Santa Barbara
GENERAL PLAN
Implementation Report
September 2016
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**Introduction**

**General Plan Vision**

The City’s 2011 General Plan Update was shaped by key community issues/concerns\(^1\), which are referred to as “Policy Drivers.” The Policy Drivers include: Growth Management; Energy and Climate Change; Historic and Community Character; Public and Community Health; and, Economic and Fiscal Health. In turn, the General Plan responds to the Policy Drivers by providing direction through the General Plan Element goals, policies and possible implementation actions to achieve the “Vision of a Sustainable Santa Barbara.” The Vision is a statement of Santa Barbara’s desired future conditions, values and characteristics.

### Vision of a Sustainable Santa Barbara

| Sustainability: Becoming more sustainable by managing wise use of resources. |
|______________________________________________________________|
| Community Health: Providing a physical environment that is healthy, and encourages healthy, active living. |
| Environment: Protecting and enhancing the scenic beauty of Santa Barbara’s natural setting and built environment which is intrinsic to our appreciation and enjoyment of the City. At the same time, improving on conservation of resources such as, energy, water, open space, and native habitat, through innovation and determination. |
| Growth: Managing growth within our limited resources, and in so doing, retaining the desirable aspects of the physical city without sacrificing its economic vibrancy and demographic diversity. |
| Community Design: Carrying on the tradition of preserving open space for public enjoyment, preserving historic buildings, and the continuity of emblematic architecture in new development and redevelopment. |
| Historic Resources: Preserving and enhancing historic resources now and in the future. |
| Housing: Allowing as much housing as possible within resource limits to provide an array of lifestyle options for a demographically and economically diverse resident population. |
| Transportation: Creating a diverse transportation network that serves our community’s economic vitality, small-town feel, a variety of housing options, economic stewardship, and healthy lifestyles. |
| Public Services and Facilities: Understanding that public services and facilities are limited resources, in particular with respect to financial considerations, explore technological solutions to safeguard, improve and expand the natural resources of Santa Barbara, while applying innovation to maintain or improve the quality of life and protect the natural environment. |
| Economy: Seeking stability through diversity, and balance between serving residents and visitors or non-resident investors, consistent with our environmental values and the need to be sustainable and retain unique character. |
| Civic Participation: Believing the best decisions are made with the greatest community participation. We know that full consensus is rare, but greater participation, where people have an opportunity to be heard and all opinions are respected, will achieve greater understanding, acceptance and appreciation which are so essential to our sense of community. |

Over the next 20 years, these are the values for Santa Barbara to increasingly reflect in all its manifestations: physical, cultural and social, and through its General Plan.

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\(^1\) In the Fall of 2007, the Community Input Summary Report was published summarizing all of the public comments received to date.
General Plan Implementation and Adaptive Management Program Report

The purpose of the City’s General Plan Implementation/Adaptive Management Program (AMP) Report is to ensure that the General Plan is being implemented effectively and towards achievement of its Vision, and to provide an opportunity through adaptive management for timely policy and implementation action adjustments, rather than infrequent, major reactive updates. This report serves as an information feedback loop that tracks the status of policies and implementation actions toward meeting the General Plan’s Vision, and then uses the results to propose policy adjustments and possible implementation measures, as needed.

The 2016 report is modeled closely on the 2015 report; however, it reflects changes as discussed with staff at several Planning Commission (PC) lunch meetings in 2016. The major changes from the 2015 report include:

- Expanding the Growth Management section with a significant focus on the status of the Average Unit-Size Density (AUD) Incentive Program.
- Removing three of the five broad topic areas and replacing them with a short summary of progress towards the General Plan Vision. This was done because progress on these topics is readily available in other formats as follows:
  - Historic and Community Character: A regular update of the Five Year Historic Program is provided at the spring Joint Council/PC Meeting;
  - Public and Community Health: Appropriate indicators for this topic are not readily available and the physical environment discussion (pedestrian and bicycle infrastructure) overlaps with topics presented in Appendix A (2011 General Plan Final Program Environmental Impact Report Mitigation Monitoring and Reporting Program [MMRP] 2016 Implementation Status Report) and Appendix B (Climate Action Plan [CAP] 2016 Implementation Status Report); and
  - Economic and Fiscal Health: This information is available as part of the City’s budget process and other venues.
- Cross referencing information and data presented in Appendix A to Appendix B, where appropriate, to avoid redundancy. In addition, the CAP 2016 Implementation Status Report (Appendix B) now shows which CAP strategies are complete to date.
- Including new sections that discuss recommended considerations for General Plan format, text and/or policies identified as needing review and possible adjustments.

Report Preparation Methodology

As directed by Council, Planning Commission, and community issues and concerns, the primary focus of 2016 General Plan Implementation/AMP Report is the AUD Incentive Program. The 2016 General Plan Implementation/AMP Report includes extensive data and analysis of the projects and units proposed under the AUD Incentive Program, examines whether the projects/units are meeting the AUD Incentive Program objectives, describes improvements underway to the review process, and provides recommendations for possible targeted amendments to the AUD Incentive Program ordinance (SBMC Chapter 28.20).

The 2016 CAP and MMRP Implementation Status Reports track the City’s progress in implementing emission reduction strategies and required mitigation measures from the 2011 General Plan Certified Final Program Environmental Impact Report (EIR) (thereafter referred to as: 2011 General Plan Program EIR). Pending results of an update of the community-wide greenhouse gas emissions (GHG) inventory anticipated later this year, future CAP status reports will likely be simplified to show actual GHG emissions.
with comparison to past emissions and targets, as well as potentially a comparison to other similar communities. As noted above, the CAP and MMRP 2016 Implementation Status Reports are similar to prior years but were adjusted to reduce redundancies.

Summary of Report Findings
The General Plan, MMRP, and CAP contain a wide range of policies, implementing actions and measures. As reported here, the City is mostly on track with implementing the General Plan, MMRP, and CAP. This Report does not identify change of circumstances so substantial to warrant amendments to the General Plan. However, throughout the Report there are a few possible work items identified that would further the community toward the General Plan’s Vision, improve the usability of the document, and more completely implement the 2011 General Plan Program EIR’s mitigation measures and the CAP. As noted previously, this year the Report does provide recommendations for possible targeted amendments to the AUD Incentive Program ordinance.

Future of General Plan Implementation/AMP Report
The General Plan Implementation/AMP Report remains a work in-progress. In 2016, staff started to work closely with the Planning Commission to further improve the General Plan Implementation/AMP Report including better integrating the CAP 2016 Implementation Status Report with the MMRP 2016 Status Report, a more robust review of General Plan policies and implementation actions on a periodic basis, and coordinating the General Plan Implementation/AMP Report with the Planning Division’s and other City departments and division’s major work program and budgeting decisions.

Following the fall 2016 joint City Council and Planning Commission work session, staff will continue to work with the Planning Commission as necessary to refine and improve the General Plan Implementation/AMP Report in 2017.
Growth Management

General Plan Vision

- Manage growth within our limited resources to retain the desirable aspects of the physical city without sacrificing its economic vibrancy and demographic diversity.
- Allow as much housing as possible within resource limits to provide an array of lifestyle options for a demographically and economically diverse resident population.

Managing Nonresidential Growth

Background

General Plan Policy LG2 (Limit Non-Residential Growth) aims to balance residential and nonresidential growth in the City, and limit adverse effects of growth on resources while providing for economic and community needs. Further, by limiting net new nonresidential development, this policy encourages infill development, adaptive reuse, and redevelopment of existing buildings.

The adopted Nonresidential Growth Management Program (GMP) ordinance implements this policy. The GMP established three City-wide nonresidential development categories and available square feet: Small Additions, Vacant Property, and Community Benefit. These three categories are limited through 2033 to a total of 1.35 million square feet of nonresidential development.

The Small Additions category initially had 400,000 square feet available. Small Additions are generally defined as between 1,001 and 2,000 square feet of new nonresidential floor area and are limited to 20,000 total square feet per year. Only legal lots in the Downtown Development Area and Airport Development Area are eligible for Small Additions.

The Vacant Property category has 350,000 square feet available. Vacant Property is a lot that was not developed as of October 1, 1988 and has not since been developed. Vacant property may be allocated nonresidential floor area equal to ¼ the lot size from the Vacant Property category.

The Community Benefit category initially had 600,000 square feet available. Community Benefit projects are categorized as a: Community Priority Project, Economic Development Project and/or Planned Development – New Automobile Sales Project. A Community Priority Project is generally defined as a project that has a broad public benefit, is not principally operated for private profit, and meets a present or projected need related to public health, safety, or welfare. An Economic Development Project generally will enhance the standard of living and strengthen the local or regional economy by creating new jobs or enhancing the City’s revenue base. A Planned Development – New Automobile Sales Project is within a specific zone that proposes a project involving new automobile sales, rental, and leasing.

The Planning Commission can decide annually whether any unused, expired or withdrawn Small Addition square footage can “roll over” to either the Small Addition or Community Benefit categories. To date, the Planning Commission has rolled over a cumulative total of 44,068 square feet of unused Small Addition square footage to the Community Benefit category.

Certain nonresidential floor area is excluded from the above limits per the GMP. This additional nonresidential floor area is estimated to be approximately 500,000 square feet and includes: City Government Buildings; Government Displacement Floor Area; Hotel Room for Room Replacement; Minor
Addition Floor Area; Prior-Pending Projects; Prior-Approved Projects; Prior-Approved Specific Plan Projects; and, Transfers of Existing Development Rights (TEDRs).

In an effort to best manage the City’s transportation resources and focus development in close proximity to existing services, the GMP divides the City into Development Areas, shown in Figure GM-1. The GMP’s Traffic Management Strategy prohibits TEDRs (demolition credit) between Development Areas, unless the demolition credit is transferred to the Downtown Development Area. This allows flexibility, while encouraging nonresidential development in the portion of the City best able to respond to increased traffic impacts, which furthers the use of the City’s existing transportation capacity efficiently and prioritizes constrained transportation capacity for high priority land uses.

*Figure GM-1: GMP Development Areas*

Table GM-1 illustrates the available demolition credit for each GMP Development Area, as measured by the net cumulative value from 1990\(^1\) to July 2016.

*Table GM-1: Available Demolition Credit by GMP Development Area*

<table>
<thead>
<tr>
<th>Cumulative Demo Credit (Net ft(^2))</th>
<th>Downtown</th>
<th>Upper State</th>
<th>Mesa</th>
<th>Riviera</th>
<th>Coast Village</th>
<th>Airport</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>177,426</td>
<td>27,725</td>
<td>5,487</td>
<td>17,132</td>
<td>56</td>
<td>138,427</td>
<td>365,736</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) Demolition credit is tracked from 1990 because it includes credit from when Measure E (Charter Section 1508) was passed
Progress

Since the GMP was implemented in 2013, a total of 155,847 square feet of floor area has been allocated. Of the 1.35 million square feet available for nonresidential projects until the year 2033, over 88% remains. Table GM-2 reflects nonresidential projects and the allocation received.

Table GM-2: Nonresidential Allocation by GMP Category

<table>
<thead>
<tr>
<th>GMP Category</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>Total Allocated</th>
<th>Total Allowed</th>
<th>Total Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Addition</td>
<td>3,987</td>
<td>6,574</td>
<td>9,358</td>
<td>19,919</td>
<td>355,932(^1)</td>
<td>336,013</td>
</tr>
<tr>
<td>Vacant Property</td>
<td>0</td>
<td>6,500</td>
<td>738</td>
<td>7,238</td>
<td>350,000</td>
<td>342,762</td>
</tr>
<tr>
<td>Community Benefit</td>
<td>8,990</td>
<td>9,700</td>
<td>110,000</td>
<td>128,690</td>
<td>644,068(^1)</td>
<td>515,378</td>
</tr>
<tr>
<td>Total (ft(^2))</td>
<td>12,977</td>
<td>22,774</td>
<td>120,096</td>
<td>155,847</td>
<td>1,350,000</td>
<td>1,194,153</td>
</tr>
</tbody>
</table>

As stated earlier, the GMP and associated policies of the General Plan also encourage infill development, adaptive reuse, and redevelopment of existing buildings. The tables and discussion above provide information on available and annually allocated nonresidential floor area. Many development projects also include reuse or redevelopment of existing floor area. A factor to note is that the GMP ordinance specifies that, with the exception of the Downtown Development Area, a project with additions of over 1,000 square feet resulting in a potentially significant adverse traffic impact must either be reduced in size or adequately mitigated to reduce impacts; a finding to override significant, unavoidable environmental impacts is not available. This also helps to focus development activity in the Downtown Development Area.

Table GM-3 reflects nonresidential projects that utilized allocated floor area and received Certificates of Occupancy, showing growth distribution by Development Area. Because many projects were in the pipeline (approved at an earlier date) and completed construction later, there is a difference between total floor area allocated and the total net new nonresidential development receiving Certificates of Occupancy.

Table GM-3: Nonresidential Growth Distribution by Development Area

<table>
<thead>
<tr>
<th></th>
<th>Downtown</th>
<th>Upper State</th>
<th>Mesa</th>
<th>Riviera</th>
<th>Coast Village</th>
<th>Airport</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>13,752</td>
<td>117</td>
<td>-49</td>
<td>4,379</td>
<td>167</td>
<td>-40,669</td>
<td>-22,303</td>
</tr>
<tr>
<td>2014</td>
<td>37,237</td>
<td>58,372</td>
<td>864</td>
<td>13,021</td>
<td>5,950</td>
<td>0</td>
<td>115,444</td>
</tr>
<tr>
<td>2015</td>
<td>-3,169</td>
<td>917</td>
<td>0</td>
<td>438</td>
<td>5,686</td>
<td>0</td>
<td>3,872</td>
</tr>
<tr>
<td>Total (ft(^2))</td>
<td>47,820</td>
<td>59,406</td>
<td>815</td>
<td>17,838</td>
<td>11,803</td>
<td>-40,669</td>
<td>97,013</td>
</tr>
</tbody>
</table>

Since 2013, the largest new nonresidential projects include the Foothill Triangle project (Sansum Clinic) in the Upper State Development Area and the redevelopment of the El Encanto hotel site (Belmond El Encanto) in the Riviera Development Area.

As envisioned by the General Plan, with the exception of the Foothill Triangle and Belmond El Encanto, the majority of nonresidential development activity since 2013 has been multiple smaller projects in the Downtown Development Area (the Downtown Development Area also includes the Waterfront area).

\(^1\) Reflects cumulative annual Planning Commission “roll-over” of small addition square footage
Table GM-3 shows 3,169 square feet of nonresidential development allocated in the Downtown Development Area in 2015. This is attributable to the demolition of four large buildings at 35 Anacapa Street that have not been replaced.

Residential Development Activity

Background

For decades, the General Plan Housing Element has emphasized the development of a range of housing types, with an emphasis on producing subsidized, affordable housing and multi-unit developments, as opposed to single-family development. The Growth Management Ordinance and General Plan prioritize locating housing in multi-family and commercially zoned areas that are served by transit and are close to jobs and services. As shown below, these efforts have been largely successful.

Progress

Built and Occupied Housing Units

Since the General Plan was adopted (December 2011) through August 31, 2016, a total of 445 housing units have been built and occupied in the City. Of this total, 180 (40%) are affordable to extremely low, very low, low, moderate or middle-income levels (Affordable), or otherwise considered below-market rate due to price restrictions. While the distribution of housing units has annually varied, cumulatively most of these units (88%) were built in multi-family and commercial areas (Chart GM-1).

Chart GM-1: Distribution of Built and Occupied Units

Housing Units in the Pipeline

As of August 31st, there are 1,399 housing units in the planning or building permit process (in the pipeline), with the oldest application first submitted November 29th, 2001. Of these, 377 units have been issued a

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1 2012 includes December 2011, post General Plan Adoption. 2016 includes only through August 31st.
building permit, 468 have obtained the necessary land use and/or design review approval, and 554 units are pending planning review and approval (Chart GM-2).

**Chart GM-2: Housing Unit Pipeline**

![Housing Unit Pipeline Chart](chart_gm-2)

The vast majority of these housing units in the pipeline are located in multi-family and commercial zones; 98% of all pending units, 98% of all approved units, and 91% of all units issued a building permit (Chart GM-2).

**Affordable Housing Units in the Pipeline**

Of the 1,399 total units in the pipeline, 254 are affordable to extremely low, very low, low, moderate or middle-income levels (Affordable), or otherwise considered below-market rate due to price restrictions. Of these 254 units, 99% are in multi-family or commercial zones (Chart GM-3).

**Chart GM-3: Affordable Housing**

![Affordable Housing Chart](chart_gm-3)
Development Trends
When compared to the last 20 years, there has been a recent increase in development activity, with 2016 estimated by year's end to have the highest number of units in the application phase. Development activity is cyclical and it can often require several years to move a project from the application phase to the construction and occupancy phases. Over the last 20 years, on average, there were 204 units annually with a pending or approved application, 109 units with a building permit issued, and 73 units that received Certificate of Occupancy.

Chart GM-4: Twenty Year Development History

Chart GM-5: Net New Units Per Project Trends
The data indicates that there has been a recent increase in the number of units per project. Annually, the number of projects in the pipeline over the last ten years has remained below the 20 year average. However, the number of units per project in the application phase has increasingly exceeded the 20 year average (five units per project) over the last five years, with 2016 estimated to double this average. Furthermore, as shown in Chart GM-4 and Chart GM-5, the recent increase in development activity is similar to the early 2000s in terms of total net new units proposed, but differs in that those units are contained in roughly half of the number of projects proposed in the early 2000s.

Over the last five years, on average, it took 8.5 months for approved projects to develop construction-level detailed drawings, finalize construction financing, and apply for and receive a building permit. The minimum amount of time for this process was 2.5 months, and the maximum was 3.75 years. Not all approved projects are constructed. Some projects are withdrawn, some are revised and some expire without being built. Over the last twenty years, annually there have been 1.5 times more projects (and 2.8 times more units) in the application phase than units that have received Certificates of Occupancy. Whether this trend will continue in the current economic climate remains to be seen.

**Housing Element Quantified Objectives**

The 2015 Housing Element Quantified Objectives projected that a total of 1,208 new units may be constructed from 2015 to 2023. This projection, prepared in 2014 during the Housing Element update process, was based on historical residential development trends from 1990 to 2007. As of August 31, 2016, 59 net new housing units have been built and occupied since adoption of the Housing Element (February 2015). However, current housing in the pipeline exceeds the 2015 Housing Element Quantified Objectives through 2023 by 168 units. While it is near certain that not all of these projects will be built, there is a high likelihood based on this current trend that the Quantified Objectives will be met, or exceeded, by 2023 or sooner, if more recent housing development trends continue. As stated in the Housing Element, “Quantified Objectives do not represent a ceiling on development, but rather set a target goal for the City to achieve based on needs, resources and constraints.”

**General Plan EIR Impact Assumptions**

The 2011 General Plan Certified Final Program Environmental Impact Report (EIR), based its impact analysis on the assumption that through the 20-year planning period an additional 2,800 (3,200 including the sphere of influence area) residential units would be developed. If projected at a constant over the 20-year planning period, an average of 140 residential units could be developed each year and not exceed this assumption. As of August 31, 2016, which is 24% of the planning period, 445 units have been built and occupied. This represents an average of 94 units per year (again, only if broken down to an annual average which the General Plan did not do as it looked at the overall impacts during the entire 20 year planning period), well within the impact analysis assumptions for the General Plan. Looking forward, given the number of units in the pipeline, close monitoring will be necessary.
Discussion

As directed by General Plan policies, on July 30, 2013, the City Council adopted the Average Unit-Size Density (AUD) Incentive Program (SBMC Chapter 28.20). The AUD Incentive Program is intended to encourage smaller, more affordable housing units through the allowance of increased densities and development incentives in selected areas of the City. As stated in the ordinance, “Housing types that provide housing opportunities to the City’s workforce are encouraged and facilitated by the program.” Figure GM-2 shows areas of the City where the AUD Incentive Program applies.

The AUD Incentive Program will be in effect for a trial period of either eight years or until 250 units have been constructed (as evidenced by the issuance of a Certificate of Occupancy) in the areas zoned for the High Density tier (range of 28-36 units/acre) or the Priority Housing Overlay (range of 37-63 units/acre), excluding Affordable units, whichever occurs earlier.

Any application for new units deemed complete prior to the expiration of the AUD Incentive Program may continue to be processed under the AUD Incentive Program. A formal development project application is considered complete if it is deemed ready for discretionary action on an agenda of the Architectural Board of Review (ABR) or Historic Landmarks Commission (HLC) (referred to as “Project Design Approval”) or for consideration of land use entitlements by the Staff Hearing Officer (SHO) or Planning Commission (PC), per Government Code §65920 et seq. (Permit Streamlining Act). A non-mandatory Pre-application Review Team (PRT) submittal alone, by its nature, is not a sufficient mechanism to deem a project “complete” for purposes of the AUD Incentive Program.
AUD Incentive Program Density Tiers

The AUD Incentive Program Ordinance defines Priority Housing to include the following three categories: Employer-Sponsored Housing; Limited-Equity Housing Cooperatives; and Rental Housing. To date, all Priority Housing applications have fallen into the Rental Housing category. Since the program was adopted (July 2013), no applications for Employer-Sponsored or Limited-Equity Cooperatives have been received.

The High Density tier allows density levels that were previously only allowed with: (1) Modifications; and (2) long-term deed restrictions for very low, low and moderate income households. The Medium-High Density tier allows the same density range of 15-27 dwelling units per acre that was possible through the previous Variable Density standards without modifications or income-based deed restrictions. Except in the Coastal Zone where the AUD Incentive Program has not been certified by the Coastal Commission, the Variable Density standards have been replaced for the duration of the AUD Incentive Program.

AUD Incentive Program Project Totals

As of August 31, 2016, 55 multi-unit or mixed-use projects have been submitted to the City utilizing the AUD Incentive Program. Of these, 31 projects are pending approval, 14 have been approved, eight have received a building permit, and two have received Certificate of Occupancy. These 55 projects include 966 units, of which, 398 are pending approval, 361 have been approved, 203 have received a building permit, and four have received Certificate of Occupancy (Chart GM-7).
AUD Incentive Program Categories
The AUD Incentive Program includes a range of density tiers and development incentives to facilitate different types of units.

Chart GM-8: AUD Category Project Status

High Density and Priority Housing – 250 Unit Trial.
As previously mentioned, only High Density tier and Priority Housing Overlay units with Certificate of Occupancy status contribute towards the 250 unit trial period. As of August 31, 2016, no AUD units of either category have reached that status. However, there are 25 projects in the pipeline, with a grand total of 629 units, that will contribute to the 250 trial should Certificate of Occupancy status be reached. As shown in Chart GM-8, half of these units (314 - 50%) have a pending application, while 26% (164) have an approved application, and 24% (151) have received a building permit.
The 250 unit trial is estimated to be reached in the next 22 to 28 months, although this is highly dependent on certain unpredictable factors. Projects in the pipeline that will likely comprise the 250 unit trial are as follows:

15 S Hope Ave.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-2/SD-2</td>
<td>46</td>
<td>60 du/ac</td>
<td>33,910 sf</td>
<td>631 sf</td>
<td>45 feet</td>
<td>4</td>
</tr>
</tbody>
</table>

Avg. Unit Size: Studios 1-bed units 2-bed units 3-bed units Parking Res. Parking Com.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>794 sf</td>
<td>13</td>
<td>30</td>
<td>3</td>
<td>0</td>
<td>46 spaces</td>
<td>5 spaces</td>
</tr>
</tbody>
</table>

604 E Cota St

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-M</td>
<td>29</td>
<td>62 du/ac</td>
<td>20,670 sf</td>
<td>2,028 sf</td>
<td>43 feet</td>
<td>3</td>
</tr>
</tbody>
</table>

Avg. Unit Size: Studios 1-bed units 2-bed units 3-bed units Parking Res. Parking Com.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
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<tbody>
<tr>
<td>595 sf</td>
<td>16</td>
<td>10</td>
<td>3</td>
<td>0</td>
<td>29 spaces</td>
<td>8 spaces</td>
</tr>
</tbody>
</table>

711 N Milpas St

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
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<tbody>
<tr>
<td>C-2</td>
<td>73</td>
<td>48 du/ac</td>
<td>67,406 sf</td>
<td>6,656 sf</td>
<td>45 feet</td>
<td>4</td>
</tr>
</tbody>
</table>

Avg. Unit Size: Studios 1-bed units 2-bed units 3-bed units Parking Res. Parking Com.

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>700 sf</td>
<td>0</td>
<td>32</td>
<td>41</td>
<td>0</td>
<td>73 spaces</td>
<td>18 spaces</td>
</tr>
</tbody>
</table>
### 1330 Chapala St – Arlington Village

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-2</td>
<td>33</td>
<td>30 du/ac</td>
<td>48,740 sf</td>
<td>895 sf</td>
<td>41.5 feet</td>
<td>3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Avg. Unit Size</th>
<th>Studios</th>
<th>1-bed units</th>
<th>2-bed units</th>
<th>3-bed units</th>
<th>Parking Res.</th>
<th>Parking Com.</th>
</tr>
</thead>
<tbody>
<tr>
<td>822 sf</td>
<td>2</td>
<td>9</td>
<td>18</td>
<td>4</td>
<td>33 spaces</td>
<td>2 spaces</td>
</tr>
</tbody>
</table>

### 3885 State St—The Marc

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-2/SD-2</td>
<td>89</td>
<td>63 du/ac</td>
<td>61,797 sf</td>
<td>4,469 sf</td>
<td>45 feet</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Avg. Unit Size</th>
<th>Studios</th>
<th>1-bed units</th>
<th>2-bed units</th>
<th>3-bed units</th>
<th>Parking Res.</th>
<th>Parking Com.</th>
</tr>
</thead>
<tbody>
<tr>
<td>811 sf</td>
<td>0</td>
<td>11</td>
<td>72</td>
<td>6</td>
<td>127 spaces</td>
<td>18 spaces</td>
</tr>
</tbody>
</table>

### 116 E Cota St

<table>
<thead>
<tr>
<th>Zone</th>
<th>Units</th>
<th>Density</th>
<th>Lot Size</th>
<th>Com. Size</th>
<th>Max Height</th>
<th>Stories</th>
</tr>
</thead>
<tbody>
<tr>
<td>C-M</td>
<td>15</td>
<td>61 du/ac</td>
<td>10,865 sf</td>
<td>738 sf</td>
<td>45 feet</td>
<td>4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Avg. Unit Size</th>
<th>Studios</th>
<th>1-bed units</th>
<th>2-bed units</th>
<th>3-bed units</th>
<th>Parking Res.</th>
<th>Parking Com.</th>
</tr>
</thead>
<tbody>
<tr>
<td>827 sf</td>
<td>0</td>
<td>1</td>
<td>14</td>
<td>0</td>
<td>15 spaces</td>
<td>1 spaces</td>
</tr>
</tbody>
</table>
AUD Affordable Housing Units
As of August 31st, 2016, four Affordable housing projects, with a combined total of 205 units, have been proposed using the AUD Incentive Program. As shown in Chart GM-8, one project (25%) has a pending application for 17 units (8%), two projects (50%) have an approved application for a combined 148 units (72%), and one (25%) project has a building permit for 40 units (20%). No AUD Affordable projects have received Certificate of Occupancy status.

Medium-High Density
As of August 31st, 2016, 26 housing projects in the Medium-High Density tier areas, with a combined total of 113 units, have been proposed using the AUD Incentive Program. As shown in Chart GM-8, of these, there are 12 pending applications (46%) for a combined total of 54 units (48%), eight approved applications (31%) with a combined total of 44 units (40%), four projects with a building permit issued (15%) for a combined total of 11 units (10%), and two projects (8%) with a combined total of four units (4%) that have received Certificate of Occupancy status. As previously mentioned, residential units proposed within the Medium-High Density tier areas do not contribute towards the 250 unit trial period.

Adaptive Management Program Recommendations

Nonresidential Growth
Nonresidential growth has been managed in the City since implementation of Measure E (incorporated as Charter Section 1508), which was passed by voters in 1989 and was due to expire in 2010, but was extended by ordinance until the General Plan was adopted. Updated 2011 Land Use Element policies led to implementation of the 2013 Nonresidential Growth Management Program (GMP) to continue to limit nonresidential growth in the City until 2033. No apparent course corrections are needed for this ordinance at this early stage, especially given the small amount of floor area allocated to date and that nonresidential development is occurring as the GMP envisioned. The Planning Commission will continue to annually consider rolling over any unused Small Addition floor area to the next year’s available square footage or to the Community Benefit category’s available square footage.

A substantial amount of nonresidential demolition credit square footage (365,736 square feet) is currently available for redevelopment of the demolition sites or to transfer to other sites, as provided by the
Transfer of Existing Development Rights (TEDR) Ordinance. As noted earlier, the GMP’s Traffic Management Strategy prohibits TEDR between Development Areas, unless the demolition credit is transferred to the Downtown Development Area. The square footage credit available to date could result in large nonresidential development projects proposed in the Downtown Development Area. Therefore, the following General Plan Land Use Element implementation action LG2.4 could be considered for a work program item to study the available square footage, including where it should be placed.

- **Transfer of Existing Development Rights.** Study the existing TEDR Ordinance and the disposition of future demolished nonresidential square footage that is not rebuilt.

**Housing Production and the Average Unit-Size Density Incentive Program**

As reported above, housing applications, housing building permits, and housing certificates of occupancy are all on the increase, but remain below pre-Great Recession levels. The amount of housing activity is estimated to be within the resource impact analysis assumptions of the General Plan EIR and estimated to be within or exceed the Housing Element Quantified Objectives. As the Vision of the General Plan is to create as much housing as possible within resource limits, this increase in housing activity is viewed as a positive.

Much of the recent increase in housing applications, housing building permits, and housing occupancy is attributable to the AUD Incentive Program. The need for possible program adjustments has been of interest to many and for that reason, with regard to adaptively managing housing policies, the remainder of this section examines the AUD Incentive Program exclusively.

**Background**

**2011 General Plan Update**

One of the policy drivers of the 2011 General Plan was to manage growth within our limited resources. With regard to housing specifically, the stated Vision in the General Plan is to allow, “as much housing as possible within resource limits to provide an array of lifestyle options for a demographically and economically diverse resident population.”

Increasing land values and the cost of housing leading up to the adoption of the General Plan resulted in most new market-rate housing being unaffordable to the work force. At that time, the City’s housing trend primarily included development of large condominium units. This was largely influenced by the City’s Variable Density standards in effect at the time, which based allowed multi-family residential densities on the number of bedrooms in each unit. In addition, the market cost of land was so high that affordable “least cost housing” (the least expensive, unsubsidized housing the private market can provide) was difficult to achieve under the Variable Density standards. Zoning standards that limit the density of housing developments means that the high land costs must be absorbed by fewer housing units than might otherwise be economically desirable. This causes the cost of an individual unit to increase.

One of the primary goals of the 2011 General Plan was to encourage smaller rental and workforce units close to transit, and easy walking and/or biking distance to commercial services and recreational opportunities. The adopted General Plan policies and subsequent ordinance amendments to establish the AUD Incentive Program were drafted primarily in response to community concern over the proliferation of large luxury condominiums resulting from the Variable Density standards. In some cases, those projects generated controversy in terms of the size, bulk, scale, and height of buildings, and created concern that the units were not meeting affordable and work force housing needs. An added concern was that these
large luxury condominium projects were absorbing housing opportunity sites, further increasing high land costs.

Although the condominium developments proposed between 2001 and early 2013 provided the requisite inclusionary housing units (discussed later in this report), affordable to moderate or middle-income households, the remaining market-rate units in these developments were not providing the housing type most needed in the community. The total number of inclusionary housing units constructed between 2001 and 2013 under the City’s Inclusionary Housing Ordinance was nine.

2013 Zoning Ordinance Amendment

Amending the Zoning Ordinance to implement the General Plan policies related to the AUD Incentive Program was a high priority and completed in July 2013. Rather than calculate allowed residential density based on the number of bedrooms in a development per the Variable Density standards (e.g., a one-bedroom unit required 1,840 square feet of lot area and a two-bedroom unit required 2,320 square feet of lot area), the AUD Incentive Program utilizes the average unit size within a development to determine density incentives beyond the existing base density of a zone district. A development with a relatively smaller average unit size is allowed a higher density than a development with a larger average unit size.

Table GM-4: Average Unity-Size Density (AUD) Incentive Program

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Average Unit Size (SF)</td>
<td>Density (du/ac)</td>
<td>Maximum Average Unit Size (SF)</td>
</tr>
<tr>
<td>1,450</td>
<td>15</td>
<td>1,245</td>
</tr>
<tr>
<td>1,360</td>
<td>16</td>
<td>1,200</td>
</tr>
<tr>
<td>1,280</td>
<td>17</td>
<td>1,160</td>
</tr>
<tr>
<td>1,210</td>
<td>18</td>
<td>1,125</td>
</tr>
<tr>
<td>1,145</td>
<td>19</td>
<td>1,090</td>
</tr>
<tr>
<td>1,090</td>
<td>20</td>
<td>1,055</td>
</tr>
<tr>
<td>1,040</td>
<td>21</td>
<td>1,025</td>
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<tr>
<td>1,005</td>
<td>22</td>
<td>995</td>
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<tr>
<td>985</td>
<td>23</td>
<td>970</td>
</tr>
<tr>
<td>965</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>945</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>925</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>905</td>
<td>27</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Adopted as Chapter 28.20 of the Zoning Ordinance, the AUD Incentive Program contains the following statement of purpose:

_The Average Unit-Size Density Incentive Program carries out a key program directed by the 2011 General Plan. The Program facilitates the construction of smaller housing units by allowing increased density and development standard incentives in selected areas of the City. Housing types that provide housing opportunities to the City’s workforce are encouraged and facilitated by the program. The Average Unit-Size Density Incentive Program will be in effect for a trial period of either eight years or until 250 residential units have been constructed in the areas designated for High Density residential [as defined in SBMC §28.20.060(B)] or the Priority Housing Overlay [as defined in SBMC §28.20.060 C], as shown on the City’s Average Unit-Size Density Incentive Program Map, whichever occurs earlier._

Shortly after the AUD Incentive Program ordinance was adopted, trainings and discussions were conducted with the Architectural Board of Review (ABR) and Historic Landmarks Commission (HLC) to focus on their role in reviewing AUD Incentive Program projects. Concerns were raised that the design review boards were not comfortable handling larger residential projects developed under the program. Subsequently, the Planning Commission held two meetings in December 2013 to discuss possible adjustments to the review process of AUD Incentive Program projects. In October 2014, City Council approved an amendment to the AUD Incentive Program ordinance that requires Planning Commission review and comments (no formal action) of all rental housing projects in the High Density tier or Priority Housing Overlay areas when the project site has a total net lot area of 15,000 square feet or greater. Any proposal for ownership housing requires a public hearing and action on the Tentative Subdivision Map by either the Staff Hearing Officer or Planning Commission.

**Effectiveness of the AUD Incentive Program**

This report focuses on the three key objectives of the AUD Incentive Program, which are to:

- Encourage smaller rental units.
- Locate units close to transit, services and recreational opportunities.
- Encourage work force housing.

In order to evaluate the effectiveness of the AUD Incentive Program in meeting its key objectives, this report analyzes available data for projects proposed under the AUD Incentive Program that have been approved or constructed, but not including those Affordable housing projects proposed by the City of Santa Barbara Housing Authority or Peoples’ Self-Help Housing¹. In some cases, data for all 55 AUD Incentive Program projects will be presented for reference purposes, but the 21 AUD projects that have been approved, are under construction, or have received final

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¹ While it is informative in some cases to review statistics for projects in the pre-application or conceptual review stages, it would not be as indicative of the types of projects that actually achieve the necessary land use or design review approvals. In other words, just because a project is proposed, does not mean it will be approved in its initial form, or approved at all, as it could change throughout the discretionary review process.

This report also omits analysis of the 205 housing units proposed by the City of Santa Barbara Housing Authority or Peoples’ Self-Help Housing. The housing units proposed by those entities are intended to serve a unique sector of the community and include specific mandates and needs that may not reflect a market-rate development. In addition, projects fulfilling this critical need in the community often receive multiple approvals for relief from zoning standards and thus, are not a great indicator of the type of development that results from the zoning standard incentives being evaluated in this report.
inspection and occupancy clearance (i.e., Certificate of Occupancy) as of August 31, 2016 are the primary focus for this report.

For comparison and evaluation purposes, statistics for 55 of the most relevant multi-unit and mixed-use projects approved between 2001 and early 2013 are provided and analyzed, where applicable (See Appendix F for a list of the 55 development projects). For consistency with AUD Incentive Program projects, only those prior projects that were approved, are under construction, or have received a Certificate of Occupancy as of August 31, 2016 are included. Data used in the analysis of projects approved between 2001 and early 2013 do not include subsidized Affordable housing projects for the same reasons mentioned above. Of the 55 projects studied, 42 have been constructed or are currently under construction. The remaining 13 still have valid approvals, but have not yet been issued building permits. More than half of those 13 projects will expire within one year if any potential time extensions are not sought and approved, or a permit is not issued, prior to the expiration date. These 55 projects do not represent the entirety of all housing proposed between 2001 and early 2013. Many more projects were proposed and not approved, or were approved and have since expired. Also, staff selected projects that involved at least two units, and did not include condominium conversion projects, to be more relevant for comparison purposes with the AUD Incentive Program.

**Chart GM-9: Bedroom Type Housing Unit Comparison**

<table>
<thead>
<tr>
<th>Representative Housing Units Proposed 2001 - 2012</th>
<th>AUD Incentive Program Units 380 Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studios</td>
<td>Studios</td>
</tr>
<tr>
<td>2%</td>
<td>7%</td>
</tr>
<tr>
<td>29%</td>
<td>10%</td>
</tr>
<tr>
<td>23%</td>
<td>33%</td>
</tr>
<tr>
<td>46%</td>
<td>50%</td>
</tr>
</tbody>
</table>

**Encourage Smaller Rental Units**

One of the primary goals of the 2011 General Plan update was to, “encourage smaller rental and workforce units close to transit, and easy walking and/or biking distance to commercial services and recreational opportunities.” This section of the report focuses on the size and type of tenancy (ownership vs. rental) of new housing development.

**Unit Size**

Prior to the adoption of the AUD Incentive Program ordinance in July 2013, allowed residential density was based on the number of bedrooms in a unit, rather than unit size. Staff analyzed relevant data for the 55 multi-unit residential or mixed-use projects approved between 2001 and early 2013 to better understand the projects proposed under the former Variable Density standards. The 55 projects studied include a total of 578 units.
Collected data indicates that unit sizes were significantly larger in multi-unit residential projects proposed prior to adoption of the AUD Incentive Program. Looking at the 55 most relevant projects approved between 2001 and early 2013, the average unit sizes within each project ranged from 644 square feet (526 W. Anapamu Street) to 2,533 square feet (523 Chapala Street), with a median of 1,468 square feet. Two-bedroom units comprised 46% of the 578 units proposed, while three-bedroom or more units comprised 29%, and one-bedroom units represented 23% of all units proposed. Studios only represented 2% of the 578 units proposed.

In contrast, the average size of units in the 21 projects approved or constructed under the AUD Incentive Program range from 503 square feet (810 E. Canon Perdido Street) to 1,221 square feet (1135 San Pascual Avenue), with a median unit size of 821 square feet. Looking at the 380 units within those 21 projects, 50% are two-bedroom units, 33% have one bedroom, 7% have three or more bedrooms, and studios represent 10% of all units approved. For reference purposes, the breakdown in bedroom count is generally the same for the 34 AUD Incentive Program projects pending approval.

The General Plan states that “…the purpose of an Average Unit Size Density Incentive Program is to encourage smaller, more affordable units through established unit sizes, while allowing flexibility for larger units, which helps subsidize the cost of the smaller units.” Given that average unit sizes for approved multi-unit projects have decreased by 44% since the AUD Incentive Program was adopted, it appears that the program is meeting the objective of providing smaller average unit sizes. It is worth noting that the range of average unit sizes among the 21 approved or completed AUD Incentive Program projects satisfies both objectives of providing not only smaller average unit sizes, but also a mix of unit sizes to serve a variety of household needs. The larger units at 1135 San Pascual Avenue are the three approved ownership units within the Medium-High Density tier area. The largest average unit size within an approved AUD Incentive Program rental project is 1,084 square feet (226 S. Voluntario Street).

Rental vs. Ownership Units
As mentioned above, prior to the adoption of the AUD Incentive Program ordinance in July 2013, allowed residential density was based on the number of bedrooms in a unit, rather than unit size. Of those same 55 projects, six include rental units (for a total of 31 rental units); the remaining 49 projects (with a total of 547 units) are comprised of ownership condominiums. The overwhelming majority of units proposed between 2001 and early 2013 were ownership condominium units. A number of factors at play during that period provided incentive for developers to propose ownership housing as opposed to rental housing. Of the 547 ownership units studied, 87 price- or income-restricted units were generated by the City’s Inclusionary Housing Ordinance or other means, which is discussed in more detail below.

Between July 2013 and August 31, 2016, 966 new housing units have been proposed using the AUD Incentive Program; 959 of which are rental units. Only seven ownership units have been proposed under the AUD Incentive Program - three units within the Medium-High Density tier area, and four units within the High Density tier area. Although a number of factors determine the feasibility of developing a certain housing type, it appears that the AUD Incentive Program has met its objective of incentivizing rental housing.

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1 In this case, the entire data set of 966 proposed units is used, as the objective being measured is whether or not the AUD Incentive Program encourages rental housing, which can be evaluated based on the type of development proposals submitted.
**Locate Units Close to Transit, Services, and Recreational Opportunities**

The second factor within the General Plan goal to, “encourage smaller rental and workforce units close to transit, and easy walking and/or biking distance to commercial services and recreational opportunities” is the location of development. In addition, Land Use Element Policy LG4 encourages focused growth “within a quarter mile of frequent transit service and commercial services through smaller units and increased density, transit resources, parking demand standards, targeted infrastructure improvements, and increased public areas and open space.” As such, this section of the report focuses on the density and location of new housing development, and its proximity to necessary services.

**Density of New Residential Development**

Prior to the 2011 General Plan and adoption of the AUD Incentive Program, the highest density range allowed in commercial and multi-family zones, without a Lot Area Modification or income-based deed restrictions, was 15-27 dwelling units per acre. The City’s pyramid zoning allowed that density in all commercial zones that allowed housing, and in the R-3 and R-4 (Multiple-Family) Zones.

The density of relevant projects approved between 2001 and early 2013 ranged from six units per acre at 1255 Coast Village Road (C-1 Zone), which included just two units in a larger mixed-use development, to 34 units per acre at 721 - 739 Chapala Street. The median density of the 55 multi-unit or mixed-use projects approved between 2001 and early 2013 was 18 units per acre.

**Table GM-5: Maximum Allowed Density**

<table>
<thead>
<tr>
<th>Category</th>
<th>Prior to July 2013 (pre-AUD)</th>
<th>After July 2013 (AUD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium High Density</td>
<td>15-27 du/acre</td>
<td>15-27 du/acre</td>
</tr>
<tr>
<td>Commercial/Medium High Density</td>
<td>15-27 du/acre</td>
<td>15-27 du/acre</td>
</tr>
<tr>
<td>Light Industrial/Medium High Density</td>
<td>15-27 du/acre</td>
<td>15-27 du/acre</td>
</tr>
<tr>
<td>High Density</td>
<td>N/A</td>
<td>28-36 du/acre</td>
</tr>
<tr>
<td>Commercial/High Density</td>
<td>N/A</td>
<td>28-36 du/acre</td>
</tr>
<tr>
<td>Priority Housing Overlay*</td>
<td>N/A</td>
<td>37-63 du/acre</td>
</tr>
</tbody>
</table>

*Must be Rental Housing, Employer-Sponsored Housing, Or Limited Equity Co-Operative
Medium-High Density Residential

In a majority of the City, densities allowed under the AUD Incentive Program are the same as those allowed prior to 2013. With only a few exceptions, all areas zoned R-3 and more than half of the area zoned R-4 are designated as Medium-High Density and subject to the same maximum density (15 to 27 units/acre) allowed prior to adoption of the 2011 General Plan. Similarly, the Limited Commercial (C-1, C-L), Restricted Commercial (C-P), Commercial Industrial (C-M), Medical Office (C-O), and all areas within the Coastal Zone are designated Medium-High Density and limited to a density range of 15 to 27 units per acre. The density of the 14 AUD Incentive Program projects approved in the Medium-High Density tier areas range from 16 units per acre at 1135 San Pascual Street, 1023 Cacique Street, and 810 E. Canon Perdido Street (R-3 Zones), to 27 units per acre at 312 Rancheria Street, 915 E. Anapamu Street, and 522 Garden Street. The median density of AUD Incentive Program units proposed in the Medium-High Density tier areas is 23 units per acre, slightly more dense than previously allowed up until early 2013.

High Density Residential

The 2011 General Plan introduced a higher residential density tier - High Density (28 to 36 units/acre) - than was previously allowed. This higher density land use designation is limited to the downtown core (except for most properties along State Street and those surrounding the Santa Barbara County Courthouse, El Presidio, and other significant national, state, and local landmarks), the Milpas Street corridor, and outer State Street areas, and is intended to focus and encourage higher density developments in close proximity to transit, services, and recreational opportunities. Only one project has been approved at this density tier, at 1330 Chapala Street (Arlington Village), with a density of 30 units per acre.

Priority Housing Overlay

The highest density tier allowed by the AUD Incentive Program – the Priority Housing Overlay (37 to 63 units/acre) – has the same boundaries as the High Density tier area. In order to utilize this highest density tier, projects within this overlay area must either be rental housing, employer-sponsored housing, or limited-equity housing cooperatives, all of which are deemed a priority housing type in the 2011 General Plan, and must be maintained as rental housing for as long as the property is developed and maintained at that higher density. To date, no employer-sponsored housing or limited-equity housing cooperatives have been proposed. The density of the six AUD Incentive Program projects approved in the Priority Housing Overlay area range from 48 units per acre at 711 N. Milpas Street (mixed-use project), to 63 units per acre at 3885 State Street and 634 Anacapa Street. The median density of approved units within the Priority Housing Overlay is 61.5 units per acre.

Location of Development – Distribution Among Zone Districts

Relevant multi-unit and mixed-use developments approved between 2001 and early 2013 were primarily proposed in commercial zone districts (R-O, C-P, C-1, C-2, C-M), as seen below. One-quarter of the units are located in the R-3 or R-4 Zones, and the remaining units (6 projects) are in the “Other” category, which includes the R-2, HRC-2, and OC Zones, and Specific Plan 10 (535 E. Montecito Street).

A review of all 55 AUD Incentive Program projects indicates that the distribution of units among the zone districts is nearly identical to that experienced between 2001 and early 2013. The AUD Incentive Program has not been incorporated into the City’s Local Coastal Program and, therefore, is not in effect in the Coastal Zone. If the 48 units located in the HRC-2 and OC Zones and the 48 units located in the SP-10 Zone

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1 In this case, the entire data set of 966 proposed AUD units is used, as the objective being measured is whether or not the AUD Incentive Program incentivizes housing close to transit, services, and recreational opportunities, which can be evaluated based on the location of development proposals submitted.
(Specific Plan 10, formerly zoned M-1), approved between 2001 and early 2013, were added to the other commercial zones, the distribution then would reflect what is occurring today with projects proposed under the AUD Incentive Program.

Chart GM-11: Unit Distribution

<table>
<thead>
<tr>
<th>2001 - 2012 Unit Distribution (578 Total)</th>
<th>AUD Unit Distribution (966 Total)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Family</td>
<td>Commercial</td>
</tr>
<tr>
<td>102 (18%)</td>
<td>144 (25%)</td>
</tr>
</tbody>
</table>

Similarly, the majority of the 55 proposed AUD Incentive Program projects are located in five of the 32 General Plan Neighborhoods, focused near the downtown core. Again, this is to be expected as the AUD Incentive Program is only applicable in multi-family and most commercial zones, which are concentrated in certain neighborhoods, close to services. Eight projects are proposed in the Laguna Neighborhood (80 units), seven projects are proposed in the West Downtown Neighborhood (58 units), and six projects each are proposed in the Eastside (15 units), Lower State (90 units), and Oak Park (30 units) Neighborhoods.

For reference purposes, the 21 projects approved under the AUD Incentive Program are more highly concentrated in commercial zones, representing 83% (317 units) of the 380 approved units, while 17% (63 units) are approved in multi-family zones. This is consistent with the objective of the AUD Incentive Program to focus additional housing development in the downtown core, Milpas Street corridor and outer State Street, primarily commercially zoned areas.

Location of Development – Proximity to Transit, Services, and Recreational Opportunities

Staff evaluated the proximity of multi-unit and mixed-use developments to amenities and services based on data collected and publicly available through Walk Score®. Walk Score® measures walkability of a site on a scale from 0 to 100, based on walking routes to destinations such as grocery stores, schools, parks, restaurants, and retail\(^1\). Walk Score® measures pedestrian friendliness by analyzing population density and road metrics such as block length and intersection density. Walk Score® also measures whether an area is good for biking (Bike Score®) on a scale of 0 to 100, calculated by measuring bike infrastructure (lanes, trails, etc.), topography, destinations and road connectivity, and the number of bike commuters.

\(^1\) For each address, Walk Score analyzes hundreds of walking routes to nearby amenities. Points are awarded based on the distance to amenities in each category. Amenities within a 5 minute walk (0.25 miles) are given maximum points. A decay function is used to give points to more distant amenities, with no points given after a 30 minute walk. Data sources include Google, Education.com, Open Street Map, the U.S. Census, Localeze, and places added by the Walk Score user community.
According to Walk Score®, the City of Santa Barbara has an average Walk Score® of 62 and an average Bike Score® of 72. The 55 projects approved between 2001 and early 2013 have an average Walk Score® of 83 and an average Bike Score® of 90, well above the average for the City. This is to be expected, as the zone districts allowing higher densities are located in the downtown core, including areas west and east of downtown, the Milpas Street corridor, upper De la Vina Street, and outer State Street, which provide many services and amenities within close walking or biking distance.

The 21 projects approved or completed under the AUD Incentive Program have an average Walk Score® of 80 and an average Bike Score® of 90. This is very similar to projects approved prior to adoption of the AUD Incentive Program. A focused review of the seven approved projects within the High Density tier and Priority Housing Overlay areas indicate an average Walk Score® of 91 and a Bike Score® of 92. Again, this is to be expected, as the High Density tier areas were purposefully located in areas within easy walking and/or biking distance to commercial services and recreational opportunities.

**Encourage Workforce Housing**

Housing types that provide housing opportunities to the City’s workforce are encouraged and facilitated by the AUD Incentive Program. This section of the report focuses on new development and its affordability to the City’s workforce.

**Defining Workforce Housing**

Although not specifically defined in the General Plan or Zoning Ordinance, the term “workforce housing” is typically used to refer to units for households that are overqualified for subsidized affordable housing (very low, low, and moderate income), yet cannot afford the average market-rate housing. In the City of Santa Barbara, households in the Middle to Upper-Middle Income categories based on the Area Median Income (AMI), as shown below, generally fall within that range and are the target households for “workforce housing.”

**Table GM-6: Workforce Housing Income**

<table>
<thead>
<tr>
<th>Income Category</th>
<th>Percentage of Area Median Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low-income</td>
<td>50% or below</td>
</tr>
<tr>
<td>Low-income</td>
<td>50% - 80%</td>
</tr>
<tr>
<td>Moderate Income</td>
<td>80% - 120%</td>
</tr>
<tr>
<td>Middle Income</td>
<td>120% - 160%</td>
</tr>
<tr>
<td>Upper-Middle Income</td>
<td>160% - 200%</td>
</tr>
</tbody>
</table>

The U.S. Department of Housing and Urban Development (HUD) determines the AMI for areas throughout the nation and updates the figure approximately yearly. The applicable local area is Santa Barbara County (HUD does not provide a median income specifically for the City of Santa Barbara), which has a median income of $77,100 for a household of four. As shown in the following table, the AMI varies based on the number of persons in the household. This is based on the rationale that a larger household requires a higher income to maintain a minimum standard of living.
Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Housing and Community Development, 30% is used as a rule of thumb for the amount of income that can be spent on housing costs and still have enough left over for other nondiscretionary spending. Households paying more than 30% of income on housing are considered “cost-burdened.” More than one-third of U.S. households face cost burdens, including 16.5% with severe burdens (paying more than 50% of income for housing). While cost burdens are nearly universal among lowest-income households, cost burdens are rapidly spreading among moderate-income households, especially in higher-cost coastal markets. The U.S. Census American Community Survey (ACS) for 2010-2014 estimated that about 58% of the City’s renter households are cost-burdened.

In Santa Barbara, using the 30% rule, monthly rents ranging from a low of $1,619 for one person to a high of $4,163 for a household of five is considered affordable for the City’s workforce. This data, updated annually, will be used to determine if the AUD Incentive Program is producing workforce housing.

### Table GM-7: Santa Barbara County Income Categories (effective 03/28/2016)

<table>
<thead>
<tr>
<th></th>
<th>1 Person</th>
<th>2 Persons</th>
<th>3 Persons</th>
<th>4 Persons</th>
<th>5 Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low Income</strong></td>
<td>$0 - $47,150</td>
<td>$0 - $53,900</td>
<td>$0 - $60,650</td>
<td>$0 - $67,350</td>
<td>$0 - $72,750</td>
</tr>
<tr>
<td><strong>Moderate Income</strong></td>
<td>$47,151 - $64,764</td>
<td>$53,901 - $74,016</td>
<td>$60,651 - $83,268</td>
<td>$67,351 - $92,520</td>
<td>$72,751 - $99,922</td>
</tr>
<tr>
<td><strong>Middle Income</strong></td>
<td>$64,765 - $86,352</td>
<td>$74,017 - $98,688</td>
<td>$83,269 - $111,024</td>
<td>$92,521 - $123,360</td>
<td>$99,923 - $133,229</td>
</tr>
<tr>
<td><strong>Upper-Middle Income</strong></td>
<td>$86,353 - $107,940</td>
<td>$98,689 - $123,360</td>
<td>$111,025 - $138,780</td>
<td>$123,361 - $154,200</td>
<td>$133,230 - $166,536</td>
</tr>
</tbody>
</table>

AUD Incentive Program Units

At the time of this report, there are only four occupied AUD Incentive Program rental units (comprised of two projects, both located in the Medium-Density tier area) and no survey data regarding rental rates is available. One project under construction, The Marc at 3885 State Street, has published rental rates starting at $2,445 for a one bedroom unit to $3,500 for a three bedroom unit, shown below.
Based on these preliminary rates, many of these units may be considered affordable for most workforce households, but there is not enough empirical data at this time to determine unit affordability. Therefore, it is too soon to evaluate whether or not the AUD Incentive Program is meeting this intended objective. Staff will continue to monitor this aspect of AUD Incentive Program units that are built and occupied, and provide up-to-date information in future AMP reports.

Affordable and Inclusionary Housing

The City’s Inclusionary Housing Ordinance (SBMC Chapter 28.43), adopted in 2004, requires projects with ten or more ownership units (excluding any density bonus units) to provide 15% of those units at prices affordable to middle-income households. The ordinance specifies that the developer shall be entitled to a density bonus for the required inclusionary units, subject to some limitations. For example, a project of 20 units must provide three affordable units; if the land is zoned for a maximum of 20 units, the developer may be able to build 23 units in order to provide the three required inclusionary units. In 2009, the ordinance was amended to also apply to ownership projects of two to nine units. Projects within this range are generally required to pay a pro-rated in-lieu fee for each unit rather than provide the additional unit on site, and receive no density bonus.

Although rental housing was not incentivized or often proposed by developers between 2001 and early 2013, the City was able to collect $336,975 in Inclusionary Housing in-lieu fees and added at least 40 ownership units (of the 547 ownership units completed or under construction) restricted to moderate- or middle-income households to the housing stock during that period. The constructed units were provided either through the Inclusionary Housing Ordinance (nine units) or by granting Lot Area Modifications for additional density. An additional 36 units priced at below-market rates\(^1\) were constructed at 535 E. Montecito Street, providing a total of 76 additional income or price-restricted units to the City’s housing stock. Eleven of the 105 approved, but not yet constructed, ownership units are restricted to moderate- or middle-income households and would add to the City’s Affordable housing stock if they are constructed. Although not a part of the data analyzed in this report, another 81 income-restricted units were completed in 2012 as part of the Cottage Hospital employer-sponsored housing project at 601 E. Micheltorena Street.

To date, since no AUD Incentive Program projects have included more than ten ownership units, no projects have been required to provide an inclusionary unit on the project site. However, the one ownership project approved at 1135 San Pascual Street will be required to pay an in-lieu fee prior to receiving Certificates of Occupancy.

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1 Per Specific Plan 10, the mean average initial sale price of the below-market units could not exceed $565,000 (and he initial sale price of any individual unit could not exceed $645,000), and the resale price shall increase by no more than 2.5% annually.
Conclusions and Recommendations

This section of the report reviewed multi-unit and mixed-use projects approved and/or completed under the AUD Incentive Program in order to evaluate its effectiveness in meeting the Program’s three key objectives to:

- Encourage smaller rental units.
- Locate units close to transit, services and recreational opportunities.
- Encourage work force housing.

The adopted General Plan policies and ordinance amendments to establish the AUD Incentive Program were drafted primarily in response to community concern over the proliferation of large luxury condominiums resulting from the Variable Density standards. Since July 2013, 966 housing units have been proposed using the AUD Incentive Program; 959 of which are rental units. Although a number of factors determine the feasibility of developing a certain housing type, it appears that the AUD Incentive Program has met its objective of encouraging rental housing. Similarly, multi-family development approved prior to July 2013 had a median unit size of 1,468 square feet. Since adoption of the AUD Incentive Program, which incentivizes smaller units as a trade-off for greater density, the median unit size of approved projects is 821 square feet. A 44% decrease in median unit size is a clear indication that the AUD Incentive Program is meeting the objective of providing smaller average unit sizes.

Housing developments approved today tend to have a higher density and are more often located in commercial zoning districts, both of which serve to locate new housing in close proximity to transit, services and recreational opportunities. In the Medium-High Density tier (15 to 27 units/acre) areas, the average density of housing developments proposed under the AUD Incentive Program is similar to that proposed prior to 2013. The High Density tier (28 to 36 units/acre) and Priority Housing Overlay (37 to 63 units/acre) areas did not exist prior to 2013. The seven approved AUD Incentive Program projects proposed in those areas are providing a range of densities, with the median density at the higher end of the ranges allowed. This concentration of higher density development within the downtown core, Milpas Street corridor, and outer State Street was an intentional objective of the AUD Incentive Program, which is being met. Furthermore, 75% of all proposed, and 83% of all approved, AUD Incentive Program units proposed are located in commercial zones.

The Walk Score® and Bike Score® of projects approved under the AUD Incentive Program are very similar to those projects approved between 2001 and early 2013. All multi-family or mixed-use projects evaluated in the report score higher in this regard than the City as a whole, which is to be expected. The higher density areas are located in the downtown, Milpas Street corridor, upper De la Vina Street, and outer State Street areas, and offer many services and amenities within close walking or biking distance. In terms of encouraging new housing units close to transit, and easy walking and/or biking distance to commercial services and recreational opportunities, the AUD Incentive Program has either held the status quo, or improved upon meeting that objective.

With only four occupied AUD Incentive Program units to-date, there is not enough empirical data at this time to determine unit affordability. Therefore, it is too soon to evaluate whether or not the AUD Incentive Program is meeting the objective of encouraging workforce housing. Staff will continue to monitor this aspect of AUD Incentive Program as information becomes available, and provide up-to-date information in future AMP reports.

Give that the AUD Incentive Program is meeting the two objectives that have some initial data and basis for evaluation, and it is too early to determine if the third objective is being met, staff recommends that
the AUD Incentive Program continue until additional data is available regarding its effectiveness to provide housing affordable to the workforce. However, staff recognizes that other questions and concerns have been raised about the AUD Incentive Program, which are discussed below.

It is worth noting that 13 of the 54 AUD Incentive Program projects are proposed on sites that previously had projects approved using Variable Density standards and have since been revised to use the AUD Incentive Program standards.

**Other Considerations Regarding the AUD Incentive Program**

**Initial Trial Period**

The AUD Incentive Program will be in effect for an initial trial period of either eight years (August 2021) or until 250 units have been constructed (as evidenced by the issuance of a Certificate of Occupancy) in the areas designated for the High Density tier (range of 28-36 units/acre) or within the Priority Housing Overlay (range of 37-63 units/acre), whichever occurs earlier.

Any application for new units deemed complete prior to the expiration of the AUD Incentive Program may continue to be processed under the AUD Incentive Program. Concerns have been expressed that too many AUD Incentive Program units are pending, and continuing to proceed through the review process while awaiting occupancy of the initial 250 units to “test” this Program, which could result in the construction of more than 250 units. Given that 151 units in the High Density tier or Priority Housing Overlay areas are currently under construction, and another 164 units have received planning approval, staff estimates that the initial trial period for the Program would be reached in approximately 22 to 28 months. An additional 314 units in these two areas are pending review and approval as of August 31, 2016 and it is almost assured that this number will increase before the 250 unit trial period is reached. However, it is highly speculative to predict the possible number of units that could be developed under the AUD Incentive Program, both during the trial period and into the future. Development is based on market forces, including the costs of land, financing, construction, resource constraints, weather, and other unpredictable variables.

At the July 21, 2016 Planning Commission meeting to discuss the AUD Incentive Program, some Commissioners requested that staff and the City Council consider a method to pace the number of AUD Incentive Program applications or building permits, or moderate it otherwise by adjusting incentives and/or the extent of the Program area. If any program adjustments are made prior to expiration of the AUD Incentive Program, the changes will likely have implications on the number of units proposed and built. However, if the AUD Incentive Program is not amended prior to expiration of the trial period, the allowed residential density will default to the Variable Density standards allowed under SBMC §28.21.080.F., as it existed in early 2013. Staff has heard little support for returning to the previous Variable Density standards. An ordinance amendment typically takes at least one year to complete. In order to complete such an amendment before the trial period lapses, and if the City Council agrees that an amendment is needed, staff recommends that an ordinance amendment to address the sunset of the AUD Incentive Program be initiated by the City Council sometime in 2017.

**Annual Survey Data**

A Condition of Approval for nearly all AUD Incentive Program projects (except for 100% Affordable projects) requires the property owner to submit survey results to staff in December of each year, after all units in a development have been occupied for at least six months. A Planning Commission Housing Subcommittee was convened in early 2015 to primarily discuss implementation of the City’s Housing Element, particularly measuring the AUD Incentive Program effectiveness. One of the outcomes was
refining the information requested through the annual survey of AUD Incentive Program unit occupants. The refined survey includes the following questions and is to be completed by the adult occupants for each unit:

- Net floor area;
- Number of bedrooms;
- Monthly rent (or condominium purchase price) and utilities;
- Periods of vacancy;
- Household size;
- Current employment location of each adult resident by zip code;
- Prior employment location of each adult resident by zip code;
- Prior residence zip code for each adult; and
- Number of cars, trucks and bikes owned by each resident. Please list types of alternative transportation used (if any).

Answers to the first two questions will be readily available on approved project plans and will not need to be submitted by the owner/occupants. The next two questions are important factors to evaluate and would rely on data obtained from the property owner/manager. The final five questions, perhaps most critical to evaluating the effectiveness of the AUD Incentive Program in meeting its objectives, will depend on the willingness of the occupants to supply accurate information.

As of August 31, 2016, no survey results are yet available for evaluation and none are anticipated to be available until at least December 2017, when the first project to receive its Certificate of Occupancy has been occupied for at least six months. Realistically, several projects will need to submit surveys before trends can be identified and conclusions drawn. Once staff begins receiving annual surveys, we will incorporate that information into the annual Adaptive Management Program report. Staff will continue to require this annual survey as a standard condition of approval for as long as it deemed potentially useful to evaluate the effectiveness of the AUD Incentive Program in meeting its intended objectives.

**Residential Parking Standards**

When the AUD Incentive Program ordinance was originally considered, the Planning Commission recommended a maximum of 1.5 spaces per unit for downtown housing with unbundled parking (i.e., rented/sold separate from the unit). While staff indicated that one space per unit would not meet demand in many cases (e.g., projects outside of downtown and in larger, 2+ bedroom units), Council ultimately approved a standard of one space per unit. This has effectively reduced the land area necessary for parking and allowed realization of the increased densities encouraged by the AUD Incentive Program at lower development costs. Staff believes that the incentive of the lower off-street parking requirements coupled with the higher density have been the catalyst for high development activity related to the AUD Incentive Program.

The current minimum parking requirement for all AUD Incentive Program projects is one space per unit and no guest parking, regardless of unit size. This is the same standard that applies to all mixed-use projects in the Central Business District, and is similar to the mixed-use project standard if residential uses occupy no more than 50% of the development, as well as the parking standards for Affordable and senior housing projects. But, it is less than the standard multi-family parking ratios, which typically require about twice as much parking, depending on the number of bedrooms per unit in a development.

AUD Incentive Program projects approved in the High Density tier area and Priority Housing Overlay are generally providing one parking space per unit, with the exception of 3885 State Street, which will provide
127 residential parking spaces for the 89 units. In the Medium-High Density tier areas (R-3 and R-4 Zones), the majority of approved projects are providing one parking space per unit, with the exception of 915 E. Anapamu, which will provide 28 spaces for the 24 units, and 1818 Castillo Street, with includes eight spaces for the seven units. The project at 1818 Castillo Street includes five three-bedroom units; a previous version of that project was appealed to City Council with parking being one of the primary neighborhood concerns.

Since the AUD Incentive Program does not rely on bedrooms to determine allowed density, project proposals have included multiple bedrooms with only one parking space per unit. Staff expects this will ultimately impact the on-street parking supply. This on-street parking impact will be more pronounced outside of the Central Business District, where 17 of the 21 approved AUD Incentive Program projects are located. To date, projects with three or more bedrooms only comprise 7% of the approved or completed AUD Incentive Program projects. However, one possible strategy to mitigate the expected increased use of on-street parking is to explore a focused ordinance amendment to consider requiring additional parking for multiple-bedroom and larger units outside the Central Business District. This could include:

- Requiring a minimum of two parking spaces for units with three or more bedrooms.
- Requiring a minimum of 1.5 parking spaces for two or more bedrooms and/or units in excess of 700 square feet.

These adjusted ratios would better accommodate increased car ownership with larger units, and further encourage development of smaller units.

**Building Height**

At the same time the Municipal Code was amended to adopt the AUD Incentive Program, amendments to the C-2, C-M, M-1, and OM-1 zoning districts were also adopted limiting building height to 45 feet unless the project is a Community Benefit project. In order to exceed 45 feet, special findings and a super majority (five affirmative votes) approval by the Planning Commission is required. Prior to July 2013, these zones allowed four stories, not to exceed 60 foot in building height.

Some concerns have been expressed that AUD Incentive Program projects are too tall or otherwise incompatible with their neighborhoods. The 13 approved AUD Incentive Projects in the R-3 and R-4 zones (with a 45-foot maximum) range in height from 18 feet to 42.5 feet, with a median height of 25.3 feet. In contrast, multi-unit and mixed-use projects approved prior to July 2103 were somewhat taller in residential zones. Projects approved at that time in the R-3 and R-4 zones ranged from 24 feet to 34.7 feet, with a median height of 33.8 feet.

The eight approved AUD Incentive Projects in commercial zones range in height from 34 to 45 feet, with a median of 45 feet. Projects approved prior to July 2013 in the commercial zones range in height from 31 feet to 58 feet, with a median of 34.6 feet. The median height of multi-unit residential projects approved today is higher than it was prior to July 2013, but all have been approved with a maximum height of 45 feet or less. Building heights and story limitations are a maximum standard; an acceptable height for any development is site-specific. Rather than altering the maximum building height or story limitations for AUD Incentive program projects, staff believes concerns in this regard can be addressed by providing additional tools and support to the ABR and HLC. This is discussed further below, in the Improvements to the Design Review Process section of this report.
**Open Space**
All multi-unit residential developments are required to provide outdoor living space in one of two ways: private or common. The AUD Incentive Program provides flexibility in how each of those methods is accommodated on a project site.

Projects developed under the AUD Incentive Program and electing to use the Private Outdoor Living Space Method (SBMC §28.21.081.A.) are allowed to eliminate the 10% on-grade open space requirement. The intent in offering this incentive was to provide flexibility in project design and facilitate additional residential units as part of the project. Although staff has not yet compiled quantitative data regarding on-grade open space for approved AUD Incentive Program projects, it appears that this incentive has clearly met its objective. However, there is some concern that it may go too far and that project designs are resulting in higher floor-to-lot area ratios (FARs) and little on-grade landscaping and visual relief. This element of project review is discussed further below, in the Improvements to the Design Review Process section of this report.

Projects developed under the AUD Incentive Program and applying the Common Outdoor Living Space Method (SBMC §28.21.081.B.) are allowed to provide the 15% common outdoor living space on grade or any floor of the building. In the past, applying this method has been problematic for multi-family and mixed-use projects, especially those proposing at-grade parking garages. Allowing the 15% common outdoor living space at grade or any floor of the building helps make possible more units in a project. Again, staff does not yet have complete data regarding the location and amount of open space using this method for AUD Incentive Program projects; however, it appears that this incentive has also clearly met its objective. Concerns have been raised that allowing this common outdoor living space on any floor of the building has resulted in more projects proposing rooftop decks to satisfy the requirement, causing potential compatibility issues and also contributing to less on-grade landscaping. This element of project review is discussed further below, in the Improvements to the Design Review Process section of this report.

**Improvements to the Design Review Process**
The decision-maker for multi-family and mixed-use rental housing projects is either the ABR or the HLC, so long as the applications do not involve requests for Lot Area Modifications, Tentative Subdivision Maps, or exceed 3,000 square feet of nonresidential floor area. Currently, because the overwhelming majority (99.3%) of units within proposed AUD Incentive Program projects are rental units, the ABR or HLC will likely be the decision-maker.

An amendment to the AUD Incentive Program was approved by Council in October 2014 requiring Planning Commission review and comments on AUD Incentive Program projects proposed in the High Density tier or Priority Housing Overlay areas, on sites of 15,000 square feet or more. This added level of conceptual review was intended to provide additional oversight for those projects that may present the greatest land use and neighborhood compatibility challenges.

Prior to 2013, the nature of projects within the decision-making purview of the ABR and HLC included commercial development, mixed-use proposals with a small residential component, and smaller multi-unit residential projects. The larger, multi-unit and mixed-use projects were subject to review by the Planning Commission in most cases, because they were condominiums and required a Tentative Subdivision Map, or included more than 3,000 square feet of nonresidential floor area.

Some projects proposed under the AUD Incentive Program have generated concerns from the public and the design review boards regarding size, bulk, scale, and compatibility with existing development and
historic resources. Although the ABR and HLC must consider six Compatibility Criteria in order to approve a project, the board members have expressed that they often feel ill-equipped to adequately and critically review AUD Incentive Program projects. As a result, and based on multiple conversations with the ABR and HLC, staff is in the process of revising and augmenting several aspects of the design review process to assist the design boards in their review of AUD Incentive Program projects.

Preparation of Multi-Unit/Mixed-Use Design Guidelines is a program that has been carried forward from several Housing Element updates. Due to staffing levels and workload priorities, it has not been completed. However, staff recently began working again with subcommittees of the ABR and HLC to develop interim guidelines to ensure that infill multi-unit development complements existing buildings and preserves neighborhood character, and results in compatible designs that respect the existing neighborhood context, character, and adjacent structures, including historic resources. These new or revised guidelines would ultimately require approval by the City Council.

As an interim approach, until the Multi-Unit/Mixed-Use Design Guidelines are prepared, Planning staff intends to augment the design review application submittal requirements to help the ABR and HLC evaluate a project’s compatibility with the neighborhood. New standard submittal requirements will include a Design Intent Statement describing the project concept and design intent of the architectural style and landscaping, and a Neighborhood Context Profile which would include a map of the project site’s entire block. Additional review materials may be triggered by number of units, number of stories, height and/or location. These materials could include a streetscape photomontage, project renderings, architectural small scale models, 3D representations, and/or massing/organization diagrams. Some architects are already voluntarily submitting 3D representations for AUD Incentive Program projects.

In addition, the City’s Land Development Team is working on implementing a process to perform a 30-day coordinated review of all housing projects involving 11 units or more. Currently, such a review is voluntary for all AUD Incentive Projects, unless the project requires some form of Planning Commission review (whether for comments or action). Staff has also committed to providing additional support to the design review boards in their review of AUD Incentive Program projects in the form of brief written staff reports, additional project statistics, such as FAR and amount of on-grade open space, and an analysis of the project’s potential compatibility with applicable design guidelines. If possible, staff will also make every attempt to provide project plans to the design board members prior to the day of their meeting, for their advance review.

Managing Water Demand for New Development
Two primary visions of the 2011 General Plan are to:

- Manage growth within our limited resources to retain the desirable aspects of the physical city without sacrificing its economic vibrancy and demographic diversity.
- Allow as much housing as possible within resource limits to provide an array of lifestyle options for a demographically and economically diverse resident population.

One resource that is of significant concern for the community is water, as the City is about to enter its sixth year of a drought and has been in a Stage 3 Drought Emergency since May 2015.

During a normal year, the City’s water demand is 14,600 Acre-Feet per Year (AFY). The City’s current targeted water demand is 65 percent of normal, or 9,500 AFY. On average, over the last 10 years (2006 thru 2015), new development has accounted for 27 AFY, or about 0.28% of the drought demand. That average includes several years of the development boom of 2001 to 2008, and the recession that followed.
It is well below the estimated demand of 40 AFY used in the 2011 Long-Term Water Supply Plan and the General Plan Program EIR.

Chart GM-12: New Development Water Demand

A review of all pending (planning application received) and approved (planning approvals granted) development projects as of July 31, 2016, indicates new annual demand of approximately 179 AFY for these 129 development projects. However, based on past trends, staff expects that only about half of the projects will seek building permits and complete construction in the foreseeable future. It is also important to note that these projects will be staggered over a number of years. If all pending or approved projects were constructed next year, this would represent 1.9% of the City’s annual drought water demand projection (1.2% of normal year demand). This additional water demand is not significant and is within that projected in the General Plan Program EIR through the year 2030.

If all 45 pending and approved AUD Incentive Program projects were constructed, these developments would demand approximately 100 AFY, or about 56% of the estimated 179 AFY for all development.
# Transportation and Climate Change (Energy and Environment)

## General Plan Vision

- Create a diverse transportation network that serves our community’s economic vitality, small-town feel, a variety of housing options, economic stewardship, and healthy lifestyles.
- Provide a physical environment that is healthy, and encourages healthy active living.
- Become more sustainable by managing wise use of resources.
- Protect and enhance the scenic beauty of Santa Barbara’s natural setting and built environment which is intrinsic to our appreciation and enjoyment of the City. At the same time, improve on conservation of resources such as energy, water, open space, and native habitat, through innovation and determination.

## Transportation

### Background

Traditionally, transportation and circulation focused on the capacity of roadways and intersections to move vehicles and vehicle congestion. In the 1990’s there was an acknowledgement that Santa Barbara could not build itself out of vehicle transportation and congestion issues, and, for that reason and a variety of other reasons, the City shifted its focus and placed more importance on all transportation modes, including public transit, walking, and bicycling. This acknowledgment manifested in the comprehensive goal and vision of the General Plan 1997 Circulation Element which is as follows:

> “While sustaining or increasing economic vitality and quality of life, Santa Barbara should be a city in which alternative forms of transportation and mobility are so available and attractive that use of an automobile is a choice, not a necessity. To meet this challenge, the City is rethinking its transportation goals and land use policies, and focusing its resources on developing balanced mobility solutions...”

With the adoption of the 2011 General Plan, this goal was supplemented with additional goals, policies, and implementation actions intended to further integrate circulation policies with the sustainability focus by emphasizing alternative modes of transportation, maintaining traffic flow for all, and reassessing parking requirements to complement a people-oriented community.

Furthermore, a causal relationship has been identified between the built environment and public health issues, especially in relation to epidemics such as obesity, respiratory disease and diabetes. Transportation choices and where we locate our housing can contribute to active living which can assist with combatting these public health issues.

### Progress

*Diverse Transportation Network and Active Living*

Improved pedestrian and bicycle infrastructure is a focus of the Circulation Element and Climate Action Plan (CAP). According to the 2010 – 2014 American Community Survey 5 year estimate, since 2000, the City has decreased its drive alone rate by approximately 4.1%, while most cities in the United States have increased or remained stable.
The City is in the process of undertaking several programs to further increase the use of sustainable transportation modes. Recent accomplishments include:

- Completion of the Bicycle Master Plan update, adopted in 2016 (MMRP Measure 54, *Reductions in Traffic Demand*);
- Ongoing programmed pedestrian infrastructure improvements throughout the City implementing the 2006 Pedestrian Master Plan, including pedestrian refuge islands, crossing signs for school hours, brighter street lighting (LED retrofit), sidewalk corner curb access ramps, crosswalk enhancements (curb ramps and flashing beacons), and sidewalk infill (MMRP Measure 54, and CAP Strategy 21, *Pedestrian Infrastructure*); and
- Completed or programmed bicycle infrastructure improvements throughout the City, including new bike parking corrals, a new Bike Station module installed at Transit Center Parking Lot 3, bridge improvements/replacements and bike sharing program underway (MMRP Measure 54 and CAP Strategies 22, *Bicycle Infrastructure Improvements* and 23, *Personal Transportation*).

According to the American Journal of Public Health (Walking and cycling to health: A comparative analysis of city, state, and international data, 2010) and other citations available through the U.S Department of Transportation’s website, improved pedestrian and bicycle infrastructure is now strongly linked to improving public health.

**Transportation Management to Reduce Vehicle Congestion**

General Plan Circulation Element policies aim to improve traffic flows and reduce auto congestion through demand management. To that end, in 2013, City Council has adopted the Traffic Management Strategy as part of the City’s overall growth management program. The primary goal of the Traffic Management Strategy is to utilize existing transportation capacity efficiently and to reserve constrained transportation capacity for high priority land uses. The Strategy allows most developments, but limits those that use too much of the remaining roadway and intersection capacity. In 2014, City Council approved new Traffic Impact Significance Thresholds to be used during land development review in order to implement the Traffic Management Strategy. These thresholds define when the traffic generation of a single project would use a disproportionate share of the remaining traffic capacity and, therefore, constitute a significant adverse project-specific traffic impact for policy consistency and, as of now, for purposes of the California Environmental Quality Act (CEQA). To date, although no nonresidential projects have been denied due to project-specific adverse traffic impacts, many have been reduced or redesigned to avoid impacts after consultation with Transportation Division staff.

Additionally, the Land Use Element policies for managing nonresidential growth (LG2) and encouraging specific locations for residential growth (LG6) work together to reduce congestion. Proposed and ongoing land use measures that are being implemented to reduce congestion include:

- The New Zoning Ordinance (NZO) update currently underway proposes to allow small markets in residential zones to reduce congestion and promote active living by encouraging compact, walkable places. Also proposes amendments that may allow for more types of home occupations (Appendix A Mitigation Monitoring and Reporting Program [MMRP] Measure 51, *Reductions in Traffic Demand* and Appendix B Climate Action Plan [CAP] Strategy 19, *Complementary Land Uses*); and
- The Nonresidential Growth Management Ordinance, Traffic Management Strategy, and Average Unit Size Density Incentive Ordinance taken together implement policies and incentives to encourage housing close to transit, services, and employment (CAP Strategy 16, Mixed Use Land Use Policies).

**Regional Planning Coordination**

The General Plan and CAP direct the City to play an active role in regional transportation planning efforts through coordination with regional agencies. The City coordinates with Santa Barbara County Association of Governments (SBCAG) and Metropolitan Transit District (MTD) to improve transit services such as commuter rail, regional bus service, and MTD service enhancements as detailed in MMRP Measure 56, *Reductions in Traffic Demand* and CAP Strategy 27, *Regional Transportation and Transit*. The City participates with SBCAG and other local municipalities on regional transportation planning efforts and, in 2016, the City is participating in an effort by SBCAG to update the Regional Transportation Plan/Sustainable Communities Strategy (Fast Forward 2040), which is due by August of 2017. Fast Forward 2040 defines how the region plans to invest in the transportation system over 20+ years based on regional goals, multi-modal transportation needs for people and goods, and estimates of available funding. Fast Forward 2040 also includes a Sustainable Communities Strategy that sets forth a forecasted development pattern for the region, which, when integrated with the transportation network and other transportation measures and policies, will reduce greenhouse gas (GHG) emissions from passenger vehicles and light trucks to achieve the GHG reduction targets set by the California Air Resources Board. As discussed in the Climate Change portion of the Discussion section, there are new aggressive state emission reduction targets.

**Climate Change (Energy and Environment)**

**Background**

Climate change refers to substantial changes in measures of climate over time, such as average temperature, precipitation rates, and wind patterns, and includes both changes due to natural variability and as a result of human activity. According to the Intergovernmental Panel on Climate Change (2007), most of the observed change in increased average global temperature since the mid-20th century is very likely due to human-generated GHG emissions. The observed increase in GHG emissions is believed to be primarily due to fossil fuel combustion and land-use changes (i.e. deforestation and urban sprawl).

The 2011 General Plan includes policies and measures to address not only the physical effects of climate change on the community, but also policies and measures directed at reducing GHG emissions. These policies and measures resulted in the preparation of a Climate Action Plan (CAP). The City’s CAP is comprised of two components: carbon emissions reduction and climate change adaptation. The emissions reduction component is based on state targets established through AB32 – the California Global Warming Solutions Act of 2006 and SB375 – Sustainable Communities and Climate Protection Act of 2008 legislation. As discussed in the Climate Change portion of the Discussion section, there are new aggressive state emission reduction targets.

The CAP’s adaptation component focuses primarily on sea level rise (SLR) monitoring, vulnerability assessment and analysis and preparation of adaptation strategies. The City is currently addressing SLR through the Local Coastal Program (LCP) update process, and has secured grant funding to create a Sea Level Rise Adaptation Plan, which will feature an updated vulnerability assessment, an economic analysis and a range of potential adaptation actions.
Progress

Climate Action Plan

Many of the CAP strategies also implement or partially incorporate General Plan Program EIR required and recommended mitigation measures. Strategies to reduce emissions and prepare for the impact of climate change rely on continuing existing City programs, taking additional actions, and increasing voluntary community actions. The City’s Sustainability Council Committee tracks the status of City sustainability projects, most of which are also CAP strategies, such as LED lighting retrofits, mixed recycling at City facilities, bike and car share program implementation, and water conservation measures.

Because the CAP identified City efforts already in place, including General Plan policies and implementation measures, the CAP 2016 Implementation Status Report (Appendix B) also provides a means of tracking progress toward the General Plan’s Vision for the environment, including wise use of resources such as energy, water, open space, and native habitat. The CAP 2016 Implementation Status Report also includes an updated summary of climate change legislation, forecasted climate change effects, and regional and local sea level rise studies (Appendix C).

As of 2016, 17 of the 100 CAP strategies are considered complete. Many more are ongoing programs or in progress. Examples of completed and ongoing strategies include:

- Installing energy efficient lighting at City parks and ballfields (CAP Strategy 2);
- Re-commissioning the Gibraltar conduit hydroelectric plant (CAP Strategy 6);
- Encouraging solar photovoltaic (PV) arrays for new projects (CAP Strategy 13);
- Installing electric vehicle charging stations (CAP Strategy 20 and MMRP Measure 3);
- Recycling education campaigns (CAP Strategy 52 and MMRP Measure 45); and
- Adopting an ordinance (SBMC Chapter 9.150) to regulate distribution of single use bags (CAP Strategy 64 and MMRP Measure 45).

Resource Conservation

The General Plan’s Open Space, Parks and Recreation Element and Environmental Resources Element policies address most of the City’s natural resources. The CAP’s vegetation, open space and water conservation strategies are directed towards removing carbon emissions from the atmosphere, providing shade and reducing energy use. The City’s Parks and Recreation Department and Creeks Division are implementing projects as funding becomes available that further the ongoing CAP community-wide vegetation strategies (CAP Strategies 39-43) and MMRP Biological Resources measures (MMRP Measures 4-12). The City’s LCP update process, currently underway, may address some of these measures specific to coastal habitat and species protection. Some recent accomplishments include:

- Purchase of three open space/restoration areas since 2010: a 1.5-acre area in the lower Arroyo Burro watershed; a 14-acre area in the upper Arroyo Burro watershed; and a 14.7-acre area in the Las Positas Valley. Restoration projects in these areas are under construction (Upper Arroyo Burro) or in the design phase (Las Positas Valley and Lower Arroyo Burro) (MMRP Measure 6 and 7, Creeks, Riparian Habitat and Species Protection and 29, Open Space Protection and Restoration and CAP Strategy 43, Regional Open Space Preservation); and
- Ongoing water conservation activities including monthly drought status updates provided to the Water Commission and City Council, supply augmentation efforts, and demand reduction efforts/targets. The City’s water conservation numbers for August 2016 show a reduction of 42%, compared to 2013 water demands. The cumulative citywide average reduction since the Stage Three Drought declaration in May of 2015 is 36%. (MMRP Measure 46, Future Water

Discussion

Transportation

Sustainable Transportation Improvements
The City has made great strides in sustainable transportation improvements as noted above under Diverse Transportation Network and Active Living. The Growth Management section discusses a metric to measure the outcome of these improvements via the City’s measure of pedestrian friendliness (Walk Score®) and whether an area is good for biking (Bike Score®). The City is designated a Gold Level Walk Friendly Community by the Pedestrian and Bicycle Information Center due to strong policies to support walking. The City also has a model Safe Routes to School Program and is one of the top five mid-size California cities in bicycle ridership. Key challenges include funding the many improvements envisioned in the Pedestrian Master Plan and Bicycle Master Plan throughout the City and a decline in transit ridership for the past three years, which appears to be linked to lower gas prices.

Vehicle Congestion
The incremental increase in land development over time and the return of a strong economy will likely continue to contribute to worsening automobile congestion in the upcoming years. The General Plan Program EIR reported that the City could expect increased traffic congestion citywide during implementation of the General Plan, with up to 27 impacted intersections by 2030. An impacted intersection is defined as one that operates at Level of Service (LOS) C, or a volume-to-capacity ratio higher than 0.77 during peak hours. When the existing conditions traffic analysis for the Final Program EIR was conducted in 2008, 13 intersections in the City were considered impacted. In 2015, 14 intersections were considered impacted in the City.

The Caltrans Highway 101 High Occupancy Vehicle (HOV) project, currently in the design and permitting phase, is proposed to widen the freeway between Carpinteria and Santa Barbara to include a peak-hour high-occupancy vehicle (HOV) lane. Caltrans traffic studies have shown that the HOV project will increase traffic flow into the City and would worsen congestion levels on the City’s surface streets, on the freeway, and at some freeway interchanges. Phase I construction of the project is anticipated to begin in 2018. The updated City traffic model (see below) will include analysis of this project.

Traffic Model Update
The City’s traffic model, which used baseline traffic data from 2008, is set to be updated several times during the buildout of the General Plan. To account for development that was approved since then, updated traffic counts were conducted in 2015. The traffic model is being updated using these counts and results are anticipated in fall 2016. The updated traffic model may change the number and/or distribution of impacted intersections and will better inform transportation planning issues, including the development of an Intersection Master Plan (MMRP Measure 50, Intersection Level of Service and Arterial Congestion and CAP Strategy 30, Circulation Improvements).

Traffic Mitigation
The General Plan and General Plan Program EIR included policies to mitigate the potential cumulative traffic impacts forecasted for 2030, including an Intersection Master Plan, improvements to sustainable modes of transportation, demand management measures, parking management measures, and a Traffic
Mitigation Fee Program. Following validation of the updated traffic model, a comprehensive program will be developed to continue to offset congestion levels if needed. Because of limited availability of new roadway or intersection capacity in Santa Barbara, future traffic mitigation strategies will likely focus on travel mode shifting goals and policy changes to encourage alternatives to driving alone for the residents who are willing and able to shift. While Transportation Division staff anticipates beginning the Intersection Master Plan the 2016-2021 timeframe, that effort is currently not funded. In the absence of the Master Plan, several separate land use, sustainable transportation programs, and multi-modal infrastructure improvements are currently being undertaken, such as the Las Positas/Cliff Drive roundabout (MMRP Measure 48, Intersection Level of Service and Arterial Congestion) and the aforementioned pedestrian and bicycle infrastructure projects. Taken together, the suite of improvements as discussed in more detail in the 2016 MRRP and CAP Implementation Status reports (Appendix A and B), should relieve congestion.

On September 27, 2013, Governor Brown signed Senate Bill 743 (Steinberg, 2013). Among other things, SB 743 creates a process to change the way the City analyzes transportation impacts under CEQA. Currently, environmental review of transportation impacts focuses on the delay that vehicles experience at intersections and on roadway segments using a metric known as Level of Service. Under SB 743, the focus of transportation analysis will shift from driver delay (a congestion measurement) to reduction of vehicle miles travelled (a greenhouse gas (GHG) emissions measurement), creation of multimodal networks, and promotion of a mix of land uses. Implementing regulations for SB 743, including changes to the CEQA Guidelines, are pending. When these regulations are approved by the State, the City may be required to modify the traffic thresholds used by the City for compliance with CEQA. In addition, the City may want to consider whether to change the Level of Service-based traffic impact significance thresholds used to implement the General Plan and the Nonresidential Growth Management Program.

Climate Change (Energy and Environment)

In January 2016, the City joined the Compact of Mayors, which is the world’s largest cooperative effort among mayors and city officials to pledge to reduce GHG emissions, track progress and prepare for the impacts of climate change. The Compact establishes a common platform to capture the impact of cities’ collective actions through standardized measurement of emissions and climate risk, and consistent, public reporting of their efforts. Ultimately, the Compact of Mayors provides hard evidence that cities are true climate leaders, and that local action, when aggregated, can have a significant global impact.

The General Plan and CAP includes policies and strategies that promote protection and sustainable use of resources, including reducing use of energy, and minimizing contributions to climate change. Community-wide, CAP implementation actions for most strategies are being undertaken according to target dates identified in the CAP. Currently, 17 out of 100 measures are completed, as evidenced in the CAP 2016 Implementation Status Report (Appendix B). Many more are underway or implemented through development review and permitting.

The CAP anticipated that periodic (five year interval) community-wide GHG inventory updates would be conducted. As a result, and required by the Compact of Mayor commitment, an update to the community-wide GHG inventory is underway that conforms to the Global Protocol for Community-scale GHG Emission Inventories (GPC) standards and utilizes ICLEI’s Clearpath modeling tool, which features expansive data analysis capabilities.

In the City, on-road vehicles are traditionally the largest source of GHG emissions, and comprised 57% of all community-wide GHG emissions in 2010. As a result, it is important that accurate vehicular use data be utilized for the emissions inventory update. It was anticipated that the City’s traffic model update would be leveraged for current information. However, that effort has been delayed, and as of the time of
writing, has not been completed. In addition, the traffic model update may not include data suitable for GHG emission estimation, once complete. As a result, alternative datasets are being actively explored, including from SBCAG, Caltrans, and Federal Highway Administration (FHWA).

The CAP estimated that implementing the policies and programs in the document would achieve the 2020 and 2030 community-wide emission reduction targets. Separate from the community-wide inventory, an annual City operations GHG emissions inventory is conducted. The 2015 City operations GHG emissions inventory shows a 5% drop in GHG emissions since 2014 and a 32% reduction since 1990.

Recommendation

As noted above, the GHG inventory update will provide a check on the trend of community emissions generation to determine whether policy and program adjustments are needed to meet emissions reduction targets, including demonstrating compliance with various other emerging goals/targets such as Governor Brown’s recently signed Senate Bill 32, which expands upon California’s Assembly Bill 32, requiring California to reduce GHG emissions to 40% below 1990 levels by 2030. SB32 is a much more ambitious target than the previous goal of achieving 1990 levels by 2020, along with California’s already established targets to further reduce such emissions to 80% below 1990 levels by 2050.

In the meantime, sixteen CAP strategies targeted for completion in 2015 (some of which are ongoing) have been completed. The remaining CAP emission reduction and adaptation strategies targeted for 2015 (including ongoing) that have not yet been scheduled or funded and could be considered for future work program priorities include:

Emission Reduction

- Alternative Fuel Infrastructure: Provide expedited processing for projects providing alternative/advanced fuel infrastructure (CAP Strategy 10). This incentive promotes alternative fuel usage, which emits fewer GHG.
- Experimental Development: Establish permit process and standards for alternative development materials and techniques that reduce carbon footprint (CAP Strategy 18). This measure would decrease GHG emissions associated with building construction.
- Electric Vehicle (EV) Charging Stations: Most of this strategy is ongoing but no budget or work to date has been assigned to designating zones and land uses appropriate for quick charging facilities (higher energy, larger stations) and slow charging facilities (lower energy, smaller stations) (CAP Strategy 20). This measure promotes electric vehicle usage, which have zero tailpipe GHG emissions.
- Development Impact Fees: Conduct feasibility study of development fee to fund circulation improvements (CAP Strategy 35). This measure could fund sustainable transportation projects that reduce GHG emissions.
- New Development Vehicle Emissions: Require new development to demonstrate how projects will support the City in attaining GHG vehicular emissions reduction targets established by SBCAG’s Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) pursuant SB 375. This strategy strengthens the achievement towards SBCAG’s targets.
- Street Trees: Update Street Tree Master Plan to address long-term tree preservation measures (CAP Strategy 40). Because trees act as carbon sequestration tools, preserving these resources

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1 In 2010, the California Air Resources Board (CARB) established targets for SBCAG’s region as a 0% per capita increase in GHG emissions from passenger vehicles and light trucks in 2020 and 2035 compared to 2005 emissions. SBCAG’s adopted RTP/SCS stated the forecasted development pattern of the preferred scenario would achieve a reduction in per capita passenger vehicle GHG emissions of 10.5% in 2020 and a 15.4% in 2035, better than the CARB target.
helps to reduce GHG emissions. In 2014, the City adopted an Urban Forest Management Plan and the Parks and Recreation Department developed a Historic and Specimen Tree Drought Action Plan. The Urban Forest Management Plan has direction to update the Street Tree Master Plan.

- **Trees and Landscaping Protection:** Update ordinances to protect native oaks and other native or exotic trees (CAP Strategy 41). Portions of this strategy are ongoing but the Preservation of Trees ordinance (SBMC Chapter 15.24) does not specifically protect native oaks, other native, or exotic trees. Generally, trees reduce overall temperatures in urban areas and act as carbon sequestration tools.

- **City Business Purchasing Guidelines:** Amend City procurement guidelines to increase use of recycled materials in City operations (CAP Strategy 44). Increased usage of recycled materials promotes efficient use of resources, which decreases GHG emissions. The City’s Environmentally Preferred Purchasing Policy was adopted in 2008 but has not been updated since then.

- **City Facilities Recycling:** Expand recycling programs at City facilities with goals of 50% diversion by 2015 and 60% by 2020 (CAP Strategy 45). Increased usage of recycled materials promotes efficient use of resources, which decreases GHG emissions. The City facilities diversion rate in 2015 was 31%, not meeting the 50% diversion goal by 2015.

### Adaptation

- **Emergency Response Strategies:** Incorporate climate change effects into emergency response strategies (CAP Strategy 71). The City’s Emergency Management Plan (2013) focuses on potential large-scale disasters and includes assessments of threats from existing flooding, wildfire, and landslides hazards, which could be exacerbated by climate change. It does not specifically incorporate climate change effects but, given there is no history of large-scale climate change induced disasters in the City, it may be premature to incorporate this information at this time.

- **Emergency Workforce:** Work with region to ensure essential workers are available for disaster response (CAP Strategy 72). Cottage Hospital has established housing within the City for hospital employees but there has been no further regional or City efforts towards ensuring essential workers for disaster response.

- **Limit Residential Development in High Fire Hazard Areas:** Further limit residential development in high fire hazard areas with incentives and/or transfer of development rights (TDR) (CAP Strategy 76). While there have been no density increases in high fire hazard areas, no work has been done on incentives or a TDR program.

Finally, while the City has made great strides in the area of GHG emission reductions and climate change planning, this is an emerging issue that will require staff focus. Updated emission targets may be challenging to meet without updating the CAP to add more far reaching strategies and changing “business as usual.”
Community Design and Historic Resources, Economic and Fiscal Health, and Civic Participation

As noted in the Introduction, the 2016 General Plan Implementation/AMP Report does not include detailed implementation updates on several broad topic areas because status updates are available through other formats and no policy or implementation measure course corrections have been identified. However, in order to continue the focus on the General Plan’s Vision of a Sustainable Santa Barbara, this section highlights progress towards that Vision.

Community Design and Historic Resources

General Plan Vision

- Preserve and enhance historic resources now and in the future.
- Carry on the tradition of preserving open space for public enjoyment, preserving historic buildings, and the continuity of emblematic architecture in new development and redevelopment.

Progress

Preservation and enhancement of historic resources are central to the City’s five-year Historic Resources Work Program (HRWP) adopted in 2013. A regular update of the HRWP is provided at the spring joint City Council and Planning Commission (PC) work session.

Progress on preservation of open space for public enjoyment is discussed in the Climate Change (Energy and Environment) section of this report.

Recent accomplishments as reported in more detail in Appendix A (2011 General Plan Environmental Impact Report [EIR] Mitigation Monitoring and Reporting Program [MMRP] 2016 Implementation Status Report) include:

- Designated City Landmarks and Structures of Merit Sensitivity (buffer) areas identified and flagged (MMRP Measure 19, Protection of Historic Structures and Buildings).

Economic and Fiscal Health

General Plan Vision

- Understand that public services and facilities are limited resources, in particular with respect to financial considerations, explore technological solutions to safeguard, improve and expand the natural resources of Santa Barbara, while applying innovation to maintain or improve the quality of life and protect the natural resources.
- Seek stability through diversity, and balance between serving residents and visitors or non-resident investors, consistent with our environmental values and the need to be sustainable and retain unique character.
Progress
The City’s budget process includes regular information regarding the City’s public services and facilities. Other sources for accomplishments towards the General Plan’s Vision statements include:

- The annual “State of the City” address by the mayor, co-hosted with the Chamber of Commerce.
- Sustainability Council committee who meets as needed to guide environmental initiatives, receive updates on key projects and programs, and make policy recommendations to Council.
- The City’s Business Resources webpage which includes links to Guide to Starting a Business, Community Resources for Entrepreneurs, quarterly Business Newsletter, and Clean Creeks Certified Business Program and Business Assistance Program, also promoted on the Creeks Division website.
- The monthly Transient Occupancy Tax and quarterly Sale Tax collections media releases and revenue tables.

Civic Participation

General Plan Vision

- Believe that the best decisions are made with the greatest community participation. Full consensus is rare, but greater participation, where people have the opportunity to be heard and all opinions are respected, will achieve greater understanding, acceptance and appreciation which are so essential to our sense of community.

Progress

- The City’s Financial Transparency Tool, which provides user-friendly public access to the City’s financial data.
- The City’s Major Planning Efforts webpage which provides news, reports, reference documents, project contacts, public meeting notices and comments forms for community participation in a wide range of General Plan implementation and other planning efforts. To stay informed, community members are encouraged to create subscription accounts to receive updates and notices on particular projects.
- The Land Development Team Bulletin to increase communication between the City and customers, sent by email and located in the lobby area at 630 Garden Street.
General Plan/ EIR Format and Content Considerations

In the course of implementing the General Plan, a number of format and content concerns have been identified. These concerns do not require immediate action. However, at such time as amending the General Plan is under contemplation, these concerns should also be considered.

“Possible Implementation Actions to be Considered”

Background
The General Plan implementation strategies are specific methods to achieve the vision of a more sustainable community and provide examples of programs and actions that the City may take to achieve goals and policies. When the General Plan was adopted, there was concern that the implementation strategies would commit the City to numerous, unfunded work programs. Therefore, a compromise was adopted to globally apply a subheading, “Possible Implementation Actions to be Considered” to all the implementation items throughout the document.

Discussion
Planning staff has identified concerns with the ambiguity of the heading “Possible Implementation Actions to be Considered.” The heading can be confusing because some of these actions are on-going practices or standards that are already being implemented, while others are examples of future work program items that may be undertaken as stated in the General Plan. Additionally, in some cases “Possible Implementation Actions to be Considered” are applied as policies. ER21.1 Creek Setback Standards is an example.

The ambiguity leads to differences of opinions on whether the actions are required standards. Also, the heading is misleading for the public who would not be able to determine which actions are already implemented versus future work programs. Furthermore, some of the actions under this heading are required mitigation measures per the City’s General Plan Program Environmental Impact Report (EIR).

Recommendation
Consider modifying the “Possible Implementation Actions to be Considered” heading to identify the following new categories:

- Ongoing Actions.
- Required Mitigation Measure Actions.
- Future Work Programs to be Considered.

Miscellaneous Policies and Implementation Actions Considerations
In May 2016, planning staff identified several General Plan policies and implementation strategies that should be considered for review and possible adjustment due to difficulties in implementation. After further consideration, it was determined that resolving concerns expressed would not require policy changes.
2011 General Plan Certified Final Program Environmental Impact Report (EIR) Considerations

Background
Impacts resulting from implementation of the General Plan were analyzed in the General Plan Program EIR.

Discussion
To remain current, portions of the General Plan Program EIR require periodic review and assessment, and (as appropriate) reporting pursuant to the California Environmental Quality Act.

Recommendation
Consider near-term review of the following topics:

- Impacted intersections;
- Water assessment and drought assumptions;
- Native American consultation;
- Greenhouse gas emissions inventory; and
- Jobs/Housing balance issues.
Report Preparers

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Reference Material

The primary reference documents used in the preparation of this report include the following and are available at the Community Development Department, 630 Garden Street, Santa Barbara CA, or on the City of Santa Barbara’s website.

- Santa Barbara General Plan, December 2011
  - Historic Resources Element, October 2012
  - Housing Element, February 2015
- 2011 General Plan Certified Final Program Environmental Impact Report, March 2010
- Santa Barbara Municipal Code
- Internally generated data obtained from the Community Development Department’s parcel and project data base, project application plans and documents, and other sources

Other sources of information utilized in the preparation of this report are informally cited throughout the text.