



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: August 30, 2007
AGENDA DATE: September 6, 2007
TO: Planning Commission
FROM: Planning Division, Community Development Department
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SUBJECT: **CHARTER SECTION 1508 (MEASURE E)
DEVELOPMENT ACTIVITY STATUS REPORT**

BACKGROUND

In November 1989, City voters passed Measure E, which created Charter Section 1508. Measure E limits the amount of new non-residential development within the City to three (3) million square feet until the year 2010. This growth measure was done in response to residents' concerns about living within the existing resources available to Santa Barbara and the preservation of the existing quality of life.

The measure states that new non-residential development in the City must be allocated from one or more of the following categories:

<u>Category</u>	<u>Square Footage Allocation</u>
Approved Projects	900,000 s.f.
Pending Projects	700,000 s.f.
Vacant Property	500,000 s.f.
Small Additions	600,000 s.f.
Community Priority	300,000 s.f.
Total	3,000,000 s.f.

While square footage can be allocated by combining categories for larger development proposals, typically, the properties adding square footage in commercial zones obtain their allocation from the minor and small additions category. The 2,000 square foot limit per lot from the Small Additions category combined with the 1,000 square foot from Minor Additions category means that the total new non-residential square footage available per lot from these categories is 3,000 square feet until Measure E ends.

Measure E will be terminating at the end of 2009. The *Plan Santa Barbara* (General Plan Update) process will engage the community in establishing the next increment of growth in the City from 2010-2030. As a part of that process, future non-residential development as well as appropriate residential densities will be explored.

Planning Staff monitors and tracks all new non-residential square footage applications for consistency with the Charter and the development plan allocation system. The primary purpose of this report is to provide the Planning Commission with information on recent Measure E non-residential development activity that occurred in the City during the first six months of 2007, as well as cumulative Measure E development activity to date since 1990. In addition, information on residential activity is included.

NON-RESIDENTIAL DEVELOPMENT ACTIVITY

Cumulative Totals for All Measure E Category Allocations

Exhibit A is a summary chart displaying the square foot cumulative totals in each development category. Please note that while 2007 Small Addition square footage figures are shown separately, they are also counted in the Total Small Addition category figures in the line above.

The cumulative status of all 3,000,000 square feet allocated is also represented graphically in **Exhibit B**. A total 393,644, square feet (13%) of development is allocated and pending approval. A total of 280,268 square feet (9%) of development has been approved but not issued a building permit. Building permits or certificates of occupancy have been issued for 1,479,645 square feet (50%) of development and 846,423 square feet (28%) remains unallocated and available for future development.

Approved Projects

The Approved Projects category is for projects that were assigned an approved status during the implementation of Measure E in 1990. There has been no change in the number of projects or the total amount of square footage allocated during 2007. This is expected because the majority of projects utilizing square footage from this category have already been built and no new projects are eligible to receive square footage from this category. The expired, withdrawn, and denied square footage from this category (currently 58,621 square feet) is available to Economic Development projects.

Pending Projects

The Pending Projects category is for the implementation of specific plans approved prior to April 1986 and projects which were pending during the implementation of Measure E in 1990. As in the Approved Projects category, no new projects are eligible to receive allocations from this category, and the expired, withdrawn, and denied square footage (currently 570,288 square feet) is available to Economic Development projects. The large amount of expired, withdrawn, and denied square footage is attributable primarily to projects that have expired.

Vacant Property

The Vacant Property category was allocated 500,000 square feet based on a survey of vacant land in the City in 1988. A total of 81,277 square feet (16%) in this category has been issued a building permit or Certificate of Occupancy, 48,254 square feet (10%) has been approved, and 52,709 (10%) of the available square footage is currently pending. Unallocated square footage in this category totals 317,760 square feet (64%) and must remain for use by vacant properties and is not available for Economic Development projects.

Small Addition

Cumulative Total Small Addition: Exhibit C depicts cumulative activity within the Small Addition development category from 1990 through June 2007. The allocations under this category are limited to 30,000 square feet per year. Thus, the total allocation for the 20-year period beginning in 1990 is 600,000 square feet. Of the 600,000 square feet allocated, 219,276 square feet (37%) has been issued a building permit or certificate of occupancy. A total of 12,695 square feet (2%) has been approved but not issued building permits. The amount of development pending approvals is 58,608 square feet (10%). Unallocated square footage totals 81,257 square feet (14%). The unallocated Small Addition square footage will be available for the remainder of 2007 and in future years through the Economic Development allocations. Square footage that expired or that was not applied for by December 2006 totals 228,164 square feet (37%), and is now available for Economic Development projects

2007 Small Addition: Exhibit D shows the status of the square footage available from the Small Addition category through June 2007. Through June 2007, no building permits or certificate of occupancies have been issued. No square feet (0%) have been approved, and 8,743 square feet (29%) is pending approval. A total of 21,257 square feet (71%) is unallocated and is available for the remainder of 2007.

Community Priority

Exhibit E displays the status of square footage in the Community Priority category, which contains 300,000 square feet of development potential. Of the 300,000 square feet, 125,641 square feet (42%) has received a building permit or certificate of occupancy, 12,232 square feet (4%) has been approved, 87,147 square feet (29%) is pending approval, and 74,980 square feet (25%) remains unallocated. The unallocated square footage is not available to Economic Development projects and will remain in the Community Priority category for future needs.

Note that a community priority type project can also be allocated square footage from the Economic Development allocation category as was done for Cottage Hospital.

Some examples of projects that have received preliminary or final Community Priority allocations include:

- Elings Park at 1298 Las Positas Rd (12,190 square feet)
- Planned Parenthood at 518 Garden Street (3,565 square feet)
- Bishop Diego High School Expansion at 4000 La Colina Rd (9,512 square feet)
- Mental Health Assoc. at 617 Garden St. (2,703 square feet)
- Santa Barbara Zoo at 500 Niños Drive (10,000 square feet) – Received Final Designation status from City Council on April 10, 2007

Economic Development

A total of 857,073 square feet (**Exhibit A**), has been made available to the Economic Development category, consisting of expired, denied, withdrawn, and unallocated square footage from the Approved Projects, Pending Projects, and Small Addition categories.

Currently, no square feet are pending approval, 80,000 square feet (9%) has been approved, 404,647 square feet (48%) has received a building permit or certificate of occupancy and 372,426 square feet (43%) remains unallocated (**Exhibit F**).

In order for a project to be allocated square footage from this category, a finding must be made by Council that the project will “enhance the standard of living for City and South Coast Residents and will strengthen the local economy.”

Commercial Vacancy Rates

In response to the request from the Planning Commission during its review in 2004, commercial vacancy rates have been included in this report. The 2006-2007 Santa Barbara City vacancy rates are as follows:

Commercial Type	Jan. 2006 Vacancy Rate	Jan 2007 Vacancy Rate	July 2007 Vacancy Rate
Office	2.8%	2.8%	2.6%
Industrial	2.4%	1.2%	0.4%
Retail	0.6%	1.2%	1.3%

Source: Radius Group Commercial Real Estate

Non-Residential Building Permits Issued

A summary of building permit activity for new, commercial projects from 1990 June 2007 is presented in **Exhibit G**. During the first half of 2007, building permits have been issued for 4,716 net new square feet of development.

For comparison purposes, **Exhibit G** is a combination of both residential and non-residential projects from the past 17 years.

RESIDENTIAL DEVELOPMENT ACTIVITY

Building Permits Issued (January 2007 – June 2007)

A total of 37 new residential units (17 net new) were issued building permits during the first 6 months of 2007 as shown in **Exhibit H**. Of the residential units built, 8 were single family units, 6 were part of mixed use projects, and 23 were multiple family units, 11 of which were condominiums. There were no affordable units built in the past 6 months. Twenty units were demolished; however 12 were reconstructed as part of the projects.

Building Permit Issued through June 2007

The net new residential units built per year from 1990 through June 2007 are shown in **Exhibit G**. In comparison to the past 17 years, this graph indicates that building permit activity for net new units (17) has been below the average of 98 units.

Projects Approved, Pending, and Building Permit Issued Units

Exhibit I describes the number of residential units in the pipeline through June 2007. As of June 2007, the following describes the status of the 1,483 units that are pending, approved or permitted and under construction.

- 433 units under construction (building permit issued)
- 274 units approved (but not yet under construction)
- 776 number pending review and approval.

OVERVIEW

Given the current trend we are seeing of mainly residential development in both commercial and multi-family zones and as part of mixed use (with limited non-residential development), there is sufficient unallocated non-residential square feet remaining in the vacant, small, community priority and economic development square footage categories to last through the expiration of Measure E. Of the original 3 million square feet available, 59% has been approved, permitted, or constructed while 41% remains pending or unallocated. At this point in time, it is not clear what will replace Measure E, once it expires in 2009. As stated earlier, as a part of the *Plan Santa Barbara* process, future non-residential development and availability of resources to sustain it will be explored.

In the meantime, development plan findings that there will be no significant unmitigated adverse impacts to water resources, traffic, and affordable housing will continue to be required for projects receiving square footage from all the allocation categories with the exception of Community Priority. Impacts to a Community Priority allocation can be overridden if it is determined that the benefits of the proposed development outweigh its significant adverse impacts.

EXHIBITS:

- A. Development Allocation Category Totals
- B. Status of Projects – All Categories
- C. Status of Small Addition Projects
- D. Status of 2007 Small Addition Projects
- E. Status of Community Priority Projects
- F. Status of Economic Development Projects
- G. Residential and Non-Residential Building Permit Activity Comparison
- H. Residential Development Activity (January 2006 – June 2007)
- I. Residential Projects Activity through June 2007



Development Allocation Category Totals

1990 - June 2007

Category	Pending	Approved	Building Permit/C of O Issued	Unallocated	To Economic Development
Approved Projects (900,000) ^{1,2}	155,000	115,996	570,383	0	58,621
Pending Projects (700,000)	40,200	11,091	78,421	0	570,288
Vacant Property (500,000)	52,709	48,254	81,277	317,760	N/A
Total Small Addition (600,000) ³	58,608	12,695	219,276	81,257	228,164
2007 Small Addition (30,000) ⁴	8,743	0	0	21,257	0
Community Priority (300,000)	87,147	12,232	125,641	74,980	0
Economic Development ^{5,6}	0	80,000	404,647	372,426	857,073
Total (3,000,000)	393,664	280,268	1,479,645	846,423	

¹ Includes Rancho Arroyo and Park Plaza Specific Plans

² Includes 155,000 of Pending square footage for Cabrillo Plaza Specific Plan.

³ 228,164 square feet under "To Economic Development" is comprised of 1/1/90-06/30/96 expired and 1/1/90-6/30/07 "not applied for" square footage.

⁴ Included in the total Small Additions calculations above.

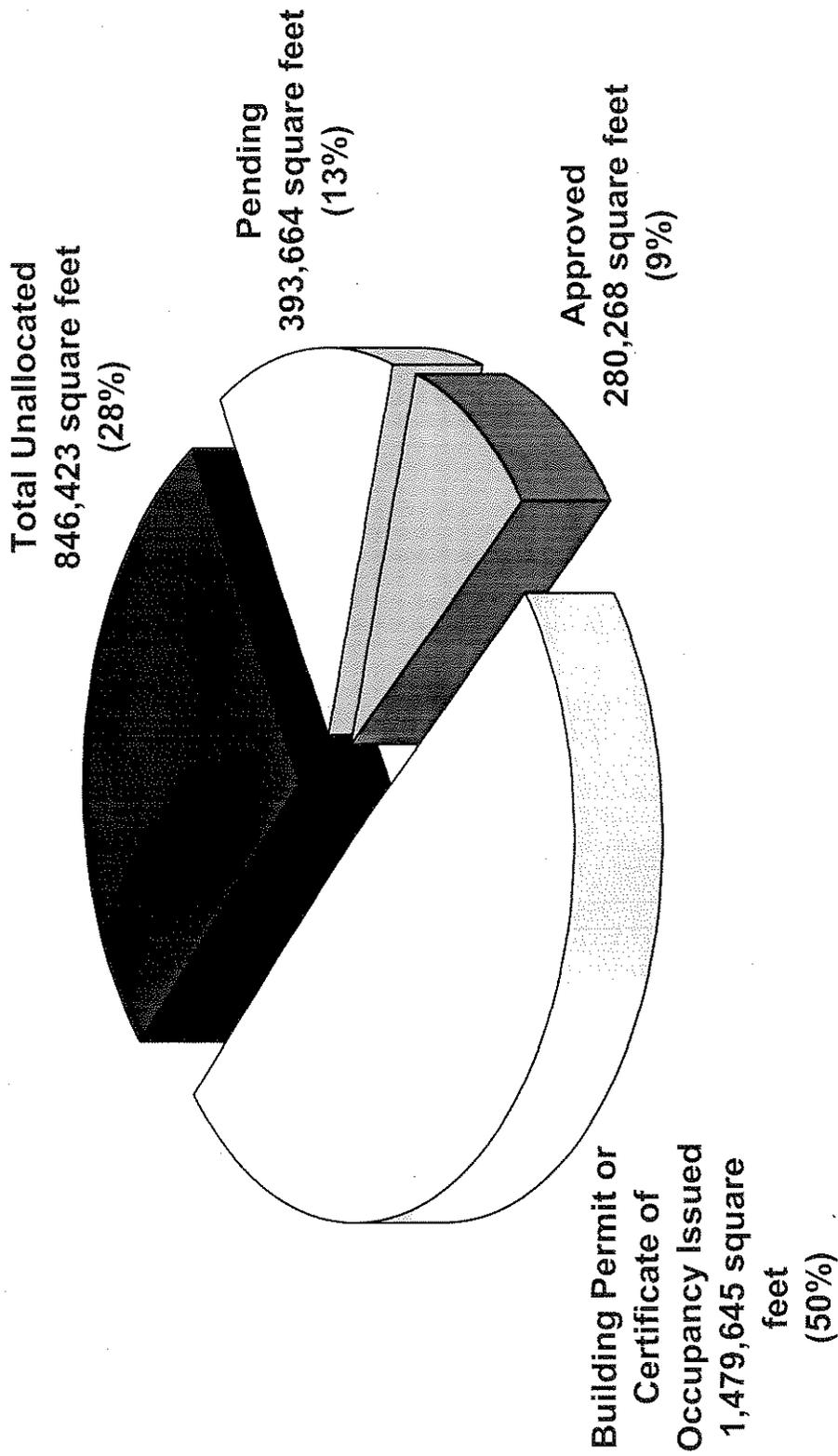
⁵ 185,121 square feet under "Building Permit/C of O Issued" is comprised of Minor Additions associated with 1997-2007 Small Additions and 219,526 sq. ft. of Economic Development that received building permits, as required by Council Resolution 99-036

⁶ 857,073 square feet under "To Economic Development" is included in calculations for the Economic Development category, but not counted in 3,000,000 sf total.

NOTE: Per Council Resolution Economic Development SF tracked differently. Shown here for representative purposes only.

Status of Projects – All Categories

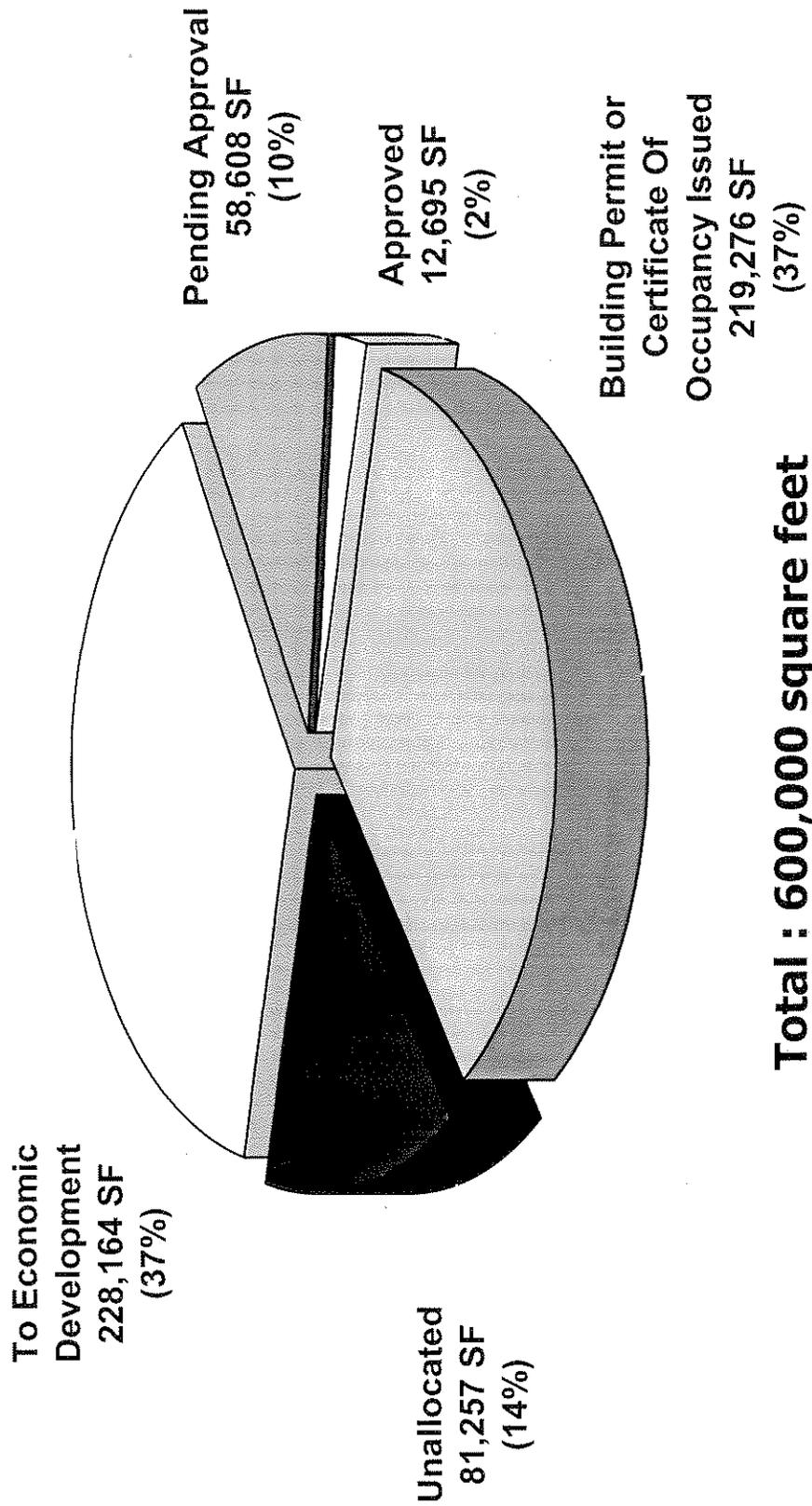
1990 - June 2007



Total: 3,000,000 square feet

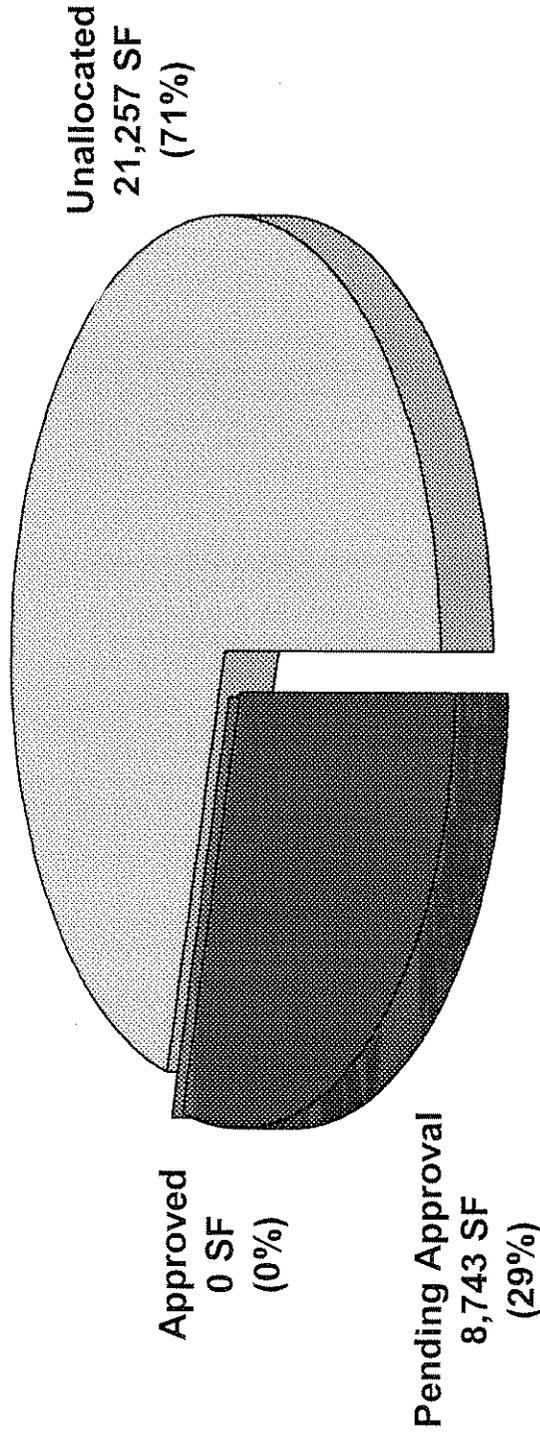
Status of Small Addition Projects

1990 - June 2007



Status of 2007 Small Addition Projects

January - June 2007

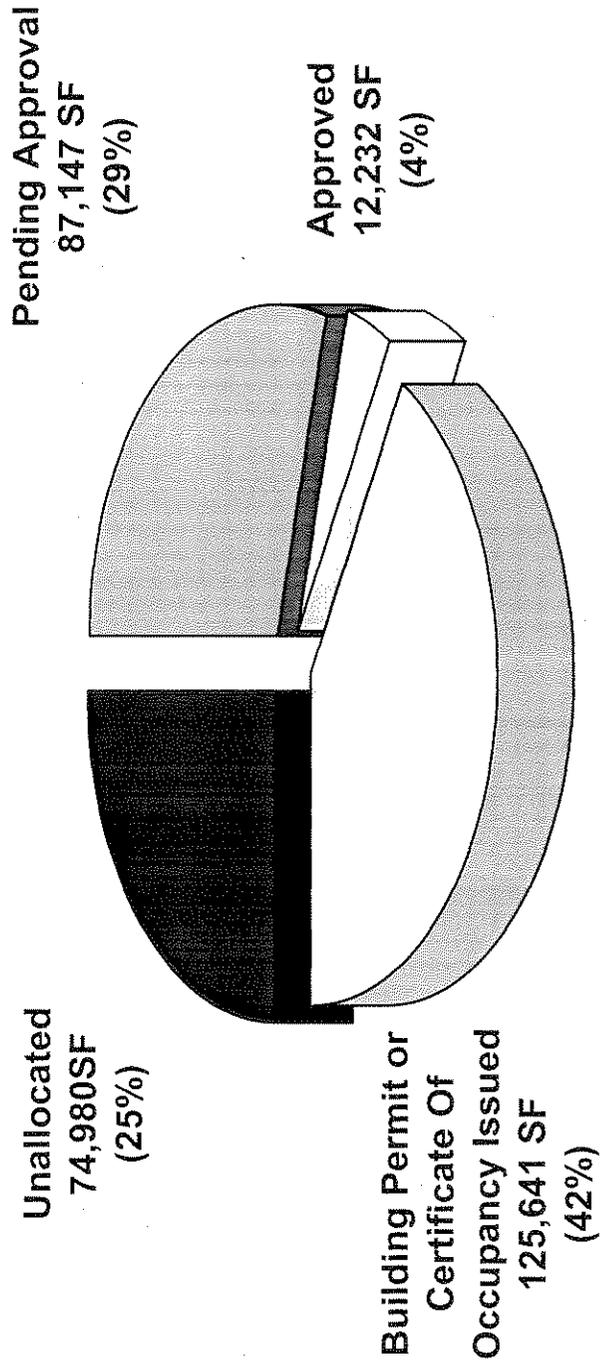


Total : 30,000 square feet



Status of Community Priority Projects

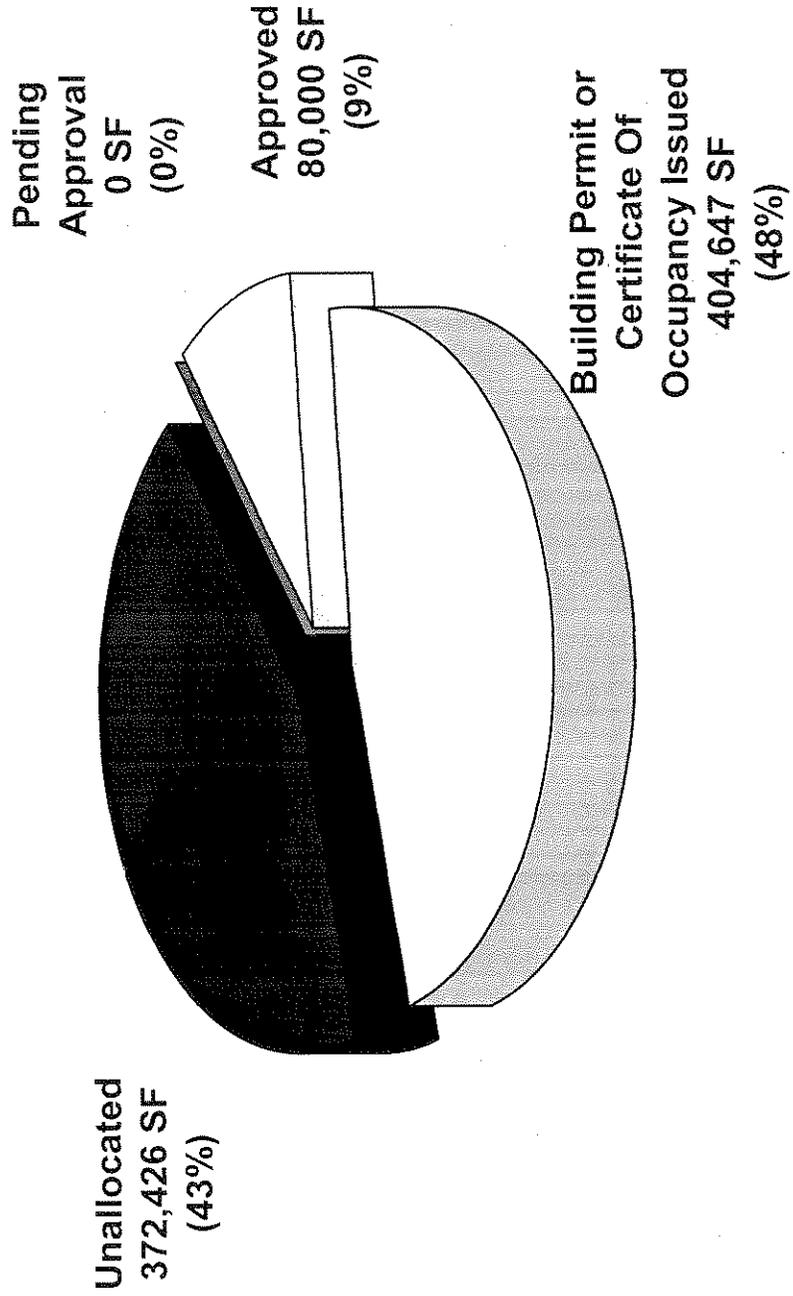
1990 - June 2007



Total : 300,000 square feet

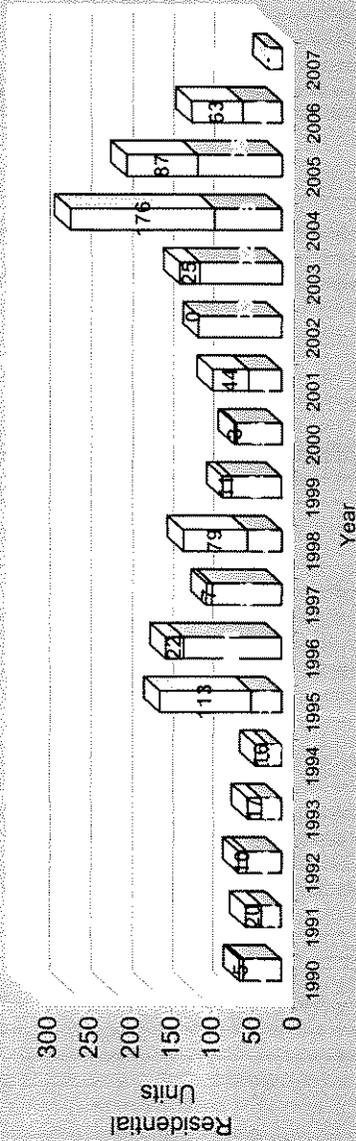
Status of Economic Development Projects

1990 - 2007



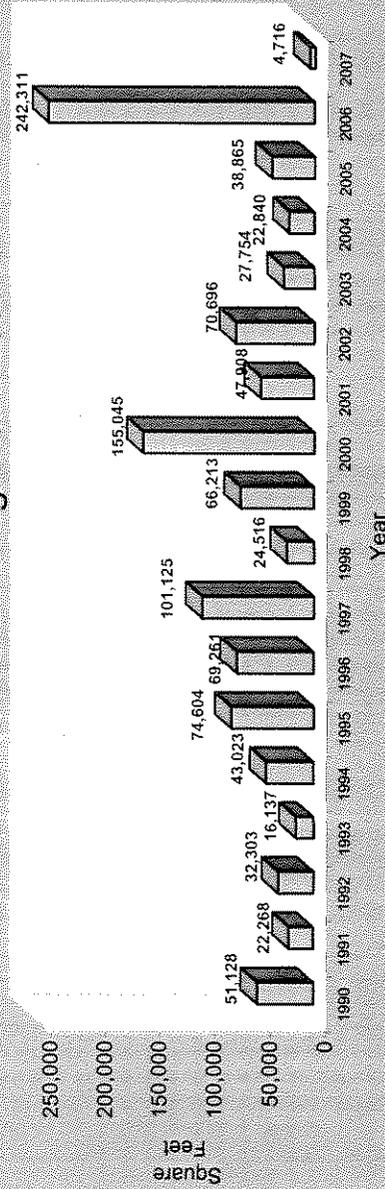
Total: 857,073 SF

Residential Development Activity Building Permits Issued by Year 1990 Through June 2007



□ Market Rate Units □ Affordable Units

Net Square Foot Status Non-Residential Building Permits 1990 Through June 2007



Total: 1,110,713 square feet
Average: 61,706 square feet



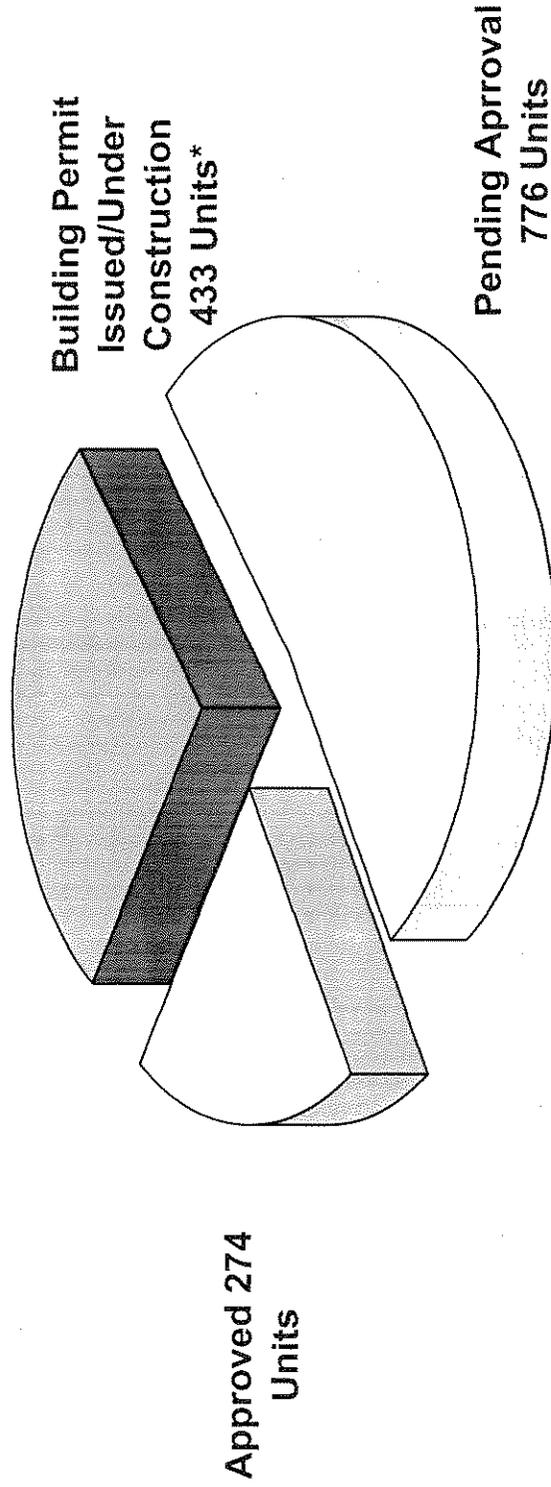
Residential Development Activity - 2007
Building Permits Issued
January - June 2007

Category	Non-Residential Zones	Residential Zones	Total
New Construction	6	31	37
Single Family Units	0	8	8
Mixed Use Units	6	N/A	6
Multi-Family Units	0	23	23
Demolition*	0	-20	-20
Conversion (Residential to Non-Residential)	0	0	0
Total Net New Units	6	19	17

* Of these 20 units, 12 were reconstructed as part of the projects



Residential Projects Activity through June 2007



*Includes St. Vincent's
Development -170 net new units

Total: 1,483 Net New Units

