100 units at each income level multiplied by financing gap at corresponding level.
(d) Equal to the nexus-based fee per 100 units divided by 100.
(e) Reflects the fee rate per net leasable/saleable square foot. Based on the following unit sizes:
Multifamily Rental Apartment Units (SF): 811
Condominium Units (SF): 1,131
Source: BAE, 2025.

APPENDIX E: OVERVIEW OF IMPLAN

This appendix provides additional clarification on the IMPLAN input-output model. It provides an overview of the data that IMPLAN uses internally, a step-by-step account of how IMPLAN estimates economic impacts, and the process of how the model estimates the impacts of new commercial and housing projects.

What is IMPLAN?

IMPLAN is an input-output model that estimates the total economic implications of new economic activity within a specified geography. The model uses national industry data and county-level economic data to generate a series of multipliers, which in turn estimate the total economic implications of economic activity.

At the heart of the model is a national input-output dollar flow table called the Social Accounting Matrix (SAM). Unlike other static input-output models, which just measure the purchasing relationships between industry and household sectors, SAM also measures the economic relationships between government, industry, and household sectors, allowing IMPLAN to model transfer payments such as unemployment insurance. Thus, for the specified region, the input-output table accounts for all the dollar flows between the different sectors within the economy.

National Industry Data. The model uses national production functions for 546 sectors to determine how an industry spends its operating receipts to produce its commodities. The model also uses a national matrix to determine the *byproducts*[15] that each industry generates. To analyze the impacts of household spending, the model treats households as an "industry" to determine their expenditure patterns. IMPLAN couples the national production functions with a variety of county-level economic data to determine the impacts for our example.

County-Level Economic Data. To estimate the county-level impacts, IMPLAN combines national industry production functions with county-level economic data. IMPLAN collects data from a variety of economic data sources to generate average output, employment, and productivity for each of the industries in a given county. It also collects data on average prices for all of the goods sold in the local economy. In this analysis, IMPLAN uses economic data for Santa Barbara County. IMPLAN gathers data on the types and amount of output that each industry generates within the County. In addition, the IMPLAN model uses county-level data on the prices of goods and household expenditures to determine the consumption functions of regional households and local government, taking into account the availability of each commodity within the specified geography.

[15] The byproducts refer to any secondary commodities that the industry creates.

Multipliers. IMPLAN combines these data to generate a series of SAM-type multipliers for the local economy. The multiplier measures the amount of total economic activity that results from an industry (or household) spending an additional dollar in the local economy. Based on these multipliers, IMPLAN generates a series of tables to show the economic event's *direct*, *indirect*, and *induced* impacts to gross receipts, or output, within each of the model's 546 sectors. These outputs are described below:

- **Direct Impacts**. Direct impacts refer to the dollar value of economic activity available to circulate through the economy and the jobs associated with that economic activity. In the case of new residential development, the direct impacts are equal to the new households' discretionary spending. The direct impacts do not include household savings and payments to federal, state, and local taxes, as these payments do not circulate through the economy.

  It should be noted that impacts from retail expenditures differ significantly between the total economic value of retail and the amount available to circulate through the local economy. The nature of retail expenditures accounts for this difference. The model assumes that only the retail markup impacts the local economy, particularly for industries heavily populated with national firms such as gas stations and grocery stores. Since local stores generally buy a significant portion of goods from wholesalers and manufacturers outside of the area, and corporate profits also leave the local economy, only the retail markup will be available for distribution within the local economy. To the extent that retailers' headquarters are located within the county or region, the model allocates their portions of the impacts to the local economy.

- **Indirect Impacts.** The indirect impacts refer to the impact of local industries buying goods and services from other local industries, and to the jobs supported by those purchases. The cycle of spending works its way through the supply chain until all money leaks from the local economy, either through imports purchased outside of the local economy or by payments to income and taxes. For capital projects, indirect impacts include payments for wood, steel, office supplies, and any other non-labor payments that a construction firm would purchase in the building process.

- **Induced Impacts.** The induced impacts refer to the dollar and employment impacts of household spending by the employees generated by the direct and indirect impacts. In other words, induced impacts result from the household spending of employees that the new households patronize (direct) and their suppliers (indirect). The model accounts for local commute patterns in the geography. For example, if 20 percent of construction workers who work in the region live outside of the region, the model will allocate 80 percent of labor's disposable income into the model to generate induced impact estimates. The model excludes payments to federal and state taxes and savings based on the geography's average local tax and savings rates. Thus, only the disposable incomes from local workers are included in the model.

Specifying the "Event" and Running the Model

Once the model is built for the specified geography, the next step is specifying the "event" that the model will analyze and running the model.

Specifying the "Event." The "event" refers to the total economic value of industry output that the analyst is considering. For example, in the case of the construction of new market-rate residential units, the "event" would be the household spending by new households living in the residential units, including the resulting new jobs and the worker compensation.

Running the Model. Once the event is specified, IMPLAN model generates the results. By default, IMPLAN applies local data on average output per worker and compensation per worker to determine the direct impacts. The model then applies the value of the event to the national production functions and runs a number of iterations of this value through the production functions for the local economy to determine the indirect and induced impacts. For each iteration, the model removes expenditures to government, savings, and for goods bought outside of the local economy so that the results only include those dollars that impact the local economy.

Summarizing the Impacts

Once the model is run, IMPLAN generates output tables to show the direct, indirect, and induced impacts within each of the model's 546 sectors. IMPLAN generates these tables for three types of impacts: employment, output, and value added. The IMPLAN analysis of this study is focused on the employment impacts.

- *Employment* shows the number of employees needed to support the economic activity in the local economy. It should be noted that for ongoing operations, the employment figure represents the amount of employment needed to support that activity for a year. Furthermore, IMPLAN reports the number of jobs based on average output per employee for a given industry within the geography. This is not necessarily the same as the number of full-time positions.
- *Output* refers to the total economic value of the project in the local economy.
- *Value Added* shows the total income that the event generates in the local economy. This income includes:
    - *Employee Compensation* – total payroll costs, including benefits
    - *Proprietary Income* – payments received by self-employed individuals as income
    - *Other Property Type Income* – payments for rents, royalties, and dividends
    - *Indirect Business Taxes* – excise taxes, property taxes, fees, and sales taxes paid by businesses. These taxes occur during the normal operation of businesses, but do not include taxes on profits or in

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February 28, 2026

Dana Falk
Project Planner
City of Santa Barbara
Via Email: InclusionaryHousing@SantaBarbaraCA.gov

Subject: Draft Inclusionary Housing and In-Lieu Fee Study

Dear Ms. Falk:

The Coastal Housing Coalition (CHC), formed in 2005, is a non-profit organization and the voice of local employers and employees in support of workforce housing. The CHC advocates for housing available to households earning 120-200% of the area median income (AMI). Our volunteer boards consists of industry professionals including architects, planners, developers, real estate agents, and attorneys with expertise in South Coast housing. We believe that the lack of available, affordable housing near jobs is adversely affecting our region's economy, environment, and civic life, all of which will worsen if we do not address this crucial problem.

CHC appreciates the opportunity to review and provide feedback on the City's Draft Inclusionary Housing and In-Lieu Fee Study (Study) before staff finalize the Study and seek to implement it through zoning ordinance amendments. Based on our review of the Study, we have prepared detailed comments regarding its underlying assumptions and recommended improvements and would like to highlight the following high-level concerns with the Study:

1. Since the City's existing inclusionary housing requirements worsen project feasibility, they should be reconsidered rather than expanded.

The Draft Study acknowledges that under current market conditions, typical multifamily development prototypes are not financially feasible when utilizing the City's existing Inclusionary Housing Ordinance (IHO).[1] As detailed in the Study's Financial Feasibility Analysis, residential projects are only considered "feasible" when they exceed a certain profitability threshold, **which all development prototypes under the City's IHO <u>fail</u> to meet by a wide margin**.[2]

[1] Draft Study, p. 7 ("Overall, this Study found that all residential development prototypes are infeasible under the Existing Program."); Draft Study, p. 30 ("No baseline prototypes utilizing the Existing Program are identified as feasible under current market conditions.").
[2] See Draft Study, pp. 30-32 (estimating a feasibility gap ranging from $44-68 per square foot for ownership projects and $53-83 per square foot for rental projects using the City's AUD program).

This is a significant finding that must guide the City's policy direction to restore feasibility to residential development projects rather than erode it. Instead, the Study recommends (1) expanding the City's IHO to apply to all rental projects with 5+ units, regardless of whether they benefit from the City's AUD program, and (2) maintaining current inclusionary housing requirements despite the clear need to reconsider them.

Accordingly, **these recommendations are unsound and divorced from the Study's own logic**. Since the City's applied its IHO to rental units under the AUD program in 2019, development of rental units utilizing the program has stalled significantly.[3] Expanding these inclusionary requirements to all rental projects of 5+ units, regardless of whether they use the AUD program, "would mean that non-AUD rental projects inland and all rental projects in the coastal zone would be subject to inclusionary housing requirements," which the Study acknowledges would "impact financial feasibility for rental projects not utilizing the AUD Program."[4] If the City's IHO already makes it infeasible to develop rental projects that utilize the AUD program, broad application of inclusionary housing requirements to all rental projects with 5+ units, without the appropriate offsets, will only worsen housing availability and affordability. An IHO that renders housing development infeasible will not generate any new units, moderate income or otherwise, or generate any new affordable housing fees for the City. Such an outcome worsens housing affordability for all.

2. The recommended increases to in-lieu fees are unjustified.

Since the Study finds that all baseline protypes are financially infeasible considering existing in-lieu fee amounts, the recommendation to increase those amounts even further and newly apply in-lieu fees to rental projects of 5+ units, regardless of whether the project uses the City's AUD program, is unjustified. Still, the Study recommends setting a new in-lieu fee of $50 per square foot for ownership projects with 10+ units, *doubling* the existing in-lieu fee from $25 to $50 per square foot for rental projects with 10+ units, and setting a "lower" in-lieu fee of $35 per square foot for rental projects with fewer than 10 units.

The Study appears to justify the recommendations regarding in-lieu fee amounts by adjusting those amounts for inflation and construction costs; however, actual rents and ownership sales have not kept with this inflation trend, so inflated in-lieu fees represent a proportionally greater amount of potential developer profit and further erode project feasibility. This is concerning given that the Study dismisses the preexisting and significant hurdles to project feasibility under the City's current IHO.[5] Again, all project prototypes in the Study saw a significant

[3] See, e.g., AUD Incentive Program Progress Report: A Look Back on a Decade of Housing Production (2023) (noting that the inclusionary housing requirement is "one of the most disliked aspects" of the AUD program and noting that only 32 rental units using the AUD program had been proposed since application of the 2019 inclusionary housing requirement). Available at: https://santabarbaraca.gov/sites/default/files/2023-10/AUD%20Progress%20Report_2023_Public.pdf.

[4] Draft Study, pp. 9, 48.

[5] See, e.g., Draft Study, p. 51 (stating that "[t]he financial feasibility analysis indicates that an in-lieu fee rate of $50 per net square foot would minimally decrease financial feasibility in applicable prototypes" even though those

feasibility gap under the City's existing IHO, ranging from $44-68 per square foot for ownership projects and $53-83 per square foot for rental projects using the City's AUD program.[6] Raising in-lieu fees while maintaining existing inclusionary percentages will only render infeasible already marginal projects, reducing housing production.

3. The IHO will promote use of State Density Bonus Law over the production of moderate income units.

Of further concern, the Study demonstrates that State Density Bonus Law (SDBL) is structurally more compelling than the City's IHO.[7] SDBL restores feasibility by providing additional density, flexibility via concessions and waivers, and predictable streamlined approvals. The IHO, by contrast, imposes fixed affordability requirements without guaranteed offsets. If the City's IHO is not reconsidered to provide additional offsets and local density bonuses for moderate income units to compete with SDBL, the likely outcome is clear: **developers will structure projects under SDBL rather than rely on the City's inclusionary framework unless the City's framework is significantly improved**.[8]

This outcome erodes local control over housing development projects and fails to achieve the City's goal of generating more moderate and middle income housing units. By failing to provide local development incentive programs that are greater than or equal to incentive programs provided by the State, the City's current policy and recommendations appear to be inconsistent with the City's desire to obtain a pro-housing designation and to create affordable housing for all.

4. In addition to the Study's provided analysis, other metrics should be evaluated when considering project feasibility.

Although the Study finds that all residential prototypes under the City's IHO are infeasible, key assumptions underlying the Study suggest that financial feasibility is even ***lower*** than the Study currently estimates. In order to align these assumptions with the City's priorities of increasing the availability of affordable housing, we recommend the City reconsider the following assumptions to recalibrate the analysis:

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prototypes are already considered infeasible); Draft Study, p. 54 (stating that an in-lieu fee amount of $35 per square foot for smaller rental projects would "marginally to significantly decrease financial feasibility" for the baseline prototypes).

[6] See Draft Study, pp. 30-32.

[7] Draft Study, p. 7 ("As financial feasibility is challenging for development in the current economic climate, the City has seen an uptick in the number of projects utilizing [SDBL], as it improves financial feasibility in the studied development prototypes."); Draft Study, p. 78 ("Nearly all interviewees indicated that State Density Bonus Law incentives are comparatively more attractive to pursue than development within the AUD Program and/or the City's Local Density Bonus Program."); *id*. ("As long as the ability to request [SDBL] waivers is in place, one applicant reported it was 'hard to imagine' using the existing Local Density Bonus Ordinance.").

[8] This trend is already apparent from the Study. Of the 1,899 affordable housing units in the City (including both rental and ownership), only 21% are Moderate Income (400 units). Of those 400 units, only 41 have been constructed in the last 20 years (2006 and 2011), and they are all ownership units.

- **Using Residual Land Value (RLV) to determine feasibility thresholds:** Although CHC agrees that RLV is an important measure to consider when determining feasibility, this estimate serves as a single metric and does not sufficiently capture whether a project is truly financially feasible. Accordingly, the Study should be supplemented to evaluate a project's feasibility by identifying the project's lender debt service coverage ratio (DSCR),[9] which typically should fall between 1.2-1.25 for the developer to reliably obtain a loan. This measure does not appear to be considered throughout the Financial Feasibility Analysis; where debt coverage is considered in estimating construction costs for the City's in-lieu fee calculations, the Study assumes a debt coverage ratio of 1.15.[10] Considered in tandem with RLV, including sufficient DSCR assumption in the analysis would provide a more comprehensive feasibility analysis that estimates the reasonable likelihood of successful financing of the project together with the project's reasonable land value expectation.
- **Setting a 110% AMI target:** CHC agrees with increasing the target AMI from 100%, but the 110% AMI target rate appears to be insufficient. For example, the Study indicates that more than 50% of workers in the City are above 120%.[11] This suggests that a target rate at 120% AMI or above is appropriate for the City to consider. Setting the rate lower would penalize the majority of workers in the City and further isolate the housing industry in order to offset hypothetical job creation from further housing development.
- **Setting a 10% developer profit margin:** Given the significant entitlement risks and construction delivery risks, including time delays, labor, cost of goods, lending fluctuations, and other hurdles developers experience in the City, a 10% profit margin is likely insufficient to incentivize development, especially of market rate projects. In CHC's conversations with developers, a 10% profit margin would be the absolute floor that would be considered: although profit margins can be lowered as the size of the project increases, the lack of sufficient lot sizes in the City for large projects preclude lower profit margins near 10%. Accordingly, This profit margin should be increased to recalibrate the Study's analysis of what is feasible in the City.
- **Estimate of hard costs:** The hard costs of a project, including development costs and operating costs identified throughout Appendix C of the Study, appear to be underestimated. These costs have risen dramatically in the last several years, outpacing rents and income. Accordingly, these costs should be recalibrated to better assess project feasibility.
- **Developer income and capitalization rates:** The Study utilizes CoStar data and interviews with developers to estimate developer income, and thus assess project feasibility, based on asking rents rather than actual rents. Additionally, while costs for goods and services have increased due to inflation, rents have not kept the same pace with inflation or the rising costs

[9] DSCR is an important threshold measure to consider because a project will not be built if the project is outside of acceptable lending parameters at the time of construction. This is a case where the "tail should help wage the dog."

[10] See Draft Study, p. 39, Table 9: In-Lieu Fee Rates by Construction Cost Analysis.

[11] See Draft Study, p. 102, Table 23: Worker Household Income Level by Industry of Employment, Santa Barbara County (showing at only 3.9% of workers qualify as moderate income at 120% of AMI).

of utility services.[12] Accordingly, the Study likely overestimates the amount of return a developer can obtain on any of the prototypes analyzed. Since developer incomes are likely overstated by the study, the assumed capitalization rate of 4.87% is likely overestimated as well. These figures should be recalibrated to better assess project feasibility.

- **Assumptions about "Induced Housing Demand":** The Study asserts that new market rate housing construction results in "induced demand" for lower and moderate income housing.[13] However, the Study ignores that new market rate housing construction has been shown to preserve or reduce rents in existing housing units, by allowing new market rate construction to absorb high-income households.[14] Table 26 and the Residential Nexus Analysis must be recalibrated based on the weight of the research that undermines its assumption of "induced" demand from market rate construction.
- **Residential Nexus Analysis**: The Residential Nexus Analysis purports to calculate a maximum allowable in-lieu fee based on the tenuous and hypothetical relationship between market rate housing construction and the need for affordable housing. Again, this analysis ignores that new market rate housing construction preserves or reduces rents in existing housing units. Further, this approach cannot satisfy the City's obligation to ensure that its development fees are "roughly proportional" to its need for affordable housing, since setting fees near this maximum level will only provide a barrier that will slow the construction of any new housing, market-rate or affordable, in the City.

In summary, inclusionary requirements are often, in part, one of the variables that impact a project's financial feasibility. This is because reduced income is obtained from this units without reducing corresponding construction costs. The result is that, if the project's net operating income is reduced due to reduced rent, the project may fail to meet acceptable DSCR. Many projects are skinny at the front end and struggle to meet construction lending requirements, but over time, most projects can both pay down their debt service and appreciate in value. At this point in time, a project's ability to provide inclusionary rents becomes more feasible.

Programs and policies should be considered that transfers inclusionary requirements to the point where a project has financially stabilized so that inclusionary requirements do not impact a developer's ability to service debt. This would avoid conditions where inclusionary requirements overly burden

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[12] See Draft Study, p. 16, Table 2, Figure 2 (showing that, although asking rents have increased by an average of 19% from 2021-25, utility, maintenance, and other costs have risen by greater than 30% in the same period).
[13] See Draft Study, p. 107, Table 26.
[14] See, e.g., Eduardo Mendoz, The Research All Points in the Same Direction: Adding More Homes Curbs Rents for Low-Income Tenants (Feb. 17, 2026) https://www.metroabundance.org/adding-more-homes-curbs-rent/; Shane Philips et al., Research Roundup: The Effect of Market-Rate Development on Neighborhood Rents, UCLA Lewis Cener, (Feb. 2021) https://www.lewis.ucla.edu/research/market-rate-development-impacts/; Brian J. Asquith et al., Local Effects of Large New Apartment Buildings in Low-Income Areas, MIT Press Direct, https://doi.org/10.1162/rest_a_01055.

projects at the outset while maintaining inclusionary housing over time when projects can better absorb costs.

Accordingly, CHC requests that the City consider the following **recommendations** that are more likely to achieve the City's goals:

- Calibrate inclusionary requirements to demonstrated financial feasibility.
- Provide meaningful concessions tied to inclusionary requirements, such as tying the local City density bonus program with SDBL or providing subsidies for inclusionary housing units.
- Protect small and mid-sized infill projects from disproportionate burden.
- Streamline approvals for compliant projects.
- Consider postponing existing inclusionary requirements until after the project has proven feasibility (i.e., delaying inclusionary requirements until 10+ years after project completion).
- Consider alternatives to exacting inclusionary housing requirements on housing developers, such as general fund revenues, special taxes or inclusionary fees for commercial projects, to fund affordable housing development.

Thank you for consideration of these comments. CHC appreciates the City's commitment to revising the draft Study to address public concerns and to develop policies that effectively incentivize the development of new housing supply. CHC welcomes working with the City on the Study and any implementing policies that support workforce and missing middle housing within the City.

Sincerely,

Craig Minus
Executive Director

Copy to:
- Allison DeBusk
- Santa Barbara City Council

From: Loy Beardsmore
Subject: Consequences of Tenant Protections
Date: Tuesday, October 6, 2026 11:41:30 AM

Some people who received this message don't often get email from loyalbme@gmail.com. Learn why this is important

Dear Mayor and Members of the Santa Barbara City Council:

I am writing because something happened last month that I hope you will think about as you consider the Rent Stabilization Ordinance, not as a statistic or a policy argument, but as the story of one person who simply wanted a place to live in Santa Barbara.

A 30-year-old woman contacted me about a rental I had available. She works full time for a high-net-worth individual in Montecito. She has excellent credit, a strong rental history, and told me that she takes exceptional care of the homes in which she lives. She is quiet, respectful and values her privacy.

She fell in love with the apartment. There was only one problem: the rent was more than she could currently afford, but she had recently been promoted and was expecting to discuss a raise with her employer after the new year. She wasn't asking me to permanently lower the rent. She simply asked whether I would allow her to move in at a lower rent temporarily and increase it after January 1, when she expected her financial situation to change.

In the past, I would have seriously considered it.

If a tenant's credit, rental history, employment and references checked out, and they were only temporarily short of the income needed to qualify, I could use my own judgment and work something out.

I couldn't this time.

Because of California's existing rent laws and tenant protections, I explained that if I signed a lease with her now, I could not simply increase the rent after January , even if **she voluntarily agreed to that arrangement in advance.** I would have to wait until the law permitted another increase. We are reputable and law-abiding rental housing providers.

So I asked whether she could find a guarantor. She couldn't. Both of her parents are deceased. We even discussed whether her employer might be willing to serve as a guarantor. Her employer was not willing to take that financial responsibility, yet as a rental housing provider, I am to assume that financial risk.

Consequently, a woman with excellent credit, a good rental history, a full-time job and a promotion on the horizon could not rent an apartment she loved because the landlord and tenant were not permitted enough flexibility to work out a temporary arrangement that both sides were willing to accept.

This is the part I hope you will consider carefully: the tenant protections did not help this tenant. They helped prevent her from getting the apartment.

As the landlord, I was expected to absorb the difference. Her employer was not willing to take that risk. And the government rules left neither of us much room to find a solution ourselves.

That is not what I believe anyone intended.

She wasn't asking for a handout. She wasn't asking me to ignore her qualifications. She wasn't asking me to take an unreasonable risk. She was asking for a little flexibility while she waited for a promotion and an expected raise.

I wanted to say yes. The ordinances and laws made me say no.

And this is exactly the kind of unintended consequence that worries me about adding more layers of regulation through the RSO.

When housing providers have less ability to respond to individual circumstances, they naturally become more cautious. They tighten their screening criteria. They become less willing to take a chance on someone whose income is temporarily short of the required amount. They become less willing to negotiate. And when a unit becomes vacant, there is less ability to offer flexibility and more reason to simply charge the highest rent the market will bear.

The result can be the opposite of what tenant protections are intended to accomplish: **fewer choices for renters, stricter qualification standards and higher rents on vacant units.**

This woman is not an abstraction. She is a young working person trying to build a life in Santa Barbara. She has a job. She has good credit. She has demonstrated that she is a responsible tenant. She found a home she loved. And I couldn't find a way to say yes to her.

That bothers me, not because I wanted to make more money, but because I believe landlords and tenants should have the ability to sit down together and work out reasonable solutions when both parties are willing. Government cannot anticipate every individual circumstance.

Please consider what happens when well-intentioned tenant protections remove the flexibility that can sometimes make it possible for a tenant to get a home in the first place.

If our goal is to help tenants, we should be asking not only how we protect tenants after they get housing, but whether our policies are making it harder for them to get housing in the first place.

In this case, a tenant wanted the apartment, a landlord wanted to work with her, and both were looking for a reasonable solution. The rules got in the way.

I hope the Council will consider that before adding another layer of regulation to Santa Barbara's already complicated rental housing system.

I am also asking the Council to explain why the number of occupants was removed from the Rent Registry when occupancy standards exist in the first place to protect tenants from **overcrowding, unsafe conditions, and habitability problems.**

If the City believes it is important to regulate how many people can safely occupy a rental unit, then knowing how many people actually live in those units should be **fundamental information.**

But there is another side to this. Occupancy standards can also affect existing tenants-particularly families or households whose circumstances change. If enforcement of those standards results in a household having to leave or reduce the number of people living in a home, that is a tenant-protection issue as well.

So why remove the very information that would allow the City to understand the relationship between **occupancy, habitability, enforcement, and tenant displacement?**

The City cannot simultaneously say that it needs occupancy standards to protect tenants from overcrowding while eliminating occupancy information from the registry and then claim it is adequately evaluating the impact of those standards on tenants.

Which is it? Is occupancy information important enough to regulate tenants' living conditions, or is it not important enough for the City to track?

If tenant protection is truly the objective, the City should be collecting the information necessary to determine whether its policies are actually protecting tenants—or unintentionally displacing them.

I urge the Council to restore the number of occupants to the Rent Registry and explain publicly why it was removed.

Sincerely,

Loy Beardsmore

From:	Missy Zeitsoff
To:	Santa Barbara City Council
Subject:	Fwd: Vote with the League! CA Ballot Measure Recommendations 2026 | MyLO
Date:	Tuesday, October 6, 2026 11:45:01 AM

I trust them. MZ

---------- Forwarded message ---------
From: **Missy Zeitsoff** <missyzeitsoff@gmail.com>
Date: Tue, Oct 6, 2026, 11:42 AM
Subject: Vote with the League! CA Ballot Measure Recommendations 2026 | MyLO
To: Missy Zeitsoff <missyzeitsoff@gmail.com>

https://my.lwv.org/california/diablo-valley/article/vote-league-ca-ballot-measure-recommendations-2026

From:	Joanna Kaufman
To:	Santa Barbara City Council
Cc:	City Clerk; Tess Harris
Subject:	State St. Referendum
Date:	Tuesday, October 6, 2026 1:19:19 PM
Attachments:	LettertoCouncil8-14-18.pdf San Luis Obispo Organizational Assessment Final Report (04-02-13).pdf

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Mayor & Council,

I can't tell you how disappointed I am that one person has made it their personal mission to derail this multi-year stakeholder driven effort to create a better main street. We live in an era where a gross majority have less & the minority with more try to dictate our lives. So here we are. The master plan adopted by Council this September is a visionary document that incorporates many voices & the city's many associated plans & policy documents. I commend staff & the consultant for the execution of an extensive outreach/engagement process. The plan isn't driven by the presence or lack of cars on the street. It's sad that the debate is simplified to this binary. Our downtown needed/needs to evolve so we can succeed in the 21st century. Returning to the pre-pandemic configuration will not address any of the systemic issues with the downtown economy.

I say the above confidently because I am a resident who has participated in the downtown/state street conversation for years. I've spent countless hours of unpaid time attending workshops, public hearings, & writing letters. I've attached a letter I sent in 2018. A lot has changed since I originally sent this, but I still stand by much of what I wrote then. Ironically some of this has been implemented. My hope is that more changes, many of which are addressed by the Master Plan, will continue to be implemented.

Anyone who has been around the block understands that returning to the status quo will not generate the desired outcomes. The data supports this. Coast Village & the funk zone are not the multi-block downtown. If you took an inventory of the businesses on each street within these subareas it would become abundantly clear.

Best,
Joanna Kaufman
joanna.kaufman@gmail.com
[redacted]

---------- Forwarded message ---------
From: **Joanna Kaufman** <joanna.kaufman@gmail.com>
Date: Wed, Aug 15, 2018 at 11:00 PM
Subject: Letter for Downtown Economic Vitality
To: <sbcitycouncil@santabarbaraca.gov>

Hello,

I recognized I failed to submit my personal letter digitally. My hope is that I can provide some valuable insight as a millennial, young professional, planner, young parent in SB. Apologies for any grammatical errors in my letter as it was hastily crafted. This PDF is hyperlinked to some additional content.

I am also attaching the City of San Luis Obispo's organizational assessment conducted for the Community Development Department. I think there might be some parallels that can be drawn from their attempted efforts. In particular look at the strategic action plan on pages 15-30.

Thank You,

Joanna Kaufman
joanna.kaufman@gmail.com
[redacted]

Joanna Kaufman
[redacted].
Santa Barbara, CA 93101

Mayor & City Council
735 Anacapa St.
Santa Barbara, CA 93101

Dear Mayor Murillo & Council Members,

Santa Barbara is experiencing local impacts from shifts in global retail markets and personal consumer preferences. Through this case study we could perhaps learn how as a city we need to be more flexible and creative when addressing citywide issues. Change in the digital age happens quickly as disruptive platforms/technologies like AirBnB, Uber, and Limebike have thrown cities across the world off their feet. As city staff, elected officials, and the community at large deliberate how we will fix the latest issue of revitalizing the Downtown economy, we shouldn't forget that there will be another fire to put out in the near future. Urban problems can no longer be effectively addressed at a slow and costly rate. The way things are going, our well-vetted solutions will be obsolete once they are adopted. This is why I propose the creation of a city department that would be able to manage proactively responding to rapid changes. In the meantime I also propose some bandaids that will help with the healing.

Longer-Term Strategies: Create an Economic Development Department/Department of Innovation

- Develop a Downtown Plan
- Develop a citywide Economic Development Plan
- Examine the integration of smart city technology
- Create a incubator/accelerator or partner more closely with existing small business development programs (i.e. Scheinfeld Center @ Santa Barbara City College, regional small business development center, etc.)
- Build stronger partnerships with local educational institutions (i.e. UCSB, SBCC) to have downtown campuses and/or a stronger presence in Santa Barbara
- Adopt a pilot program mindset - identify major city issues and work with local innovators to pilot solutions to major city issues (see Boston Department of New Urban Mechanics, San Jose Innovation Roadmap)
- Encourage the improvement of hospitality industry/service sector job ladders through incubators and/or training(see La Cocina Incubator, Richard Florida article on job ladders)
- Evaluate the effectiveness of city departments and identify areas for improvement

Short to Mid-Term Strategies:

- Hire or assign an Economic Development staff lead
    - Work with property owners to maintain a publicly available online list of available commercial/business spaces with square footage, facilities info, zoning
    - Explore options for upgrading and improving quality of public engagement through the use of technology
    - Host a civic hackathon to address citywide issues
    - Provide more open access to raw data
    - Identify gaps in resident serving uses and court those kinds of businesses.

1. https://www.theatlantic.com/business/archive/2017/04/retail-meltdown-of-2017/522384/
2. https://psmag.com/news/the-long-and-painful-decline-of-the-retail-store

    - Also there is a shift away from dollars spent consuming material goods and more on unique experiences like dining or facilitating social life

Housing

- Move the AUD Priority Overlay away from Milpas Street over to the State Street corridor.
    - Housing on State Street would help address multiple issues including public safety.

Development

- Create flexibility and more certainty in the development process
    - Examine added flexibility in the El Pueblo Viejo Guidelines for non-historic properties
    - Revisit parking, open space, stormwater requirements for Downtown
    - Expedite the rollout of Accela and allow for digital submittals

Transportation

- Allow and promote shared mobility options (i.e. carshare, bikeshare)
- Re-examine free on-street parking adjacent to State St.
- Use right of way to create more "third spaces," especially for families and young children.

Small Business Support

- Supportive of a streamlined process for allowing pop-up events. Work with a wide range of community stakeholders to be participants.
- Subsidize space for community beneficial uses Downtown (i.e. mobile health clinic, social services, showcase non-profits)
- Make it simple to have a food truck or food cart in Santa Barbara.
- Promote shared use of commercial space (i.e. coffee shop/yoga studio/restaurant, office/bar)
- Encourage oversized retail spaces be divided into smaller space. Research shows that there is an over-abundance of retail.

Public Safety

- Acknowledge homelessness can only effectively be addressed through housing first policies and that sit and lie rules will not address homelessness

The key is to look at how the City functions and identify how our city can upgrade into the 21st century and beyond.
Regards,

Joanna Kaufman
Santa Barbara Resident

From: Bill Stark
To: City Clerk
Subject: October 6, 2026 City Council Mtg, Short-term rentals
Date: Tuesday, October 6, 2026 1:26:51 PM

> Some people who received this message don't often get email from bill.stark.sb@gmail.com. Learn why this is important

Dear City Clerk,

I'm writing to support approval of the proposed ordinance to regulate short-term rentals.

One of Santa Barbara's and California's biggest challenges is the lack of affordable housing. Currently in Santa Barbara the conversion of residential housing to STRs is harming the supply of affordable housing. These conversions drive up the cost of nearby residential properties and drive down the supply of housing.

I believe the proposed ordinance will help to improve this situation. I believe the ordinance achieves a good balance by allowing STR businesses in appropriate areas while protecting residential housing.

I also support the Coastal Commission's goal of protecting broad access to the coast.

STR advocates and their lobbyists claim STRs will provide a more affordable alternative to motels.

But current listings on AIR B&B do not support that claim. In fact, STRs on the Mesa appear to be every bit as expensive as motels – if not more so. The only way STRs can even approach comparable affordability is by filling them with the maximum number of guests, which only increases the likelihood of neighborhood disturbances. These STRs are functionally mini-motels at maximum occupancy, and this is not appropriate in residential neighborhoods.

Santa Barbara has no shortage of hotel and motel rooms near the coast. There are already literally thousands within a block or two of the beach. Our coast is already easily accessible.

Please support the proposed ordinance.

Respectfully,
Bill Stark

[redacted]
Santa Barbara, CA 93109

From: John Weninger
To: City Clerk
Subject: Opposition to Eliminating the Exemption for Owner-Occupied Duplexes from the City's Rent Stabilization and Just Cause Ordinances — [Agenda Item , Council Meeting of October 6, 2026]
Date: Tuesday, October 6, 2026 1:51:52 PM

Some people who received this message don't often get email from john@mccarthykroes.com. Learn why this is important

October 6, 2026

VIA EMAIL (Clerk@SantaBarbaraCA.gov)

Honorable Mayor Randy Rowse
and Members of the City Council
City of Santa Barbara
735 Anacapa Street
Santa Barbara, California 93101

Re: Opposition to Eliminating the Exemption for Owner-Occupied Duplexes from the City's Rent Stabilization and Just Cause Ordinances

Dear Mayor Rowse and Members of the Council:
I write to urge the Council not to eliminate the exemption for owner-occupied duplexes from the City's tenant protection ordinances, including the Residential Rent Stabilization Ordinance (Chapter 26.90) and the pending amendments to the Just Cause for Residential Evictions Ordinance (Chapter 26.50). Removing the exemption now — before the City has gathered any data about how many owner-occupied duplexes exist, who lives in them, what they charge in rent, or what problem the change is meant to solve — would be arbitrary and capricious. It would also impose real and disproportionate burdens on the Santa Barbara families who live in one half of a duplex and rely on the other half to afford to stay here. At a minimum, the Council should keep the exemption in place until the City completes a study of owner-occupied duplexes, which the new Rental Registry is well positioned to support. I respectfully request that this letter be included in the administrative record for this item.

1. The Exemption Reflects a Distinction the Legislature and This Council Have Already Recognized

The Tenant Protection Act of 2019 (AB 1482) exempts from both the statewide rent cap and the statewide just cause requirement a duplex in which the owner occupied one unit as the owner's principal residence at the beginning of the tenancy, for as long as the owner continues to live there. (Civ. Code, §§ 1946.2,

subd. (e); 1947.12, subd. (d).) The Legislature drew that line deliberately. An owner who shares a single structure — a common wall, a driveway, often a yard and utility meters — with a tenant is in a fundamentally different position from an investor or corporate landlord who operates a multi-unit building from somewhere else.

This City adopted the same exemption when it enacted its Just Cause ordinance in 2020 and has carried it forward through every amendment since. The public review draft of the Rent Stabilization Ordinance released in June 2026 also retained it. And when staff presented the rent stabilization work plan in December 2025, the treatment of owner-occupied duplexes was identified as an open policy question for further research. That research has not been presented to the Council or to the public.

2. Eliminating the Exemption Without Evidence Would Be Arbitrary and Capricious

A city's legislative choices receive deference, but that deference is not unlimited. A legislative act may be set aside where it is arbitrary, capricious, or entirely lacking in evidentiary support. (American Coatings Assn. v. South Coast Air Quality Management Dist. (2012) 54 Cal.4th 446, 460.) Rent regulation in particular must be reasonably calculated to address the problem it targets and must preserve the owner's ability to earn a just and reasonable return. (Birkenfeld v. City of Berkeley (1976) 17 Cal.3d 129, 165.) And any classification the City draws among property owners must rest on a rational basis. Removing the duplex exemption on the present record would not satisfy those requirements, for several reasons.

There is no evidence of a problem. To my knowledge, the record contains no count of owner-occupied duplexes in the City, no information about the rents charged in those units compared with the broader market, no evidence of excessive rent increases or no-fault evictions in owner-occupied duplexes, and no analysis of the economic effect on owner-occupants. The request to remove the exemption has come largely through public comment urging the Council to strip every exemption not required by state law. That is a legitimate policy preference, but it is not evidence, and a policy preference alone cannot supply the factual foundation the change requires.

The resulting lines would be irrational. Without the exemption, a homeowner who lives in a single-family house and rents an accessory dwelling unit behind it would remain exempt, while a homeowner who lives in one half of a duplex and rents the other half would be fully regulated. The two living arrangements are functionally identical — one owner, one tenant, one lot, shared space — yet they would be treated in opposite ways. Nothing in the record explains why one

deserves regulation and the other does not.

It treats unlike owners alike. The justifications for rent stabilization — unequal bargaining power, professional management, scale, and absentee ownership — describe the institutional landlord, not the family that lives on site and rents a single unit. Placing a resident owner of two units in the same regulatory category as an owner of hundreds ignores precisely the differences that make regulation appropriate in the first place.

It departs from the process the public relied on. Duplex owners reviewed a public draft that retained the exemption and reasonably understood that the Council was following state law on this point. Removing it without circulating a revised draft, giving affected owners notice, and adopting supporting findings deprives the people most affected of a meaningful opportunity to be heard.

3. The Impact on Santa Barbara Families Who Live in Their Duplexes

Most owner-occupied duplexes in this City are not investment vehicles. They are homes, frequently purchased because a duplex was the only realistic path to ownership in one of the most expensive housing markets in the country. Lenders routinely count rental income from the second unit to qualify the buyer, which means the rent from that unit is what makes the mortgage payment possible. For these families, the second unit is not a profit center; it is how they keep their home.

Those households face costs that are rising far faster than the ordinance's allowable increase of 60 percent of CPI or 3 percent, whichever is lower. Homeowners' insurance premiums in coastal California have climbed sharply, and many owners have been non-renewed and forced onto far more expensive coverage. The City's rent stabilization program applies to units built before 1995, which means older structures with older roofs, plumbing, and electrical systems that require continual capital investment. A small owner has no portfolio over which to spread those costs and no professional staff to absorb them. And these same owners have already lived under the temporary rent freeze since early 2026, which did not exempt pre-1995 duplexes.

Many duplex owners are seniors and retirees who rely on the second unit as a meaningful part of their retirement income. Many others are multigenerational families who bought a duplex specifically so they could someday house an aging parent, an adult child, or a caregiver next door. Layering rent stabilization and additional eviction restrictions onto these owners makes it harder for them to plan for their own families' needs and erodes the financial security that led them to buy in Santa Barbara rather than leave.

Owner-occupied duplexes also present a human reality that larger buildings do not. The owner and the tenant live a few feet apart. When that relationship

breaks down — over noise, conflict, or safety — an owner in a large complex can manage around it, but an owner who shares a wall with the tenant cannot. That is the very reason the Legislature exempted these properties. Removing the exemption leaves families in their own homes with far fewer options when a living situation becomes untenable.

Finally, the likely response to removing the exemption will reduce, not expand, the supply of moderately priced rental housing. Some owners will choose to leave the second unit vacant or reserve it for family. Others will sell, and duplexes sold to investors lose the on-site owner who has historically kept rents moderate and the property well maintained. The small owner-occupant landlord is part of the solution to Santa Barbara's housing problem, not the cause of it.

4. Waiting for a Study Is the Better Course

Nothing is lost by retaining the exemption while the City gathers facts. The rent stabilization program is not scheduled to launch until January 2027, covered units are not required to register until April 2027, all other rental units must register by October 2027, and enforcement is not expected to begin until 2028. The Rental Registry the Council just approved will, for the first time, give the City reliable data on how many owner-occupied duplexes exist, what they rent for, and how long their tenants stay. The City is also already retaining a consultant and conducting a fee study as part of program launch. There is no reason to make this change in the dark when the information needed to make it responsibly is on its way.

I therefore respectfully ask the Council to (1) retain the exemption for owner-occupied duplexes in both the Rent Stabilization Ordinance and the Just Cause Ordinance; and (2) direct staff, using Rental Registry data, to study owner-occupied duplexes — including their number, rent levels relative to the market, tenant tenure and turnover, eviction activity, owner demographics, and the economic effect of regulation on owner-occupants — and to report back to the Council by a date certain. If that study shows a genuine problem, the Council will be in a position to craft a targeted, evidence-based response. If it does not, the Council will have avoided harming the very families it is trying to keep in Santa Barbara.

The Council has acknowledged throughout this process that the ordinance can be refined over time as the program matures. That principle counsels starting with the exemption in place and revisiting it with evidence, rather than removing it now and trying to unwind the harm later.

Thank you for your consideration.

Very truly yours,

John R. Weninger