

Table of Contents

2015 HOUSING ELEMENT

Housing Introduction	1
Housing Element Requirements	1
City in Context of the South Coast Region	2
Public Outreach and Participation.....	3
General Plan Consistency	5
Evaluation	7
Context and Purpose	7
Evaluation	8
Results	15
Housing Needs Assessment	17
Population Trends and Characteristics	17
Employment Trends	21
Household Characteristics	22
Housing Stock and Market Conditions.....	24
Assessment of “At Risk” Assisted Units.....	31
Special Housing Needs.....	39
Constraints	57
Governmental Constraints	57
Non-Governmental Constraints	74
Suitable Sites Inventory	77
Regional Housing Needs Allocation.....	77
Suitable Site Inventory and Development Capacity.....	78
Quantified Objectives	85
Goals, Policies and Implementation	87
Housing Opportunities Policies	87
New Housing Development Policies	90
Conservation and Improvement of Existing Housing Policies	96
Regional Cooperation and Jobs/Housing Balance Policies.....	98
Public Education and Information Policies.....	100



TABLE OF CONTENTS

Figures

Figure H-1: Units in Structure by Tenure (2000)..... 19

Figure H-2: Housing Characteristics – Year Housing Built 27

Figure H-3: Overcrowding by Tenure (1980-2000)..... 28

Figure H-4: Typical Local Discretionary Review Process for SHO and PC Projects 61

Tables

Table H-1: Senior Housing Opportunities (2007-2014) 9

Table H-2: Homeless Housing Opportunities (2007-2014)..... 10

Table H-3: Housing Opportunities for the Disabled (2007-2014) 11

Table H-4: Affordable Housing Opportunities (2007-2014) 12

Table H-5: Housing Production (2007-2014) 16

Table H-6: Population Growth Trends (1980 – 2014), City of Santa Barbara 18

Table H-7: Age Distribution (2010 Census), City vs. Santa Barbara County 19

Table H-8: Population by Race and Ethnicity (2010 Census), City vs. Santa Barbara County..... 20

Table H-9: Employment by Industry (2008-2012 Census), City vs. Santa Barbara County..... 21

Table H-10: Residents in Workforce by Occupation (2008-2012), City vs. County of Santa Barbara ..22

Table H-11: Household Growth Trends (1990-2014), City Santa Barbara..... 23

Table H-12: Household Size (1990-2014), City of Santa Barbara..... 23

Table H-13: Households by Income (2008-2012)..... 24

Table H-14: Housing Units and Type (2000-2014), City of Santa Barbara 25

Table H-15: Tenured Vacancy Rates (2000-2012), City of Santa Barbara 26

Table H-16: Housing Unit Size by Tenure (2008-2012), City of Santa Barbara 26

Table H-17: Housing Unit Age (2008-2012), City of Santa Barbara 27

Table H-18: Housing Condition Survey: Westside (2009), City of Santa Barbara 29

Table H-19: Housing Condition Survey: Eastside (2009), City of Santa Barbara 29

Table H-20: Income Categories and Affordable Housing Costs (2014), Santa Barbara County 30

TABLE OF CONTENTS

Table H-21:	Projects With Affordable Rental Housing At Risk (2015-2025, City of Santa Barbara	33
Table H-22:	Projects With Affordable Ownership Housing At Risk (2015 – 2025), City of Santa Barbara.....	35
Table H-23:	Affordable Rental Housing With Expired Affordability Covenants (2007-2014) City of Santa Barbara.....	36
Table H-24:	Affordable Housing Projects Using Set-Aside Funds, City of Santa Barbara.....	38
Table H-25:	Persons With Disabilities (2008-2012), City of Santa Barbara	41
Table H-26:	Household Size by Tenure (2008-2012), City of Santa Barbara	43
Table H-27:	Female Headed Households (2008-2012), City of Santa Barbara	44
Table H-28:	Homeless Counts by Area (2011-2013), Santa Barbara County.....	45
Table H-29:	Homeless Shelters (2013), City of Santa Barbara	46
Table H-30:	Homeless Facilities/Housing (2014), City of Santa Barbara.....	46
Table H-31:	Overcrowded Households by Tenure (2008-2012), City of Santa Barbara	49
Table H-32:	Household Income Distribution (2008-2012), City of Santa Barbara.....	49
Table H-33:	Households Overpaying (2008-2012), City of Santa Barbara	50
Table H-34:	Regional Housing Needs Assessment, South Coast Jurisdictions (2014-2022).....	54
Table H-35:	Remaining Housing Need (2015-2023), City of Santa Barbara.....	54
Table H-36:	Income Categories (2014)	55
Table H-37:	Regional Housing Needs Allocation (2014-2022), City of Santa Barbara	78
Table H-38:	Summary of Opportunity Sites Development Potential (2014), City of Santa Barbara	85
Table H-39:	Quantified Objectives (2015-2023), City of Santa Barbara.....	86

Housing Introduction

The City has a long standing commitment to affordable housing and sound community planning. Protecting and enhancing the quality of life and “living within our resources” have been fundamental goals for Santa Barbara since the adoption of the first General Plan in 1964. Concerns about the City’s optimum growth potential and its effects on the quality of life for its residents prompted significant actions in the 1970s and 1980s (see Planning History in General Plan Introduction).

The 1982 Housing Element identified the City’s growing need to provide affordable housing as well as address the jobs/housing imbalance issue. Several goals and policies designed to promote affordable housing, and preserve and improve the existing housing stock were included in the Element. Housing policies contained in the 1985 Housing Element Addendum emphasized preserving units within the commercial zone and creating additional residential opportunities. The primary focus of the 1995 Housing Element was to remove regulatory barriers and to stimulate the development and construction of housing. Special emphasis was given to multi-family housing in and around the Downtown employment center and incentives for mixed-use development. These housing element goals were further supported and substantiated in the City’s Circulation Element.

The 2004 Housing Element continued the City’s strong Affordable Housing Program in the midst of a difficult fiscal environment. The City has supported the construction of affordable housing since 1970. Approximately 12 percent of its housing stock is developed or assisted with local, state, federal and in some cases private non-profit funding. Approximately 8 percent are considered long-term affordable units and 4 percent are assisted units (i.e., Section 8).

The 2011 Housing Element contained new and/or revised policies and implementation actions focused on affordable housing opportunities with specific emphasis on increased rental and non-subsidized affordable housing units. It carried forward the majority of the 2004 Housing Element goals, policies and programs, providing continuity and permanence to the City’s commitment to the production of affordable housing.

Consistent with State Department of Housing and Community Development (HCD) policy that residential development be within “proximity to transit, jobs centers and public and community services”, the 2015 Housing Element continues to encourage smaller units and increased densities in the Downtown area and multi-family zones. This document serves to provide policy guidance to local decision-makers regarding the production and preservation of housing.

HOUSING ELEMENT REQUIREMENTS

State law requires the preparation of a Housing Element as part of the City’s General Plan. Cities and counties are required to identify and analyze existing and projected housing needs for all segments of the community, and identify goals, policies and quantified objectives to meet those needs. The Housing Element must accomplish the following:

- Identify and analyze the current and projected housing needs of all economic segments of the community, including special needs populations.
- Evaluate current and potential governmental and non-governmental constraints, and where feasible and appropriate, remove such constraints to meet housing needs.

- Identify and assess the availability of land suitable for residential use.
- Develop objectives, policies, and programs that set forth a 5-year housing work plan of actions to meet existing and projected housing needs.

Senate Bill 375, adopted by the State Legislature in 2008, established an eight-year update cycle for Housing Elements concurrent with every other update to the Regional Transportation Plan. This update addresses the 2015 to 2023 planning period, and has been prepared to comply with State law and address local and regional housing and community planning issues. The Housing Element is organized with the following sections:

- Introduction. Discusses the purpose and statutory requirement of the Housing Element and describes the public outreach process.
- Evaluation of Previous Housing Element. Evaluates the effectiveness and appropriateness of the goals, polices and implementation strategies in meeting the housing objectives of the previous 2007-2014 Housing Element planning period.
- Housing Needs Assessment. Provides a detailed analysis of demographic, housing and special needs characteristics and trends.
- Constraints. Discusses market, governmental and environmental factors that serve as barriers and may affect ability to address housing needs.
- Suitable Sites Inventory. Identifies and evaluates the amount of vacant and underutilized land suitable for residential development.
- Goals, Policies and Implementation Actions. Presents housing goals, policies and action programs to address the housing needs of City residents.

For a clear understanding of the policy direction and content of this Housing Element, it is important to understand the housing policy issues and discussions that have been at the forefront in recent years. It is also important to have an understanding of the City as part of Santa Barbara County, Southern California and the State. This Introduction section is included to provide this context as well as to describe the community involvement that has occurred in the development of new Housing Element policies and implementation actions.

CITY IN CONTEXT OF THE SOUTH COAST REGION

The South Coast region housing market area extends from the city of Carpinteria and the Ventura County line to the city of Goleta, including the city of Santa Barbara and all of the region's unincorporated communities. The County of Santa Barbara and the cities of Goleta, Carpinteria and Santa Barbara have regulatory authority over housing and job growth, as well as the provision of affordable housing.

Affordable housing on the South Coast is currently provided by a combination of local government agencies and programs, private non-profit housing developers, federal government rental subsidies, and privately-owned housing that may be more affordable than typical market rate housing. The city of Santa Barbara has provided, to developers and non-profit sponsors, financial and/or land use incentives in exchange for long-term recorded affordability agreements ensuring that 3,075 units will remain affordable for a specified number of years. In addition, 1,568 units are subsidized under the Shelter Plus/Section 8 Housing Choice Voucher program. In total, there are 4,643 affordable and assisted units currently provided by the City.

Although the South Coast is a single housing market, median single-family housing prices vary by city or region, ranging from about \$700,000 in Carpinteria and Goleta to over \$2 million in some portions of the city of Santa Barbara (DataQuick 2014). However, even where lower median home values exist, these prices are generally unaffordable to the vast majority of households living in the South Coast. For the City, it is clear that providing the amount of housing necessary to bring the median sale price anywhere near an amount affordable to persons earning the area median income in the near future would collide with long-standing community values of local control, protection of resources and quality of life.

While the City has limited the amount of new commercial development that can be approved in the City since 1990, the region has not adopted similar control measures, nor managed to produce similar levels of affordable housing. Regional cooperation in addressing the jobs/housing balance issues that affect the South Coast region continue to be an important goal of this Housing Element. Policies and implementation actions recognizing and promoting the City's commitment toward a coordinated regional effort in addressing the South Coast region's housing market are included in the Element.

PUBLIC OUTREACH AND PARTICIPATION

Housing issues have been at the forefront of City policy discussions by decision-makers, the public and the local press since 1998. A great deal of community attention and dialogue has focused on the rapid changes occurring in the South Coast housing market. Never has an issue affected so many people in our community as has the cost and availability of housing.

This update to the 2011 Housing Element began in 2005 as part of the City's *Plan Santa Barbara* process. The public outreach and participation effort entailed a variety of methods including informational mailings, community workshops, community grassroots meetings, youth survey, and website. A more detailed description of these efforts is included in the Introduction chapter of the City's General Plan. Below is a summary of the key comments associated with housing issues received from City residents during the public participation process.

Community Input

During the public workshops and grassroots meetings, as well as via comment cards received from City residents, affordable housing for the middle class, working class and critical workforce was identified as a priority issue for the community. The following list summarizes the key comments, issues and concerns expressed by the participants:

- Although some participants were concerned about more growth, the need for affordable housing was still seen as a critical issue for the City.
- Participants raised the matter of high housing costs as cause for concern, as many young professional and first time homeowners are unable to purchase a home in Santa Barbara.
- Many felt that traffic congestion has increased because middle to lower-income earners are unable to find homes close to their place of employment, and must commute from areas outside the City.
- Some participants advocated a strict no-growth approach, stating that it is economically and environmentally infeasible for the City to accommodate additional housing.
- Finding a balance between providing housing opportunities for all segments of the community and preserving the attractive and small-town character of the City was urged through the careful examination of Land Use and Housing Element policies.

- Some participants expressed concern that increased densities would jeopardize the City's small-town character.
- Other participants expressed support for increasing densities to provide additional affordable housing for the City's workforce. Such housing opportunities would benefit young families and youth living in Santa Barbara.
- Mixed reviews were received regarding the City's proposal to regulate residential densities in commercial and multi-family zones based on unit size. Some questioned whether smaller unit sizes would be marketable.
- Providing an "unbundled parking" approach in order to allow homeowners to purchase parking spaces separately from the residential unit was identified as an incentive to produce additional affordable housing. Many participants felt that this approach could be detrimental to neighborhoods experiencing parking deficits. Others urged exploration of other approaches such as pooled parking or the use of public parking garages.

City residents through the *Plan Santa Barbara* process have engaged in a dialogue to identify and define the issues that matter most to the community. Opportunities to become involved in the outreach process were provided through mailings, surveys, community workshops, a website, and public hearings. The lack of housing affordability for City residents, especially for the local workforce, was identified as a major concern that requires prompt and creative solutions. Equally important is the goal of "Living Within Our Resources" and the desire to maintain the small-town character of Santa Barbara.

Since the adoption of the General Plan Update in 2011, opportunities for public input related to the Housing Element have continued (see Table below). Residents have remained engaged in housing issues through the implementation of various Housing Element programs as well as the preparation of the 2015 Housing Element Update. All City meetings and workshops are open to the public. Notification of public meetings were provided at least 10 days in advance in a local newspaper, mailed to interested parties, and posted on the City's website. The draft Housing Element was made available for review at the Community Development Department and on the City's website prior to the community workshop and public meetings. Housing agencies and advocacy groups were also notified of the availability to review the draft Housing Element.

Public Participation Opportunities

Public Meeting/Workshop	Date
<i>Average Unit-Size Density (AUD) Incentive Program</i>	
City Council initiation of Zoning Ordinance Amendments	4/10/12
Planning Commission 1 st review	7/26/12
Employer Sponsored Housing Community Forum	9/12/12
Planning Commission 2 nd review	4/11/13
City Council adoption	7/30/13
<i>Emergency Shelter Zoning (SB2)</i>	
City Council initiation of Zoning Ordinance Amendments	11/12/13
Ordinance Committee review	5/13/14
Planning Commission review	6/5/14
City Council adoption	7/22/14
<i>2015 Housing Element Update</i>	
Planning Commission initiation of General Plan Amendment	5/8/14
Joint City Council/Planning Commission	9/11/14
Public Workshop	10/22/14
Planning Commission review	10/23/14
City Council adoption	2/10/15

Input from community members and decision-makers has guided the policies and implementation actions in the Housing Element. The 2015 Housing Element carries on the City’s commitment to providing affordable housing, retaining and increasing rental housing, and encouraging the production of non-subsidized affordable housing. Protecting and maintaining the small-town character of Santa Barbara and its residential neighborhoods continues to be a key objective.

GENERAL PLAN CONSISTENCY

The Housing Element must be consistent with other elements of the General Plan. The Housing Element has been prepared within the context of the other General Plan elements and is consistent with the policies and proposals set forth therein. The Housing Element is closely related to development policies contained in the Land Use Element, which establishes the location, type and intensity of land uses throughout the city. The Land Use Element determines the number and type of housing units that can be constructed in the various land use districts. Area designated for commercial and industrial uses create employment opportunities, which in turn, create demand for housing. The Circulation Element establishes the location and scale of streets, highways and other transportation routes that provide access to residential neighborhoods. Because of the requirements for consistency among the various General Plan elements, any proposed amendments to one element will be evaluated against the other elements to ensure that no conflicts occur. If necessary to maintain internal consistency, amendments to other elements of the General Plan will be processed concurrently with future Housing Element amendments. SB 1087 of 2005 requires cities to provide their Housing Element to local water and sewer providers, and also requires that these agencies provide priority hookups for developments with lower-income housing.



Evaluation

CONTEXT AND PURPOSE

State Government Code Section 65588 requires that the housing element be evaluated to assess the progress made in achieving the jurisdiction's housing goals and objectives. This step is important in assessing the appropriateness and effectiveness of the City's existing goals, policies and implementation actions, and documenting results that were achieved during the planning period 2007-2014, hereby referred to as the 2011 Housing Element. State law specifically calls for a three-step process:

- Effectiveness of the Element. A review of the actual results of the previous element's goals, objectives, policies, and programs. The results should be quantified where possible.
- Progress in Implementation. An analysis of the significant difference between what was projected or planned in the previous element and what was achieved.
- Appropriateness of goals, objectives and policies. A description of how the goals, objectives, policies and programs of the updated element incorporate what has been learned from the results of the previous element.

This analysis informed and directed the policy and program changes made in the 2015 Housing Element. To accomplish this evaluation, the Five Year Work Program of the previous Housing Element was reviewed. For every housing strategy, this work program identified an estimate of:

- Schedule
- Responsible Agency
- Time to complete
- Budget needed (if necessary)
- Anticipated outcome
- Potential funding sources.

The City of Santa Barbara has been producing and supporting affordable housing since approximately 1970. As of 2014, the City estimates that approximately 12 percent of the City's housing stock is assisted through local, state and federal funding, and in some cases private non-profit entities. The City would be a very different place today were it not for the vision of previously elected and appointed officials, City Staff, non-profit housing developers and community based organizations who have made affordable housing a land use and funding priority for the past four decades.

The 2011 Housing Element contained five goals, 26 policies and 129 implementation actions intended to address the City's housing needs. The majority of the actions are a continuation of the City's commitment to the production of affordable housing and sound community planning. Many of the programs identified in the 2011 Housing Element were aimed at protecting neighborhoods, quality design, historic preservation, environmental quality, affordable housing and socio-economic diversity.

Special emphasis was given to multi-family housing in and around the Downtown employment center and incentives for mixed-use development. During the 2011 Housing Element planning period, the City continued to develop the majority of new housing in commercial and multi-family zones in and around the Downtown area.

EVALUATION

This section evaluates the effectiveness and progress in producing housing since 2007 and implementing the policies and programs identified in the 2011 Housing Element. This step is important in determining the appropriateness of existing policies. It is also important to illustrate and acknowledge the value of strong housing policies and the results that have occurred. This evaluation coupled with the updated housing needs analysis informed and directed adjustments to the policies and programs for the 2015 Housing Element. The evaluation discussion is organized around the five goals of the element.

- Housing Opportunities
- New Housing Development
- Conservation and Improvement of Existing Housing
- Regional Cooperation and Jobs/Housing Balance
- Public Education

The City has been successful in implementing the goals and programs of the 2011 Housing Element, producing the majority of its new housing in commercial areas of the Downtown and surrounding multi-family residential zones. As such, good progress has been made in constructing infill development, special needs, and mixed-use housing. In addition, the City has substantially followed through with funding assistance for affordable housing in both new construction and rehabilitation programs. Further, amendments to the Municipal Code have been carried out to promote housing opportunities, preserve the existing housing stock and neighborhoods, and reduce residential development barriers.

Appendix E provides an analysis of the 2011 Housing Element, quantified whenever possible. The following narrative describes the effectiveness by housing element goal area, including specific program highlights.

GOAL 1: Housing Opportunities

The 2011 Housing Element established a detailed program of 36 implementation actions aimed at providing a full range of housing opportunities for all persons, including seniors, homeless, special needs households and households living in poverty. For the most part, the actions associated with this goal were implemented. Most of the implementation actions are ongoing to acknowledge the City's commitment to ensuring housing opportunities for all segments of the community. Highlights of achievements during the previous planning period are presented below.

Funding Resources

The City's Community Development Block Grant (CDBG) and Human Services programs provided grants to local agencies for a wide range of housing, human and community service programs, and capital improvement projects. From 2007 to 2014, approximately \$12 million in grants were distributed to support thousands of people through non-profit community organizations and city programs. These programs strive to meet the needs of children, families, seniors and disabled persons, homeless, victims of domestic violence and others seeking assistance.

Housing Opportunities for Seniors

The Housing Element established a range of implementation actions to ensure the availability of housing for low and moderate-income seniors. The City was successful in producing and preserving senior housing during this planning period, securing 333 rental units for very low and low-income seniors using CDBG, SEMP and Housing Successor Entity (former Redevelopment Agency) funds. These units were accomplished through a combination of new construction as well as the rehabilitation or preservation rehabilitation of existing units. Table H-1 summarizes achievements and progress made toward meeting the objectives of the 2011 Housing Element:



Villa Caridad, affordable senior housing project

Table H-1: Senior Housing Opportunities (2007 – 2014)

Project Name/Address	Units/Tenure	Type	Affordability
Villa Caridad	95/rental	New Construction	95 Very Low
SHIFCO	107/rental	Rehabilitation	107 Very Low
Cottage Garden Apartments	17/rental	Rehabilitation	17 Low
Vine	6/rental	Rehabilitation	6 Low
El Patio	48/rental	Preservation	48 Low
Villa La Cumbre	60/rental	Preservation	60 Low

Source: City of Santa Barbara 2014

Housing Opportunities for the Homeless

The Housing Element calls for programs and efforts to provide shelter and services to the homeless and to prevent homelessness. Casa Esperanza, located in the City, provides the only walk-in day center program in the South Coast. The center offers coordinated, centralized supportive services to help homeless persons achieve their maximum level of self-sufficiency. The program is designed to serve any homeless person or family, although the clients tend to be chronically homeless individuals and those who are not eligible for any other homeless program. This facility provides 200 beds of emergency shelter in the winter months and 100 beds the remainder of the year.



Bradley Studios, affordable housing for homeless and downtown workers

The City was successful in providing housing opportunities for homeless individuals during the planning period securing 301 units and beds (Table H-2). This was accomplished through a combination of new construction and acquisition/rehabilitation of units, as well as operational funding for transitional housing and emergency shelter beds. During the 2007-2014 Housing Element planning period, the following achievements and progress were made toward meeting the housing needs of the homeless population:

Table H-2: Homeless Housing Opportunities (2007 – 2014)

Project Name/Address	Units/Tenure	Type	Affordability
Bradley Studios	24/rental	New Construction	24 Very Low
Artisan Court	37/rental	New Construction	37 Very Low
Transition House	16/rental	New Construction	16 Very Low
Willbridge	8/beds	Acquisition/Rehabilitation	8 Very Low
Fire House	16/rental	Rehabilitation	16 Low
Casa Esperanza Emergency Shelter	200/beds (Dec.-Mar.) 100/beds (Apr.-Nov.)	Beds Preserved (funding assistance)	200/100 Very Low

Source: City of Santa Barbara 2014

Municipal Code Amendments

- The City’s Safe Parking Program was initiated in 2002 to allow the night-time use of Recreational Vehicles (RV) on parking lots owned by local churches and nonprofit organizations. Since that time both the City and County of Santa Barbara have acted to permit night-time RV use at a number of public parking lots. In 2007, the Municipal Code was amended to expand locations where overnight RV parking can occur. The Safe Parking Program currently has 108 spaces in Santa Barbara with 90 of the parking spaces provided in City operated parking lots.
- In July 2014, the Municipal Code was amended in accordance with Senate Bill 2 to allow emergency shelters without a conditional use permit or other discretionary action in the Commercial Manufacturing (C-M) Zone.



Artisan Court, affordable housing for homeless and downtown workers



Building Hope, affordable housing for disabled persons and low-income downtown workers

Housing Opportunities for the Disabled

Many of the implementation actions related to development and access for the disabled are now standard practice as a result of the Americans with Disabilities Act (ADA). During the 2007-2014 Housing Element planning period approximately 163 units were constructed, acquired or rehabilitated to serve the housing needs of the disabled. Table H-3 summarizes the achievements and progress made toward meeting this objective:

Table H-3: Housing Opportunities for the Disabled (2007 – 2014)

Project Name/Address	Units/Tenure	Type	Affordability
Building Hope	39/rental	New Construction	39 Very Low
Casa las Granadas	12/rental	New Construction	4 Very Low, 8 Low
Victoria Hotel	28/rental	Rehabilitation	17 Very Low, 11 Low
Sanctuary Psychiatric	27/rental	Rehabilitation	27 Low
Hotel de Riviera	31/rental	Rehabilitation	31 Low
Casa Juana María	6/rental	Rehabilitation	6 Low
CADA Detox	12/rental (beds)	Acquisition/Rehabilitation	12 Low
633 De la Vina Street	8/rental	Acquisition/Rehabilitation	7 Very Low, 1 Low

Source: City of Santa Barbara 2014

Municipal Code Amendments

- In 2007, the Municipal Code was amended to include reasonable accommodation provisions for persons with disabilities.
- In 2007, the Municipal Code was amended to allow modifications to any zoning standard when necessary to make an existing residential unit accessible to persons with disabilities.

Affordable Housing Opportunities

Aside from the housing opportunities identified above for seniors, homeless, and persons with disabilities, 386 additional affordable housing opportunities were provided. Most of these units were supported with City funds. Table H-4 summarizes achievements and progress made toward meeting the housing needs of the very low, low and moderate-income households:



Paseo Voluntario, affordable multi-family housing project

Table H-4: Affordable Housing Opportunities (2007 – 2014)

Project Name/Address	Units/Tenure	Type	Affordability
Building Hope	12/rental	New Construction	12 Low
630 Bath Street	2/rental	New Construction	2 Low
Paseo Voluntario	20/rental	New Construction	2 Very Low, 8 Low, 10 Mod
10 E Calle Crispis	1/rental	New Construction	1 Low
Cañón Perdido Street	12/ownership	New Construction	12 Low
2122 Cliff Drive	1/rental	New Construction	1 Low
721 Chapala Street	5/ownership	New Construction	5 Moderate
3965 Via Lucero	3/ownership	New Construction	3 Low
Bradley Studios	30/rental	New Construction	30 Very Low
Artisan Court	19/rental	New Construction	19 Low
Mom's Place	8/rental	New Construction	8 Low
1126 Del Mar Street	1/rental	New Construction	1 Low
2416 Medcliff Road	1/rental	New Construction	1 Low
2717 Samarkand Drive	1/rental	New Construction	1 Low
San Pascual Street	4/ownership	New Construction	4 Low
2 Skyline Circle	1/rental	New Construction	1 Low
2109 Cliff Drive	3/ownership	New Construction	3 Above Moderate
121 W. De la Guerra	3/ownership	New Construction	3 Above Moderate
East Beach Collection	36/ownership	New Construction	36 Above Moderate
Alma del Pueblo	5/ownership	New Construction	5 Above Moderate
Sevilla	11/ownership	New Construction	11 Above Moderate
Bella Riviera	81/ownership	New Construction	39 Moderate, 42 Above Moderate
Mira las Olas	7/ownership	New Construction	7 Above Moderate
2904 State Street	8/rental	Acquisition	8 Low
2941 State Street	6/rental	Acquisition/Rehabilitation	6 Low
233 W. Ortega Street	6/rental	Acquisition/Rehabilitation	6 Very Low
El Patio	65/rental	Preservation	65 Low
Coronel Place	20/rental	Preservation	10 Low, 10 Moderate
Marianna Ranch	14/rental	Preservation	14 Low

Source: City of Santa Barbara 2014

GOAL 2: New Housing Development

The Housing Element established a program of 46 implementation actions to promote new housing development. Special emphasis was given to multi-family housing in and around the Downtown employment center and incentives for mixed-use development. Many of these strategies were specific actions or zoning amendments that have been completed. The following highlights the City’s accomplishments in this goal area.

- In 2013, the Average Unit-Size Density Incentive Program was adopted to encourage the construction of rental housing, employer sponsored housing and co-operative housing by allowing increased densities (up to 63 du/ac) and development standard incentives in certain areas of the City, particularly the Downtown.
- City’s RDA provided approximately \$14.4 million to fund the construction of 6 affordable housing projects with 136 units. Of the total units, 131 units were very low and low-income.
- Funds were provided to local developers by the RDA for site acquisition, enabling them to land-bank sites for future development. This resulted in three new projects with 105 affordable housing units.
- Twelve affordable units were developed in conjunction with a new parking structure built on the site of a surface parking lot (Casas las Granadas).
- In 2009, the Mental Health Association project “Building Hope” was constructed consisting of 51 units facilitated by the RDA’s transfer of ownership of a parking lot.



Casas las Granadas, affordable housing developed in conjunction with public parking

Between 2007 and 2014, 11 units were constructed under the City’s Inclusionary Housing Ordinance program and 63 units were constructed through bonus density incentives.



St. Vincent's affordable housing project

GOAL 3: Conservation and Improvement of Existing Housing Stock

The Housing Element established a program of 20 implementation actions to conserve and improve existing housing stock, existing neighborhoods and community diversity and character. Most of the implementation actions are ongoing, have been implemented, or are no longer feasible due to lack of funding. The following presents highlights of achievements during the previous planning period (2007-2014)

Housing Rehabilitation

The City's Housing Rehabilitation Loan Program (HRLP) has four main objectives: 1) to maintain and upgrade Santa Barbara's housing by correcting hazards to health and safety; 2) to enhance older neighborhoods by upgrading properties, thereby encouraging others to make improvements; 3) to provide improvements that help conserve resources and reduce operating and maintenance costs; and 4) to improve the quality of life of low and moderate-income residents by providing a healthful and pleasant living environment.

Prior to 2011, most HRLP loans were made to low-income homeowners in Santa Barbara. Due to the decline in CDBG entitlement funding, demand and activity for this program and the retirement of the program's only employee, the determination was made to have a gradual phase out of this program for low income homeowners.

The HRLP, using program income generated from previous loans, will continue to provide rehabilitation loans or grants to apartment owners who agree to keep the rents affordable to low-income tenants. Many of these owners are non-profit developers who have acquired the property for the purpose of doing major rehabilitation and long-term management.

Rehabilitation Loans

- The HLRP provided \$4,035,400 to rehabilitate 12 single family (\$272,500) and 594 multi-family units (\$3,762,900) from 2007-2014.

Preservation of Housing Stock

The concern over the loss of older, affordable housing to redevelopment has remained a critical issue. Older housing is being demolished and replaced by new housing development. The City is seeking to preserve residential properties with historic value through surveys and a demolition review ordinance. In addition, preservation (or replacement in kind) of older housing stock that is not of historic value is of concern. This is particularly true for older housing stock in residential zones where State law limits the City's ability to prohibit demolition of rental housing.

During the 2007-2014 Housing Element planning period, the following objectives were achieved:

- Extended affordability covenants to continue the affordability of 96 units to a period ranging from 30 to 99 years. New covenants for owner-occupied affordable units totaled 148.
- As directed by the 2004 Housing Element, historic surveys for two neighborhoods were completed during the planning period. The surveys serve as a tool to identify and protect buildings worthy of Landmark and Structure of Merit status.

GOAL 4: Regional Cooperation and Jobs/Housing Balance

This goal area continues to be a great challenge for the City. The primary reason is that to effectuate change in this area is not within the City's complete control and requires extensive cooperation and collaboration with neighboring jurisdictions. This is certainly not unique to the Santa Barbara area. The City continues to monitor State legislation and the efforts of the California Center for Regional Leadership for new programs to support better regional cooperation. The Housing Element established a program of 21 implementation actions to address jobs/housing balance issues and to further regional cooperation. The following presents three highlights in regional cooperation.

- The City continues to work with other cities in the South Coast region and the County of Santa Barbara to promote affordable housing.
- The City continues coordination with, and funding for MTD as it relates to the provision of public transit to housing developments. Likewise, coordination with the Coastal Housing Partnership designed to provide financial assistance programs and educational services to help employees acquire homes has and will continue.
- The City and County of Santa Barbara coordinated efforts and financial resources to facilitate the development (2008) of 170 very-low income rental units for seniors and low-income rental units for families at the St. Vincent's site. The City is currently processing a development application for the Hillside House project proposed to be annexed to the City. The project if approved will result in 121 housing units.
- The City worked closely with the Santa Barbara Association of Governments (SBCAG) to produce the regional *Sustainable Communities Strategies* that promotes higher density, infill, and transit oriented mixed-use projects, which was adopted by the SBCAG Board in August 2013.

GOAL 5: Public Education

This goal area was established in 1995 to recognize the important role the public plays in building and maintaining community support for affordable housing. The element included 6 implementation actions to expand public education regarding affordable housing. The following are highlights of the City's accomplishments in this goal area.

- The City continued to expand awareness of the benefits of creating new affordable housing opportunities, implementing mixed-use and transit oriented policies and programs, and providing shelter and support services to the homeless. Special segments related to community issues are regularly aired on the TV Government Channel. Readily accessible information also appeared on the City's website.
- The City received broad public media coverage of completed projects and received several prestigious awards for its projects from state and national organizations.

RESULTS

The Evaluation of the 2011 Housing Element identifies 12 implementation actions to be eliminated for various reasons, including completing or achieving the objective, or no longer needed or appropriate. The emphasis of the 2011 Housing Element was to encourage smaller units adjacent to commercial services, jobs and transit by allowing increased densities (based on unit size) in the commercial districts and multi-family zones, thereby promoting additional affordable and workforce housing in the most appropriate locations.

Between 2007 and 2014, 1,612 units were produced through new construction, rehabilitation, or preservation of existing units. These results demonstrate that the City’s housing goals, policies and implementation actions, as well as funding programs have been successful in producing housing, including deed-restricted affordable units.

Table H-5: Housing Production (2007 – 2014)

Income Groups	New Construction	Rehabilitation	Conservation & Preservation	Total
Very Low	247	124	221	592
Low	82	114	224	420
Moderate	54	0	10	64
Above Moderate	536			536
Total	919	238	455	1,612
<i>Source: City of Santa Barbara 2014</i>				

Housing Needs Assessment

This section provides updated information related to the City's demographic, household and housing characteristics and an analysis of the community's housing needs. Many demographic factors affect the demand for housing and the type of housing needed or preferred. Factors such as age, presence of children, size of family / household, and income all contribute to housing needs. The Housing Needs Assessment serves as the basis for which housing goals, policies and programs can be developed to meet the City housing demand as well as provide a fair share of the region's affordable housing.

The Housing Needs Assessment uses the most recent data available, including the 2010 U.S. Census, the American Community Survey (ACS), California Department of Finance (DOF), California Employment Development Department (EDD), Santa Barbara County Association of Governments (SBCAG), and a variety of other private and non-profit agencies.

This section provides an assessment of:

- Population Growth Trends and Characteristics
- Employment Trends
- Household Characteristics
- Housing Stock and Market Conditions
- Assessment of "At-Risk" Assisted Units
- Housing Needs for Special Needs Population

POPULATION TRENDS AND CHARACTERISTICS

Population Growth Trends

In 1980 the City's population was 74,414 and by January 2014 the Department of Finance estimated the City's to be 90,385 persons, representing a 21 percent increase in the City's population over that 34-year period.

The State Department of Finance (DOF) provides annual updates to the census population figures, and as of January 2014, DOF estimated the City's population to be 90,385. Table H-6 illustrates how the City's population has changed over time. The largest population growth occurred between 1980 and 1990, with an increase of 11,157 people (15 percent), representing an annual growth rate of 1.5 percent. However, in the decades since 1990, the City's population rate of growth has been considerably slower.

Table H-6: Population Growth Trends (1980 – 2014)
City of Santa Barbara

Year	Population	Numerical Change	Percentage Change	Average Annual Growth Rate
1980	74,414			
1990	85,571	11,157	15.0%	1.5%
2000	89,606	4,035	4.7%	0.5%
2010	88,410	(1,196)	(1.3)	(0.1%)
2014	90,385	1,975	2.2%	0.2%

Source: U.S. Census, Department of Finance 2014

The City as a percentage of the total Santa Barbara County population has been decreasing over time. While the City of Santa Barbara has historically been the largest incorporated City in the County, as of January 2006, the City of Santa Maria became the largest City in Santa Barbara County. The Regional Growth Forecast (RGF) 2010-2040 prepared by SBCAG indicates that a population shift has occurred from the South Coast region of the County to the North County. As of 2010, about 38 percent of the County’s population was residing in North County cities and that share is forecast to increase to 41 percent by 2040. This shift is partly due to the availability of vacant land designated for residential and commercial use in the North County.

Projected Regional Growth

The RGF 2010–2040 forecasts demographic changes for the major economic and demographic regions and the eight incorporated cities of Santa Barbara County. The RGF estimates that from 2010 to 2040, population in the County will increase by more than 96,000 persons (23 percent) to a total of 519,965. Significant population increases are projected in the North County during the 2010-2040 period, while population increases in the South Coast region are expected to be substantially less. During this 30-year period, the South Coast region is forecast to grow in population by about 29,500 or 15 percent while North County is expected to grow by about 66,600 persons or 30 percent.

The City of Santa Barbara’s population is projected to reach 96,000 by the year 2040. This represents a 9.8 percent total change or a 0.3 percent annual average increase from 2010 to 2040, representing a decrease in the City’s growth trends during the 1980-2000 period.

Age Characteristics

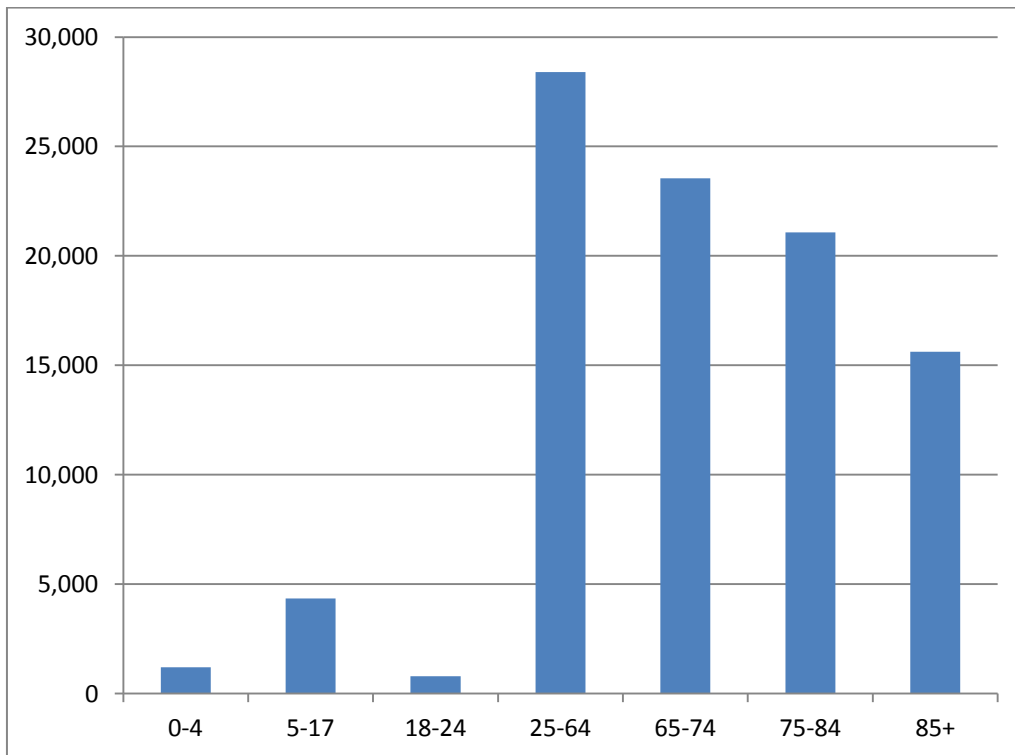
Housing needs are influenced by the age characteristics of the population. Different age groups have different housing needs based on lifestyle, family types, income levels and housing preference. For the purposes of this analysis, the age groups are generally defined as preschool (0-4), school age (5-19), college / early workers / young adults (20-24), prime workforce and child rearing years (25-54), mid-life / pre-retirement (55–64), and senior / retirees (65+ years of age).

Table H-7 illustrates how the City’s age distribution in 2010 compared to the County as a whole. This table shows that the City’s population is older than Santa Barbara County as a whole, with a median age of 36.8 years compared to 33.6 years for the county. An aging population has implications regarding the type and size of future housing needs, as well as accessibility.

**Table H-7: Age Distribution
City vs. Santa Barbara County**

Age Group	City		County	
	Number	Percent	Number	Percent
0-4 years	4,824	5.5%	27,350	6.5%
5-19 years	14,451	16.3%	90,938	21.5%
20-24 years	8,016	9.1%	43,026	10.2%
25-54 years	37,768	42.7%	163,168	38.5%
55-64 years	10,778	12.2%	45,015	10.6%
65+ years	12,573	14.2%	54,398	12.8%
Total	88,410	100%	423,895	100%
Median Age	36.8		33.6	
<i>Source: 2010 Census</i>				

Figure H-1
Projected Population Growth 2010-2060 by Age Group
Santa Barbara County



California Department of Finance population projections by age group for Santa Barbara County during the 2010-2060 period are illustrated in Figure H-1. Senior citizens are expected to be the fastest-growing age group over the next 50 years, with the 65+ group representing almost two-thirds of the total population increase. By contrast, the working-age adult population (25-64) is expected to comprise less than one-third of population growth. The Constraints section of this report describes how the City’s land use plans and zoning regulations accommodate the housing needs of senior citizens.

Race and Ethnicity

The 2000 Census revised the questions on race and Hispanic origin to better reflect the country’s growing diversity. According to a Census 2000 Brief on Race and Hispanic Origin, the federal government considers race and Hispanic origin to be two separate and distinct concepts. For the 2000 Census, the questions on race and Hispanic origin were asked of everyone. The question on Hispanic origin asked people if they were Spanish, Hispanic or Latino. The question on race asked people to report the race or races that they considered themselves to be. Responses to both questions are based on self-identification. The changes in how the census data are collected make comparisons with pre-2000 census data very difficult.

Population by Race and Ethnicity 2000-2010

According to the 2010 Census, persons categorizing themselves as Non-Hispanic White represented about 55 percent of the City’s population, reflecting a decrease from 58 percent in 2000 (Table H-8). In contrast, about 38 percent of the City’s population identified themselves as Hispanic or Latino in 2010, up from 35 percent in 2000. Compared to Santa Barbara County as a whole, the City had a slightly smaller proportion of Hispanic residents in 2010.

**Table H-8: Population by Race and Ethnicity
City vs. Santa Barbara County**

Racial/Ethnic Group	City		County	
	Persons	Percent	Persons	Percent
Not Hispanic or Latino	54,819	62.0%	242,208	57.1%
-White	48,417	54.8%	203,122	47.9%
-Black or African American	1,177	1.3%	7,242	1.7%
-American Indian/Alaska Native	313	0.4%	1,843	0.4%
-Asian	2,927	3.3%	19,591	4.6%
-Native Hawaiian/Pacific Islander	94	0.1%	680	0.2%
-Other races or 2+ races	1,891	2.1%	9,730	2.3%
Hispanic or Latino (any race)	33,591	38.0%	181,687	42.9%
Total	88,410	100%	423,895	100%

Source: 2010 Census, Table DP-1

EMPLOYMENT TRENDS

City Resident Jobs by Industry

Information on jobs and employment gathered during the 2008-2012 Census American Community Survey is keyed to where people live. Table H-9 shows the distribution of employed City residents by industry compared to Santa Barbara County as a whole. The most notable differences between City and County employment seen in this table are the lower proportion of City residents employed in agriculture and the higher proportion of City residents employed in professional occupations and the arts and entertainment.

Table H-9: Employment by Industry (2008 – 2012)
City vs. Santa Barbara County

Industry	City		County	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	776	1.6%	17,169	8.8%
Construction	3,099	6.6%	11,042	5.7%
Manufacturing	2,944	6.2%	14,411	7.4%
Wholesale trade	797	1.7%	4,729	2.4%
Retail trade	4,700	10.0%	19,575	10.0%
Transportation, warehousing, and utilities:	813	1.7%	5,437	2.8%
Information	1,216	2.6%	4,190	2.1%
Finance, insurance, real estate, rental and leasing	2,669	5.7%	9,685	5.0%
Professional, scientific, management, and administration	8,108	17.2%	22,693	11.6%
Educational, health and social services	10,484	22.2%	45,651	23.4%
Arts, entertainment, recreation, and services	7,390	15.7%	22,545	11.6%
Other services	2,794	5.9%	9,409	4.8%
Public administration	1,368	2.9%	8,521	4.4%
Total	47,158	100%	195,057	100%

Source: 2008-2012 Census ACS, Table DP-3

City Resident Jobs by Occupation

According to the 2008-2012 American Community Survey, the majority (62 percent) of City residents are employed in white-collar occupations, including Management, business, science, arts, sales and office occupations. Compared to the County of Santa Barbara, City residents held white-collar jobs at a slightly higher rate during this period (Table H-10).

Table H-10: Residents in Workforce by Occupation (2008 – 2012)
City vs. County of Santa Barbara

Occupation Category	City of Santa Barbara		Santa Barbara County	
	Number	Percent	Number	Percent
Management, business, science, and arts occupations	19,530	41.4%	68,322	35.0%
Service occupations	11,424	24.2%	41,731	21.4%
Sales and office occupations	9,831	20.8%	42,310	21.7%
Natural resources, construction, and maintenance occupations	3,680	7.8%	26,685	13.7%
Production, transportation, and material moving occupations	2,693	5.7%	16,009	8.2%
Total	47,158	100%	195,057	100%

Source: 2008-2012 American Community Survey

HOUSEHOLD CHARACTERISTICS

Household Composition

Household characteristics are important indicators of the type and size of housing needed. Household type, income level, special needs population all contribute to the housing needs of a community. The formation of households can be influenced by population growth, adult children leaving home, divorce, and aging of the population.

The Census Bureau has very specific definitions of households and families. The Census defines a “household” as all persons occupying a housing unit, which may include single persons living alone, families related through blood, marriage or adoption, or unrelated persons sharing a single unit, such as roommates. The Census Bureau defines “family” as two or more persons living together who are related. This definition may differ from how “family” is defined under state or federal fair housing law (see further discussion in the Constraints section regarding the City’s definition of “family” for zoning purposes). Persons living in group quarters, such as dormitories, retirement or convalescent homes, or other group living arrangements are included in population totals, but are not considered households.

Household Growth Trends 1990-2014

Table H-11 shows that between 1990 and 2000, the number of City households increased by 1,257, representing a slight annual increase of 0.4 percent. The 2010 Census reported a net loss of 156 households in the City during 2000-2010. The California Department of Finance estimated the number of households residing in the City to be 35,986 as of January 2014, an average annual increase of 0.4% since 2010.

Table H-11: Household Growth Trends (1990 – 2014)
City of Santa Barbara

Year	Households	Numerical Change	Annual Percentage Change
1990	34,348		
2000	35,605	1,257	0.4%
2010	35,449	(156)	(0.04%)
2014	35,986	537	0.4%

Sources: 1990, 2000, 2010 Census, Department of Finance

Household Size

Table H-12 shows how household size has changed over time (1990 – 2014) for the City, the County of Santa Barbara and the State of California. Household size for the City increased slightly from 2.41 persons per households in 1990 to 2.47 persons per households in 2000. Countywide, household size increased to 2.8 persons per household. Statewide household size increased to 2.87 persons per household. The City’s average household size has remained steady since 2000 while household sizes in the County and state as a whole have increased slightly. The City’s average household size remains below the County and State.

Table H-12: Household Size (1990 – 2014)
City of Santa Barbara

Year	City Household Size	County Household Size	State Household Size
1990	2.41	2.73	2.79
2000	2.47	2.80	2.87
2010	2.45	2.86	2.90
2014	2.47	2.88	2.95

Source: 1990, 2000, 2010 Census, Department of Finance

Household Income

Household income distribution for the City, County and the State as reported by the 2008-2012 American Community Survey is shown in Table H-13. This table shows that household incomes in the City are somewhat higher than the County and the State as a whole. The median household income for the City was estimated to be \$63,758. For the County and State the median household income was estimated at \$62,723 and \$61,400 respectively.

Table H-13: Households by Income

Income	City of SB		SB County		California	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	1,578	4.5%	7,209	5.1%	683,523	5.5%
\$10,000 to \$14,999	1,697	4.9%	6,380	4.5%	645,134	5.2%
\$15,000 to \$24,999	3,302	9.5%	12,907	9.1%	1,179,814	9.5%
\$25,000 to \$34,999	3,173	9.1%	12,883	9.1%	1,132,044	9.1%
\$35,000 to \$49,999	4,264	12.2%	17,613	12.5%	1,538,363	12.3%
\$50,000 to \$74,999	6,053	17.3%	25,691	18.2%	2,137,590	17.1%
\$75,000 to \$99,999	4,154	11.9%	17,639	12.5%	1,548,498	12.4%
\$100,000 to \$149,999	4,866	13.9%	21,525	15.2%	1,883,671	15.1%
\$150,000 to \$199,999	2,885	8.3%	9,833	7.0%	836,973	6.7%
\$200,000 or more	2,928	8.4%	9,567	6.8%	880,721	7.1%
Total Households	34,900	100%	141,247	100%	12,466,331	100%
Median HH Income	\$63,758		\$62,723		\$61,400	

Source: 2008-2012 American Community Survey, Table DP-3

Population Living In Poverty

The 2008-2012 American Community Survey estimated that 14.7 percent of City residents (12,844 persons) had incomes below the poverty level. In 2012, the federal poverty level for a family of four was \$23,850.

HOUSING STOCK AND MARKET CONDITIONS

Unit Type

Table H-14 reflects the housing unit mix for the City during 2000-2014. In the City, the breakdown in unit type has been very consistent over the last 30 years reflecting the City’s age and historic development patterns.

In 2000, there were just over 37,000 housing units in the City. Of those 35,605 were occupied housing units (4.2 percent vacancy rate). Total housing units include single family homes, buildings or complexes involving 2 to 4 units and buildings or complexes with 5 or more units and a category for mobile homes, boats, RVs or trailers.

The 2000 Census found that 53.7 percent (19,971) of all units were single family homes. Another 14.8 percent (5,487) of the units were in complexes of two to four units; 30.1 percent (11,200) of the units were in complexes of 5 or more units and 1.4 percent (519) of the units were in mobile homes, boats, RVs or trailers. Countywide, 65 percent of housing was comprised of single family homes.

As of January 1, 2014, the total number of housing units had increased to 38,393 representing an increase of 573 units or about 1.5 percent. Approximately 56 percent were single family units, 15 percent were in complexes of two to four units, 29 percent were in complexes of 5 or more units, and 1 percent were in mobile homes, boats RVs or trailers.

Table H-14: Housing Units and Type (2000 – 2014)
City of Santa Barbara

Housing Type	2000		2010		2014	
	Number	Percent	Number	Percent	Number	Percent
Single Family	19,971	53.7%	21,412	56.6%	21,447	55.9%
Multi-Family 2 - 4 Units	5,487	14.8%	5,392	14.3%	5,550	14.5%
Multi-Family 5+ Units	11,200	30.1%	10,626	28.1%	11,006	28.7%
Mobile Home & Other	519	1.4%	390	1.0%	390	1.0%
Total	37,177	100%	37,820	100%	38,393	100%

Sources: 2000, 2010 Census, Department of Finance 2014

Tenure and Vacancy Rate

Table H-15 illustrates the occupied housing units in the City and the percentage breakdown of renter and owner occupied housing units. The breakdown has remained relatively constant over time with approximately 59 percent of units being renter-occupied and 41 percent of the City’s units being owner-occupied as estimated by the 2008-2012 American Community Survey. The City has a lower rate of owner-occupancy than the rest of Santa Barbara County and that of California as a whole. In 2010, only 38.9 percent of occupied units in the City were owner-occupied, while the County and State had owner-occupancy rates of 53 percent and 56 percent, respectively.

One explanation for the lower rate of City home ownership, compared to the County and State, is the high housing prices in the South Coast region. Additionally, while there is no way to make a clear distinction, it is interesting to note that close to 56 percent of the City’s housing stock are single family homes yet only 39 percent of all occupied units are owner occupied. Therefore, many single family homes are part of the City’s rental housing stock.

Table H-15: Tenure and Vacancy Rates (2000 – 2012)
City of Santa Barbara

Tenure	2000		2010		2008-2012	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	14,957	42.0%	13,784	38.9%	14,230	40.8%
Renter Occupied	20,648	58.0%	21,665	61.1%	20,670	59.2%
Total Occupied	35,605	100%	35,449	100%	34,900	100%
Vacancy Rate	4.0%		6.3%		8.6%	

Source: 2000, 2010 Census, 2008-2012 American Community Survey

According to ACS estimates, the vacancy rate averaged about 8.6%¹ during 2008-2012. According to the Department of Housing and Urban Development (HUD), a vacancy rate of 5 percent is considered sufficient to provide choice and mobility. However, as is the case in many coastal areas, a portion of vacant units are second homes held for occasional use and therefore are not part of the rental housing stock.

Unit Size

Another important characteristic of the City’s housing supply is the size of units with respect to number of bedrooms. Of the City’s owner-occupied housing units, nearly half (49 percent) are 3-bedroom units while 25 percent are 2-bedroom and 18 percent are 4-bedroom units. About 5 percent are studio or 1-bedroom units, while about 3 percent have 5 or more bedrooms. Of the rental housing units in the City, about 36 percent are 1-bedroom units and 39 percent are 2-bedroom units. About 15 percent of units have 3 bedrooms, while only about 3 percent of units have 4 or more bedrooms.

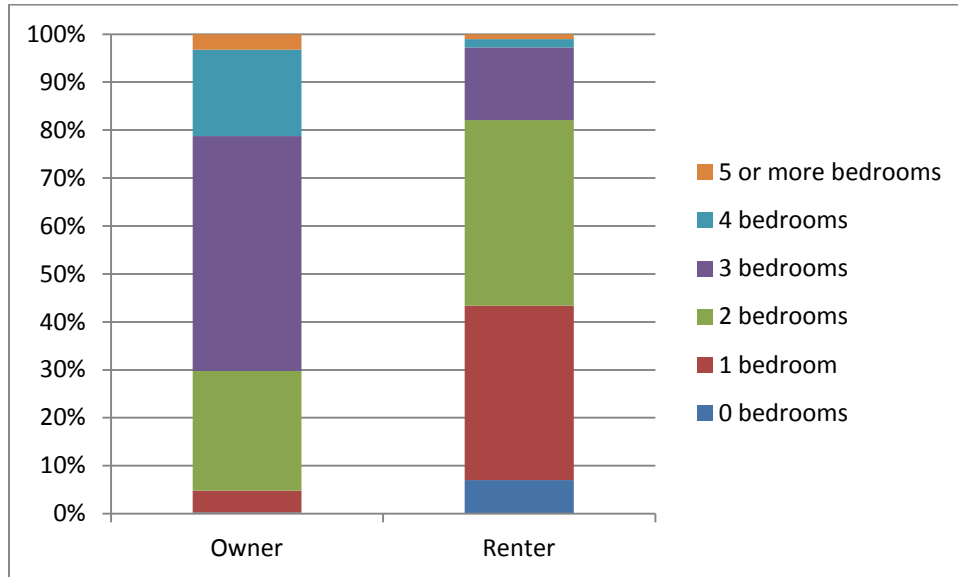
Table H-16: Housing Unit Size by Tenure (2008 – 2012)
City of Santa Barbara

Unit Size	Owner-Occupied		Renter-Occupied	
	Units	Percent	Number	Percent
0 bedrooms	43	0.3%	1,446	7.0%
1 bedroom	640	4.5%	7,525	36.4%
2 bedrooms	3,556	25.0%	7,997	38.7%
3 bedrooms	6,969	49.0%	3,130	15.1%
4 bedrooms	2,561	18.0%	358	1.7%
5 or more bedrooms	461	3.2%	214	1.0%
Total units	14,230	100%	20,670	100%

Source: 2008-2012 ACS, Table DP-4

¹ Housing market information for Santa Barbara indicates a considerably lower vacancy rate. According to a 2014 housing market survey prepared by Dyer Sheehan Group, Santa Barbara’s average rental vacancy rate is 0.6 percent.

Figure H-2
Unit Size by Tenure (2008-2012)



Age of Housing Stock

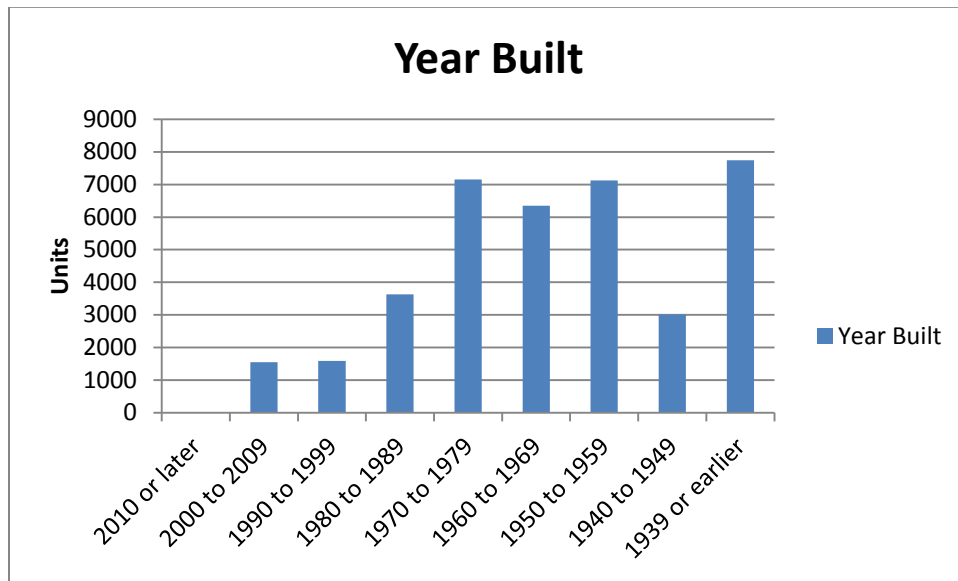
Table H-17 and Figure H-3 show the year housing was built in the City of Santa Barbara compared to the County as a whole as reported in the 2008-2012 ACS. Over 80 percent of the City’s housing stock was built prior to 1980. This raises an issue with respect to housing maintenance. Lack of maintenance can discourage reinvestment, and can result in depressed neighborhood property values and reduced quality of life in the community. Generally, residential structures begin to show signs of deterioration as they approach 30 years. Housing units older than 30 years typically need rehabilitation work to major elements of the structures, such as roofing, siding, plumbing and electrical systems.

Table H-17: Housing Unit Age (2008-2012)
City of Santa Barbara

Year Built	Santa Barbara		Santa Barbara County	
	Units	Percent	Number	Percent
Built 2010 or later	22	0.1%	189	0.1%
Built 2000 to 2009	1,556	4.1%	13,228	8.7%
Built 1990 to 1999	1,590	4.2%	13,762	9.0%
Built 1980 to 1989	3,627	9.5%	24,750	16.2%
Built 1970 to 1979	7,157	18.7%	28,850	18.9%
Built 1960 to 1969	6,346	16.6%	32,009	21.0%
Built 1950 to 1959	7,124	18.7%	19,987	13.1%
Built 1940 to 1949	3,012	7.9%	6,458	4.2%
Built 1939 or earlier	7,742	20.3%	13,476	8.8%
Total units	38,176	100%	152,709	100%

Source: 2008-2012 ACS, Table DP-4

Figure H-3
 Year Housing Unit Built (2008-2012)
 City of Santa Barbara



Housing Conditions

Using American Community Survey information and a windshield survey of two of the larger, older residential neighborhoods, a sample of information on housing conditions was prepared in 2009.

The age of housing in Santa Barbara is one indicator of the overall housing conditions. Many state and federal programs use age of housing to determine the availability of funds for housing or community development. A significant measure of housing age is the number of units built before 1949. According to the 2006-2008 American Community Survey, 12,172 housing units in the City were built prior to 1949. In addition, 452 units in the City were reported to lack complete kitchen facilities and 56 units lacked complete plumbing facilities.

In December 2009, City Building Inspectors performed a windshield survey of two residential neighborhoods known for containing a large number of older housing units. One survey area was located in the “Eastside” neighborhood and one survey area was located in the “Westside” neighborhood. The inspectors surveyed the housing units for the exterior condition of foundation, framing members, roof coverings, windows, exterior weatherproofing (walls) and electrical service. The condition of these elements was rated from “fair/good condition” to “replacement needed”. Based on these ratings, the units were determined to be in “sound” to “dilapidated” condition.

The Westside survey area included 278 housing units (Table H-18). The majority of the units were single family dwellings, followed by duplex units, and multi-family unit complexes. Of the 278 units surveyed, 29 units were found to be in moderate or substantial need of repair. None of the units surveyed were considered to be dilapidated.

Table H-18: Housing Condition Survey: Westside (2009)
City of Santa Barbara

Housing Type	Sound	Minor	Moderate	Substantial	Dilapidated	Total
Single	127	33	20	4	0	184
Duplex	31	7	2	2	0	42
Multi-family	46	5	1	0	0	52
Total	204	45	23	6	0	278
Percent	73%	16%	8%	2%	0%	

Source: 2009 City Building Inspection Survey

The Eastside survey area included 151 housing units (Table H-19). Of the 151 housing units surveyed, the majority of the units (118) were single family dwellings, followed by duplex units, and multi-family unit complexes, similar to the Westside survey area. In the Eastside survey, 15 units were found to be in moderate or substantial need of repair. None of the units surveyed were considered dilapidated.

Table H-19: Housing Condition Survey: Eastside (2009)
City of Santa Barbara

Housing Type	Sound	Minor	Moderate	Substantial	Dilapidated	Total
Single	94	11	11	2	0	118
Duplex	17	3	1	0	0	21
Multi-family	10	1	1	0	0	12
Total	121	15	13	2	0	151
Percent	80%	10%	9%	1%	0%	

Source: 2009 City Building Inspection Survey

The survey concluded that 44 out of a total 429 units, or 10 percent of the surveyed units, are in need of moderate or substantial repair. Housing units rated as needing “substantial” repair can be an indicator that those units may be in need of rehabilitation or replacement.

Based on the observations of City building and code compliance staff, housing conditions do not appear to have changed significantly in the past five years.

Housing Costs

Housing Affordability Criteria

State law establishes five income categories for purposes of housing programs based on the area (i.e., county) median income (“AMI”):

- Extremely-Low (30% or less of AMI)
- Very-Low (31-50% of AMI)

- Low (51-80% of AMI)
- Moderate (81-120% of AMI)
- Above Moderate (over 120% of AMI)

In addition to these categories, the City has identified “Middle-Income” 160% AMI and “Upper-Middle” 200% AMI in recognition of the high housing costs in the South Coast area.

Housing affordability is based on the relationship between household income and housing expenses. According to HUD and the California Department of Housing and Community Development, housing is considered “affordable” if the monthly payment is no more than 30% of a household’s gross income. In some areas, these income limits may be increased to adjust for high housing costs.

Table H-20 shows 2014 affordable rent levels and estimated affordable purchase prices for housing in Santa Barbara County by income category. Based on state-adopted standards and a family of four, the maximum affordable monthly rent for extremely-low-income households is \$598, while the maximum affordable rent for very-low-income households is \$995. The maximum affordable rent for low-income households is \$1,593, while the maximum for moderate-income households is \$2,199.

Maximum purchase prices are more difficult to determine due to variations in mortgage interest rates and qualifying procedures, down payments, special tax assessments, homeowner association fees, property insurance rates, etc. With this caveat, the maximum home purchase prices by income category shown in Table H-20 have been estimated based on typical conditions.

Table H-20: Income Categories and Affordable Housing Costs (2014)
Santa Barbara County

2014 County Median Income = \$73,300	Income Limits	Affordable Rent	Affordable Price (est.)
Extremely Low (<30%)	\$23,900	\$598	
Very Low (31-50%)	\$39,800	\$995	\$150,000
Low (51-80%)	\$63,700	\$1,593	\$250,000
Moderate (81-120%)	\$87,950	\$2,199	\$350,000
Above moderate (>120%)	>\$87,950	>\$2,199	>\$350,000

*Based on a family of 4
 -30% of gross income for rent or principle/interest/taxes/insurance (PITI)
 -10% down payment, 4.5% interest, 1.25% taxes & insurance, \$200 HOA dues
 Source: Cal. HCD; J.H. Douglas & Associates*

For-Sale Housing

Housing sales price statistics reported by DataQuick Information Systems for calendar year 2013² showed median sales prices ranging from \$685,000 to \$2.3 million for single-family homes and from \$500,000 to \$1.2 million for condos in Santa Barbara depending on zip code. Based on the estimated affordable purchase prices shown in Table H-20, it is unlikely that many market rate homes or condos would be affordable to lower- or moderate-income residents. These data illustrate the fact that in beach communities, very large public subsidies are generally required to reduce sales prices to a level that is affordable to low- and moderate-income buyers. At a price of \$500,000, there is a “gap” of about \$150,000 between the market price and the maximum price a moderate-income household can afford to pay for a home. For low-income households, this gap is about \$250,000.

Rental Housing

An internet rental survey conducted in August 2014 found very few apartment units available in Santa Barbara for under \$2,000 per month. As would be expected in a desirable beach community in Southern California, when market rents are compared to the amounts households can afford to pay (Table H-20), it is clear that lower-income households have a very difficult time finding housing without overpaying. At a rent of \$2,000 per month, the gap between market rent and affordable rent at the very-low-income level is about \$1,000 per month, while the gap at the extremely-low-income level is about \$1,400 per month.

ASSESSMENT OF “AT RISK” ASSISTED UNITS

Statutory Requirements

Section 65583(a)(8) of the Government Code requires that the Housing Element analyze:

“Existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions.”

“Assisted housing developments” are defined in State law as:

“Rental housing that receives government assistance under federal programs, state and local multi-family revenue bond programs, local redevelopment programs, the federal Community Development Block Grant Program, or local in-lieu fees, and multi-family rental units that were developed pursuant to local inclusionary housing programs or used to qualify for a density bonus.”

² <http://www.dqnews.com/Charts/Annual-Charts/LA-Times-Charts/ZIPLAT13.aspx>

Affordable Housing Units “At Risk”

As of July 2014, there are over 5,600 affordable housing units in the City of Santa Barbara, of which about 5,068 or 90 percent are affordable rental housing units. 2,186 of these affordable rental housing units involve federal rental housing subsidies (see Section 8 Program below). The remaining affordable rental housing units were subsidized with public funds (federal, state and local) that the City administers (see City of Santa Barbara’s Affordable Housing Program below). With direct financial assistance from the US Department of Housing and Urban Development (HUD), the City’s Housing Authority has constructed and now owns and manages nearly 912 units in the form of public housing for low and very low-income households. These affordable public housing units are strictly controlled by HUD and are not considered to be at risk of being sold or converted to market rate housing.

At-Risk Affordable Rental Housing Program

Except for the public housing and other Housing Authority units, the City does not own any affordable housing units. In return for the financial assistance the City provides, the developer/owners of the City’s affordable housing stock are required to make the units affordable to low income households for a specified period of time. The City provides most of its financial assistance to local nonprofit organizations, since few for-profit firms have approached the City for assistance in building affordable housing. Regardless of whether they are for profit or nonprofit, all developer/owners sign affordability covenants that specify allowable rent and income levels for the project.

Upon expiration of a project’s affordability controls, the affordable units are at risk of being sold or converted to market rate housing. Based on a thorough review of the City’s database records, the affordable rental housing projects listed below in Table H-21 have affordability controls that will expire during the next 10 years (2015 through 2025).

Table H-21: Projects With Affordable Rental Housing At Risk (2015 – 2025)
City of Santa Barbara

Address	Owner	Affordable Units	Funding Sources	Earliest Exp. Date
1409 Kenwood Road	City SB Parks	1/Low	CDBG ¹	2015
1018-1028 Castillo Street	CHC	32/Low	CDBG, RDA ² , State Def	2015
227-C E. De la Guerra Street	De La Guerra Court Invest	1/Low	Zoning Mod ³	2016
620-652 Castillo Street	HASB	17/Low	CDBG, RDA	2016
910 E. Haley Street	Sherwin c/o Meridian Group	1/Low	Zoning Mod	2016
1426 Euclid Avenue	DeMare Inv.	1/Low	Zoning Mod	2016
401-404 Transfer Avenue	HASB	8/Low	RDA ²	2016
1511 Bath Street	Smagala	10/Low	RDA	2016
209 W. Cota Street	Smagala	6/Low	RDA	2017
222 W. Micheltorena Street	Smalgala	12/Low	Zoning Mod	2017
811-815 Salsipuedes Street	Hawkes	13/Low	RDA	2018
203-201 Hitchcock Way	Towbes Group	111/Moderate	Zoning Mod	2018
1215 Cacique Street	Wright	5/Low	Zoning Mod	2019
821 Bath Street	CHC	12/Low	CDBG, RDA	2019
420 E. De la Guerra Street	Goldrich, Kest & Associates	50/Low	HUD ⁴ Regulatory/Option	2018
221-223 W. Victoria Street	HASB	12/Low	RDA	2020
114 La Paz	William Reed	2/Low	Zoning Mod	2020
1306 Garden Street	Lippincott	4/Moderate	Zoning Mod	2021
1910-1912 Robbins Street	Rivera	2/Low	Zoning Mod	2021
222 Meigs Road	Shoreline Development	2/Moderate	Zoning Mod	2022
1104 Carpinteria Street	Borgatello	2/Moderate	Zoning Mod	2023
47 Broadmoor Plaza	CHC	15/Low	RDA	2023
107 E. Micheltorena Street	Phoenix House	11/Low	CDBG	2023
1409 Castillo Street	CHC	14/Low	CDBG/RDA	2024
803 Laguna Street	Laguna Cottages	44/Low	CDBG/RDA	2025
Total:	25 Projects	388		

Source: City of Santa Barbara 2014

¹ CDBG stands for the federal Community Development Block Grant Program.

² RDA stands for the City's Redevelopment Agency Housing Set-Aside funds.

³ Zoning Mod does not stand for any source of funding, but rather for modifications to the City's zoning code that were granted in return for the dedication of affordable housing units.

⁴ HUD stands for the U.S. Department of Housing and Urban Development

As indicated in the Assessment of Conversion Risk section below, nonprofit owners are considerably more likely than for-profit owners to maintain affordable housing units beyond the expiration of affordability controls.

The majority of the at-risk affordable rental units owned by for-profit firms (50% percent) are located within one project – Rancho Franciscan (Table H-21). This 111-unit project is a senior housing development that is restricted to moderate income households. While the rent and income restrictions expire in 2018, the restrictions for senior housing continue for the life of the project. The project’s affordability is not expected to change significantly for several reasons: 1) the current restrictions to moderate income rents approximate market rents, 2) the senior housing restrictions will continue, 3) a recent HUD refinance and regulatory agreement recorded on the property, and 4) the owner is a highly-regarded developer who is active in local philanthropy, serves on boards and advisory groups to several local nonprofit organizations, and participates in the Section 8 rental subsidy program for low income residents at Rancho Franciscan and other developments.

The remaining 21 at-risk affordable rental units owned by for-profit firms are located in 13 projects. Most projects did not receive any local subsidy funding to develop the affordable units, but did receive zoning modifications in the form of density bonus that resulted in mixed-income developments.

At-Risk Affordable Ownership Housing

The City also provides affordable ownership housing opportunities for moderate-income households. Most of the early ownership projects were developed by two nonprofit organizations, Homes for People and Santa Barbara Community Housing Corporation, with financial assistance from the City and its Redevelopment Agency. Covenants on units in these projects were typically 30-year covenants. Should the owner sell before the 30-year term concluded, then the next owner would sign on for a new 90-year covenant (up to a maximum 99-year period of affordability).

Listed below in Table H-22 are 19 ownership projects in which covenants for individual ownership units could expire during the next ten years (2015 through 2025). The 19 ownership projects constitute a total of 222 affordable units. Covenants for 112 units could expire during the next 10 years; the covenants for the remaining 110 units will not expire until later (since these units were sold to new qualifying homeowners before the end of their affordability period). It is possible that owners in some of the 112 units with expiring covenants may end up selling before the end of their affordability period, which would trigger an additional period of affordability up to a maximum of 99 years.

Most of the new affordable ownership housing projects are currently built by for-profit developers without financial assistance from the City or its Successor Housing Entity. The projects are built pursuant to Inclusionary Housing requirements and Density Bonus incentives. Affordability periods have been extended to 90 years (which “roll” upon resale to a maximum affordability period of 99 years).

**Table H-22: Projects With Affordable Ownership Housing At Risk (2015 – 2025)
City of Santa Barbara**

Address	At Risk Units	Total # Affordable Units	Funding Sources	Earliest Exp. Date
3902-3930 Vía Diego/402-432 Vía Rosa La Colina Village	31/Moderate	50	Zoning Mod ¹	2015
3558-3578 Modoc Road Arroyo Verde	5/Moderate	13	Zoning Mod	2016
22 N. Voluntario Street Los Sueños	6/Moderate	6	RDA ²	2016
2001-11 Elise Way Maravillas	2/Moderate	6	RDA	2016
329 W. Ortega Street Ortega Homes	1/Moderate	3	RDA	2017
1024-1030 Quinientos/2-12 S. Voluntario Street Campos Feliz	9/Moderate	18	RDA	2018
3708-3773 Gregory Way Franciscan Villas	18/Moderate	46	Zoning Mod	2018
414 W. De la Guerra Street Casa Chula	3/Moderate	5	RDA	2019
915, 917, 919 Bath Street Old Vic	1/Moderate	3	RDA	2019
1310 San Andres Street Canto Arroyo	4/Moderate	5	RDA	2020
820 W. Victoria Street Victoria Town Homes	1/Moderate	1	Zoning Mod	2020
1019 Quinientos Street La Ventura	3/Moderate	10	RDA	2021
2014-2016 Modoc/2041-2051 Oak Avenue Oak Creek	1/Moderate	6	RDA	2022
1838 San Andres Street Pinecone	7/Moderate	10	RDA	2022
720 Castillo Street The Commons	1/Moderate	3	RDA	2022
33 Ocean View Avenue Pueblo Andaluz	6/Moderate	10	RDA	2023
1920 Robbins Street Robbins Court	4/Moderate	6	Zoning Mod	2023
211 W. Gutierrez Street El Zoco	7/Moderate	16	RDA	2024
831 W. Anapamu Street 7 Oaks	2/Moderate	5	Zoning Mod	2025
Total: 19 Projects	112	222		

Source: City of Santa Barbara 2014

¹Zoning Mod does not stand for any source of funding, but rather for modifications to the City’s zoning code that were granted in return for the dedication of affordable housing units.

²RDA stands for the City’s Redevelopment Agency Housing Set-Aside funds.

Affordable Housing Projects with Expired Affordability Covenants

There are four projects with a total of 9 units where affordability covenants have expired since the City’s last Housing Element Update (from 2007 through 2011). The four projects (all rentals) are listed in Table H-23 below. The four projects owned by for-profits received density bonus zoning modifications (but no City funds).

In 2010, the City changed its policies to extend the affordability period for rental projects from 60 to 90 years.

**Table H-23: Affordable Rental Housing With Expired Affordability Covenants (2007 – 2014)
City of Santa Barbara**

Project	Units	Status
520 E. Olive/De la Guerra Streets	1	Affordability covenant with private owner expired in 2009
232 E. Cañón Perdido Street	1	Affordability covenant with private owner expired in 2010
126 E. Cañón Perdido Street	1	Affordability covenant with private owner expired in 2010
818 N. Salspuedes Street	6	Affordability covenant with private owner expired in 2012
Total: 4 Projects	9	
Source: City of Santa Barbara 2014		

Monitoring At-Risk Affordable Units

All affordable housing units are monitored throughout the affordability period established as part of their recorded affordability covenants. No later than 12 months prior to the expiration of an affordability covenant for rental properties, the property owner is contacted to discuss and identify ways to extend the affordability period.

If the affordability period is not extended, notices are sent to tenants with information regarding the impending expiration of the affordability period. Tenants are made aware that rents could be raised and are provided information on rules established by State law regarding rent increases, noticing requirements, City rental mediation services and other affordable housing providers in the area.

Implementation Action H21.1 is included in the Goals, Policies and Implementation section of this Element to monitor and preserve at-risk affordable housing units in order to maintain the affordability of existing units that serve low and moderate income households.

Assessment of Conversion

As enumerated above in Table H-21 and Table H-22, there are 25 affordable rental housing projects with 388 at-risk units, and 19 affordable ownership housing projects with 112 at-risk units. Affordable rental housing units under for-profit ownership are perceived as being at higher risk of conversion to market rate housing when affordability controls expire. This is in contrast to the affordable housing units owned by nonprofit organizations. Most of the at-risk affordable rental housing units (66 percent) are owned by non-profit organizations.

The affordable rental housing units considered at the highest risk of conversion are the remaining 132 units that are owned by for-profit firms. Fortunately, 111 of these 132 units (84 percent) are located in projects where either tenancy restrictions (such as senior housing) will continue for the life of the project, or the owner actively participates in the Section 8 Program (or both).

The City has taken steps to prolong the life of affordable housing units. As mentioned above, the term for new affordability covenants is now 90 years. The City also works nearly exclusively with nonprofit firms for the creation of its affordable rental housing, which effectively extends the affordability period in perpetuity (or at least for as long as the nonprofit organization is in existence). With the exception of secondary dwelling units, every affordable rental unit created over the last decade in Santa Barbara was created by a governmental and/or nonprofit organization.

The City relies mostly on for-profit firms to create the affordable ownership housing through density bonus incentives and inclusionary housing requirements. Covenant terms for ownership units were also extended to 90 years.

Qualified Entities and Resources to Preserve “At-Risk Units”

As described above, the entities most qualified to preserve at-risk units are nonprofit organizations. This City currently works with four non-profit organizations, whose sole mission is to create and preserve affordable housing for low and moderate income people. The City works nearly exclusively with these nonprofits in its programs to create affordable rental housing.

The Section 8 Housing Choice Voucher Program is a valuable resource that helps preserve at-risk units. Both nonprofit organizations and for-profit firms participate in this program, which is operated by the City’s Housing Authority. Under this program, federal funds are used to help low income households pay rent for market rate housing. Under this program, eligible households find their own apartments and the property owners receive direct payments equal to the difference between the market rent and the tenant’s contribution to the rent (30 percent of household income). There are currently 2,186 units that are now affordable to low income households under this program.

The Section 8 Program has been in existence since 1975. Funding for the program is always subject to federal budget decisions made in Congress. The City Housing Authority believes that there will continue to be sufficient Section 8 vouchers for all of the City projects that have recorded affordability conditions, but the number of vouchers available for use with private landlords may vary, depending on federal funding levels. The City and the City Housing Authority will continue to advocate for continued full funding of the Section 8 Housing Choice Voucher Program.

Estimated Replacement Costs

Producing affordable housing in Santa Barbara is very expensive. Low income rents simply do not support the conventional financing needed to acquire property and build affordable housing. Deep subsidies are required. Land costs are high, even in areas with high concentrations of low income households. Nevertheless, the City works closely with non-profit developers to leverage additional funds and limit the need for local subsidy funds.

Based on new construction figures for the next affordable housing project to be built in the City, the total development cost is \$330,000 per unit. In leveraging other funds, such as tax-exempt bond financing, conventional loans, and contributions from the developer, the City subsidy was kept to \$ 72,500 per unit.

Financial Resources for Replacement Housing

The City is proud of its affordable housing record. Since 1973, the City has provided approximately \$131 million in grants and loans for the production and preservation of about 4,085 affordable housing units. As detailed below, the City receives affordable housing funds from a number of sources. Only a very small portion of these funds would be necessary to replace the 9 affordable rental units identified above as being at a higher risk of conversion. The remainder of the funds will be used to continue the City’s strong commitment to providing affordable housing.

The City’s Redevelopment Agency Housing Set-aside Funds

The largest source of City affordable housing financing was the City’s Redevelopment Agency (“RDA”). As required under state redevelopment law, the RDA dedicated at least 20% of its “tax increment” income generated from its downtown redevelopment project area for affordable housing. Since the City’s Redevelopment Agency began operating in 1977, the RDA provided \$66.1 million in loans and grants of redevelopment funds to affordable housing projects in the City. In June 2011, the California Legislature adopted the Assembly Bill 1X26 (the “Dissolution Act”) resulting in the dissolution of all redevelopment agencies in California as of February 1, 2012. The Bill included provisions for the City, in which the agency was located, to assume all right, title and responsibility for the housing assets of the dissolved agency. On January 10, 2012, the Santa Barbara City Council designated the City of Santa Barbara as the Successor Housing Entity to the Redevelopment Agency of the City of Santa Barbara and on November 20, 2012, the City adopted Resolution No. 12-083 and assumed all right, title and interest in all housing assets of the former Redevelopment Agency.

State Assembly Bill 341 became effective in January 2014. This Bill applies primarily to the unencumbered Housing Asset Funds (HAF) and provides that these funds must be used as was previously required for monies in the Low and Moderate Income Housing Fund established under the Community Redevelopment Law.

The City has invested \$14.38 million on five affordable housing projects intended to serve special needs/homeless populations with low, very low, and extremely low income levels. Table H-24 lists the six affordable housing projects totaling 136 units.

**Table H-24: Affordable Housing Projects Using Set-Aside Funds
City of Santa Barbara**

Project	Status	Amount (Millions)	Low	Very Low	Total Units
Mom's Place	Completed	\$1.60	2	14	16
Bradley Studios	Completed	\$8.40	0	54	54
Habitat #3 Cañón Perdido	Construction	\$0.93	12	0	12
233 W. Ortega/630 Bath Streets	Completed	\$0.30	2	0	6
2904 State Street	Completed	\$1.15	8	0	8
Jardín de las Rosas	Pre-development	\$2.00	39	0	40
Total		\$14.38	63	68	136

Source: City of Santa Barbara 2014

Federal Home Investment Partnerships (HOME) Program Funds

The City is a Participating Jurisdiction under the HOME Program and has received funding since the inception of the program in 1992. Allocations have decreased steadily from \$750,000 to \$384,000. By law, HOME funds must be spent on producing or preserving housing for low and very low-income households.

Federal Community Development Block Grant (CDBG) Funds

The City is a CDBG Entitlement Area and receives an annual allotment of funds accordingly. This funding has also decreased steadily from \$1.1 million to \$787,000. The funds must benefit low and very low-income individuals. The City spends most of its CDBG entitlement funds on capital improvements and related social services. As mentioned above, CDBG program income (loan repayments) is used for rehabilitation of non-profit rental projects.

SPECIAL HOUSING NEEDS

This section describes the City of Santa Barbara’s housing needs for “special needs” groups. The special needs analysis looks at housing needs for groups of people who are likely to be least able to compete for housing in the private market, including persons with disabilities, elderly, large households, farmworkers, female-headed households and the homeless. Information is also provided on overcrowding and overpayment, as well as a summary of the Housing Authority Waiting list for subsidized housing. A discussion is also presented of middle-income housing needs, and College and University Housing. Programs and policies to address the identified housing needs are presented in the Goals, Policies and Implementation section of the Housing Element.

Special Housing Needs Groups

Certain segments of the population have more difficulty finding decent and safe housing due to special circumstances. These circumstances could relate to family type, household size, disability or other household characteristics such as employment or limited/fixed income. Some groups may need special physical configurations, or support services. All special needs groups generally have difficulty competing for housing in a market where housing costs are high. State law has specific requirements for assessing the needs of the elderly, persons with disabilities, large families, farmworkers, families with female heads of households, and families and persons in need of emergency shelter.”

This section identifies more specifically the needs of these groups, which often overlap and compete for the same type of housing. The most common and overriding need among the groups is for subsidized, affordable housing. In general, these special needs housing groups have been identified due to their limited incomes and inability to compete in the private sector housing market.

Elderly

The number of elderly persons is expected to continue to increase over the coming decades due to the aging “Baby Boom” generation and longer life expectancies. As discussed earlier, long-range forecasts by the California Department of Finance estimate that the increase in the senior population will far exceed those in younger age groups (see Figure H-1).

Housing affordability is an important consideration for older residents, as they typically live on fixed incomes. Persons age 65 and older often have special needs related to housing, such as particular construction and location requirements to facilitate mobility and access. For instance they may require ramps, handrails, lower cabinets, and counters to allow greater access and mobility. In addition, due to limited mobility, seniors need close proximity and access to public facilities (e.g., medical and shopping) as well as public transit. Housing for this age group is often constructed at higher densities and typically consists of one and two bedroom apartment units.

According to the 2010 Census, the City has a greater share of residents over the age of 65 (14.2 percent) compared to Santa Barbara County (12.8 percent) and California as a whole (11.4 percent).

Persons with Disabilities

Persons with disabilities have special housing needs and face unique problems in obtaining affordable and adequate housing. Persons with disabilities often have particular requirements due to accessibility issues, fixed or lower income and high health care costs. There are different types and levels of disabilities, including physical (mobility impairments, sight impairments, hearing impairments or speech impediments), mental and developmental disabilities. Because of this broad range of types of disabilities, identifying and meeting housing needs is challenging.

Individuals with disabilities require conveniently-located housing in close proximity to transit, retail and commercial services, as well as their place of employment. Housing which is adapted for wheelchair accessibility, ramps, lower sinks, grip bars, wider doorways, etc., is required for the physically disabled. Making a new or existing dwelling unit accessible requires different features depending on the type of disability. The Federal Americans with Disabilities Act (ADA) requires new multi-family construction to be accessible to persons with disabilities. However, units built prior to ADA are rarely accessible and some of these units can be difficult to retrofit.

Another serious problem that people with disabilities face is one of housing affordability. The cost of housing in Santa Barbara and the low-income status of most people with disabilities make it difficult to find housing. For many of the disabled population, the only source of income is Supplemental Security Income (SSI) benefits. Given this limited income, rent often accounts for a major portion of their monthly expenses. Therefore, a variety of housing types, both rental and owner-occupied, should be made available for this segment of the population.

Local community-based organizations that serve the disabled population include the Independent Living Resource Center, the Tri-Counties Regional Center, Alpha Resource Center, CHANCE, INC, AIDS Housing Santa Barbara, Catholic Charities, Salvation Army and the Mental Health Association.

As shown in Table H-25, about 10 percent of the civilian non-institutionalized population living in Santa Barbara stated that they had a disability.

As may be expected, persons 65 years of age and older reported the highest incidence of disabilities. About one-third of seniors indicated a disability. The most frequently reported disabilities were ambulatory difficulties (20 percent), independent living (17 percent) and hearing (15 percent).

Table H-25: Persons With Disabilities (2008 – 2012)
City of Santa Barbara

Disability by Age Group	Persons	Percent
<i>Total civilian non-institutionalized population</i>	88,087	-
With any disability	8,868	10.1%
<i>Under Age 5 - total persons</i>	4,912	--
With a hearing difficulty	65	1.3%
With a vision difficulty	44	0.9%
<i>Age 5 to 17 - total persons</i>	11,683	
With a hearing difficulty	57	0.5%
With a vision difficulty	144	1.2%
With a cognitive difficulty	182	1.6%
With an ambulatory difficulty	102	0.9%
With a self-care difficulty	94	0.8%
<i>Age 18 to 64 - total persons</i>	58,922	
With a hearing difficulty	813	1.4%
With a vision difficulty	820	1.4%
With a cognitive difficulty	1,689	2.9%
With an ambulatory difficulty	1,770	3.0%
With a self-care difficulty	668	1.1%
With an independent living difficulty	1,026	1.7%
<i>Age 65 and over - total persons</i>	12,570	
With a hearing difficulty	1,900	15.1%
With a vision difficulty	759	6.0%
With a cognitive difficulty	1,171	9.3%
With an ambulatory difficulty	2,511	20.0%
With a self-care difficulty	990	7.9%
With an independent living difficulty	2,098	16.7%

Source: U.S. Census, 2008-2012 ACS Table S1810

Note: Totals may exceed 100% due to multiple disabilities per person

Developmental Disabilities

As defined by federal law, “developmental disability” means a severe, chronic disability of an individual that:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- Is manifested before the individual attains age 18;
- Is likely to continue indefinitely;
- Results in substantial functional limitations in three or more of the following areas of major life activity: a) self-care; b) receptive and expressive language; c) learning; d) mobility; e) self-direction; f) capacity for independent living; or g) economic self-sufficiency; and
- Reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

The Census does not record developmental disabilities. According to the U.S. Administration on Developmental Disabilities, an accepted estimate of the percentage of the population that can be defined as developmentally disabled is 1.5 percent. Many developmentally disabled persons can live and work independently within a conventional housing environment. More severely disabled individuals require a group living environment where supervision is provided. The most severely affected individuals may require an institutional environment where medical attention and physical therapy are provided. Because developmental disabilities exist before adulthood, the first issue in supportive housing for the developmentally disabled is the transition from the person’s living situation as a child to an appropriate level of independence as an adult.

The State Department of Developmental Services (DDS) currently provides community-based services to approximately 243,000 persons with developmental disabilities and their families through a statewide system of 21 regional centers, four developmental centers, and two community-based facilities. Santa Barbara is served by the Tri-Counties Regional Center³ (TCRC) which is based in Santa Barbara. As of 2014, TCRC served approximately 11,500 clients and had 280 staff persons, with approximately 1,000 clients living in Santa Barbara. Any resident who has a developmental disability that originated before age 18 is eligible for services. Services are offered to people with developmental disabilities based on Individual Program Plans and may include: Adult day programs; advocacy; assessment/consultation; behavior management programs; diagnosis and evaluation; independent living services; infant development programs; information and referrals; mobility training; prenatal diagnosis; residential care; respite care; physical and occupational therapy; transportation; consumer, family vendor training; and vocational training. TCRC also coordinates the state-mandated Early Start program which provides services for children under age three who have or are at substantial risk of having a developmental disability.

³ www.tri-counties.org

Large Households

Large households are defined as those households with five or more persons. Large households generate a need for units with three or more bedrooms. This housing is often difficult to find, more expensive and, due to the higher expenses associated with larger households, less affordable for low and moderate-income households. Recent ACS surveys showed that only about 6 percent of owner households and about 10 percent of renter households had five or more persons (Table H-26). By comparison, single person households comprised 28 percent of owner households and 38 percent of renter households. While finding suitably-sized affordable housing can be difficult for large households, these statistics demonstrate that the need for small units far exceeds that for units with three or more bedrooms. This trend is expected to continue in the coming decades due to the growth in the senior population, who often live alone.

Table H-26: Household Size by Tenure (2008 – 2012)
City of Santa Barbara

Household Size	Owners		Renters	
	Households	Percent	Households	Percent
1 person	4,022	28.3%	7,851	38.0%
2 persons	5,678	39.9%	5,817	28.1%
3 persons	2,109	14.8%	3,106	15.0%
4 persons	1,557	10.9%	1,880	9.1%
5 persons	551	3.9%	927	4.5%
6 persons	98	0.7%	505	2.4%
7+ persons	215	1.5%	584	2.8%
Total households	14,230	100%	20,670	100%

Source: 2008-2012 ACS Table B25009

When household size data is compared to the City’s housing stock (Table H-16), it is apparent that there is an ample supply of large units to meet the needs of homeowners. About 70 percent of owner-occupied units have three or more bedrooms while only about 6 percent of owner households have five or more persons. The supply of large rental units also appears to be sufficient to accommodate renter households. About 18 percent of rental units have three or more bedrooms but less than 10 percent of renter households have five or more persons.

Female Headed Households

Single parent households, in particular female-headed households, generally have lower-incomes and experience higher living expenses. This makes it difficult to find safe, decent and affordable housing. These households can also face challenges in attaining affordable child care, health care and other supportive services. Female-headed households, especially those with children, have special needs with respect to adequately sized housing units, located near schools and recreational facilities.

Recent ACS estimates reported that about 6 percent of owner households and 14 percent of renter households were female headed households (Table H-27).

Table H-27: Female Headed Households (2008 – 2012)
City of Santa Barbara

Household Type	Owners		Renters	
	Households	Percent	Households	Percent
Married couple family	7,993	56.2%	5,122	24.8%
Male householder, no wife present	508	3.6%	994	4.8%
<i>Female householder, no husband present</i>	876	6.2%	2,840	13.7%
Non-family households	4,853	34.1%	11,714	56.7%
Total households	14,230	100%	20,670	100%
<i>Source: 2008-2012 ACS Table B11012</i>				

Farmworkers

The City of Santa Barbara has a limited amount of agriculture. Most of the agriculture is on the northern edge of the City north of Foothill Road and between the Riviera and the northern City limits. There are also smaller pockets in the Braemar Ranch area and on upper West Valerio Street. All of the agricultural uses occur on land zoned for single family residential use. The city of Santa Barbara does not have an agricultural zone designation.

The main agricultural crop grown is avocados, which traditionally is not labor intensive. Information contained in the Environmental Impact Report prepared for *Agricultural Uses: General Plan and Municipal Code Amendments (SB-147-90)* certified in 1993 indicates that there was approximately 130 acres of agricultural use within the City limits. Agricultural use categories include avocados, lemons/limes, and nursery. Avocados and lemons/limes are grown predominately on hillside areas and nursery stock is grown on relatively level mesa areas. It is estimated that there are only 20 to 30 larger agricultural operations in the City. The majority are small, possibly one-half acre or less. Therefore, agricultural uses have been relatively stable in the City of Santa Barbara.

The housing needs of farmworkers are difficult to quantify. The ability to gather information about farmworkers is limited because they are often mobile and reluctant to participate in any survey. According to the 2012 Census of Agriculture, there were 22,333 hired farmworkers in Santa Barbara County and 20,421 of those worked on larger farms with 10 or more workers. Data is not available at the city level. Based on the fact that farm operations in the City are relatively small and are located in residential zones, there is not a significant need for housing exclusively for farmworkers. Therefore the housing needs of farmworkers are addressed as part of the City’s general affordable housing programs. City zoning regulations comply with state law and allow small farmworker housing developments as an agricultural use. (See also the discussion of farmworker housing regulations in the Constraints section.)

Homeless

The U.S. Department of Housing and Urban Development (HUD) defines the term “homeless” as the state of a person who lacks a fixed, regular and adequate night-time residence, or a person who has a primary night time residency that is:

- A supervised publicly or privately operated shelter designed to provide temporary living accommodations;

- An institution that provides a temporary residence for individuals intended to be institutionalized; or
- A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.⁴

Although there are myriad causes of homelessness, among the most common are substance abuse and alcohol, domestic violence and mental illness.

Since 2003, all Continuum of Care Communities (those receiving Federal Grant Funds serving the homeless) have been required to report the number of people who are homeless at a particular point in time. Surveys are required every other year. The most recent Point in Time (PIT) homeless survey in Santa Barbara County was conducted by the Central Coast Coalition on Homelessness (C3H) on January 22-23, 2013.

At the direction of staff from C3H, approximately 650 volunteers were deployed to physically count the homeless population in Santa Barbara County during the two-day PIT event, and also administer the Vulnerability Index Survey for which respondents self-reported information. The total 2013 PIT homeless count was 1,466 persons compared to a total of 1,536 recorded in the 2011 PIT survey (Table H-28). The PIT survey reported 946 homeless persons in Santa Barbara, a reduction from 1,040 persons counted in 2011. Of the 1,466 persons encountered countywide, 1,111 Vulnerability Index Surveys were completed. This survey is more in-depth than the Point-In-Time count, and it determines individuals and family health needs and rank orders the most vulnerable at risk of dying prematurely due to health concerns. The next PIT count is scheduled for January 2015 and will include a Vulnerability Index & Service Prioritization Decision Assistance Tool (or VI--SPDAT). This tool will assist Santa Barbara County in developing a mechanism for common assessment and coordinated access.

Table H-28: Homeless Counts by Area (2011 – 2013)
Santa Barbara County

Geographic Area	2011 Homeless Count	2013 Homeless Count
Carpinteria	15	10
Cuyama Valley	3	0
Guadalupe	5	1
Isla Vista/Goleta	114	81
Lompoc	110	104
Santa Barbara	1,040	946
Santa Maria	243	300
Santa Ynez Valley	6	24
County Total	1,536	1,466
<i>Source: Central Coast Collaborative on Homelessness, 2013</i>		

⁴ Stewart B. McKinney Act, 42 U.S.C. §11301, et seq. (1994)

Facilities Serving the Homeless

There are a number of facilities and programs that address homelessness in the southern Santa Barbara County area. Most of these are based in the City of Santa Barbara (Table H-29).

**Table H-29: Homeless Shelters
City of Santa Barbara**

Facility	Capacity
Casa Esperanza	100 beds (200 beds December to March)
Rescue Mission	100 men and 24 women
Good Samaritan*	90 beds; 90-day treatment
Salvation Army	70 beds with counseling
Transition House	70 beds; 120-day treatment
<i>*Located in the unincorporated area</i>	
<i>Source: Central Coast Collaborative on Homelessness, 2013</i>	

Currently, the City provides 944 total beds/rooms/units during December-March and 844 total beds/rooms/units during April-November (Table H-30).

**Table H-30: Homeless Facilities/Housing
City of Santa Barbara (2014)**

Facility Type	Capacity
Emergency Shelter	215 Beds + 100 December - March
Transitional Housing	335 Beds
Emergency RV Parking	42 Spaces
Permanent Units/Rooms	352 Units/Rooms
Total Capacity	944 Beds/Rooms/Units + 100 Beds December-March
Total Need*	946 Beds
<i>Source: City of Santa Barbara 2014</i>	
<i>*Based on Central Coast Collaborative on Homelessness 2013</i>	

Only a limited amount of homeless needs may be addressed through a Housing Element. Needs that may be addressed are those of providing opportunities for, and encouraging, emergency shelters and transitional housing; reviewing the rules and regulation affecting affordable housing to make it easier and cost effective for developers to provide affordable housing; providing flexibility in development standards to encourage the broad range of housing opportunities needed; and providing education and public outreach to address concerns of neighbors in areas where these facilities may be located.

Although the County is the public entity responsible for attending to the homeless, the City is deeply involved in helping the homeless. The City implements an effective multi-pronged effort to provide adequate housing and social services to this population. The City has crafted a continuum of care that supports prevention programs, emergency shelter, transitional programs and permanent supportive housing.

The City is an active participant in Central Coast Collaborative on Homelessness (C3H), a countywide collaboration between homeless service providers, elected representatives, community leaders and advocacy groups, which is intended to prevent duplication of effort and better serve the most vulnerable homeless individuals, families and persons at risk of homelessness. This new model, implemented in January 2013, includes a countywide Policy Council comprised of elected representatives; a countywide Coordination Committee consisting of community leaders; housing, shelter and treatment providers; and advocacy groups. It is facilitated by an independent Homeless Coordinator. Data collection and performance evaluation countywide is an important aspect of this effort and the collaboration has formed a data subcommittee to identify the best way to get an unduplicated count of homeless persons, understand patterns of service use, and measure the effectiveness of homeless programs under this new model of collective impact.

Effective 2008, State Senate Bill 2 (SB2) considerably strengthened the requirements on zoning for emergency shelters. This new legislation requires that jurisdictions address the housing needs of the homeless, including the identification of a zone or zones where emergency shelters are allowed as a permitted use without discretionary review.

Regardless of the homeless housing need, SB2 requires that jurisdictions have a zone in place to permit at least one year-round emergency shelter without a Conditional Use Permit (CUP) or any discretionary permit requirements. This can be accomplished by amending an existing zone district, establishing a new zone district, or creating an overlay zone for an existing zone district(s) to allow emergency shelters as a permitted use. In addition, the identified zone(s) must have sufficient land capacity to encourage emergency shelters consistent with SB2.

Facilities that provide overnight shelter to the homeless are considered short-term, transitional housing, similar to hotel use. Existing zones that allow overnight shelter include R-4 (Hotel-Motel-Multiple Residence), C-P (Restricted Commercial), C-L/C-1 (Limited Commercial), C-2 (General Commercial), C-M (Commercial Manufacturing), M-1 (Light Manufacturing) and HRC-1/HRC-2 (Hotel and Related Commerce) zone districts.

The two major emergency shelter facilities, Casa Esperanza Homeless Shelter zoned M-1/C-2/S-D-3 and Santa Barbara Rescue Mission zoned OM-1/S-D-3, are currently permitted with a CUP and are both located in the Coastal Zone. Amending their respective zones to allow these facilities by right would comply with SB2. However, the M-1 and OM-1 zones discourage residential uses and therefore could be considered incompatible with the use. Additionally, the Coastal Commission has opposed residential uses in certain areas of the Coastal Zone due to concerns that residential uses may become the dominant use in these areas.

To satisfy the requirements of SB2, the C-M zoning district was amended to allow emergency shelters as a permitted use (Implementation Action H4.1 of the 2011 Housing Element). The C-M zone allows the development of residential uses, including mixed-use development and other related uses that encourage emergency shelters.

Identified opportunity sites in the C-M zone district demonstrate sufficient capacity to support the development of additional emergency shelters. The City's Available Land Inventory Summary (Appendix H) lists approximately 152 vacant or underutilized C-M zoned properties ranging in size from .08 acres to 1.56 acres. In total, the C-M zoned properties make up 35.4 acres of available land. These parcels either separately (larger parcels) or in combination (smaller parcels) could accommodate the development of emergency shelter facilities. The consolidation of smaller and underutilized parcels is supported by Implementation Action H11.19, which is intended to encourage the development of affordable residential units, including special needs housing.

Transitional and Permanent Supportive Housing

Transitional housing is intended to facilitate the transition of homeless individuals and families to permanent housing. This type of housing limits the length of stay and re-circulates the assisted unit to another eligible individual or family. Supportive housing is defined as permanent rental housing linked to a range of support services designed to enable residents to maintain stable housing.

As reflected in Table H-30, the City continues its commitment to the production of transitional and supportive housing opportunities, with approximately 335 transitional units/rooms/beds, and 352 permanent units/rooms/beds currently available for eligible individuals and families.

As mandated by State law these housing units have been subjected to the same permitting processes as other residential development in the zone without undue special regulatory requirements. All the identified transitional and supportive units/room/beds are located on sites within City boundaries and are accessible to public services and facilities, including transit.

Housing Challenges

Overcrowding

A housing unit that is occupied by more than one person per room (excluding kitchens, bathrooms, hallways and porches) is defined by the Census as being overcrowded. A housing unit with more than 1.5 persons per room is considered severely overcrowded. Overcrowding can serve as an indicator that a community does not have an adequate supply of affordable housing and/or lacks housing units of adequate size to meet the need of large households. Overcrowding can also result when high housing costs relative to income force too many individuals or families to share housing. Overcrowding can accelerate deterioration of the housing stock and associated infrastructure.

ACS data for 2008-2012 estimated that approximately 2,527 (3.1 percent) of the City's occupied housing units were considered overcrowded (Table H-31). Overcrowding was more common among renters (10.7 percent) than for owners (2.2 percent), and about 5 percent of renter households reported severe overcrowding.

Table H-31: Overcrowded Households by Tenure (2008 – 2012)
City of Santa Barbara

Persons per Room	Owner		Renter		Totals	
	HH	%	HH	%	HH	%
1.00 or less	13,924	97.8%	18,449	89.3%	32,373	92.8%
1.01 to 1.50	248	1.7%	1,207	5.8%	1,455	4.2%
1.51 or more	58	0.4%	1,014	4.9%	1,072	3.1%
Total Units	14,230	100%	20,670	100%	34,900	100%
Total Overcrowded	306	2.2%	2,221	10.7%	2,527	7.2%

Source: 2008-2012 ACS Table B25014

Household Income and Overpayment

The Census Bureau distinguishes between a “household” and a “family.” A “household” includes all people who occupy a housing unit as their usual place of residence. A “family” is defined as a group of two or more people who reside together and who are related by birth, marriage or adoption. *(Note: As discussed later in the Constraints section, this definition of “family” differs from the definition used by the City for zoning purposes.)* Not all households contain families since a household may comprise a group of unrelated people or one person living alone. For purposes of assessing the community’s housing needs, household income data is considered more relevant because it includes all occupied housing units while family income data excludes single-person households. The household income distribution for Santa Barbara as reported in the 2008-2012 ACS is shown in Table H-32. Median household income was estimated to be \$63,758.

Table H-32: Household Income Distribution (2008 – 2012)
City of Santa Barbara

Total Household Income	# of Households	% of Households
Less than \$10,000	1,578	4.5%
\$10,000 – 14,999	1,697	4.9%
\$15,000 – 24,999	3,302	9.5%
\$25, 000 – 34,999	3,173	9.1%
\$35,000 –49,999	4,264	12.2%
\$50,000 – 74,999	6,053	17.3%
\$75,000 – 99,999	4,154	11.9%
\$100,000 – 149,999	4,866	13.9%
\$150,000 – 199,999	2,885	8.3%
\$200,000 +	2,928	8.4%
Total Households	34,900	100%
Median Household Income	\$63,758	

Source: 2008-2012 ACS Table DP-3

According to state and federal housing policy, overpaying occurs when housing costs exceed 30% of gross household income. Although homeowners enjoy interest and property tax deductions and other benefits that help to compensate for high housing costs, lower-income homeowners may need to defer maintenance or repairs due to limited funds, which can lead to deterioration. For lower-income renters, severe cost burden can require families to double up, resulting in overcrowding and related problems.

Renter Households Overpaying

The ACS provides estimates of the percentage of household income paid for rent by total household income. High rents in the City have the most significant negative effect on lower income households. Table H-33 shows the number and percentage of renter households that pay 30 percent or more of the total household income in rent by household income categories.

During 2008-2012, the ACS estimated that about 48 percent of renter households were paying more than 30 percent of their household income for rent. Among lower-income renters, the overpayment rate was estimated to be 56 percent.

**Table H-33: Households Overpaying (2008 – 2012)
City of Santa Barbara**

	Extremely Low	Very Low	Low	Moderate	Above Moderate	Total	Lower income
Owner Households	1,256	1,293	2,928	1,238	8,763	15,478	5,477
Overpaying owner households	992	755	412	958	2,872	5,989	2,159
Percentage of overpaying owners	79.0%	58.3%	14.1%	77.4%	32.8%	38.7%	39.4%
Renter Households	3,780	3,282	7,621	2,852	5,782	23,316	14,683
Overpaying renter households	3,382	2,723	2,135	2,350	604	11,194	8,240
Percentage of overpaying renters	89.5%	83.0%	28.0%	82.4%	10.4%	48.0%	56.1%
Total Households	5,036	4,575	10,549	4,089	14,545	38,794	20,160
Overpaying households	4,375	3,477	2,547	3,308	3,476	17,183	10,399
Percentage of overpaying households	86.9%	76.0%	24.1%	80.9%	23.9%	44.3%	51.6%

Source: 2008-2012 ACS Table B25014

This information is especially somber when one considers that the City estimates that 12 percent of the housing stock is publicly subsidized.

Owner Households Overpaying

The picture is also troubling for many who live in owner-occupied housing in the City. Overall, about 39 percent of owner-occupied households were estimated to be paying over 30 percent of total household income for housing costs. Overpayment for lower-income owners was also estimated to be 39 percent.

Extremely Low Income Households

Extremely low-income (ELI) is a subset of the very low-income group and is defined as households with income 30 percent or less of area median income. The Area Median Income (AMI) as established by the U.S. Department of Housing and Urban Development (HUD) corresponds to the AMI *for a household of four*. According to the 2014 Income Limits published by the California Department of Housing and Community Development, extremely low-income for a 4-person household means an annual income of \$23,900 or less. Extremely low-income households have a variety of housing needs. Many families and individuals who receive public assistance, social security insurance or disability insurance benefits are considered extremely low-income households. In addition, employed households earning 30 percent or less of the AMI are also considered extremely low-income.

As shown in Table H-33 the ACS estimated that the City had 5,036 extremely low-income households during 2008-2012, representing approximately 13 percent of all households. Approximately 79 percent of ELI owners and 90 percent of ELI renters were reported to be overpaying for housing. Many extremely low-income households also face other housing problems, such as overcrowded living conditions and/or living without complete kitchen or plumbing facilities.

To determine the projected housing needs for extremely low-income households, the City assumed that 50 percent of the very-low income regional housing needs allocation are extremely low-income households. The RHNA allocation for very-low income housing need is 962 units; therefore, the projected need for extremely low-income households is approximately 481 units. As discussed previously, extremely low-income households typically experience overpayment, overcrowding or substandard housing. In addition, some of these households may have physical and mental disabilities, which require special housing needs.

To address the array of housing needs for extremely low-income households, the City continues to promote affordable housing opportunities for its special needs population. In 2004, the Building Code was amended to reduce the size requirement for SRO units to facilitate their construction. In addition, supportive and transitional housing is an important component of meeting the needs of extremely low-income individuals. The City has established partnerships and working relationships with non-profit developers, such as the Mental Health Association of Santa Barbara and the City Housing Authority to provide housing opportunities for extremely low-income households. Further, goals, policies and implementation actions intended to address the housing needs of extremely low-income households are included as part of this Housing Element.

Very Low, Low and Moderate Income Households

Approximately, 63 percent of the City's households are categorized as very low (including extremely low income), low and moderate income (Table H-33). As such, they qualify for affordable housing programs.

Housing for the low and moderate-income population has been a priority of the City for over two decades. Previous Housing Elements have contained a number of policies, which the City has implemented, to increase the affordable housing stock. That policy direction and commitment has been carried forward in this Housing Element.

The City has an inventory of 5,653 affordable units, including public housing, units assisted by the City (examples of assistance include bonus density or City financing), publicly owned units, Section 8 rent assisted units, rehabilitated units, and beds in group homes or shelters.

It is often difficult to accurately identify the low and moderate-income group as a whole because it covers such a wide range of family sizes and incomes. This group ranges from 0-120 percent of median income. Although virtually no funding sources for housing provide assistance to those who earn more than 120 percent of the median income level, it is difficult, if not impossible, for many families to purchase a home in Santa Barbara, even if their income exceeds 120 percent of the median income. Because the income range is so great, the needs of those on one end of the range are very different from those on the other end. A range of programs (H11.1, H11.2, H11.3, H11.10, H11.12, H12.1) are included in the Housing Element to address the housing needs of those whose income exceeds 120 percent of the median income, such as teachers, firefighters, nurses, etc.

Housing Authority Waiting Lists

Another indicator of the need for low and moderate income housing can be found by looking at the waiting lists maintained by the Housing Authority of the City of Santa Barbara (HACSB). The HACSB maintains several waiting lists for different housing programs. A review of the HACSB waiting lists reflects only people who are eligible and aware of HACSB programs and services. It cannot be used to draw conclusions about overall need or general demographics in the City.

As of August 2014, approximately 15,181 applicant households were seeking assistance from the HACSB, including 7,008 applicants waiting for public housing and 8,173 applicants waiting for section 8 housing. Elderly applicants make up nearly 20 percent (2,990); persons with disabilities make up approximately 31 percent (4,637), and 37 percent (5,641) of the applicants are families with children. Approximately 75 percent (11,386) of these applicants are categorized as having extremely low incomes. This information indicates a need to house special needs populations.

Middle Income Households

Housing needs for middle-income individuals and families is an issue as noted above. The City defines “Middle-Income” as the range from 120 percent to 160 percent of the AMI. Middle-income households are a diverse range of semi-professional and professional workers in the community. The middle-income workforce represents a considerable segment of the community that wishes to purchase or rent a home in Santa Barbara, but is unable due to high housing prices.

A primary goal of the Housing Element is to provide affordable housing opportunities to all segments of the community. The City considers this goal to be of highest priority and encourages and promotes through a variety of policies and implementation actions the construction of affordable housing units for all income levels, including middle-income households.

With the dissolution of the City's Redevelopment Agency in 2012, it is all the more imperative that new construction of affordable housing units, including for middle-income households, be undertaken by private developers. The Housing Element contains policies H11 and H12 to specifically promote middle-income housing. In 2013, the City adopted the Average Unit-Size Density (AUD) Incentive Program to encourage the construction of housing for the City's workforce, including middle-income individuals. The AUD Program allows increased densities and flexibility in development standards to facilitate the construction of additional ownership and rental housing. This Program is purposely intended to help provide housing opportunities to middle-income households.

College and University Housing

There are three major schools (a university and two colleges) within the Santa Barbara area. The University of California at Santa Barbara (UCSB) is located just west of the City. UCSB had an enrollment of 22,225

undergraduate and graduate students for Fall 2014. Although the University does provide on-campus dormitories as well as off-campus apartments for students and faculty, these units only meet a portion of the demand. Santa Barbara City College (SBCC) is located within the City of Santa Barbara. SBCC does not provide on-campus or off-campus housing for students. As of Fall 2014, SBCC had an enrollment of 27,715 students. Both UCSB and SBCC pose a housing challenge to the City, as they both contribute to the demand for affordable rental housing in the area. Because SBCC does not provide any student housing, its demand for local rental units adds more strain to the local rental housing market.

Westmont College is located in Montecito, a 10-minute drive east of Santa Barbara. Westmont is restricted to an enrollment of 1,200 students through a Conditional Use Permit. Westmont provides on-campus housing for 98 percent of its students; therefore, fewer Westmont students impact the rental housing market. Westmont also provides faculty and staff housing.

There are also a number of smaller schools in Santa Barbara, including Brooks Institute of Photography, Antioch University, Santa Barbara College of Law and Southern California Institute of Law. Although these schools have small enrollments or cater to those already living and working in Santa Barbara, they do contribute students to the demand for affordable rental units.

Foreign language schools in Santa Barbara also contribute to the demand for rental housing. While these schools offer a variety of housing accommodations, such as living with a host family, at a hotel, or in a dormitory with other students, students may choose to rent an apartment unit while attending school. Competing for rentals with local residents, not only impacts the availability of rental housing, but also makes it attractive for landlords to rent their units at higher prices.

University and college students have special housing needs due to limited income and financial resources. Most students are able to work only part-time to accommodate their study program. It is not uncommon for students to earn lower incomes and pay over half their annual income for housing. Students may double-up to make rent payments more affordable.

University and college students impact the rental housing market. These students can be a significant factor that affects housing availability and rent levels, especially in areas close to the schools. Apartments near these schools generally experience lower vacancy rates and a higher turnover due to the cyclical school year. Because of the increased demand placed by students, apartment owners with units close to colleges can charge higher rents. The issue of affordable housing for university and college students is addressed in Housing Element implementation actions targeted to affordable rental units.

Short-term Vacation Rentals

Short-term “vacation rentals” typically means a housing unit that is rented for a short period of time, usually less than 30 consecutive days. The trend of converting owner occupied and rental units into vacation rentals has become quite popular, especially in vacation destination communities such as Santa Barbara. The City considers short-term vacation rentals to be a commercial use and permits them with a change of use permit in any zone that allows hotel use. Despite the fact that hotels are only allowed in limited zones, vacation rentals in Santa Barbara have become common in most zones, especially residential zones. The use of residential units as short-term vacation rentals and/or only occupied as second homes poses a housing challenge to the City because these uses decrease available long-term housing opportunities for local residents as well as contribute to the increase in housing costs.

Regional Housing Needs Assessment – Remaining Need

State law requires that the City’s housing needs assessment include a quantification and plan for meeting its fair share of the projected housing needs in the region / County. The Santa Barbara County Association of Governments (SBCAG) adopted the Regional Housing Needs Assessment (RHNA) Plan for Santa Barbara County as part of the Regional Transportation Plan in August 2013. The RHNA “projection period” covers the period January 1, 2014, to September 30, 2022, while the Housing Element “planning period” spans the eight-year period from February 15, 2015 to February 15, 2023. This RHNA and Housing Element period is referred to as the “fifth cycle” since it is the fifth required update since housing element law was comprehensively revised by the state legislature in 1980.

The RHNA projects the need for 11,030 new housing units countywide during the new planning period, with the South Coast receiving 52 percent (5,743 new units) of the countywide allocation. The City received approximately 71 percent of the housing allocation for the South Coast subregion (Table H-34).

**Table H-34: Regional Housing Needs Assessment
South Coast Jurisdictions (2014 – 2022)**

Jurisdictions	Number of Units	Percent
City of Santa Barbara	4,099	71%
City of Goleta	979	17%
City of Carpinteria	163	3%
Unincorporated South Coast	501	9%
Total	5,743	100%

Source: SBCAG Regional Housing Needs Plan 2013

The Suitable Sites Inventory section of this Housing Element demonstrates that sufficient vacant and underdeveloped opportunity sites exist in the City to accommodate the remaining housing need identified in Table H-35.

**Table H-35: Remaining Housing Need (2015 – 2023)
City of Santa Barbara**

Income Groups	A	B	A-B
	New Construction Need	Units Built, Under Construction or Approved	Remaining Need
Very Low	962	47	915
Low	701	0	701
Moderate	820	4	816
Above Moderate	1,617	241	1,376
Total Units	4,099	292	3,808

Source: SBCAG Regional Housing Needs Plan 2013, City of Santa Barbara 2014

Progress in Meeting the Regional Housing Needs

Between January 1, 2014, and June 30, 2014, approximately 292 residential units were constructed, issued building permits or approved. Of these units, 51 units were affordable to lower or moderate income households, and the remaining 241 units to above moderate income households (Table H-35).

The units identified in Table H-35 were assigned to income group categories based on the affordability requirements outlined in the City’s Affordable Housing Policies and Procedures Handbook. The affordability requirements relate to the very low, low, moderate, middle, and upper-middle income categories which are based on various percentages of the Area Median Income (AMI) established by the U.S. Department of Housing and Urban Development as shown in Table H-36.

Table H-36: Income Categories

Income Groups	Percentage of Area Median
Very low Income	50% or below
Low Income	>50% - 80%
Moderate Income	>80% - 120%
Above Moderate Income *	>120%
<i>Source: City of Santa Barbara 2014</i> <i>*Price-restricted middle and upper-middle income units are included in the Above Moderate Income category</i>	

Affordable rents and sale prices are based on the target income for the income category which the unit is meant to serve. For example, low income rentals are generally targeted to households with income at 60 percent of the AMI; moderate income condominiums are targeted to 100 percent of the AMI; middle income condominiums are targeted to 120 percent of the AMI, and upper-middle income condominiums are targeted to 160 percent of the AMI.

The very low, low, moderate, and some of the above moderate income units identified in Table H-36 are priced controlled by means of a recorded affordability covenant executed by the property owner and City to assure conformance with the City’s affordability requirements. The City requires every owner of rent-restricted units to file reports annually and upon each change in occupancy to ensure compliance with the recorded affordability conditions. Additionally, price-restricted ownership units are required to record an affordability covenant to assure long-term affordability of the unit, thus remaining affordable to subsequent owners. Affordability periods are typically 45 years and “roll” upon resale to a maximum affordability period of 90 years.



Constraints

Pursuant to State law, jurisdictions are required to assess constraints imposed by local government on the maintenance, improvement, or development of housing for all income levels, including housing for persons with disabilities, and to consider removing any constraints that impede achieving the jurisdiction's fair share of regional housing need.

As part of initiating the *Plan Santa Barbara* (General Plan Update) process in 2005, the City Council re-affirmed the goal of “ensuring affordable housing opportunities for all economic levels in the community, while protecting the character of established neighborhoods.” It was also recognized that a wide range of housing options is important to maintain an economically and socially diverse population. Retaining and housing its local workforce has become a community value for Santa Barbara. As such, providing affordable housing to help maintain socio-economic diversity, while preserving Santa Barbara's small-town character will likely require trade-offs to achieve these goals.

GOVERNMENTAL CONSTRAINTS

Local government can affect the production and preservation of housing through land use and development regulations and standards. Severely limiting the amount of residentially designated land or densities, requiring onerous project review periods prior to approval, and imposing high fees and exactions are some of the practices which impede residential development. In addition, other City goals may conflict with providing housing, such as protecting archaeological, historic, biological and other environmental resources, as well as the desire to provide open space and parks for the community. Further, limited infrastructure capacities may result in barriers to the production of housing for all income groups.

Land Use Controls

General Plan

The City regulates the type, location, density and scale of residential development primarily through the General Plan and Zoning Ordinance. The General Plan establishes the overall character and development of the community and identifies residential land use categories throughout the City ranging in densities from one unit to 36 units per acre depending on the average unit size (higher densities, up to 63 units per acre, can be achieved under the Average Unit-Size Density Incentive program). In addition, the General Plan goals and policies support the opportunity for a broad range of housing types and densities, with special attention given to densities that encourage smaller, more affordable units.

Zoning Ordinance

Local land use controls also include the Zoning Ordinance, which shapes the form and intensity of residential development. In general, the City's zoning regulations and standards are intended to balance the goal of providing affordable housing opportunities with the goal of preserving the character and integrity of existing neighborhoods.

Zoning for a Variety of Residential Uses. Consistent with the General Plan, the City's Zoning Ordinance allows a range of zones and dwelling unit densities to facilitate a variety of housing types for households of all income categories and need, including single- and multi-family units, Single Room Occupancy (SRO) units, mobile home and emergency shelter units. For more detailed information regarding uses permitted by zone see Appendix F, Zoning Information and Fees, *Use Permitted in Various Zones*.

The City's residential development standards help to facilitate development of housing for low-income persons. The minimum dwelling unit size for single family residences, duplexes, and multi-family units is 400 square feet and 220 square feet for SRO units. Minimum setbacks for residential use in a residential zone range from 3 to 15 feet for the interior yard, and from 10 to 35 feet for the front yard. Maximum building height ranges from 30 feet in the single family zones to 45 feet in the multi-family zones and some commercial zones. Maximum building heights of 60 feet are allowed in certain commercial and manufacturing zones for community benefit land uses, including affordable housing. For more detailed information regarding residential development standards in residential zones see Appendix F, Zoning Information and Fees, *Residential Development Standards*.

While the City's development standards may be viewed as constraints to residential development, it should be noted that any development standard except for height limits, can be reduced or eliminated through the City's zoning modification process. In keeping with the City's long standing encouragement of affordable housing, residential development, particularly housing for lower income households are frequently afforded relief from these standards, which results in reduced costs to the developer. Additionally, the Average Unit-Size Density Incentive Program and/or Priority Housing Overlay Program allow increased densities, particularly for affordable housing projects.

Mobile homes on permanent foundations and factory-built homes are permitted in the same manner as traditional residential structures.

Density

Although a range of densities, setbacks, and building heights allow for a variety of residential land uses, over time the market cost of land has increased such that affordable "least cost housing" was difficult to achieve under previous density limits. Least cost housing is the least expensive, unsubsidized housing the private market can provide. Zoning which limits the density of housing units means that 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.

The Land Use and Housing Elements address the management of residential and non-residential growth in the City through 2030. Recognizing the community's mandate to "live within our resources" and the need to create housing opportunities for City residents, the Land Use Element now allows increased residential densities in some commercial zones (up to 36 du/acre) and multi-family zones (up to 27 du/acre). In addition, the Priority Housing Overlay allows up to 63 du/ac in select areas of the City. The increased densities serve to encourage smaller, compact housing to support the production of additional affordable housing.

Land Use Element Implementation Action LG6.1 directs amendments to the Zoning Ordinance to provide an Average Unit-Size Density Incentive Program in multi-family and commercial zones. The program permits higher densities based on smaller unit sizes and proximity to transit services and commercial uses. It also allows increased densities for affordable housing and/or Community Benefit and Priority Housing projects. To encourage rental housing at affordable rental rates, Housing Element Implementation Action H11.2 allows increased densities (above the Average Unit-Size Density Incentive Program) to rental, employer sponsored, and co-operative housing projects. Further, to preserve existing rental units, H13.3 allows the reconstruction or rehabilitation of existing rental apartments at non-conforming densities and zoning standards.

Increased density permits the private market to develop housing at a lower cost per unit; however, allowed higher density does not necessarily result in lower priced units, as the housing market determines the price at which a unit will sell. In addition, the City through its bonus density and inclusionary housing programs allows increased density in return for price/rent controls for some or all of the units in a development. Granting bonus density units to projects can reduce the per-unit costs and allows the development of some or all of the units as affordable to low or moderate income households.

Development of inclusionary housing may increase the per-unit costs of the market-rate housing, but it does provide price controls available to middle-and upper-middle-income homebuyers. Input from the development community resulted in two key provisions in the Inclusionary Housing Ordinance (IHO). First, the ordinance must allow a density bonus for the required inclusionary units. Second, the prices of the required inclusionary units should be affordable to middle-income households rather than low-income households. Because of the additional density and higher sales prices, the sale price of the inclusionary units may be equivalent to the marginal development cost of the units, so that the developer breaks even on the inclusionary units.

Development Review Process

The City regularly examines and streamlines its development review process. This internal assessment results in improved coordinated review between the various City Departments through the Pre-Application Team (PRT) and Development Application Review Team (DART) processes and allows for early identification of project issues/concerns. The PRT and DART process (explained below) has greatly reduced the number of “late hits” for projects (see Figure H-4).

The recent economic climate and housing market have resulted in a slow-down in the number of housing projects in the development review system. The most important actions the City can take are to maintain its commitment to housing and a balanced and efficient development review process.

The development review process is an important tool in ensuring that new housing meets all necessary health and safety codes, conforms to architectural and aesthetic design standards for neighborhood compatibility, is supplied with all necessary utilities and infrastructure and does not have a significant impact on the environment. While this review process has the potential to constrain opportunities for the development of lower income housing, particularly through the indirect cost of time in the process and fees, the City’s review process is designed to minimize delays.

Projects that do not require discretionary review (i.e., review by one of the City’s design review boards, Staff Hearing Officer, Planning Commission, or City Council) are referred to as “ministerial” projects. Ministerial projects are not subject to the California Environmental Quality Act (CEQA), and therefore are exempt from environmental review. Projects requiring discretionary review, such as review by the Staff Hearing Officer,

Planning Commission or one of the design review boards would be subject to CEQA, and would undergo the appropriate level of environmental review.

New affordable rental housing would not necessarily require review by the Staff Hearing Officer or Planning Commission. If a proposed project complies with all of the requirements of State density bonus law, and the density bonus requested is no more than the density bonus mandated by State law, then the project's density can be considered consistent with the Zoning Ordinance and therefore, a lot area modification would not be required. However, the project would continue to be subject to design review.

In response to concerns that a better forum for public input was needed to work through policy intent and community issues, the Municipal Code was amended to increase the Planning Commission's involvement in the review of certain AUD rental projects. Rental projects developed under the High Density and Priority Housing Overlay designations on lots of 15,000 square feet or more are conceptually reviewed by the Planning Commission and majority comments and recommendations are forwarded to the designated design review board prior to project approval. While this extra step in the review process adds more processing time for these rental projects, it also provides another public review opportunity which could be helpful in achieving community acceptance of larger AUD rental projects.

Pre-Application Review Team

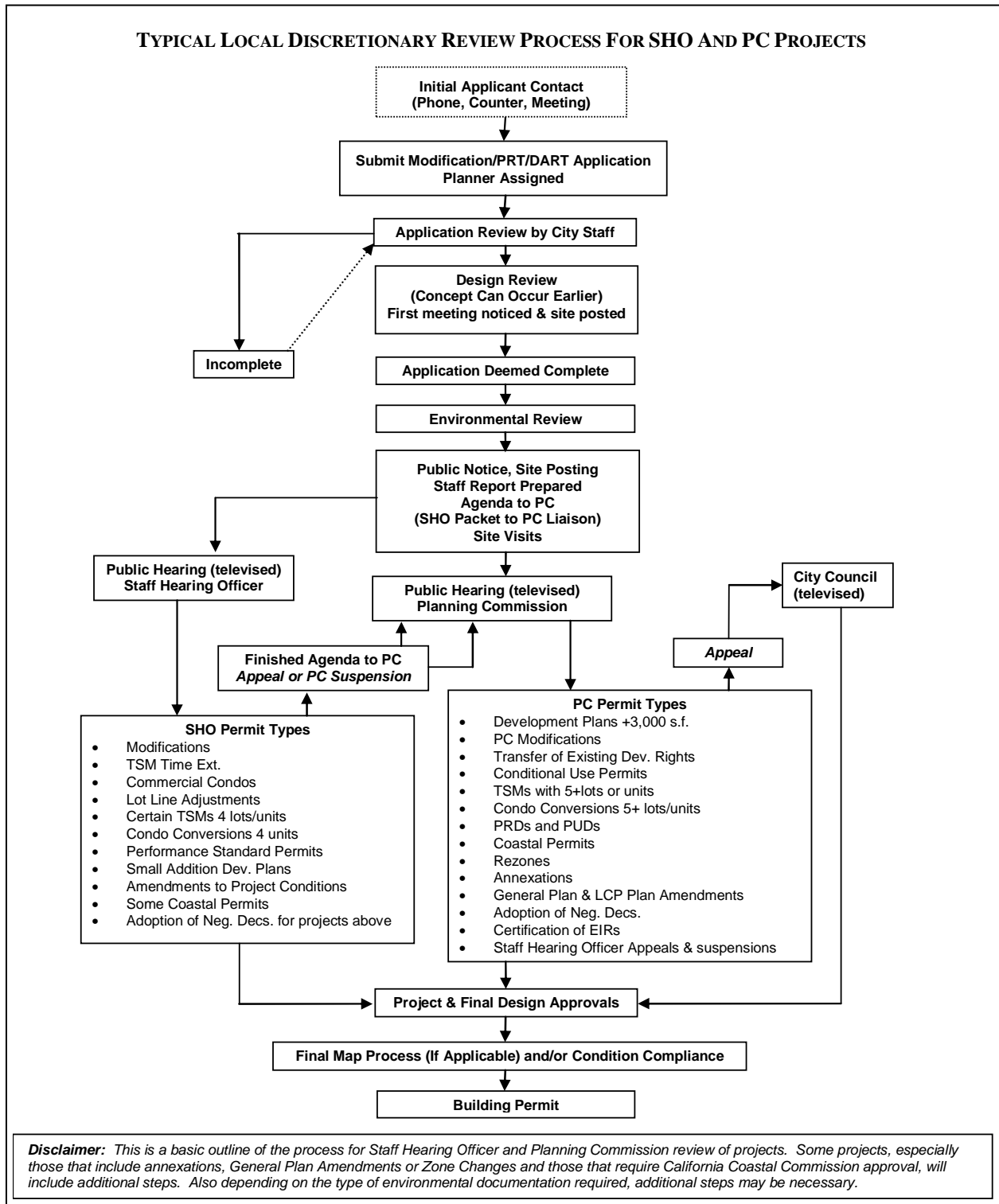
For projects requiring discretionary review, the City's development review process is structured to allow for early identification of resource, zoning, planning, design, and infrastructure issues. This is accomplished through either early meetings with City Staff or through the more formal Pre-Application Review Team (PRT) process. Staff members from various City departments make up the review team. Certain types of projects (subdivisions and, condominiums of more than four units, etc.) are required by the Municipal Code to apply for PRT review. However, it is recommended that larger projects or projects that have the potential to cause neighborhood/community concern also apply for PRT review. In some cases, an applicant may elect to apply for PRT review.

Following the submittal of a PRT application, all project information and materials are distributed to those agencies and departments that will be reviewing the development proposal. Planning Staff utilizes the Master Environmental Assessment (MEA) to determine the need for special studies (e.g., geology and soils, traffic, cultural resources, etc.) or if environmental thresholds are exceeded. If special studies are required, they are submitted with the formal application for Planning Commission review. Comments on the proposed development proposal are transmitted to the applicant typically within four-five weeks of the application submittal.

Development Application Review Team Process

Subsequent to PRT review, a formal application for Staff Hearing Officer or Planning Commission is submitted. Consistent with the State Permit Streamlining Act, the City must determine within 30 days if the application submittal is complete and notify the applicant accordingly. This completeness determination is coordinated with other City Departments through the Development Application Review Team (DART) process. In general, if a project received PRT review, the same City Staff team members perform the DART review to provide consistency in the review and comments. City Staff works with an applicant to obtain a complete application by the end of the second DART review. Occasionally, additional reviews are necessary. Once a complete application is accepted, environmental review commences.

Figure H-4:



CEQA Review

Most small projects are categorically exempt from CEQA and therefore can proceed directly to the decision-making body for consideration and approval. If the project is not exempt, an Initial Study is prepared to identify potential environmental impacts, identify mitigation measures, and determine the appropriate environmental review. If a Negative Declaration or Environmental Impact Report (EIR) is required, the Environmental Analyst directs its preparation. The environmental document is circulated for public review and comment, as required by CEQA. If an EIR is required, the Planning Commission holds a public hearing to take public comment on the draft document and, at a later date, takes action on the project and certifies the EIR. For housing projects, affordability can be the basis for a statement of overriding considerations.

Design Review

Santa Barbara is an area rich with architectural history and was one of the first jurisdictions in the country to form an Architectural Board of Review. In addition, the City has a Historic Landmarks Commission that oversees the design of improvements to all buildings in the El Pueblo Viejo and Brinkerhoff Avenue Landmark Districts, and the designation of buildings as Landmarks or Structures of Merit. In 2007, the City created the Single Family Design Board to review single-family residences, as well as additions to existing single family residences. Most development is required to be reviewed by the Architectural Board of Review (ABR), the Historic Landmarks Commission (HLC), or the Single Family Design Board (SFDB).

Building permits for new multiple-family residential, duplex units, and two or more detached residential units on one lot are subject to review by the ABR. The majority of single family residences are subject to review by the SFDB. The requirements for design review could be viewed as an impediment to the development of housing; however, the purpose of design review is to ensure compatibility with the surrounding neighborhood without placing undue restrictions on allowed uses. The design review boards help higher density affordable projects gain acceptance from the community by ensuring compatibility with the neighborhood. However, the costs for design elements can be a burden for affordable housing projects. Also, the time spent in the design review process can impact the finances for an affordable project.

The preparation of multi-family design guidelines that identify standards for unit sizes, setbacks, open space, landscaping, size, bulk and scale and site planning would serve to clarify expectations and provide consistency of project review, resulting in reduced review time and expense. An implementation action (H16.9) requiring the preparation of the Multi-Family Residential Design Guidelines and Standards is included in the Housing Element Policies, Goals and Implementation section.

To expedite affordable housing projects through the development and design review process, the City encourages joint review by the Planning Commission and Design Review Boards. This allows both review bodies to evaluate the project concurrently, thereby expediting the process and potentially resulting in a monetary savings for the applicant.

Processing Time

The processing time for a residential development project varies depending on its size and complexity and the number of actions or approvals needed to complete the process, as well as community issues and concerns. Projects requiring an EIR, special zoning permits or modifications, those denied by Planning Commission and/or appealed to City Council, and those with design issues can take considerably more time than less complex projects.

In 2005, the City created a Staff Hearing Officer program to improve, simplify and streamline the discretionary review process for smaller projects that do not involve major land use policy considerations. The program has been effective in expediting the permitting process and reducing the cost and processing time for small infill housing projects that would otherwise require Planning Commission review. The Staff Hearing Officer review represents approximately 23 percent of the development review actions taken by the City, thus freeing up time on the Planning Commission agendas for major projects and policy issues, as well as reducing the processing time for smaller projects.

Appendix F, *Zoning Information and Fees, Permit Process Timelines* identifies typical processing time in the City's entitlement process. As previously noted, processing time can vary based on the scale, complexity and type of project. For example, projects that require review by the Staff Hearing Officer are smaller and less complex than those requiring Planning Commission review, and therefore generally take less time to move through the permit process. A project that is exempt from CEQA and one that requires the preparation of an Initial Study and Negative Declaration would have different timelines for environmental review. The preparation of the Initial Study and Negative Declaration would add more time to the process (4-5 months). Additionally, the process to prepare an EIR, undergo public review, and certify the Final EIR can add 6 to 8 months to the timeline.

City Staff from various departments and divisions work as a team with developers and applicants to facilitate the project through the permit process in a timely manner. This approach is intended to streamline review and avoid undue time constraints to the developer. In addition, initial design review of the project can occur concurrently with other steps, thereby reducing process time. However, some steps in the review process are dependent on the applicant. Therefore, the amount of time an applicant takes to complete these steps also affects the project processing time.

As shown in Appendix F, development applications that require Staff Hearing Officer and Planning Commission approval, including Tentative Subdivisions or Parcel Maps including Condominiums and Condominium Conversions, Planned Unit Developments, Planned Residential Developments, Variances, Coastal Development Permits, Development Plan Approval, Conditional Use Permits and Modifications generally take approximately 9 to 10 months to process. Note that 4 to 5 months of the total processing time is related to how long it takes the applicant to complete certain steps. As indicated above, the preparation of an Initial Study and Negative Declaration, or an EIR would add more time to the process.

The typical processing time for a single family unit is 3-4 months. This time frame includes approximately 3 meetings with the designated design review board. A typical multi-family unit project (rental) would take approximately 5-6 months and include 4-5 meetings with the designated design review board. Again the overall processing time is dependent on the time the applicant takes to complete materials and working drawings.

The City recognizes the effect that processing time can have on development costs. Because of holding costs and inflation, the longer the approval process takes, the higher the cost to develop the project. Implementation Actions H16.1 through H16.9 are included to expedite the development review process for residential infill and affordable housing projects. To the extent possible, the City facilitates and expedites affordable housing projects. Affordable housing projects are given priority on development review agendas and receive expedited plan check reviews in an effort to reduce cost and time for such projects.

Building Codes and Enforcement

In addition to land use controls, building codes could potentially affect the cost of housing. The City has adopted and enforces the California Building, Plumbing, Mechanical and Electrical codes, which ensure that all housing units are built to specified standards. These codes are substantially determined by technically qualified professional groups and adopted by most cities and the State of California. The California Building Code was amended in 2004 to change minimum size requirements for affordable efficiency units from 400 to 220 square feet. This change to the code allowed the construction of 62 SRO units for very low-income homeless and nearly homeless individuals.

In addition, the City has adopted and enforces the California Historic Building Code, which allows some flexibility in the standards for registered historical landmarks. These standards do not significantly increase construction costs.

Code enforcement is conducted by the City to address code violations and is initiated on a complaint received basis throughout the City. In addition to inspecting and notifying residents of existing code violations, the City also provides information regarding the Housing Rehabilitation Loan Program. Building code and enforcement activities are not considered a constraint to housing development, as they contain regulations necessary to protect the public, health safety and welfare and do not interfere with the City's ability to produce housing.

Site Improvements

Site improvements typically occur in conjunction with the development of residential parcels. Through the completion of a development application, various municipal departments (public works, fire, building and safety), county agencies (flood control) and utility companies (gas, electricity) review the residential development for conformity with development standards.

On-Site

The Transportation Division utilizes standards for parking design to determine adequacy of parking layouts. The City adopted these standards in order to provide adequate space for parking and access for the users of the parking facilities. Projects that do not meet the standards must apply for a Zoning Ordinance modification of the requirement, which can add time and cost to a project.

Parking requirement reductions are allowed in certain circumstances to assist with the production of housing. For example, a development with 100 percent rental units for very low- or low-income households is allowed a reduced parking requirement of one uncovered space per unit. The requirement for senior housing is one uncovered parking space per unit, with one-half uncovered space per unit allowed if the project is for low-income seniors. Community care facilities also require only one parking space per unit.

In mixed-used projects, where residential uses occupy up to 50 percent of the development, the residential parking requirement is reduced by 50 percent and covered parking is not required. Further, in mixed-use developments located in the City's central business district, the parking requirement is reduced to one uncovered space per unit, with no required provision for guest parking. All projects developed under the Average Unit-Size Density Incentive Program are allowed reduced parking requirements of one space per unit and no guest parking, (See Appendix F, Zoning Information and Fees, *City Parking Requirements*). The Average Unit-Size Density Incentive Program also allows density incentives of up to 63 du/ac and flexibility of certain development standards, including setbacks, open space, distance between buildings, and building heights.

Off-Site

The Public Works Department's requirements for off-site improvements are defined by standards, which have been adopted by the City. The State Department of Housing and Community Development requires that the City investigate reduction in off-site improvements as they add to the cost of residential development. Several examples of off-site improvement reductions are discussed below.

When appropriate, the Public Works Department recommends the reduction of right of way, street, and sidewalk improvements to the Planning Commission, who ultimately makes the decision. The City allows rolled curbs only in areas where they exist because they pose safety issues. No significant cost savings are associated with rolled curbs in most instances.

Sewer manholes are placed as far apart as possible, given the available City equipment, and the City allows a single water service and water meter for condominium conversions and low/moderate housing developments where multiple units have a single water heater source. Additionally, the City has allowed for the manifolding of water meters for new multiple-family and condominium developments. Manifolding allows for one service lateral with six to eight water meters. This allows for a significant cost savings because the developer only pays for one service trenching.

The City currently allows for common trenching for utilities as long as there are no health and safety violations and appropriate separations are maintained. The City has investigated reducing the size of water and sewer mains and has concluded that the majority of the cost associated with installing a water or sewer main is not in the pipe size, but in the actual trenching and replacement of the existing surface type. Reducing the size of water and sewer mains would be counterproductive, especially since a major portion of Santa Barbara is located in a high fire hazard area. It would not substantially lessen the cost to the applicant and would compromise the efficiency and effectiveness of the system, as well as public safety.

Through the Neighborhood Improvement Plan and Implementation Program, the City has committed funds to neighborhood capital improvement projects in areas serving low-income residents. Projects undertaken include street and pedestrian lighting, new curbs, gutter and sidewalks, and park expansions. These projects improved neighborhood services and infrastructure and helped support infill development.

Fees and Other Exactions

The direct cost of development review fees and building permit fees adds to the cost of housing. These fees are set at rates intended to recover the cost of permit processing, providing public service, and to mitigate certain development impacts. Appendix F, Zoning Information and Fees, *Residential Development Application and Fees* provides a general fee schedule (2014) for a ten-lot single-family subdivision, a ten-unit condominium project, a ten-unit affordable condominium project, a ten-unit apartment, duplex condominiums, a rental duplex, and a single-family residence.

The City also collects fees assessed by other governmental entities, such as school impact fees. For example, the Santa Barbara School District fee amounts to approximately 16 percent of the total fees assessed on a single-family residence. Sewer and water connection and buy-in charges, which reimburse the City for the provision of essential services for any housing project, represent another 34 percent of the total fee package for a single-family residence. The total cost of the remaining development review and building permit fees assessed on a single-family residence, which include such ministerial items as electrical, plumbing and mechanical plan review account for approximately 50 percent of the total fees.

Most development review processing fees are assessed at the beginning of the review process, with other fees due at the time of building permit application and issuance. When applicable and appropriate, some public improvement and infrastructure fees may be paid at a later time during the construction process, such as certificate of occupancy.

The City of Santa Barbara is somewhat unusual in that there are no other programmatic impact fees or exactions that are charged to all new residential projects. This is not an oversight. In the past, the City has had traffic improvement and other programmatic assessment fees to address major infrastructure deficiencies. Since the early 1990s, the City's transportation focus has been on supporting alternative modes of transportation and transit use and not road widening projects. Developing a fee program for transit operating costs is very complicated and yet to be implemented. The City does not currently impose any additional schools, parks or other fees, exactions or assessments on new residential projects.

It should be noted that the fee tables in Appendix F do not take into consideration any Inclusionary Housing Fees. Currently, the fee for each unit of inclusionary housing not provided on-site is \$345,500 (for projects with 10 or more units). For example, a 10-unit development would require two inclusionary units; therefore the development would likely consist of 12 units (10 market-rate and two inclusionary units). The City encourages construction of the unit(s), rather than payment of the in-lieu fee. Developments with less than 10 units pay \$17,725 per unit (July 2014) in the development, unless an inclusionary unit is provided on site.

It also is important to note that the fees charged by the City do not recover the full cost of processing the applications. The City currently subsidizes a considerable portion of the development review process fees. The City evaluates its fees, and if appropriate, increases development review fees periodically. As part of any City Council discussions to significantly increase development review fees, it may be appropriate to discuss the reduction, or elimination, of fees for subsidized affordable housing projects.

Inclusionary Housing Ordinance

The City adopted its Inclusionary Housing Ordinance (IHO) in 2004. The IHO is intended to encourage housing opportunities for a broad range of households with varying income levels, promote the City's goal to add affordable housing units to the existing housing stock, and increase the availability of housing for middle and upper middle-income households. The IHO also serves to protect the economic diversity of the City's housing stock, reduce traffic, commuting and related air quality impacts, and reduce the demands placed on transportation infrastructure in the region. Further, the IHO implements Housing Element policies to encourage the development of housing for first-time homebuyers, particularly moderate and middle-income households.

The IHO requires that all residential developments of 10 or more dwelling units provide 15 percent of the total units as "inclusionary units." Inclusionary units must be offered for sale as units restricted for owner-occupancy by middle-income (up to 160% AMI) or upper-middle-income (up to 200% AMI) households. The required inclusionary units are in addition to the density allowed by right on the site, and therefore a lot area modification is not required to exceed typical density for these units.

In 2009, the IHO was amended to require in-lieu fees for projects of two to nine units rather than provide the restricted units. As of July 2014, the current in-lieu fee is \$17,725 per unit. In-lieu fees may be reduced depending on the average size of the dwelling units. Additionally, the timing of fee payment varies according to the type of development and the number of units.

Collected in-lieu fees are used for the purchase and resale of middle- and upper-middle-income affordable units that are in default, thereby preserving the long-term affordability of such units. The fees may also be used to subsidize the creation of affordable middle- and upper-middle-income units.

Rental units, replacement of units which have been destroyed by acts of nature, and residential developments that provide at least 30 percent of the units affordable to upper-middle-income (or lower-income) households are not subject to the requirements of the IHO. For more details see Appendix F, Zoning Information and Fees, *Inclusionary Housing Ordinance*.

There is concern by some developers that the IHO requirements impede, rather than promote the construction of additional workforce housing. Nevertheless, the City believes it is necessary to support the development of non-subsidized affordable workforce housing in order to offer housing opportunities to middle- and upper-middle-income households that cannot afford to purchase at market rate prices. For instance, the median price of a two-bedroom condominium unit in the City is about \$524,000. This is not affordable to most middle-income households. A two-person household with an income up to about \$93,200 is considered to be “middle-income,” and such a household could not afford a unit at this price (absent a huge down payment). The price of a two-bedroom inclusionary unit is approximately \$345,500, which is much more affordable to a middle-income household.

Based on community dialogue during the General Plan Update process, there is support for non-subsidized price restricted affordable housing units. Given this community goal, Implementation Action H11.3 considers a 15-25 percent inclusionary housing provision for new residential ownership developments. Likewise in response to concerns by developers, H11.3 directs amendments to the existing IHO to allow the elimination or reduction of inclusionary housing in-lieu fees based on preferred residential development (e.g., affordable or special needs housing). It would also reduce the inclusionary housing in-lieu fee for smaller units. Recognizing the current economic climate, a provision would be included in the amended IHO that allows the suspension of the inclusionary housing requirements or in-lieu fees during times of economic downturn, if development costs prove to be prohibitive.

Although considered a development constraint by some developers, the IHO has been welcomed by others, as it provides a level of certainty to the type of affordable housing requirement that will be imposed on residential development projects. It is anticipated that the amendments to the IHO as prescribed by Implementation Action H11.3 will provide additional options and incentives that encourage the development of non-subsidized workforce affordable housing units.

Housing for Persons with Disabilities and Special Needs

Pursuant to State legislation effective January 2002, the Housing Element examined housing constraints for disabled persons and the City’s efforts to make reasonable accommodations. The City enforces Title 24 of the California Code of Regulations that regulates the access and adaptability of buildings to accommodate persons with disabilities. The Fair Housing Act requires residential buildings with three or more units to incorporate design elements, including adaptive interior design features, accessible public and common use areas, and wheelchair access. The City complies with these requirements by ensuring that all plans meet Title 24 accessibility standards, which are based on the Fair Housing Act. The City does not impose special permit procedures or requirements that could impede the retrofitting of homes for accessibility. Requirements for building permits and inspections are the same as for other residential uses. The City has not identified any zoning or regulatory practice that discriminates against persons with disabilities, thereby impeding housing opportunities for disabled persons.

Reasonable Accommodation for Persons with Disabilities

In 2007, the City’s Municipal Code was amended to incorporate reasonable accommodation provisions for persons with disabilities. The Ordinance ensures that persons with disabilities are provided equal access to housing. Specifically, the Municipal Code was revised to:

- Allow accessible uncovered parking spaces, access aisles, and accessibility ramps necessary to make an existing building accessible to disabled individuals to encroach into required setbacks.
- Require all parking areas, except those located in one- and two-family dwelling zones, to provide parking spaces which are accessible to disabled persons. The conversion of an existing parking space to an accessible parking space or access aisle for an accessible parking space would not require a modification of the parking requirement even if the conversion would result in fewer parking spaces than required (Municipal Code Section 28.90.070).
- Allow modifications to any zoning standard when necessary to make an existing residential unit accessible to persons with disabilities (Municipal Code Section 28.92.110).

The City uses the modification and administrative approval process to remove constraints and meet the needs of disabled persons trying to comply with Building and Zoning requirements. For example, the City administratively allows applicants to provide reduced parking when parking for disabled is provided without going through the modification hearing process. Encroachments into yard areas for access ramps for disabled persons are allowed without requiring a modification hearing process. Accessibility guidelines are distributed by City Staff to builders explaining Federal and State laws regarding accessible building codes for housing for persons with disabilities.

Definition of “Family”

The City’s Municipal Code defines “family” as a residential unit or a person or group of persons living together as a domestic unit in a single residential unit. Occupancy of unrelated individuals in a residential unit or group home is not restricted by the City. This definition is consistent with current law.

Residential Care Facilities

Residential care facilities of six or fewer individuals are allowed by right. The City has no authority to approve or deny residential care facilities of six or fewer individuals, except for compliance building code requirements pursuant to State law.

Residential care facilities serving 7-12 individuals are permitted with a Performance Standard Permit (PSP) in the A, E, R-1, R-2, R-3, R-4 and PUD zones, as well as the HRC-2 zone where residential uses are allowed. A PSP may be granted to those uses that are relatively minor in nature, but due to their unique features warrant consideration and review by the Staff Hearing Officer. The denial or approval of a PSP may be suspended or appealed to the Planning Commission. The Chairperson, Vice Chairperson or other designated member of the Planning Commission may take action to suspend the decision of the Staff Hearing Officer and schedule a public hearing before the Planning Commission to review the decision.

Residential care facilities serving more than 12 individuals are permitted with a Conditional Use Permit in the A, E, R and C zones. These facilities are approved by the Planning Commission and on appeal by the City Council. The City does not impose maximum concentration requirements for residential care facilities.

Farmworker Housing

State law⁵ requires that any employee housing providing accommodations for six or fewer employees shall be deemed a single-family structure with a residential land use designation, and small employee housing developments of up to 12 units or 36 beds in group quarters be considered an agricultural use in any zone where agriculture is a permitted use. There are no agricultural zones in Santa Barbara, although agriculture is a permitted use in all single-family zones. The City will ensure that zoning regulations are consistent with state law (see Implementation Action H22.4).

Transitional and Supportive Housing

As required by State law, the City allows transitional and supportive housing as a residential use subject only to the same standards and procedures as apply to other residential uses of the same type in the same zone. (See also the discussion of Transitional and Supportive Housing in the Needs Assessment Section.)

Emergency Shelters

In conformance with SB2, the C-M zoning district allows emergency shelters with up to 100 beds as a permitted use. The C-M zone also allows the development of residential uses, including mixed-use development and other related uses that encourage emergency shelters.

Identified opportunity sites in the C-M zone district demonstrate sufficient capacity to support the development of additional emergency shelters. The City's Available Land Inventory Summary (Appendix H) lists approximately 152 vacant or underutilized C-M zoned properties ranging in size from .08 acres to 1.56 acres. In total, the C-M zoned properties make up 35.4 acres of available land. These parcels either separately (larger parcels) or in combination (smaller parcels) could accommodate the development of emergency shelter facilities. The consolidation of smaller and underutilized parcels is supported by Implementation Action H11.19, which is intended to encourage the development of affordable residential units, including special needs housing.

Public Resources and Infrastructures

Resource availability and infrastructure capacity have been of great concern to the citizens of Santa Barbara and have been among the parameters within which both residential and commercial development potential in the City has been established. Resources such as water, clean air, land, and traffic capacity are particularly relevant to the development of housing.

Water Availability

Fresh water is a scarce resource in Santa Barbara County. The City's primary water sources are surface water supplies. During periods of extended drought, these supplies are limited and the City must rely on alternative sources of water. Over the years, the City worked to develop a diverse mix of water resources and strong water conservation program to extend water supplies during drought periods.

In 1994, based on the comprehensive review of the City's water supply in the Long Term Water Supply Alternatives Analysis (LTWSAA), the City Council approved the 1994 Long Term Water Supply Program (LTWSP). Under the 1994 LTWSP, the City's water supply was planned to meet a total water system demand of 18,200 Acre Feet Per Year (AFY). In 2011, the City updated its LTWSP with an evaluation of potential water conservation options. The currently adopted 2011 LTWSP plans for a normal demand of

⁵ Health and Safety Code Secs. 17021.5 and 17021.6

14,000 AFY plus a 10% safety margin bringing the total water supply target to 15,400 AFY. The LTWSP outlines a supply strategy to meet demand under normal conditions and a 6-year critical drought period.

The City of Santa Barbara's water supply presently comes from the following sources, with the actual share of each determined by availability and level of customer demand: Cachuma Reservoir and Tecolote Tunnel, Gibraltar Reservoir and Mission Tunnel, contractual transfers from adjacent water districts, groundwater, State Water Project entitlement and recycled water. Conservation and efficiency improvements are projected to continue to contribute to the supply by displacing demand that would otherwise have to be supplied. Santa Barbara also owns a desalination plant which was constructed in 1991 in response to the severe drought from 1986 to 1991. Once the 1991 drought ended, the facility was placed into a stand-by mode. During prolonged drought periods when local supplies are limited, the City relies on short-term extraordinary conservation, imported water conveyed through the State Water Project, increased groundwater, and as-needed reactivation of the desalination facility.

Due to three consecutive critically dry years (which were the driest in recorded history), the City Council declared a Stage 1 drought condition on February 11, 2014, and subsequently a Stage 2 drought condition on May 20, 2014, requiring a 20% reduction in demand through extraordinary conservation measures. While the adopted LTWSP included a planned short-term demand reduction of 10-15% during drought periods, the severity of the unprecedented State-wide drought condition required a 20% reduction in demand. Stage 2 reflects that a serious water shortage is expected in the current or impending year and includes drought-based water rates and mandatory water use restrictions that are now in effect to achieve the 20% reduction in demand.

At this time there are no restrictions on new residential development. The 2011 LTWSP includes the projected water demand from development anticipated under the City's General Plan. New development, including residential units, represents a small portion of overall water usage and incorporates the latest efficiency standards for landscaping and plumbing fixtures. Water usage reduction measures have been imposed on existing customers to help conserve water. Residential development restrictions will be considered should the City's water supply situation continue to worsen.

Sewer Capacity

The maximum capacity of the El Estero Wastewater Treatment Plant (El Estero) is 11 million gallons per day (MGD) and the peak dry weather flow capacity is 19 MGD. El Estero currently operates at 73 percent of its capacity, treating approximately 8.0 MGD of wastewater.

Recently the City has spent \$12 million to upgrade the El Estero facility. The plant was originally designed to treat the wastewater for a population of 104,000, which was the anticipated population for the City in 2012. With the renovations, the El Estero is now capable of treating wastewater demands for the next 10 or more years. Sewer capacity is not expected to constrain new development.

Air Quality

Air pollution contributes to a lessening of quality of life and potential health effects. The regional South Coast Air Basin is influenced by local topographic and meteorological conditions, including variable wind flow and periodic inversion layers that may preclude dispersal of pollutants and result in air stagnation and smog. Sources of air pollutant emissions contributing to smog production include motor vehicle exhaust, stationary sources such as from industry, and offshore oil production and natural oil seepage. In addition, particulate matter, a lung irritant, results from sources such as road dust, construction and demolition, engine exhaust, and agriculture.

The largest contributor to our locally generated air pollution is on-road mobile sources (cars and trucks), which contribute over 60 percent of the reactive organic gases and 88 percent of the emissions of oxides of nitrogen (precursors that combine to form ozone). In recent decades, the number of registered automobiles in Santa Barbara County has increased at rates higher than population growth. The number of vehicle miles traveled by local motorists has also increased. The increasing use of automobiles for personal transportation makes it difficult to improve local air quality.

Air quality planning to attain required Federal and State air quality standards is based on land use and population growth projections for the region. Attaining air quality standards also depends on controlling emissions from industry. As long as the County remains in “non-attainment” status for some regulatory standards, air quality will remain a constraint to new development.

Proximity of Residential Land Uses to U.S. Highway 101

The City continues to encourage in-fill residential and mixed-use development, sometimes in close proximity to roadways, including U.S. Hwy 101, and sometime adjacent to commercial-industrial uses. Thus, future residents, particularly children living in such locations could be exposed to higher pollutant levels with associated health effects.

Based on recent studies pertaining to sensitive receptors, the California Air Resources Board (CARB) has provided a recommended setback guideline for sensitive receptors of 500 feet from urban roads with 100,000 vehicles per day. City surface and arterial streets carry lower traffic volumes, making U.S. Hwy 101 the only roadway with the potential to affect sensitive receptors.

In 2009, the City conducted a special study to review potential hazards associated with development near the freeway. The analysis showed that new vehicle standards, diesel fuel reformulation, as well as CARB-adopted Diesel Risk Reduction Measures have resulted in lower diesel particulate emissions, thereby reducing potential cancer risks near freeways. Based on these changes, as well as the level of traffic volumes and meteorological conditions in the City, the analysis recommended that a 250-foot setback would be more appropriate for the City.

In response to the CARB setback guideline and the City's analysis of an appropriate setback for residential development or other sensitive receptors, new units (excluding units incorporating certain design features or having site specific climate and topographic conditions that avoid or address air quality risks from Highway 101) within 250 feet of U.S. Hwy 101 will not be allowed until the CARB phased diesel emissions regulations are implemented and diesel emission risks reduced. While this interim restriction will result in a constraint to the production of housing, it is necessary to protect public health.

Land Availability

Santa Barbara is a mature city, and not much vacant land remains for residential or nonresidential development. Most of the residentially zoned vacant land that remains is on steep slopes and is unsuitable for the density required to provide lower income housing. The City encourages infill and redevelopment to provide housing within the City, specifically in the commercial Downtown along main transit corridors, and surrounding multi-family residential zones (see Suitable Sites Inventory). In addition, the City continues to encourage mixed use incentives and increased densities to promote the production of affordable housing for its residents.

Traffic Capacity

Traffic levels are another component of quality of life. Traffic flow on urban street networks is most restricted at intersections. Intersection levels of service (LOS) are identified by letter grades of A-F, with LOS A indicating free flowing conditions and LOS F representing substantial delay from excessive volume of cars within a specified intersection capacity. As part of its General Plan Circulation Element, the City adopted a policy goal of LOS “C” for acceptable traffic levels at signalized intersections.

For purposes of environmental impact evaluation for new development, City guidelines identify significant traffic impacts with added peak-hour traffic (i.e., morning and afternoon commuter traffic) that causes intersections to exceed 0.77 volume-to-capacity ratio (V/C) or contributes peak-hour traffic to intersections already impacted at 0.77 or greater V/C. Presently, the City has thirteen intersections with levels of service within the LOS C range or worse during peak-hour traffic. With the addition of cumulative traffic associated with approved and in-process projects, traffic levels would exceed the City’s LOS C policy goal for some additional intersections during the peak hour.

The State is in the process of eliminating congestion as an environmental impact, which is measured in Level of Service at intersections and on freeways. In its place, the State is proposing to measure green house gas emissions, which is calculated by measuring the Vehicle Miles Traveled between housing and commercial land uses. This change will effectively remove traffic congestion as a constraint to new housing production. This switch is anticipated to take place later in 2015.

The City Council has established a commitment to the development of housing as a high priority, and has retained the option for approval of housing projects even with significant traffic impacts, through the adoption of findings of “overriding considerations” about the benefits of housing development. Nevertheless, under State law, projects with potentially significant traffic impacts must undergo an environmental review process prior to consideration for approval, which adds to the constraints of housing development.

Energy Conservation

To promote energy conservation, an ongoing goal of the City has been to achieve maximum use of conservation measures and alternative, renewable energy sources in new and existing residences. By encouraging and assisting residents to utilize energy more efficiently, the need for costly new energy supplies, and the social and economic hardships associated with any future shortages of conventional energy sources will be minimized.

Architectural Board of Review Guidelines

One of the goals of the City’s ABR is to improve the general quality of the environment and promote conservation of natural and manmade resources of the City. The ABR Guidelines state that buildings shall be designed and oriented to maximize energy efficiency and conservation including the design of lighting. All feasible passive and active solar design principles are encouraged. Shading of westerly building exposures is encouraged and winter sun should be allowed on roofs, patios and buildings.

The ABR Guidelines encourage applicants to incorporate green building design principles and use energy efficiently. In 2006, the City adopted Solar Energy Guidelines and a Solar Recognition Award Program that encourage the installation of solar energy systems. Buildings that conserve resources and use renewable sources of energy, including solar, wind, and biomass are supported if the design maintains an acceptable aesthetic quality and fits into the site and neighborhood. Solar Energy Systems Awards are given out to development projects that demonstrate high-performance and aesthetically designed solar energy systems. In regards to water conservation, the ABR Guidelines require that landscaping and plant selection be planned with consideration for water conservation.

Solar Access and Design Guidelines

The City's Solar Access and Design Guidelines are utilized in the review of new residential development and subdivisions. The guidelines provide guidance on subdivision design, including street configuration and building orientation, building siting, and landscape design. Santa Barbara Municipal Code §28.11, Protection and Enhancement of Solar Access, was adopted to ensure new residential development in residential zones does not cast a shadow on neighboring residential buildings. If shadow is cast on neighboring property, additional height limits could be imposed, or roof pitch may need to be altered, to comply with the Ordinance.

Green Building Requirements

The design, construction and operation of "green" projects minimize the use of energy, water and materials while cutting waste and improving health and air quality. Reduce, reuse, and recycle are key strategies for green building. The City partners with the Santa Barbara Contractor's Association Built Green Program to promote green building techniques and practices. The "Built Green Program" has been adopted as a City standard rating that provides incentives for priority plan check review. In addition, certain single family residential units in excess of 4,000 square feet must be designed to achieve a two-star "Built Green" or equivalent rating.

Water Conservation

A significant amount of energy in California is used for water distribution. Saving water saves energy. Promoting water efficiency is the goal of the City's Water Conservation Program. As part of the program, a Water Conservation Inspector will examine homes or businesses and inspect the water system at no cost. Inspection usually includes an examination of the meter and fixtures for leaks, a performance test of the irrigation system, and specific recommendations for increased water efficiency. The City currently provides free information on water efficient use in landscaping and irrigation, indoor water efficiency, free low flow shower heads and toilet rebate program.

Energy conservation in new development is regulated by Title 24 of the California Code of Regulations and is enforced by the City. The City does not have a program to encourage developers to propose energy conservation measures above Title 24 requirements. The General Plan Update includes implementation actions that address water conservation practices, including the use of recycled water. Given the climate of the Santa Barbara region, building costs are not significantly increased due to the incorporation of state energy regulations.

Coastal Zone Housing

State law has special requirements for Coastal Zone jurisdictions. The following information complies with those special requirements. Over the years, this information has been placed in the Government Constraints section. City requests to increase housing opportunities in the Waterfront have been rejected by the Coastal Commission. Policies and strategies to protect and provide affordable housing in the City (including the Coastal areas) are provided in the Goals, Policies and Implementation section.

- Since January 1982, 139 new housing units have been approved for construction in the City's Coastal Zone. This includes the 40-unit Yanonali Street condominium project. None were required replacement units. Since 1982, 156 hotel rooms in El Escorial have been converted to condominiums.
- Twenty-four (24) units for low and moderate income households were required to be provided as a result of projects approved either within the Coastal Zone or within three miles of it.
- Eighteen (18) units were occupied by low and moderate income households and were authorized to be demolished or converted in the Coastal Zone since January 1, 1982.
- One (1) unit for low and moderate income households was required either within the Coastal Zone or within three miles, in order to replace those being demolished or converted.

In 2005, the Ocean-Oriented Commercial (OC) Zone was established to achieve balanced use in the City's Waterfront and maintain the small scale, local character that is unique to this area. The zone is intended to foster a vital, mixed-use neighborhood and preserve and protect the coastal environment.

After working through concerns expressed by Coastal Commission staff regarding residential uses in the OC zone, agreement was reached to limit new residential development to mixed-use projects where residential use is no more than 70 percent of the project floor area on lots north of the railroad tracks. The OC zone also exempts affordable housing projects comprised exclusively of units affordable to very, low, or moderate-income households from the mixed-use requirements. Further, the OC zone allows existing residential uses to be rehabilitated, remodeled and expanded up to 20 percent of the existing floor area.

NON-GOVERNMENTAL CONSTRAINTS

Land Costs

Land costs are affected primarily by regional supply and demand factors. Santa Barbara is a highly desirable area due to its pleasant climate, scenic views, beautiful architecture and charming ambience. In addition, Santa Barbara is a regional center for employment, education, health care, entertainment and the arts. Therefore the demand for developable land is very robust.

Several factors limit the supply of land. Geographically, the City occupies a narrow shelf of land situated between the ocean and the mountains. The City is essentially built out, leaving little developable vacant land. Therefore, the City's desirable location coupled with very limited developable land ensures that real estate values remain high, even in periods of decline in the regional housing market (Strategic Economics 2009).

The average price of residential land in the City for residential development ranges from \$60 to \$120 per square foot depending on the zoning and density allowed. Similarly, the average price of non-residential land used for residential development ranges from \$90 to \$210 per square foot depending on zoning, density allowed by the Average Unit-Size Density Incentive Program and location. This high land value reflects the scarcity of developable land. The demand to live in Santa Barbara is so much greater than the supply of land

on which to build residential development that landowners are willing to hold out for extremely high prices rather than sell at prices that reflect the current decline in development or home prices (Strategic Economics 2009).

High land costs may make affordable housing development infeasible unless expected rents or sales prices are high enough to recover the additional land costs. Therefore, high land costs are a primary constraint in the production of affordable housing.

Construction Costs

Construction costs have also increased considerably. There are few means available to the City for reducing construction costs. The City encourages higher densities for affordable housing projects through the Average Unit-Size Density Incentive Program and state density bonus which helps produce economies of scale. The City is currently considering a 10 percent reduction in the minimum sizes required for rental units. Architects have also helped limit construction costs by creating simple, open designs and calling for less expensive but durable materials.

Financial Costs

The availability of conventional financing for affordable housing development has remained steady. Although financing generally is more difficult to secure, recent affordable housing projects have been successful in securing financing. The active nonprofit developers have excellent track records, and banks are meeting their obligations under the Community Reinvestment Act. In addition, the cost of financing has decreased, as interest rates have dropped to record lows.

Cost increases for land and construction have resulted in a dramatic increase in the amount of subsidy needed to make housing affordable to low income households. The City has increased its typical subsidy to approximately \$100,000 per unit and higher. Since the amount of funds available to the City has increased only slightly, the increased need for subsidy reduces the City's ability to produce affordable housing. During the 2008 recession, construction and land costs dropped considerably. However in more recent years, while construction and land costs have increased significantly, the cost of financing has stabilized.

Finding funds for predevelopment has always been a formidable challenge for affordable housing developers. Very few lenders are willing to finance this very risky stage of project development. The City received a ten-year \$750,000 loan in 2000 from the California Housing Financing Agency's HELP program to capitalize a revolving predevelopment loan fund. These funds assisted the construction of 163 affordable rental housing units. The HELP loan was repaid to the State in 2009. Until it was eliminated by the State, the City's Redevelopment Agency also provided predevelopment assistance.

Community opposition to the development of affordable housing has not been a severe constraint in Santa Barbara. Due to strong local community participation that is actively encouraged, Santa Barbara generally experiences less "NIMBY-ism" than other communities. High quality design and solid property management result in a product that does not match the commonly held perception of what "public housing" looks like. When neighborhood opposition does arise, Santa Barbara's Planning Commission and City Council have consistently demonstrated strong support for affordable housing.



Suitable Sites Inventory

State Housing Law Section 65583 (a)(3) of the Government Code requires that the Housing Element contain a parcel-specific inventory of appropriately zoned, available, and suitable sites that provide housing opportunities for all income segments of the community. The purpose of the land inventory is to analyze whether the City's existing residential development potential is adequate to meet the projected housing needs as identified in the 2014-2022 Regional Housing Needs Allocation (RHNA) prepared by the Santa Barbara County Association of Governments (SBCAG).

The City's share of the regional housing need will be met through a variety of ways, including units already completed or approved since the beginning of the RHNA period (January 1, 2014). In addition, available vacant and underutilized land in residential and commercial zoned areas will be included. A thorough land inventory is intended to identify whether additional governmental actions are needed in order to provide enough sites with appropriate zoning, development standards, and infrastructure capacity to accommodate the RHNA.

The evaluation of suitable development sites includes a listing of individual parcels by Assessor's Parcel Number (APN), size of parcel, zone classification, and general plan designation. Existing use, allowable residential density, and the realistic unit capacity are included to demonstrate the realistic development potential for each parcel. Existing constraints including environmental issues and the availability of existing and planned public service capacity are also provided in the analysis.

The City's land inventory was completed using GIS land use database, County Assessor's land use codes, aerial photography, field inspections and review of the Land Use Element and Zoning Ordinance. The inventory identifies opportunity sites and estimates the potential development capacity. Both residentially and non-residentially zoned parcels which are vacant or underutilized, and could be developed with residential uses were identified. The majority of residential development potential is in the multi-family and commercial zones where the highest densities are allowed. This section of the Housing Element demonstrates that the City has sufficient land inventory and zoning capacity to accommodate the City's assigned share of regional housing need within existing and proposed General Plan and zoning capacities.

REGIONAL HOUSING NEEDS ALLOCATION

Local jurisdictions are required to incorporate the Regional Housing Needs Allocation (RHNA) into their Housing Elements. The RHNA allocation to local agencies serves as the basis for determining if adequate sites and zoning capacity exist to accommodate the number of housing units, by income level as identified in the RHNA plan. Table H-37 provides the City's RHNA share for the 2014-2022 projection period by income group.

The State and SBCAG have determined that the City’s RHNA share for the current planning period is 4,099 additional units, including 962 very low-income, 701 low-income, 820 moderate-income, and 1,617 above moderate units (Table H-37).

**Table H-37: Regional Housing Needs Allocation (2014 – 2022)
City of Santa Barbara**

Income Group	Number of Units	Percentage
Very Low Income:	962*	23%
Low Income:	701	17%
Moderate Income:	820	20%
Above Moderate:	1,617	39%
Total Units	4,099	100%
<i>Source: SBCAG 2014-2022 Regional Housing Needs Plan, 2013</i> <i>*Extremely low units make up 50% of the very low income unit allocation.</i>		

The following discussion of land inventory, zoning capacity and opportunity sites demonstrates that the City has the capacity to meet the overall RHNA number of 4,099 units. The greatest challenge will be developing financing and partnerships to develop the very low, low and moderate income housing.

SUITABLE SITE INVENTORY AND DEVELOPMENT CAPACITY

To accommodate affordable housing, the land inventory focused on commercial and multi-family zones. These zones permit the highest density residential development, and have the zoning capacity and policy incentives for infill and redevelopment. It is recognized that the higher density residential and commercial zones that allow mixed-use development, provide the potential for lower construction costs because of existing infrastructure and economies of scale, and are therefore most suitable for development of housing affordable to very low- and low income households.

Sites identified in the land inventory as having the greatest potential to accommodate housing affordable to lower-income households allow increased densities ranging from 15-36 du/acre, and up to 63 du/acre in the Priority Housing Overlay areas. Higher densities, along with substantial city subsidies are required to meet the RHNA allocation for very low, low and moderate-income households. The City is also concerned about home ownership opportunities for middle income households. Given current market conditions, these opportunities are also more likely to occur in multi-family development. Multi-family developments allow the land and construction costs to be spread or shared by more units.

In 2008, the City prepared the *Development Trends Report*, which presents database information on residential and non-residential development trends over an 18-year timeframe (1990-2007). This report confirmed the increasing amount of residential development activity in the multi-family and commercial zones. It also showed that commercially zoned properties, especially in the Downtown area, largely redevelop with less commercial square footage than existed and/or maximize residential densities. This trend continues today, illustrating that it is reasonable to assume that underutilized opportunity sites, even those currently developed with non-residential structures, could be expected to redevelop with higher density residential units.

Additionally, in an effort to help the City Council and residents visualize higher density residential development, a design charrette was held in July 2011. Local architects, designers, landscape architects, developers, and land use planners designed a number of prototype housing projects using selected opportunity sites. Among the objectives of the charrette was to draft well designed residential projects that maximize economically viable “workforce” housing.

This exercise revealed that efficient use of land is important. Contiguous opportunity sites were combined to accommodate residential development. The practice of consolidating smaller parcels is regularly used to provide adequate area for development. The opportunity sites ranged between 0.05 acres (2,000 square feet) and 0.69 acres (30,000 square feet), and when combined the project sites varied in size, up to a maximum of 1.54 acres (67,000 square feet).

All the prototype housing projects were designed to accommodate the maximum density allowed by the High Density incentive program (36 units/acre) or the Priority Housing Overlay (63 units/acre) under the Average Unit-Size Density Incentive Program. The design charrette demonstrated that smaller opportunity sites can realistically contribute to the production of higher density residential development, particularly new affordable multi-family rental and ownership housing.

Past residential development trends demonstrate that smaller opportunity sites can be developed with multi-family rental and ownership housing. Smaller lot development is generally more compatible with existing neighborhood development patterns, and therefore more likely to succeed.

Merging of adjoining parcels to acquire sufficient land area as well as allowing reduced development standard requirements, often play a part in providing affordable rental and ownership housing opportunities. It is not uncommon for developers to propose the merging of several contiguous parcels in order to accommodate their development. This practice allows smaller opportunity sites to be joined together, thus contributing to the overall lot area for the project. In addition, development standard incentives such as lot area and parking modifications are typically granted to facilitate the construction of affordable housing units. Lot Area modifications allow housing projects to exceed density standards provided that the over-density units are offered to households qualifying for affordable rents or purchase prices.

Parking reductions are allowed for projects that are 100 percent rental and affordable to very low and low income households. Reduced parking is also allowed for housing units intended for senior and disabled households. Further, the City permits reduced parking in certain mixed use developments and/or projects located in the City’s Central Business District.

The Housing Element includes Policy H10 that supports residential development on vacant infill sites, as well as the redevelopment of residentially and commercially zoned opportunity sites with residential uses. In addition, Implementation Actions H11.7 and H11.8 specifically address the development of underutilized and smaller opportunity sites. Implementation Action H11.19 was added to encourage the consolidation of underutilized and small parcels for the development of affordable housing.

The following developed sites demonstrate that smaller lots can realistically accommodate new residential development. These residential developments were facilitated by merging parcels and/or receiving development standard incentives:

- 315 W. Carrillo (El Carrillo) – Three lots were merged for a total lot area of 21,740 square feet. The site is developed with 61 efficiency rental studios affordable to low income households and one manager’s unit. This development received a lot area, unit size, setback, and parking modification to achieve a residential density of 124 units per acre.

- 335 W. Carrillo Street (Casa de Las Fuentes) – Two adjacent lots with a combined lot area of 33,750 square feet were merged to develop 42 rental units affordable to low and moderate income households. This development received a setback and guest parking modification to accommodate the residential density of 54 units per acre.
- 416 E. Cota Street (Artisan Court) – Three lots were merged for a total lot area of 39,603 square feet. The site is developed with 55 studio apartments affordable to very low income households and one manager’s unit. This development received a lot area, setback and parking modification to facilitate the residential density of 62 units per acre.
- 617 Garden Street (Building Hope) – Fifty-one rental apartment units affordable to very low income households are developed on a 39,444 square foot site. This mixed use project received a lot area and parking modification to accommodate the residential density of 56 units per acre.
- 712 Chapala Street (Paseo Chapala) – Two lots were merged for a total lot area of 38,250 square feet. This site is developed with a mixed use project consisting of 29 for purchase condominiums (21 market rate, 3 middle income, and 5 moderate income units) and received an open space and parking modification to accommodate the residential density of 33 units per acre.
- 121 W. De la Guerra – Fourteen for sale condominiums (11 market rate and 3 middle income units) are developed on this 22,500 square foot site. This development received a lot area and open space modification to accommodate the residential density of 27 units per acre.
- 328 Chapala Street (Chapala Lofts) – Seventeen for sale residential condominiums (14 market rate and 3 moderate income units) are developed on a 25,000 square foot site. This development received a lot area modification to accommodate the residential density of 28 units per acre.

Suitable Opportunity Sites

Following the analysis of residential projects in the pipeline, the City assessed the commercial and multi-family zones for opportunity sites or those parcels determined to be feasible and desirable for residential redevelopment within this planning period. Increased housing development in and around the City’s Downtown area and along transportation corridors is encouraged by the General Plan. In the mid-1990’s, the City purposefully restricted commercial development to 3 million square feet (through December 31, 2009) and encouraged residential development on commercial properties to improve the jobs/housing imbalance. As evidenced by the City’s development trends for the past 20 years, the restriction of non-residential square footage has been successful in producing additional housing units.

Given the market and development trends illustrated by the pipeline projects, residential development in commercial zones has increased. This is consistent with the goals and policies established in the City’s Land Use and Circulation Elements as well as the historical pattern of development targeting higher density development in the Downtown area near jobs, transit and recreation / cultural activities.

Unlike many other cities in the State of California, the City of Santa Barbara has a long established practice of allowing and encouraging residential development in commercial zones. Residential development is allowed throughout the City, except in the relatively small industrial area of the City (less than 1 percent of the total land area) and in portions of the City’s Coastal Zone as dictated by Coastal Act land use priorities.

Residential development is allowed in most commercial zones at densities ranging from 28-36 du/acre. In addition, a Priority Housing Overlay meant to encourage affordable rental, employer sponsored and co-operative housing would allow densities from 37-63 du/acre. These densities are intended to promote small,

more affordable units that provide affordable housing opportunities for the community, particularly the City's local workforce. The smaller the average size of the unit, the greater the density allowance, up to a maximum 36 du/acre (63 du/acre with the Priority Housing Overlay) in most commercial zones. Likewise, in the R-3/R-4 multi-family zones, densities ranging from 15-27 du/acre are permitted based on average unit size. This approach is designed to discourage the proliferation of large, luxurious and costly units, while concentrating densities in the most sustainable locations (e.g., near transit, access to commercial services, access to parks and open space, etc.).

As part of the General Plan Update (*Plan Santa Barbara*) process, non-residential development is limited to 1.35 million square feet to the year 2030, which is a reduction from the prior General Plan non-residential development allocation of 3 million square feet. Based on the City's past development trends, it is expected that the outcome of the non-residential growth limitation will continue past trends and result in more housing production.

Residential Development Potential in Commercial Zones

Suitable Opportunity Sites in Commercial Zones

An inventory of vacant and underdeveloped parcels in commercial zones was undertaken to identify their build-out potential. The analysis used the City's GIS land use database and the County Assessors land use codes. Aerial photography and site inspections were also used to verify the status of certain parcels. The following steps were taken and assumptions made to calculate the residential development potential in commercial zones:

- All non-residentially zoned parcels were identified in the database.
- Non-residentially zoned parcels that do not allow residential use (i.e., M-1, OM-1, HRC-1, portions of HRC-2 and C-X overlay zone) were removed from the database.
- The improvement value per square foot for each property was calculated using the County Assessor's improvement valuation for the parcel (Assessor's Improvement Value divided by the lot size).
- Public land, including parks was removed from the database.
- Parcels with historic buildings (Landmarks or Structures of Merit) or owned by the State of California and part of El Presidio were removed from the database.
- Parcels with significant environmental constraints associated with biological resources, floodplain, air quality, and creeks or slopes of 30 percent or more were removed from the database.
- Low improvement value per square foot of lot area was used to determine which non-residential zoned parcels were more likely than others to redevelop with residential uses, (generally \$27/square foot of lot area or less). The low improvement value per square foot was based on the analysis of 30 pending residential projects in commercial zones with the average improvement/area value of \$26.7/square foot.
- Commercially zoned parcels identified in the inventory fall within two land use designations, Medium High Density and High Density. The Medium High Density designation allows 15-27 du/acre and the High Density designation allows 28-36 du/acre depending on the average unit size of the residential development.
- To assess a realistic development potential for the commercial parcels designated Medium High Density (15-27 du/acre), a 20 du/acre build-out potential was assumed.

- To assess a realistic development potential for the commercial parcels designated High Density (28-36 du/acre), a 30 du/acre build-out potential was assumed.
- Development potential on these opportunity sites assumed that all existing improvements on the property would be redeveloped at their full residential potential.

The suitable sites inventory identified 806 opportunity sites with residential development potential in commercial zones. Based on the above steps and assumptions there is the potential to produce approximately 4,609 additional residential units on these parcels.

Residential Development Potential in Multi-Family Zones

Suitable Opportunity Sites in Multi-Family Zones

As stated above, the highest residential densities are allowed in the City's commercial and multi-family zones. Vacant and underdeveloped R-3 and R-4 sites were identified using the GIS land use database and County Assessor's land use codes. Aerial photography and site inspections were also used as needed.

Historically, the City has encouraged the redevelopment of aging housing stock to more intense multi-family apartment or condominium development as allowed by the zone. The Zoning Ordinance states that the R-3 and R-4 zone is intended to be "...a residential district of high density in which the principal use of land is for multiple-family dwellings..."

A recent trend has been to demolish aging housing stock and to replace it with multi-family development. In some cases, this has been supported by the neighborhood as appropriate recycling and improvement of the housing stock. In other cases, concerns have been raised about the loss of historic resources or housing that was "affordable" by virtue of its aging conditions or incompatibility with the neighborhood.

The City's General Plan Conservation Element provides policy context and direction for protection of cultural and historic resources in our built environment as well as visual resource protection in our hillside and open space areas. With respect to historic resources, existing City policies and the Master Environmental Assessment (MEA) provide guidance to protect resources. Further, the City has responded by initiating historic surveys. The City recently completed two architectural and historic resource survey areas, including the Lower Riviera neighborhood. A demolition control ordinance to preserve historically significant resources has also been adopted.

The following steps were taken and assumptions made to identified opportunity sites and calculate the residential potential in Multi-Family zones (R-3/R-4 zones):

- Vacant parcels 3,000 square feet or more were included in the inventory.
- Underdeveloped parcels are those larger than 4,900 square feet with an existing single family residence. For the purposes of this development potential / zoning capacity inventory, no further research was made into the condition, quality or historic nature of the existing residence. It was assumed that one existing unit on a lot in a multi-family zone was "underdeveloped." It should be noted that this exercise is not unlike the analysis nonprofit and for profit developers, realtors or other development professionals undertake to identify prospective projects.
- Parcels with significant environmental constraints associated with biological resources, floodplain, air quality, and creeks or slopes of 30 percent or more were removed from the database.

- R-3/R-4 zoned parcels identified in the inventory fall within two land use designations, Medium High Density and High Density. The Medium High Density designation allows 15-27 du/acre and the High Density designation allows 28-36 du/acre depending on the average unit size of the residential development.
- To assess a realistic development potential for the R-3/R-4 parcels designated Medium High Density (15-27 du/acre), a 20 du/acre build-out potential was assumed. For the parcels designated High Density (28-36 du/acre) a realistic development potential of 30 du/acre was assumed.

The suitable sites inventory identified 566 opportunity sites with residential development potential in multi-family zones. Based on the above steps and assumptions, there is the potential to produce approximately 932 additional residential units on these parcels.

Residential Development Potential in the Duplex Zone

The City next assessed the City’s R-2 duplex zone for development opportunities. The City’s R-2 zone is a Medium Density residential district (12 du/acre). The principal use of the land is for two-family dwellings.

Suitable Opportunity Sites in the R-2 Zone

Vacant and underdeveloped parcels in the R-2 zone were identified using the City’s GIS land use database and the County Assessor’s land use codes. The following steps were taken and assumptions made to identify opportunity sites and calculate the residential potential in R-2 zones. Identifying opportunity sites in the R-2 zones utilized a two-step process:

- Vacant R-2 parcels were identified for the inventory. Some parcels were removed from the land inventory due to their small size. Other parcels had their development potential reduced to 20 percent due to steep slopes.
- All underdeveloped parcels greater than 4,900 square feet with only one single family residence currently on site were included in the inventory. This step included parcels between 5,000 – 6,000 square feet that were recently made eligible for duplex development.

A total of 891 opportunity sites were identified and are dispersed throughout the R-2 zoned areas in the City. The development potential on underdeveloped opportunity sites in the R-2 zone is approximately 1,004 units.

Residential Development Potential in the Single Family Zones

The City’s single family zones include the following categories:

- A-1 One acre minimum lot size
- A-2 25,000 square feet minimum lot size
- E-1 15,000 square feet minimum lot size
- E-2 10,000 square feet minimum lot size
- E-3 7,500 square feet minimum lot size
- R-1 6,000 square feet minimum lot size

The corresponding General Plan designations for these zoning categories include residential densities ranging from 1 - 5 units per acre. The General Plan also identifies many of these areas to include open space, major hillsides and visual resources. In the steeper hillside areas, the General Plan envisions significantly lower densities, as low as one dwelling unit for every 10 or more acres. Approximately 50 percent of the City's single family zones are in the High Fire District.

While vacant undeveloped land is believed to be easier to develop than infill development in the City of Santa Barbara, the majority of vacant land remaining is located in the single family zones. These vacant parcels are typically located in the hillsides and face significant development constraints such as steep slopes, proximity to creeks, poor soil conditions, and limited or expensive access to City water and sewer services.

Given the City's focus and emphasis on infill and multi-family residential development in and around the City's commercial core, the City looked at an inventory of vacant land zoned for single family residential development as the last step and least likely to develop further.

Vacant parcels in the City's residential zones were identified using the GIS land use database and County Assessor's land use codes. Aerial photography and site inspections were also used to verify the status of certain parcels. As mentioned above, significant site constraints may exist on many of these lots rendering the development potential to be limited and difficult at best. Further, the City has policies in place regarding hillside protection, conservation of open space, avoiding development in high fire areas and limiting development on steep slopes.

To develop a more realistic estimate of the development potential on single family lots for the Housing Element planning period, the City looked closely at parcel size and City's slope density requirements. The City's slope density requirements mandate that any parcel with an average slope of over 10 percent provide increased lot area requirements based on the zone. In single family zones, parcels with slopes of 30 percent or greater must provide three times the standard minimum lot size requirements. This is often difficult to achieve especially in the steeper areas and higher reaches of the City's foothills. Further, development of these constrained hilly sites often encounter geologic, biologic or other environmental constraints that often requires extra care, caution and special studies in the development and design phases.

Therefore, for the purposes of this RHNA analysis, it was assumed that only 20 percent of the entire parcel with slopes over 30 percent had realistic development potential within the 2015-2023 Housing Element planning period. Approximately 110 vacant and underdeveloped sites in single family zones were identified for the inventory. The estimated development potential on these sites is 196 units.

It should be noted that the City has a Secondary Dwelling Unit Ordinance and development standards that are highly protective of single family neighborhoods. The City ordinance prohibits second units in high fire areas (approximately 50 percent of the City's single family zones). For these reasons, very few secondary dwelling units have been built. To date, the City has permitted only 16 units. For the purposes of meeting the City's RHNA, it is not realistic to think that a substantial increase in secondary dwelling units will occur even with the passage of new state legislation streamlining the permit process. It is not the process but the development standards that make significant building of second units in single family zones unlikely.

Suitable Sites Inventory Summary

Table H-38 provides a summary of the City's vacant land and opportunity sites analysis by project status and by zone district type. Appendix H, Available Land Inventory Table, of the General Plan, provides a parcel-by-parcel listing of the vacant land inventory and opportunity sites by zone.

**Table H-38: Summary of Opportunity Sites Development Potential
City of Santa Barbara (2014)**

Category	Opportunity Sites # Parcels	Total # Units	Cumulative Total # Units	% RHNA
Commercial Zones	806	4,609	4,609	112%
R-3 / R-4 Multi-Family Zones	566	932	5,541	135%
R-2 Duplex	891	1,004	6,545	160%
Single Family Zones	110	196	6,741*	164%
RHNA = 4,099 Units				
<i>Source: City of Santa Barbara 2014</i>				
<i>*The number of total units excludes potential residential units within the 250 foot U.S. Highway 101 setback.</i>				

Table H-38 above demonstrates that the City has the land and zoning capacity to meet the regional housing needs allocation for this planning period. However, given land costs, construction costs and other market conditions, simply providing higher density zoning may not result in housing affordable to very low and low-income households in Santa Barbara. The City’s experience is that it requires community partnerships and public subsidies to provide housing available to very low, low and even moderate income households. Over the past 20 years, the City has been very successful in providing and leveraging funds, developing partnerships, identifying and acting on land banking opportunities. Unfortunately, as identified in the nongovernmental constraints section, construction costs can be prohibitive.

A challenge for the 2015 Housing Element will be to identify ways to make public subsidies stretch farther, identify new sources of funding, take a closer look at what role City requirements play in the cost of construction and consider new ways to provide affordable housing. In these discussions, it will be important to recognize the positive impact the quality of design, construction and maintenance of affordable housing projects in the City of Santa Barbara has on the continued success for affordable projects. The City is fortunate to have an inventory of all types and sizes of affordable housing projects that fit well and enhance many City neighborhoods. The City has a very strong track record in partnering with nonprofit, and more recently, for-profit housing developers.

QUANTIFIED OBJECTIVES

State law acknowledges that total housing needs identified may exceed available resources and the community’s ability to satisfy this need. Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives should estimate number of housing units by income category that are likely to be built, rehabilitated, or conserved/preserved over the 2015 - 2023 Housing Element planning period.

The 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. The City’s best estimate of what could actually be constructed during the 2015 - 2023 Housing Element planning period is based on historical residential development trends from 1990 to 2007. Consideration must also be given to market conditions, property owners’ willingness to develop or redevelop property and implementation of the 2015 Housing Element policies and programs.

Potential residential development for the eight-year planning period was estimated by extending the average annual rate of residential units and permitting activity (pending, approved and built units) that occurred between 1990 and 2007. This calculates up to 1,208 additional residential units (average rate of 151 units/year x 8 years) to the year 2023 (Table H-39). The last two decades have been characterized by economic swings and housing market cycles. Taking an annual average over this time period renders a more realistic estimate that is consistent with development trends in the City over a 20 year time span.

For the extremely low, very low, low and moderate income housing, the estimate is based on past performance and budget assumptions from affordable housing subsidy sources. Given the housing market conditions, a larger subsidy per unit is needed due to increased construction costs. Funding from the federal HOME program is not keeping pace. The City currently holds a contractual asset option on a 50-unit affordable rental project known as Presidio Park. A conservative value is estimated at approximately \$10 million. The City may assign or sell this option to fund new affordable housing units. Post RDA project funding is more complex and involves Low Income Housing Tax Credits in combination with other sources of funding. Another source of potential funds could be an allocation to Housing Development of a portion of the 12% property tax increment the City receives annually. Rental and sale prices for affordable units are established consistent with State and Federal requirements.

The City’s quantified objective for construction of new units using public and/or private sources over the planning period is estimated to be 1,208. Additionally, approximately 110 existing units are expected to be rehabilitated, and 60 existing affordable units are projected to be preserved. The total number of housing units estimated to be constructed, rehabilitated or preserved during the 2015 - 2023 Housing Element planning period is 1,378 units.

Table H-39: Quantified Objectives (2015 – 2023)
City of Santa Barbara

Income Category	New Construction	Rehabilitation	Conservation/ Preservation	Total
Extremely Low, Very Low, Low	109	110	60	279
Moderate	13	0	0	13
Above Moderate	1,086	N/A	N/A	1,086
Total	1,208	110	60	1,378
<i>Source: City of Santa Barbara 2014</i>				

Appendix G contains the 2015 Housing Element Eight-Year Work Program, which identifies timeframes for implementing the goals, policies and implementation actions to achieve the City’s housing objectives.

Goals, Policies and Implementation

GOALS

- ***Housing Opportunities:*** Ensure a full range of housing opportunities for all persons regardless of race, religion, sex, age, marital status, sexual orientation, ancestry, national origin, color or economic status, with special emphasis on providing housing opportunities for low income, moderate, middle income and special needs households.
- ***New Housing Development:*** Encourage the production of new housing opportunities which are sustainable, and increase equity by providing a sufficiently wide range in type and affordability to meet the needs of all economic and social groups, with special emphasis on housing that meets the needs of extremely low, very low, low, moderate, middle income and special needs households.
- ***Conservation and Improvement of Existing Housing:*** Conserve the existing housing stock and improve its condition while minimizing displacement, maintaining housing affordability, and preventing future blight or deterioration.
- ***Regional Cooperation and Jobs/Housing Balance:*** Coordinate City efforts with those of surrounding communities towards balancing jobs and housing in the regional housing market.
- ***Public Education and Information:*** Continue public education regarding affordable housing to increase awareness of the housing needs of extremely low, very low, low, moderate and middle income and special needs households and to inform the public about existing affordable housing opportunities, available resources and programs.

Housing Opportunities Policies

- H1. **Social and Economic Diversity.** Promote new housing programs that retain and support social, economic and ethnic diversity.
- H2. **Housing Opportunities.** Promote equal housing opportunities for all segments of the community, with special emphasis given to extremely low, very low, low, moderate, middle income and special needs households.

Possible Implementation Actions to be Considered

- H2.1 Special Needs Population. Continue to fund a wide range of housing, human and community service programs and capital projects that strive to meet the needs of children, families, seniors, disabled persons, homeless, victims of domestic violence, and others.

- H2.2 Rental Housing Mediation. Continue to fund, staff and support the Rental Housing Mediation Task Force, and publicize Rental Housing Mediation Task Force services and information on tenant and landlord rights including evictions, terminations and fair housing issues.
- H2.3 Promote Public Awareness. Continue using CDBG funds to promote equal opportunity provisions and remedies under state and federal law.
- H2.4 Enforcement Against Discrimination. If budget allows, develop adequate staffing and funding to pursue and assist the State Department of Fair Employment and Housing staff in pursuing enforcement actions against discrimination in housing under Civil Code Section 52 (c) with emphasis on discrimination against families with children in rental housing.

H3. **Homelessness Prevention.** Support programs and efforts designed to prevent homelessness.

Possible Implementation Actions to be Considered

- H3.1 Continuum of Care Program. Continue to implement the Consolidated Action Plan's Continuum of Care program in conjunction with adjacent jurisdictions and community-based organizations.
- H3.2 Prevention Programs. Seek funding for homeless prevention programs, such as a program to provide short-term financial assistance to households threatened by eviction due to an inability to pay rent.
- H3.3 Supportive Housing. Support the conversion of existing hotels and motels to sponsored residential hotels, Single Room Occupancy (SRO) projects, or apartments for the homeless.
- H3.4 Recreational Vehicle Park. Facilitate application for a Recreational Vehicle (RV) park through the City's permitting process. Work with the County and other local agencies to locate RV parks.
- H3.5 RV Park Program. Consider providing financial support for an RV park project if an application is submitted by a qualified sponsor/developer.
- H3.6 RV Parking Locations. Continue zoning provisions for churches and non-profits to allow overnight RV parking under limited conditions.

H4. **Homeless Shelters and Services.** Support other agencies and nonprofit organizations in their efforts to provide shelter and services for the homeless.

Possible Implementation Actions to be Considered

- H4.1 Casa Esperanza. Continue to fund and support Casa Esperanza Homeless Shelter or other suitable shelter facilities, and encourage a broad range of such services throughout the region including services with year round programming.
- H4.2 Operational and Service Needs. Support the operational and service needs (such as child care and job training) of homeless shelter and service providers. Provide financing when possible.

H5. **Transitional Housing Opportunities.** Increase the supply and variety of transitional housing opportunities.

Possible Implementation Actions to be Considered

H5.1 Transitional Housing. Continue to fund community-based non-profit agencies, such as Transition House, to provide a range of transitional housing opportunities.

H5.2 Regional Coordination. Coordinate with the County of Santa Barbara and the cities of Carpinteria and Goleta to develop, update and implement the Consolidated Plan's Continuum of Care programs.

H6. **Housing Opportunities for Seniors.** Seek to ensure the availability of a range of housing opportunities with an emphasis on extremely, very low, low and moderate income seniors.

Possible Implementation Actions to be Considered

H6.1 Senior Housing. Encourage the development of a full range of senior living situations, available at market and affordable rates.

H6.2 Unit Acquisition and Rehabilitation. Continue to promote and assist in the acquisition and rehabilitation of existing dwelling units for use as affordable senior housing.

H6.3 Upgrade Senior Facilities. Continue to facilitate private sector efforts to upgrade existing senior housing facilities, including services for seniors with long term care needs, in order to provide improved senior housing opportunities.

H6.4 Non-Institutional Facilities. Encourage small, non-institutional facilities that meet the needs of the older senior population (75+).

H6.5 Senior Advocacy. Continue to work with the Area Agency on Aging.

H6.6 Support Services. Encourage the expansion of support services such as house cleaning, cooking, shopping and financial advising in order to meet the needs of the older, independent senior population.

H6.7 Housing Incentives. Continue to provide reduced parking incentives for senior housing projects in combination with bonus densities to encourage the development of small senior and disabled apartment projects including efficiencies and congregate care.

H6.8 Design Guidelines. Adopt site and unit design guidelines for senior and disabled units, which incorporate all relevant federal, state and local laws, as well as recommendations from the Access Advisory Committee (AAC).

H7. **Housing Opportunities for Disabled.** Seek to ensure the availability of housing opportunities for the extremely low, very low, low and moderate income disabled population.

Possible Implementation Actions to be Considered

H7.1 Congregate Care. Promote and assist the development and processing of new congregate housing opportunities or board and care facilities for the extremely low, very low, low and moderate income, and physically and mentally disabled persons.

- H7.2 Special Needs Housing. Encourage community services groups, non-profits, and the faith-based community to create special needs housing.
- H7.3 New Housing Opportunities. Work with community service providers to expand their scope of services to include housing through new construction or acquisition and rehabilitation of existing dwelling units.
- H7.4 Priority Status. Encourage the Housing Authority of the City of Santa Barbara to continue to give priority status to disabled people with the greatest housing needs.
- H7.5 Accessibility Funding. Explore ways to fund accessibility improvements for dwelling units that will be made available for disabled persons who are eligible to receive HUD Section 8 certificates.
- H7.6 At-Risk Affordable Disabled Units. Ensure that affordable units occupied by disabled tenants at risk of converting to market rates are maintained as affordable, to the extent feasible.

H8. **Accessible Housing for Disabled.** Accessibility for the disabled shall be required in new residential development and in housing to be rehabilitated.

Possible Implementation Actions to be Considered

- H8.1 Accessibility Review. Continue the ongoing review of residential development plans for accessibility for the disabled.
- H8.2 Accessibility Guidelines. Distribute guidelines to builders that explain Federal and State laws regarding accessible units. Provide specific ideas and examples (such as no steps, wider doors and hallways and larger bathroom areas).
- H8.3 Accessible Housing. Adhere to either the Fair Housing Act or the California Building Code, whichever is more stringent, in order to provide accessible housing.

H9. **Accessible Housing Programs.** Support the creation of new programs to aid the disabled to secure accessible housing.

Possible Implementation Actions to be Considered

- H9.1 Accessible Housing Incentives. Implement policies that give incentives for disabled accessible units to be included in market-rate projects.
- H9.2 Case Management. Seek funding for case managers to support the disabled in independent living situations.

New Housing Development Policies

H10. **New Housing.** Given limited remaining land resources, the City shall encourage the development of housing on vacant infill sites and the redevelopment of opportunity sites both in residential zones, and as part of mixed-use development in commercial zones.

Possible Implementation Actions to be Considered

- H10.1 Early Project Consultation. Continue to offer and encourage early staff predevelopment consultations for residential development of opportunity sites and mixed use projects.
- H10.2 Property Profiles. Continue to offer property profile services in the Planning Division that explain development potential and constraints for parcels in the City. Property profile services generally involve the review of archive, street and planning files, and the preparation of a letter report containing information regarding the property's permit history and development potential.
- H10.3 Building Reuse. Encourage residential reuse of existing nonresidential buildings, for both ownership and rental affordable housing.
- H10.4 Housing at Shopping Centers. Promote and encourage the development of mixed-use for ownership and rental housing at shopping centers such as La Cumbre Plaza shopping center, with an emphasis on affordability, by coordinating and/or partnering with property owners and housing developers.
- H11. **Promote Affordable Units.** The production of affordable housing units shall be the highest priority and the City will encourage all opportunities to construct new housing units that are affordable to extremely low, very low, low, moderate and middle income owners and renters.

Possible Implementation Actions to be Considered

- H11.1 Affordable and Workforce Housing. Explore options to promote affordable and workforce housing, including revising the variable density ordinance provisions to increase affordable housing (e.g., limit unit size), requiring a term of affordability, and reducing parking standards with tenant restrictions.
- H11.2 Priority Housing Overlay. Encourage the construction of rental housing, employer sponsored housing, and co-operative housing in the Downtown, La Cumbre Plaza/Five Points area, C-M Commercial Manufacturing Zone and Milpas Street area by providing incentives such as:
- Increased density overlays up to 63 du/ac as part of the Average Unit-Size Density Incentive Program.
 - Higher Floor Area Ratios (FAR) when such standards are developed.
 - More flexibility with zoning standards, (e.g., reduced parking standards).
 - Expedited Design Review process.
 - Fee waivers or deferrals.
- H11.3 Inclusionary Housing. Amend the Inclusionary Housing Ordinance to:
- a. Consider a 15 - 25 percent inclusionary affordable housing provision in new residential ownership developments for affordable housing to accommodate workforce (middle) income earners:
 - Temporarily suspend the inclusionary housing requirements or in-lieu fees during times of economic downturn if development costs are prohibitive.

- b. Amend the payment of in-lieu fees to include the following considerations:
 - Eliminate or reduce inclusionary housing in-lieu fees based on preferred development, such as affordable or special needs housing projects; and
 - Adjust the inclusionary housing in-lieu fee rate based on unit size (i.e., lower fees for smaller units).
 - c. Require a Housing Mitigation Fee Program for commercial development.
- H11.4 Density Standards. Develop density standards that permit greater densities for projects that provide a greater percentage of price-restricted ownership units than required by the inclusionary housing ordinance.
- H11.5 Bonus Density. Continue to provide bonus density units above levels required by State law, to be reviewed on a case-by-case basis.
- H11.6 Private Sponsors. Continue to solicit proposals for low-, moderate-, and middle income projects from private sponsors and develop programs to assist in their implementation.
- H11.7 Infill Housing. Continue to assist the development of infill housing including financial and management incentives in cooperation with the Housing Authority and private developers to use underutilized and small vacant parcels of land for new extremely low, very low, low and moderate income housing opportunities.
- H11.8 Opportunity Sites. Assist, coordinate or partner with builders for the development of affordable housing projects by identifying in-fill and opportunity sites in the commercial zones, on public lands and under-developed R-2, R-3 and R-4 sites in the Available Land Inventory of Housing Element.
- H11.9 Sweat Equity Projects. Continue to support special procedures for development, permitting, construction and early occupancy of “sweat equity” projects.
- H11.10 Large Rental Units. Encourage the construction of three bedroom and larger rental units for low-, moderate-, and middle income families, including the Housing Authority, in efforts to develop and/or acquire three+ bedroom units.
- H11.11 Condominium Conversions. Continue to implement the Municipal Code’s Condominium Conversion Ordinance to provide opportunities for entry-level home ownership in a variety of locations while maintaining a supply of rental housing for extremely low, very low, low and moderate income persons.
- H11.12 Surplus Land. Inventory all land in the City owned by County, State and Federal governments, the Santa Barbara School and High School Districts and public utilities, and actively pursue dedication of surplus land for development of low, moderate and middle income housing, and for qualifying employees of participating government agencies.
- H11.13 Housing Opportunities. Look for housing opportunities on City-owned land or over private and public parking lots.
- H11.14 Public Facilities. Pursue acquisition of the National Guard and Army Reserve sites in order to develop affordable housing, park, school or other public benefit facilities.

- H11.15 Financial Assistance. Apply for, or support others in applying for, all available public and private funding and financial assistance for affordable housing projects.
- H11.16 Property Transfer Tax. Increase property transfer tax to provide funding for price-restricted affordable and workforce housing in order to broaden the funding base.
- H11.17 Alternative Revenue Sources. Explore alternative sources of revenue for Affordable Housing to replace the Redevelopment Agency tax increment financing since it was dissolved in 2012.
- H11.18 Extend Redevelopment Project Area. Continue to explore and pursue potential legislative amendments or other opportunities for replacement of the Redevelopment Agency and its funding mechanism for affordable housing and other community benefit projects.
- H11.19 Parcel Consolidation. Encourage the consolidation of small and underutilized parcels for the development of affordable housing, if appropriate based on neighborhood compatibility.

H12. **Above Moderate Affordable Housing.** Provide incentives for the private sector development of new housing opportunities affordable to households earning more than 120% of the Area Median Income, but not more than 200% of the Area Median Income.

Possible Implementation Actions to be Considered

H12.1 Above Moderate Housing. Encourage the development of housing for first time home buyers, including moderate and middle-income households.

H12.2 Large Employers. Encourage large employers to mitigate affordable housing impacts.

H13. **Non-Subsidized Rental Housing.** Preserve and promote non-subsidized affordable rental housing.

Possible Implementation Actions to be Considered

H13.1 Preserve Rentals. Explore ways to avoid condominium conversions, or alternatively, the creation of cooperative tenant ownership of previous rentals.

H13.2 Condominium Conversions. Amend section 28.88.120B of the Municipal Code to require all condominium conversions to conform to the density requirements of the General Plan.

H13.3 Rental Units. Allow the reconstruction or rehabilitation of existing rental apartments at non-conforming General Plan densities and zoning standards. The loss of some rental units may be considered to meet building code requirements.

H14. **Sustainable Housing.** Ensure that new market-rate residential development is consistent with the City’s sustainability goal, including reduced energy and resource use, and increased affordable housing opportunities.

Possible Implementation Actions to be Considered

H14.1 Market Rate Housing. Market-level housing projects in the multi-family or commercial zones (including mixed-use) shall be encouraged to:

- Construct unit sizes consistent with averages and maximums set out under the City’s Average Unit-Size Density Incentive Program; and

- Have access to adequate public open space within a ½-mile radius, a dedication of sufficient useable open space on-site, a contribution is made toward future parks through in-lieu fees, or a combination of any of these.

H14.2 Resource Conservation. Establish criteria and standards for resource use in relation to density in the project review process, to encourage reduced resource footprint projects. Residential projects that exhibit a significantly lower resource per capita footprint would be allowed bonus density providing the building remains smaller than allowed by zoning.

H14.3 Market-Rate Incentives. Prepare design standards and codify incentives for market rate developers to build smaller, “affordable-by-design” residential units that better meet the needs of our community.

H15. **Secondary Dwelling Units.** Further encouraging second units (granny units) in single family zones shall be pursued with neighborhood input to gauge level of support, but prohibited in the High Fire Hazard Zones to the extent allowed by the State laws applicable to second units. Second units may be most appropriate within a short walking distance from a main transit corridor and bus stop.

Possible Implementation Actions to be Considered

H15.1 Secondary Dwelling Unit Ordinance. Amend the Secondary Dwelling Unit Ordinance to provide more site planning flexibility and affordable-by-design concepts such as:

- Changing the existing size limitations to remove percentage of unit size and allowable addition requirements, and allowing a unit size range (300 – 700 s.f.);
- The square footage of the secondary dwelling unit shall be included in the floor-to-area ratio (FAR) for the entire property and shall be consistent with the Neighborhood Preservation Ordinance FAR;
- Eliminating the attached unit requirement;
- Eliminating or adjusting affordability requirements;
- Allowing tandem parking and easing other parking requirements on a case-by-case basis;
- Allowing one water, gas, and electric meter and a single sewer line, or reviewing requirements for meter placement and configuration to minimize the cost of individual metering of dwelling units; and
- Developing guidelines and prototypes of innovative design solutions.

H16. **Expedite Development Review Process.** Assist affordable housing sponsors to produce affordable housing by reducing the time and cost associated with the development review process while maintaining the City's commitment to high quality planning, environmental protection and urban design.

Possible Implementation Actions to be Considered

H16.1 Affordable Housing Projects. Continue to give priority to affordable housing projects on Staff, Committee and Commission agendas.

H16.2 Affordable Housing Facilitator. Continue to have a Staff-level Affordable Housing Facilitator with clearly established roles and responsibilities as defined by City Council.

- H16.3 CEQA Exemption. Continue to use the CEQA infill exemption for Affordable Housing projects as appropriate.
- H16.4 Coordinated Project Review. Address issues of coordination between the Architectural Board of Review (ABR), the Historic Landmarks Commission (HLC), the Staff Hearing Officer (SHO) and the Planning Commission (PC). Identify areas where additional staff authority could be given for administrative approvals.
- H16.5 Infill Project Guidelines. Work with AIA, ABR and HLC members to develop guidelines and examples for small infill projects (adding 1-3 units). Consider allowing projects consistent with the guidelines to be reviewed as Consent items when appropriate.
- H16.6 Water Meters. Allow new apartment developments to be served by a single water meter for interior uses with sub-meters for each unit, as appropriate, or review requirements for meter placement and configuration to minimize the cost of individual metering of dwelling units.
- H16.7 Expedited Review. Continue working with the Architectural Board of Review (ABR) and the Historic Landmarks Commission (HLC), and City departments to expedite the review of Affordable Housing Projects. As appropriate, establish joint sub-committees of design review boards and Planning Commission to offer early, consistent and timely input and problem solving during the review process.
- H16.8 Multi-Family Design Guidelines. Develop multi-family residential design guidelines and standards to address unit size, setbacks, open space, landscaping, building size, bulk and scale, and site planning (e.g., pedestrian-friendly design, front porches facing the street or courtyard, and parking located out of sight).
- H17. **Flexible Standards.** With the New Zoning Ordinance (ZNO) Update consider changes to development standards to be more flexible for rental, employer sponsored workforce housing, affordable housing projects, and limited equity co-operatives, where appropriate.

Possible Implementation Actions to be Considered

- H17.1 Parking Requirements. Consider incremental changes to the Zoning Ordinance parking requirements such as:
- Reducing parking requirements for projects that develop under the Average Unit-Size Density Incentive Program to 1 space minimum per unit;
 - Allowing tandem parking;
 - Providing more flexibility for constrained sites (e.g., allowing for more than one maneuver, use of car stacking devices or other space saving measures);
 - Eliminating guest parking requirements for housing in the Downtown commercial area; and
 - Rounding down when calculating parking requirements.
- H17.2 Zoning Standards. Consider amending the Zoning Ordinance to change how, where and the extent of outdoor living space, yard and setback requirements for housing in commercial zones.

H17.3 Expedite Environmental Review. Continue to maintain a system for use of the City's Master Environmental Assessment Document as a means of expediting the environmental review process consistent with State law regarding housing.

H17.4 Development Review Process. On an ongoing basis, evaluate the current development review system and make recommendations for improvements.

H18. **Monitoring of Net Housing Gains and Losses.** The City shall monitor housing development and progress toward achieving housing goals.

Possible Implementation Action to be Considered

H18.1 Adaptive Management Program. Through the Adaptive Management Program, monitor and report annually to the Planning Commission, City Council and public, the number of total and affordable dwelling units (including bonus density units) that are being constructed, and the number of units converted to commercial use or demolished and not replaced.

Conservation and Improvement of Existing Housing Policies

H19. **Rehabilitation Programs.** The City shall continue to expand its voluntary housing rehabilitation programs, and preserve existing housing in all parts of the City.

Possible Implementation Actions to be Considered

H19.1 Low-Interest Loans. Continue to provide low interest rehabilitation loans for housing sponsors to rehabilitate multi-family structures.

H19.2 Neighborhood Surveys. Continue to survey neighborhoods that have the highest number and concentration of units in need of rehabilitation.

H19.3 Substandard Housing. Continue to allow the appropriate demolition of substandard housing.

H20. **Property Improvements.** The City shall encourage residential property owners to improve the conditions of their property(ies) to a level that exceeds the minimum standards of the California Building Code and the Uniform Housing Code

Possible Implementation Actions to be Considered

H20.1 Zoning Enforcement. Continue to focus building and zoning enforcement efforts on property owners who are chronic, repeat offenders with emphasis on multi-departmental inspections and abatement orders, and prosecution of violators through the court system.

H20.2 Substandard Apartment Complexes. Look for opportunities to acquire larger, substandard apartment complexes in cooperation with the Housing Authority, Peoples' Self Help Housing or other community-based organizations in order to correct health and safety problems and to provide ongoing management services.

H20.3 Bilingual Assistance. Continue to provide a bilingual ombudsperson for tenants in substandard units who wish to file a housing complaint.

- H20.4 Zoning Information Reports. Continue to require Zoning Information Reports when residential units change ownership, excluding condominiums.
- H20.5 Illegal Dwelling Units. Consider ways to legalize illegal dwelling units in accordance with the requirements of the Zoning Ordinance.
- H20.6 Substandard Buildings. Consider implementing a program that would require owners of buildings found by the City's Building and Safety Division to be substandard to assume the financial burden of relocating their tenants to habitable units.
- H20.7 Tax Code. Continue to utilize the processes of Sections 17274 and 24436.5 of the *State Revenue and Taxation Code* which prohibits a taxpayer who derives rental income from substandard housing from receiving income tax deductions for interest, taxes, depreciation or amortization paid or incurred with respect to the substandard housing.
- H21. **Preserve Affordable Housing.** Maintain the affordability of existing extremely low, very low, low and moderate income dwelling units.

Possible Implementation Actions to be Considered

- H21.1 Affordability Covenants. Continue to monitor and preserve affordable housing covenants before they expire.
- H21.2 At-Risk Affordable Units. Continue to encourage the Housing Authority and nonprofit organizations to acquire and manage units whose affordability requirements are due to expire.
- H21.3 Expiring Affordability. For projects with expiring affordability provisions:
- Make a determination as to whether longer affordability is feasible under existing financing;
 - Engage in dialogue with property owners, no later than 12 months prior to the expiration of the recorded affordability covenant, to extend the affordability period. If the affordability period is not extended the City in conjunction with the property owner shall notify the tenants of the impending expiration to ensure proper and timely notification;
 - Examine funding availability for the extension of affordability covenants;
 - Explore potential for sale of project to nonprofit or the Housing Authority; and
 - Require additional affordability as a condition of subordination of an existing City loan against the property.
- H21.4 Presidio Park Apartments. Ensure that Presidio Park Apartments remain affordable in the interim between when their Section 8 contract expires and when the City has option to purchase (2018). Prior to 2018 develop a financial plan to purchase or preferably monetize Presidio Park Apartments and ensure they remain a long term affordable housing project.

Regional Cooperation and Jobs/Housing Balance Policies

H22. **Work to Solve Regional Jobs/Housing Imbalance.** The City is committed to working with neighboring jurisdictions and the private sector to solve the regional jobs/housing imbalance in a regional manner.

Possible Implementation Actions to be Considered

- H22.1 Affordable Housing Task Group. Continue to support and participate on the Joint Cities / County Affordable Housing Task Group.
- H22.2 Shared Housing Development. Explore joint housing development opportunities, with the County of Santa Barbara and the cities of Carpinteria and Goleta.
- H22.3 Affordability Criteria. Continue coordination with the County to maintain uniform affordability criteria.
- H22.4 Farmworker Housing. Encourage and support the County's efforts to address the special housing needs of farmworkers on the South Coast. Review City zoning regulations to ensure conformance with Health and Safety Code Sections 17021.5 and 17021.6.
- H22.5 Affordable and Workforce Housing. Continue to work with community groups in support of Affordable and “Workforce” housing on the South Coast.
- H22.6 Coastal Housing Partnership. Continue to participate and support the Coastal Housing Partnership, as well as explore ways to expand its role and reach.
- H22.7 Employer Incentives. Work with the Coastal Housing Partnership to develop incentives for employers throughout the South Coast to provide employee housing on-site or close-by off-site, and establish or expand programs that encourage employers to provide other housing benefits or financial assistance programs, such as down payments, closing costs and rental move-in fees for employees.
- H22.8 Bridge Loans. Encourage the Community Housing Trust Fund to explore the feasibility of providing “bridge loans” to existing property owners to add small rental units (including “granny units”) to their property. The bridge loan would be for the construction period. In exchange, the rental units would be required to be affordable for a reasonable period of time.
- H22.9 Affordable Student Housing. Encourage UCSB and Santa Barbara City College to address affordable student, faculty and staff housing on campus and at close-by off-site opportunity sites. Discuss with SBCC or other interested organizations the potential and obstacles to development of student housing on campus or within walking distance to the campus. Provide encouragement and assistance in pursuit of any needed legislative or Local Coastal Plan Amendments for the provision of student housing.
- H22.10 Regional Coordination on Affordable Housing. Continue to coordinate with other South Coast agencies to identify available land for residential development and consider partnerships between local agencies to develop housing for the South Coast workforce. Inventory and consider publicly-owned sites throughout the South Coast’s urban areas with good transit accessibility for such development.

- H23. **Sustainable Regional Housing Solutions.** Develop regional strategies to fund and construct Affordable Housing for different need categories (e.g., senior, young families, disabled, homeless) within existing urban growth limits.

Possible Implementation Actions to be Considered

- H23.1 State and Federal Funding. Explore opportunities for joint City/County applications for Federal and State housing assistance programs.
- H23.2 Annexations. At the request of the County and community, pursue joint projects, including annexations, similar to the Mercy Housing / St. Vincent's affordable housing project.
- H23.3 City Resources. Look for opportunities to use City funding and staffing resource for affordable projects outside the City limits as requested and appropriate.
- H23.4 New Funding Sources. Encourage the community-based Housing Trust Fund and the Trust for Public Lands to work together in efforts to identify new funding sources for affordable housing projects.
- H23.5 Housing Authority Coordination. Encourage the City and County Housing Authorities to work together to purchase sites and/or construct affordable housing.
- H24. **Cooperation on Legislative Changes.** Pursue a joint legislative platform to achieve regional housing solutions for the South Coast.

Possible Implementation Actions to be Considered

- H24.1 Rental Housing. Encourage the passage of legislation that provides incentives for the construction of rental housing.
- H24.2 Condominium Production. Encourage the passage of legislation that would resolve the condominium construction defect liability problem.
- H24.3 Housing for Disabled. Support State legislation that would expand housing opportunities for the disabled.
- H24.4 Residential Development. Encourage the federal and state governments to establish policies and expand programs that will assist in the production and financing of residential development including the following:
- Adopt legislation or regulatory changes that will result in an expanded secondary mortgage market for mixed use and affordable housing developments.
 - Revise the tax code to provide incentives for the construction and ownership of rental housing, such as accelerated depreciation.
 - Increase funding for affordable housing programs.
 - Amend the Community Reinvestment Act to require banks and savings associations to provide more financing for the production of affordable housing.
 - Adopt legislation that will facilitate the use of Mortgage Credit Certificates and tax exempt bond financing for affordable housing in higher cost areas.

H24.5 Section 8 Program. To ensure the continuation of the Section 8 Housing Voucher Program the following shall be pursued:

- Oppose any legislation that would reduce funding for the Section 8 Housing Voucher Program, including the block granting of the program to the states.
- Support legislation that provides new incremental units of Section 8 Voucher assistance nationwide, particularly in high cost areas like Santa Barbara where the need is greatest.
- Support legislation that ensures adequate Section 8 Voucher renewal funding so that the number of low-income families presently served is not reduced.

Public Education and Information Policies

H25. **Housing Information.** Encourage broad based support in the community for the siting and permitting of affordable housing projects, senior housing, homeless shelters, and group homes for persons with disabilities or terminal illnesses.

Possible Implementation Actions to be Considered

H25.1 Housing Resources. The City shall provide information to the public about housing needs and resources that exist in the community:

- Through reports to the Planning Commission or City Council, and in coordination with the Housing Authority.
- By public access television to provide information on affordable housing: what it is, whom it is for, and why it is necessary.

H25.2 Rental Incentive Information. Provide rental incentive program information to potential developers regarding the need for large (3+ bedroom) rental units affordable to extremely low, very low, low, and moderate income households.

H26. **Affordable Housing Information.** Inform the public of affordable housing opportunities that currently exist in the community.

Possible Implementation Actions to be Considered

H26.1 Housing Opportunities. Continue to publish and distribute a resource guide to inform consumer households of available housing opportunities and community programs.

H26.2 Accessibility Regulations. Continue to provide information and technical assistance to property owners concerning compliance with Title 24, ADA and Fair Housing Act regulations (the standards for accessibility by the disabled).

H26.3 Housing Achievements. Support and assist efforts to publicize both public and private affordable housing achievements.