



# City of Santa Barbara

## HOUSING TASK FORCE (HTF)

### AGENDA

#### APRIL 12, 2017

1:00 P.M. – 3:00 P.M.  
David Gebhard Public Meeting Room  
630 Garden Street  
[SantaBarbaraCA.gov/HousingTaskForce](http://SantaBarbaraCA.gov/HousingTaskForce)

#### HOUSING TASK FORCE MEMBERS

Bendy White, *Chair*  
John Campanella, *Vice Chair*  
Cathy Murillo  
Jason Dominguez  
Sheila Lodge  
Michael Jordan  
Don Olson

#### STAFF

George Buell, Com. Dev. Director  
Renee Brooke, City Planner  
Deirdre Randolph, Com. Dev. Programs Supervisor  
David Rowell, Housing Project Planner

**AGENDAS, MINUTES, REPORTS, & PUBLIC RECORD WRITINGS:** Documents relating to agenda items are available for review in the Community Development Department at 630 Garden Street, and agendas, minutes, and reports are also posted online at [SantaBarbaraCA.gov/HousingTaskForce](http://SantaBarbaraCA.gov/HousingTaskForce). Materials related to an item on this agenda submitted to the HTF after distribution of the agenda packet are available for public inspection in the Community Development Department at 630 Garden Street during normal business hours. Office hours are 8:30 a.m. to 4:30 p.m., Monday through Thursday, and every other Friday (see [SantaBarbaraCA.gov/Calendar](http://SantaBarbaraCA.gov/Calendar) for closure dates). Letters received and reports that are a public record and relate to an agenda item are also available for public inspection at the meeting.

**REQUEST TO SPEAK ON AGENDA ITEMS:** The Chair will announce when public testimony can be given for each Agenda item. Speaker slips are available by the door and should be completed fully and handed to staff before the agenda item begins. Due to time constraints, individual comments are typically limited to two minutes. Written comments are also welcome. Mail to Housing Task Force, P.O. Box 1990, Santa Barbara, CA 93102-1990 or email to [drandolph@santabarbaraca.gov](mailto:drandolph@santabarbaraca.gov). Please note that the HTF may not have time to consider written comments received after 10 a.m. on the day of the meeting.

**AMERICANS WITH DISABILITIES ACT:** If you need auxiliary aids or services or staff assistance to attend or participate in this meeting, contact Deirdre Randolph at (805) 564-5511. If possible, notification at least 48 hours prior to the meeting will usually enable the City to make reasonable arrangements. Specialized services, such as sign language interpretation or documents in Braille, may require additional lead time to arrange.

**NOTICE:** On Thursday, April 6, 2017, this Agenda was posted on the outdoor bulletin board at the Community Development Department, 630 Garden Street and online at [SantaBarbaraCA.gov/HousingTaskForce](http://SantaBarbaraCA.gov/HousingTaskForce)

#### ROLL CALL:

#### CHANGES TO THE AGENDA:

#### GENERAL BUSINESS:

- A. Approval of the minutes of the Housing Task Force meeting of **March 23, 2017**.
- B. Announcements –

**PUBLIC COMMENT:** Any member of the public may address the Task Force for up to two minutes on any subject within its jurisdiction that is not scheduled on this agenda. Due to time constraints, individual comments are typically limited to two minutes.

## **SUBJECT ITEMS**

### **I. HTF AUD Reports/On-line Information – John Campanella (10 minutes)**

### **II. Nexus and Economic Feasibility Studies (20 minutes)**

- A. Staff recommended Areas of Focus / Questions to be answered by studies
- B. Stakeholder participation in development and review

*Action: Direction to staff*

### **III. Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees; explore options to assess impact fees or otherwise mandate the construction of rental housing affordable to households earning 80 to 120% of the Area Median Income – (40 minutes)**

- A. Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees
  - 1) Surveys
  - 2) Community Profile
  - 3) Current Rental Market
  - 4) Income Levels and Rent Affordability
  - 5) Housing Element Performance
- B. Explore options to assess impact fees or otherwise mandate the construction of rental housing affordable to households earning 80 to 120% of the Area Median
  - 1) Recorded Covenant on Income Restricted Units
  - 2) Impose affordable housing 'In Lieu' or Impact Fees
    - a. How Fees could be used

*Action: Discussion and feedback to staff*

## **ADJOURNMENT**



# City of Santa Barbara

## HOUSING TASK FORCE (HTF)

### MINUTES

MARCH 23, 2017

2:00 P.M.

David Gebhard Public Meeting Room

630 Garden Street

[SantaBarbaraCA.gov/HousingTaskForce](http://SantaBarbaraCA.gov/HousingTaskForce)

**CALL TO ORDER:** Chair White called the meeting to order at 2:00 p.m.

#### **ROLL CALL:**

Bendy White, *Chair*  
John Campanella, *Vice Chair*  
Cathy Murillo  
Jason Dominguez  
Sheila Lodge  
Michael Jordan (absent)  
Don Olson

#### **STAFF PRESENT:**

George Buell, Com. Dev. Director  
Scott Vincent, Asst. City Attorney  
Renee Brooke, City Planner  
Rob Dayton, Transportation planning & Parking  
manager, Public Works  
Deirdre Randolph, Com. Dev. Programs  
Supervisor  
David Rowell, Housing Project Planner  
Adam Nares, Geographic Information Systems  
Technician

**CHANGES TO THE AGENDA:** None

#### **GENERAL BUSINESS:**

- A. Approval of the minutes of the Housing Task Force meeting of February 15, 2017.  
**Motion: Murillo/Lodge**  
Approve the Minutes as presented  
Motion carried by unanimous voice vote
- B. Announcements: None
- C. Comments from members of the public pertaining to items not on this agenda:  
Chair White opened the public hearing at 2:05 P.M. and, with no one wishing to speak, closed the hearing.

#### **SUBJECT ITEMS**

- I. **HTF Requested Items:**
- A. AUD and State Bonus Density Law  
Presentation by Scott Vincent, Assistant City Attorney

- B. HTF AUD Reports/On-line Information  
Presentation by Adam Nares, Geographic Information Systems Technician
- C. Link to Employer-Sponsored Housing Forum  
Video [http://santabarbara.granicus.com/MediaPlayer.php?view\\_id=66&clip\\_id=5045](http://santabarbara.granicus.com/MediaPlayer.php?view_id=66&clip_id=5045)

## II. Recent Council Discussion

Chair White discussed items A. & B.

- A. Parking requirement for 3+-bedroom AUD units
- B. Growth management – 100-unit maximum per year for AUD projects

Chair White opened public comment at 3:02 P.M.

The following people provided public comment:

Trish Allen, William Marks, Lindsey Baker, Mickey Flacks, Vijaya Jammalamadaka, Naomi Green, Natalia Govoni, Natasha Todorovic, Anna Marie Gott, Brian Cearnal, Lisa Plowman,

With no one else wishing to speak, public comment was closed at 3:37 P.M.

### **Motion: Lodge/Olson**

Recommend to Council that 2 parking spaces be required for 3+ bedroom AUD units.  
Motion carried by unanimous voice vote

### **Motion: Lodge/Campanella**

Staff to explore other parking solutions and report back to the HTF.  
Motion carried by unanimous voice vote

### **Motion: Dominguez/Lodge**

That Staff return to the Housing Task Force with suggested criteria for growth management ordinance to limit new AUD units to 100 per year.

The motion failed by the following tied vote:

Ayes: 3      Noes: 3      Abstain: 0      Absent: 1 (Jordan)

### **Motion: Dominguez/Olson**

That Staff return to the Housing Task Force with proposals, sufficiently detailed to enable a discussion of program specifics, for a program that would regulate the issuance of building permits for market rate AUD projects to a rate of no more than 100 new residential units per year while being sensitive as to how such a program will impact applicants who are already in the permitting process as of March 23, 2017.

The motion passed by the following vote:

Ayes: 4      Noes: 2 (Murillo, Campanella)      Abstain: 0      Absent: 1 (Jordan)

**Time did not allow discussion on Items III and IV. These items continued to a future meeting**

## III. Nexus and Economic Feasibility Studies (20 minutes)

- A. Staff recommended Areas of Focus / Questions to be answered by studies
- B. Stakeholder participation in development and review

*Action: Direction to staff*

- IV. Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees; explore options to assess impact fees or otherwise mandate the construction of rental housing affordable to households earning 80 to 120% of the Area Median Income – (40 minutes)**
- A. Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees
    - 1) Surveys
    - 2) Community Profile
    - 3) Current Rental Market
    - 4) Income Levels and Rent Affordability
    - 5) Housing Element Performance
  - B. Explore options to assess impact fees or otherwise mandate the construction of rental housing affordable to households earning 80 to 120% of the Area Median
    - 1) Recorded Covenant on Income Restricted Units
    - 2) Impose affordable housing 'In Lieu' or Impact Fees
      - a. How Fees could be used

*Action: Discussion and feedback to staff*

**ADJOURNMENT:** Chair White adjourned the meeting at 4:34 P.M.

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## Housing Task Force AUD Report

Effective 03/31/2017

|                                                                   | Number<br>of<br>Projects | Sum of<br>Total Units | Number<br>of Studio<br>Units | Number<br>of 1-<br>bedroom<br>Units | Number<br>of 2-<br>bedroom<br>Units | Number<br>of 3+<br>bedroom<br>Units | Average<br>Number of<br>Bedrooms | Parking<br>Residential | Parking<br>Commercial<br>(if MU) | Average Project<br>Density<br>(units/acre) |
|-------------------------------------------------------------------|--------------------------|-----------------------|------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|----------------------------------|------------------------|----------------------------------|--------------------------------------------|
| <b>AUD 250 Unit Trial (High Density<br/>and Priority Housing)</b> | <b>32</b>                | <b>816</b>            | <b>95</b>                    | <b>296</b>                          | <b>393</b>                          | <b>33</b>                           | <b>1.59</b>                      | <b>941</b>             | <b>232</b>                       | <b>48.7</b>                                |
| Pending                                                           | 20                       | 459                   | 52                           | 171                                 | 217                                 | 20                                  | 1.57                             | 540                    | 178                              | 47.8                                       |
| Approved                                                          | 9                        | 206                   | 25                           | 95                                  | 83                                  | 3                                   | 1.63                             | 212                    | 26                               | 49.9                                       |
| Building Permit Issued                                            | 3                        | 151                   | 18                           | 30                                  | 93                                  | 10                                  | 1.61                             | 189                    | 28                               | 51.7                                       |
| <b>AUD Medium High Density</b>                                    | <b>33</b>                | <b>214</b>            | <b>11</b>                    | <b>67</b>                           | <b>95</b>                           | <b>41</b>                           | <b>1.94</b>                      | <b>282</b>             | <b>29</b>                        | <b>21.4</b>                                |
| Pending                                                           | 11                       | 55                    | 3                            | 15                                  | 22                                  | 15                                  | 1.87                             | 90                     | 2                                | 20.8                                       |
| Approved                                                          | 13                       | 118                   | 6                            | 43                                  | 52                                  | 17                                  | 2.02                             | 147                    | 27                               | 21.2                                       |
| Building Permit Issued                                            | 7                        | 35                    | 0                            | 7                                   | 21                                  | 7                                   | 2.01                             | 37                     | 0                                | 22.6                                       |
| Certificate of Occupancy                                          | 2                        | 6                     | 2                            | 2                                   | 0                                   | 2                                   | 1.50                             | 8                      | 0                                | 21.5                                       |
| <b>AUD Affordable</b>                                             | <b>5</b>                 | <b>251</b>            | <b>152</b>                   | <b>64</b>                           | <b>22</b>                           | <b>13</b>                           | <b>1.24</b>                      | <b>124</b>             | <b>0</b>                         | <b>63.8</b>                                |
| Pending                                                           | 2                        | 63                    | 63                           | 0                                   | 0                                   | 0                                   | 1.00                             | 28                     | 0                                | 84.0                                       |
| Approved                                                          | 1                        | 90                    | 89                           | 1                                   | 0                                   | 0                                   | 1.00                             | 34                     | 0                                | 52.0                                       |
| Building Permit Issued                                            | 2                        | 98                    | 0                            | 63                                  | 22                                  | 13                                  | 1.60                             | 62                     | 0                                | 49.5                                       |
| <b>Grand Total</b>                                                | <b>70</b>                | <b>1281</b>           | <b>258</b>                   | <b>427</b>                          | <b>510</b>                          | <b>87</b>                           | <b>1.73</b>                      | <b>1347</b>            | <b>261</b>                       | <b>36.9</b>                                |





Date: April 10, 2017  
To: Housing Task Force  
From: John Campanella  
Re: HTF AUD Reports/On-line Information  
cc: George Buell

Fellow HTF Members:

At this Wednesday's meeting, the first item on the agenda is HTF AUD Reports/On-line Information.

I will briefly review portions of sheets 11-19 in the HTF Reports Packet that were distributed for our second meeting on March 23<sup>rd</sup>.

My purpose was to compile information on AUD Priority Housing Rental Units (up to 63 DUA) and observe the characteristics of both the approved and pending projects. This was taken from the AUD Program Cases report of February 2, 2017.

My observations for approved and pending priority projects are listed on sheets 11 and 12 with detail attached.

Parking statistics are also included for the priority projects.

In addition, statistics on bedroom mix for combined priority / high density (trial) projects are compared to medium-high projects and affordable units.

Note that staff has a data base matrix on the AUD projects that can provide statistical information that we might request in the future.

I appreciate your comments at Wednesday's meeting.

John



## **2017 – HOUSING TASK FORCE – FACT SHEET - NEXUS AND FEASIBILITY STUDIES**

**Objective:** Explore options to assess impact fees or otherwise mandate the construction of rental housing affordable to households earning 80 to 120% of the Area Median Income.

### **Nexus Study**

A Nexus Study demonstrates the quantitative relationship between an increase in housing and the resulting increased need for affordable housing. New housing residents place demands on services provided by both the public and private sector, creating a demand for public and private services and new employees (who typically have low incomes ( $\leq 80\%$  AMI) or moderate incomes (80% - 120% AMI) and require affordable housing units). Approximate Cost: \$30,000/Approximate Time: 6 months

### **Economic Feasibility Study**

An Economic Feasibility Study determines if the inclusionary housing or affordable housing impact fee would unreasonably disrupt developer/owner's economic returns from a project. A Feasibility Study would also provide information regarding the cost of parking as well as other incentives and enable any proposed modifications to have a clear understanding of both project and policy economics. Approximate Cost: \$40,000/Approximate Time: 6 months

### **Questions to Submit for the Nexus and Feasibility Studies**

- 1) What is the value of various development incentives such as:
  - Parking
  - Building stories
  - Setbacks/outdoor living space
  - Stream-lined review/approval process
- 2) What is the cost to developer of restricting the rents of various sized units:
  - Low (80% and below of Area Median Income)
  - Moderate (80% to 120% of Area Median Income)
- 3) What is the appropriate level of a Housing Impact Fee?
- 4) Evaluate the rate of return for the following prototypes and projects:
  - Multifamily Rental in Priority Housing Overlay
  - Multifamily Rental in High Density
  - Multifamily Rental in Medium-High Density
  - Existing AUD Projects
  - Owner Condo Project

**Stakeholder Participation in development and review:**

City Council

Planning Commission

HLC Members

ABR Members

HTF Members

City Staff

Developers

Architects

Multifamily Lenders

Real Estate Appraisers

Real Estate Agents

Advocacy Groups

Landlords

Tenants

Other

## **2017 HOUSING TASK FORCE – Fact Sheet / AUD SURVEY**

### **Objective**

Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees

### **ANNUAL RESIDENT SURVEY**

In order to obtain necessary information to evaluate and monitor the program and determine whether the AUD Incentive Program units are meeting the goals and objectives of the General Plan, all AUD Incentive Program projects that obtain design review, Staff Hearing Officer, or Planning Commission approval will include a requirement to complete a survey(s) as a condition of project approval.

The owner is required to conduct the annual resident survey commencing six months after final Certificate of Occupancy. For example, if an AUD project was issued a final Certificate of Occupancy in November 2016, the first survey report will be due December 31, 2017. The survey report must include findings for each unit and must be submitted to the Planning Division by December 31st of each year for the first eight years of the project. The annual survey report for each unit includes:

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

Staff will continue to require this annual survey as a standard condition of approval for as long as it is deemed potentially useful to evaluate the effectiveness of the AUD Incentive Program.

The survey questions can be revised or cease to be required at any point, if deemed necessary. Staff and Planning Commission developed the annual survey and would consult with the Planning Commission prior to adjusting significant aspects of the annual survey requirement.



## 2017 – HOUSING TASK FORCE – FACT SHEET – COMMUNITY PROFILE

### Objective

Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees

### Existing Santa Barbara Residents/Employees

Based on 2011-2015 American Community Survey:

#### 1) Housing Occupancy

- a) Total housing units: 37,886
- b) Occupied housing units: 34,973
- c) Vacant housing units: 2,913
- d) Rental vacancy rate: 1.7%

#### 2) Housing Tenure

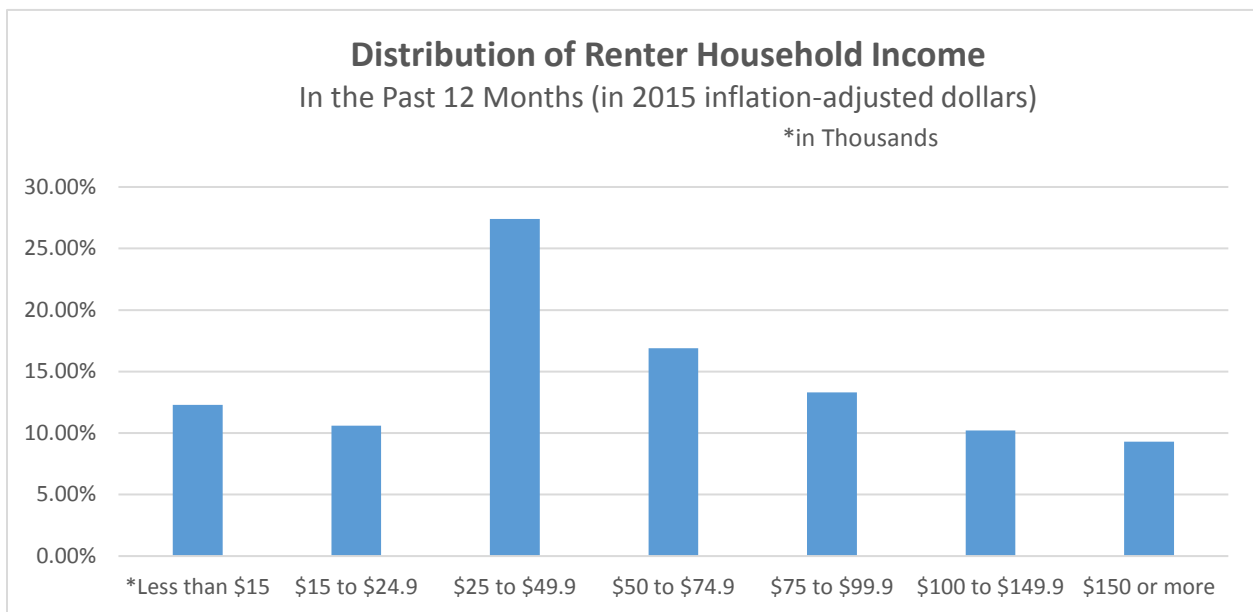
- a) Ownership units: 40%
- b) Rental Units: 60%

#### 3) Bedrooms

- a) No bedroom: 1,959
- b) 1 bedroom: 9,535
- c) 2 bedrooms: 12,118
- d) 3 bedrooms: 10,113
- e) 4 bedrooms: 3,221
- f) 5 or more bedrooms: 940

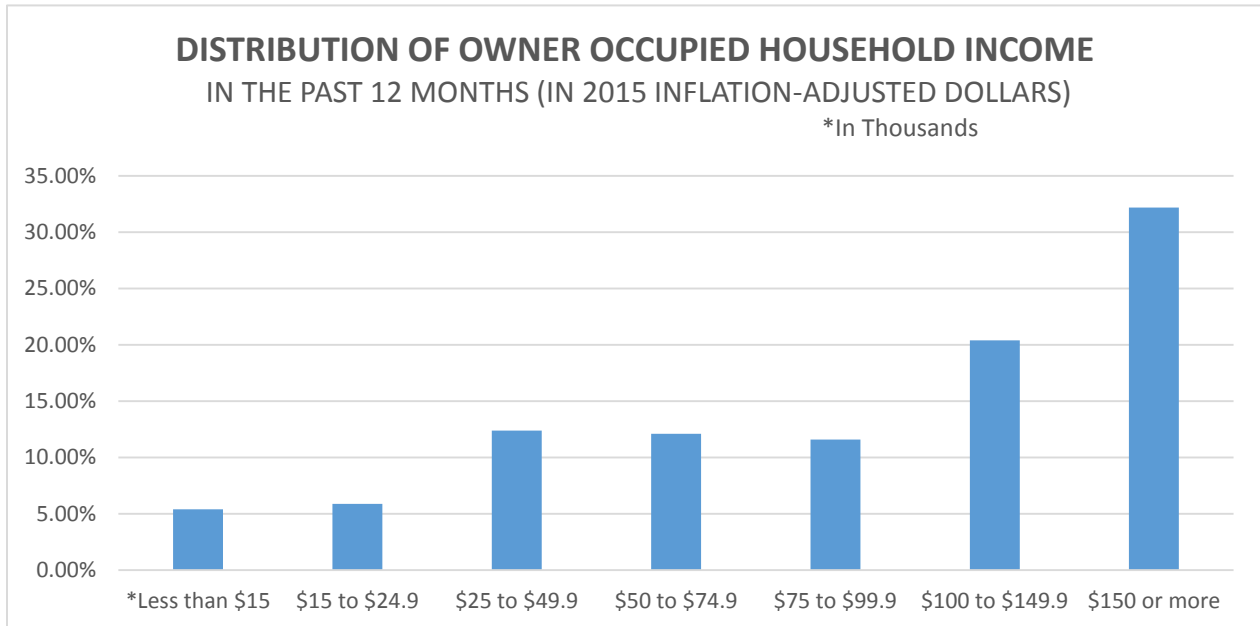
#### 4) Household Income (Renter) in the Past 12 Months

\$49,684 Median Income of a renter household



## 5) Household Income (Owner-Occupied) in the Past 12 Months

\$104,896 Median Income of an owner household



## 6) Household Size

- a) 1-person household: 32.6%
- b) 2-person household: 32.1%
- c) 3-person household: 14.9%
- d) 4-or more person household: 20.4%

## 2014 SBCAG “State of the Commute”

- a) Daytime population change due to commuting: +15,858 (+17.3%)
- b) Workers who live and work in the City of Santa Barbara: 31,086 (62.3%)



## 2017 – HOUSING TASK FORCE – FACT SHEET – CURRENT RENTAL MARKET

### Objective

Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees

Santa Barbara's residential vacancy rate in 2014 was about 0.6%.<sup>1</sup> According to the Department of Housing and Urban Development, a vacancy rate of 5.0% is considered sufficient to provide choice and mobility.<sup>2</sup> "There is anecdotal evidence that the residential vacancy rate in the South Coast has increased slightly from the less than 1% level that it has been at for a number of years to the 2-3% range" – Santa Barbara Real Estate Observations, Quarterly Economic and Market Review by Keller Williams.

| City of Santa Barbara Median Rents as of April 2016 Survey |                                                                                                                                |                                                                                       |            |            |
|------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|------------|------------|
|                                                            | Studio                                                                                                                         | 1 Bedroom                                                                             | 2 Bedroom  | 3 Bedroom  |
| Apartments                                                 | \$1,438.00                                                                                                                     | \$1,695.00                                                                            | \$2,325.00 | \$3,040.00 |
| Duplexes                                                   | N/A                                                                                                                            | \$1,650.00                                                                            | \$2,400.00 | \$2,995.00 |
| Condos                                                     | N/A                                                                                                                            | \$2,500.00                                                                            | \$2,700.00 | \$2,987.00 |
| Houses                                                     | N/A                                                                                                                            | \$2,500.00                                                                            | \$3,600.00 | \$3,600.00 |
|                                                            |                                                                                                                                |                                                                                       |            |            |
| Dyer Sheehan Group-October 2016                            |                                                                                                                                |                                                                                       |            |            |
|                                                            | Studio                                                                                                                         | 1 Bedroom                                                                             | 2 Bedroom  | 3 Bedroom  |
| Low                                                        | \$850.00                                                                                                                       | \$1,140.00                                                                            | \$1,445.00 | \$2,100.00 |
| High                                                       | \$1,900.00                                                                                                                     | \$2,750.00                                                                            | \$4,225.00 | \$5,875.00 |
| Average                                                    | \$1,208.00                                                                                                                     | \$1,530.00                                                                            | \$2,334.00 | \$3,808.00 |
|                                                            |                                                                                                                                |                                                                                       |            |            |
| 2017 Telephone Survey - Goleta                             |                                                                                                                                |                                                                                       |            |            |
|                                                            | WILLOW SPRINGS                                                                                                                 | HOLLISTER VILLAGE                                                                     |            |            |
| # OF UNITS                                                 | 335                                                                                                                            | 266                                                                                   |            |            |
| RENT                                                       | 1 BR/1 BA = \$2,000 - \$2,500<br>2 BR/1 BA= \$2,500 - \$2,800<br>2 BR/2 BA= \$2,700 - \$3,200<br>3 BR /2 BA= \$3,300 - \$3,600 | 1 BR/1 BA = \$2,400<br>2 BR/2 BA = \$2,800 - \$3,000<br>3 BR/2 BA = \$3,190 - \$3,450 |            |            |
| VACANCY RATE                                               | 0% (as of 02/28/17)                                                                                                            | 2.25% (as of 3/1/17)                                                                  |            |            |
| DEMOGRAPHICS                                               | Mixed Students and Workforce                                                                                                   | not provided                                                                          |            |            |
| FURNISHED/UNFURNISHED                                      | Majority unfurnished                                                                                                           | 100 % Unfurnished                                                                     |            |            |
| TURNOVER/WAITLIST                                          | Waitlist/Interest List                                                                                                         | No Waitlist                                                                           |            |            |

<sup>1</sup> 2015 Housing Element, p.26, fn.1.

<sup>2</sup> 2015 Housing Element, p.26.

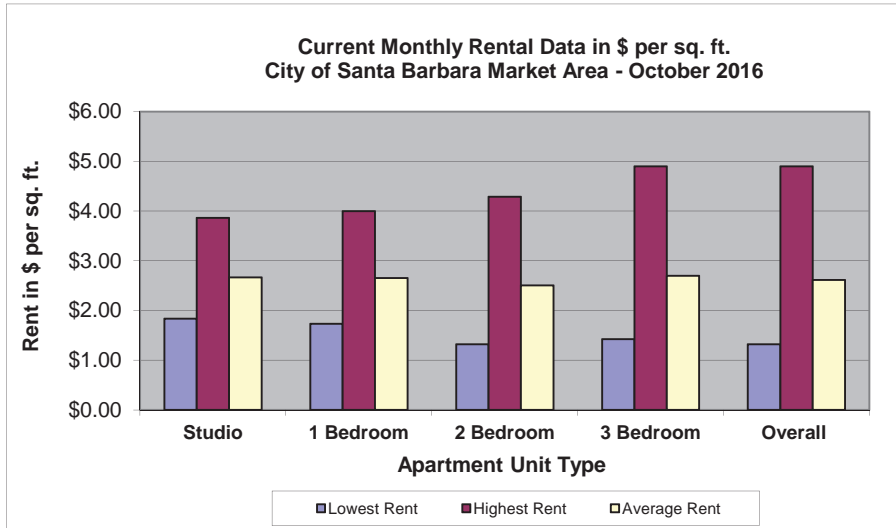
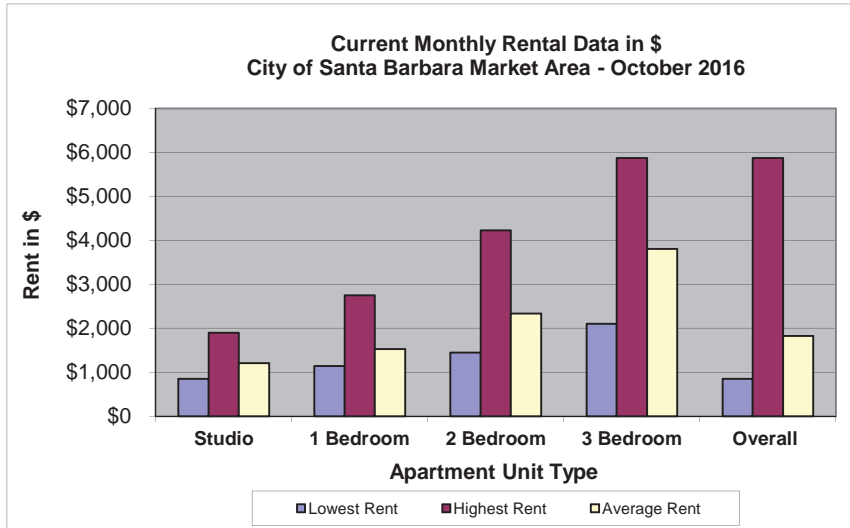
\* City Staff conducted April 1-30, 2016 (Newspress, Independent and Craig's List)  
Dyer-Sheehan Survey Data October 2016 (copy in Agenda Packet)

SANTA BARBARA COUNTY - SOUTH COAST APARTMENT MARKET SURVEY

Page 3 of 10 Pages

**Current Survey Data for October 2016 - City of Santa Barbara Market Area**

| Market Area and General Survey Data         | Unit Type        | # of Units in Survey | Average Floor Area | Monthly Rent in \$ |                |                | Monthly Rent in \$ per Sq. Ft. |               |               |
|---------------------------------------------|------------------|----------------------|--------------------|--------------------|----------------|----------------|--------------------------------|---------------|---------------|
|                                             |                  |                      |                    | Lowest             | Highest        | Average        | Lowest                         | Highest       | Average       |
| <b>Total Properties Surveyed: 44</b>        | <b>Studio</b>    | 110                  | 460 sq ft          | \$850              | \$1,900        | \$1,208        | \$1.83                         | \$3.86        | \$2.66        |
| <b>Minimum Property Size: 8 Units</b>       | <b>1 Bedroom</b> | 1,368                | 588 sq ft          | \$1,140            | \$2,750        | \$1,530        | \$1.73                         | \$4.00        | \$2.65        |
| <b>Maximum Property Size: 168 Units</b>     | <b>2 Bedroom</b> | 562                  | 949 sq ft          | \$1,445            | \$4,225        | \$2,334        | \$1.32                         | \$4.28        | \$2.50        |
| <b>Average Property Age: 53 Years</b>       | <b>3 Bedroom</b> | 92                   | 1,463 sq ft        | \$2,100            | \$5,875        | \$3,808        | \$1.42                         | \$4.90        | \$2.70        |
| <b>Weighted Average Vacancy Rate: 1.38%</b> | <b>Overall</b>   | <b>2,132</b>         | <b>714 sq ft</b>   | <b>\$850</b>       | <b>\$5,875</b> | <b>\$1,823</b> | <b>\$1.32</b>                  | <b>\$4.90</b> | <b>\$2.62</b> |



All information provided above is from sources deemed to be reliable, but no guarantee or warranty is stated or implied herein.

| 2016 RENT SURVEY - AFFORDABILITY                             |             |                       |                       |                         |                                         |                             |
|--------------------------------------------------------------|-------------|-----------------------|-----------------------|-------------------------|-----------------------------------------|-----------------------------|
| Apartment Size                                               | Median Rent | Hourly Income Needed* | Annual Income Needed* | 2016 Median Income      | 2016 Min Wage Income (\$10/hr) 2080 hrs | % of Min Wage Income Needed |
| Studio:                                                      | \$1,438     | \$27.64               | \$57,500              | \$53,970<br>(1 person)  | \$20,800                                | 276%                        |
| 1-Bedroom:                                                   | \$1,695     | \$32.60               | \$67,800              | \$61,680<br>(2 persons) | \$41,600                                | 163%                        |
| 2-Bedroom:                                                   | \$2,325     | \$44.71               | \$93,000              | \$69,390<br>(3 persons) | \$62,400                                | 149%                        |
| 3-Bedroom:                                                   | \$3,040     | \$58.46               | \$121,600             | \$77,100<br>(4 persons) | \$83,200                                | 146%                        |
| Min wage \$10 as of 1/1/16                                   |             |                       |                       |                         |                                         |                             |
| (* Income required if household pays 30% of income for rent) |             |                       |                       |                         |                                         |                             |

| City of Santa Barbara                                                 |         |         |         |         |         |
|-----------------------------------------------------------------------|---------|---------|---------|---------|---------|
| Tenant Displacement Assistance Ordinance (TDAO)                       |         |         |         |         |         |
| Median Rents as of April 2016                                         |         |         |         |         |         |
| By Unit Type and Bedroom Count                                        |         |         |         |         |         |
|                                                                       | Studio  | 1 BR    | 2 BR    | 3 BR    | 4 BR    |
| Apartments                                                            | \$1,438 | \$1,695 | \$2,325 | \$3,040 | \$3,138 |
| Duplexes*                                                             | N/A     | \$1,650 | \$2,400 | \$2,995 | NSD     |
| Condos                                                                | N/A     | \$2,500 | \$2,700 | \$2,987 | \$4,000 |
| Houses                                                                | N/A     | \$2,500 | \$2,900 | \$3,600 | \$4,450 |
| * Duplex Data is from 2015 - no listings during 2016 period of survey |         |         |         |         |         |

From City of Santa Barbara Rent Survey (Data from April 2016 NewPress, Craig's List, and Independent rental listings)



## 2017 – HOUSING TASK FORCE – FACT SHEET 4 – Income Levels & Rent Affordability

### Objective

Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees

| Incomes Eligible for Subsidies                                                                                          |                  |                  |                  |                  |
|-------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| INCOME BY HOUSEHOLD SIZE                                                                                                |                  |                  |                  |                  |
| Income Limit Category                                                                                                   | Household Size   |                  |                  |                  |
|                                                                                                                         | 1                | 2                | 3                | 4                |
| 50%                                                                                                                     | \$ 29,500        | \$ 33,700        | \$ 37,900        | \$ 42,100        |
| 80%                                                                                                                     | \$ 47,150        | \$ 53,900        | \$ 60,650        | \$ 67,350        |
| <b>Area Median Income 100%</b>                                                                                          | <b>\$ 53,970</b> | <b>\$ 61,680</b> | <b>\$ 69,390</b> | <b>\$ 77,100</b> |
| 120%                                                                                                                    | \$ 64,764        | \$ 74,016        | \$ 83,268        | \$ 92,520        |
| 160%                                                                                                                    | \$ 86,352        | \$ 98,688        | \$ 111,024       | \$ 123,360       |
| 200%                                                                                                                    | \$ 107,940       | \$ 123,360       | \$ 138,780       | \$ 154,200       |
|                                                                                                                         |                  |                  |                  |                  |
| Household Size                                                                                                          | Unit Size        | Rent*            |                  |                  |
| 1                                                                                                                       | Studio           | \$1,600          |                  |                  |
| 2                                                                                                                       | One Bedroom      | \$2,100          |                  |                  |
| 3                                                                                                                       | Two Bedroom      | \$2,500          |                  |                  |
| 4                                                                                                                       | Two Bedroom      | \$2,500          |                  |                  |
|                                                                                                                         |                  |                  |                  |                  |
| Below 80% Incomes Eligible for Subsidies                                                                                |                  |                  |                  |                  |
| Households earning 80 - 120% of AMI                                                                                     |                  |                  |                  |                  |
| PERCENT OF GROSS HOUSEHOLD INCOME USED FOR RENT**                                                                       |                  |                  |                  |                  |
| Income Limit Category                                                                                                   | Household Size   |                  |                  |                  |
|                                                                                                                         | 1                | 2                | 3                | 4                |
| 50%                                                                                                                     | 65%              | 75%              | 79%              | 71%              |
| 80%                                                                                                                     | 41%              | 47%              | 49%              | 45%              |
| <b>100%</b>                                                                                                             | <b>36%</b>       | <b>41%</b>       | <b>43%</b>       | <b>39%</b>       |
| <b>120%</b>                                                                                                             | <b>30%</b>       | <b>34%</b>       | <b>36%</b>       | <b>32%</b>       |
| 160%                                                                                                                    | 22%              | 26%              | 27%              | 24%              |
| 200%                                                                                                                    | 18%              | 20%              | 22%              | 19%              |
| *Rents are average of April 2016 City Rent Survey and October 2016 Dyer/Sheehan Survey (both included in Agenda packet) |                  |                  |                  |                  |
| ** 45.6% of SB renters pay over 35% of Gross Household Income -American Community Services 2015                         |                  |                  |                  |                  |

| <b>Household Income Required To Afford Market Rent-<br/>Calculated at 30% of Gross Income</b> |                       |                |                        |                  |
|-----------------------------------------------------------------------------------------------|-----------------------|----------------|------------------------|------------------|
| <b>Household Size</b>                                                                         | <b>Unit Size</b>      | <b>Rent*</b>   | <b>Income Required</b> |                  |
| 1                                                                                             | Studio                | \$1,600        | \$57,500               |                  |
| 2                                                                                             | One Bedroom           | \$2,100        | \$67,800               |                  |
| 3                                                                                             | Two Bedroom           | \$2,500        | \$93,000               |                  |
| 4                                                                                             | Two Bedroom           | \$2,500        | \$93,000               |                  |
| 4                                                                                             | Three Bedroom         | \$3,040        | \$121,600              |                  |
| *Rents are average of April 2016 City Rent Survey and October 2016 Dyer/Sheehan Survey        |                       |                |                        |                  |
| Area Median Income (AMI) Determined By HUD Annually                                           |                       |                |                        |                  |
| Below 80% AMI Incomes are Eligible for Subsidies and not included in below calculations       |                       |                |                        |                  |
| <b>Moderate Income Limits</b>                                                                 | <b>Household Size</b> |                |                        |                  |
|                                                                                               | 1                     | 2              | 3                      | 4                |
| <b>80% AMI</b>                                                                                | \$ 47,150.00          | \$ 53,900.00   | \$ 60,650.00           | \$ 67,350.00     |
| Rent @ 30% of 80% AMI                                                                         | \$ 1,178.75           | \$ 1,347.50    | \$ 1,516.25            | \$ 1,683.75      |
| <b>100% AMI</b>                                                                               | \$ 53,970.00          | \$ 61,680.00   | \$ 69,390.00           | \$ 77,100.00     |
| Rent @ 30% of 100% AMI                                                                        | \$ 1,157.00           | \$ 1,446.00    | \$ 1,734.75            | \$ 1,927.50      |
| <b>120% AMI</b>                                                                               | \$ 64,764.00          | \$ 74,016.00   | \$ 83,268.00           | \$ 92,520.00     |
| Rent @ 30% of 120% AMI                                                                        | \$ 1,619.10           | \$ 1,850.40    | \$ 2,081.70            | \$ 2,313.00      |
| <b>Example: Difference between Market Rents and Affordable Rents</b>                          |                       |                |                        |                  |
|                                                                                               | Studio                | One Bedroom    | Two Bedroom            | Three Bedroom    |
| Market Rents                                                                                  | \$1,600               | \$2,100        | \$2,500                | \$2,500          |
| <b>100% AMI Affordable Rents</b>                                                              | <b>\$1,157</b>        | <b>\$1,446</b> | <b>\$1,735</b>         | <b>\$1,928</b>   |
| Difference                                                                                    | <b>(\$443)</b>        | <b>(\$654)</b> | <b>(\$765)</b>         | <b>(\$1,196)</b> |
| <b>Higher Income Limits</b>                                                                   | <b>Household Size</b> |                |                        |                  |
|                                                                                               | 1                     | 2              | 3                      | 4                |
| <b>160%</b>                                                                                   | \$ 86,352.00          | \$ 98,688.00   | \$ 111,024.00          | \$ 123,360.00    |
| Rent @ 30% of 160% AMI                                                                        | \$ 2,158.00           | \$ 2,467.20    | \$ 2,775.60            | \$ 3,084.00      |
| <b>200%</b>                                                                                   | \$ 107,940.00         | \$ 123,360.00  | \$ 138,780.00          | \$ 154,200.00    |
| Rent @ 30% of 200% AMI                                                                        | \$ 2,698.00           | \$ 3,084.00    | \$ 3,469.50            | \$ 3,855.00      |

## 2017 – HOUSING TASK FORCE – FACT SHEET - HOUSING ELEMENT PERFORMANCE

### Objective

Analyze effectiveness of AUD Program to provide housing for existing Santa Barbara residents/employees; explore options to assess impact fees or otherwise mandate the construction of rental housing affordable to households earning 80 to 120% of the Area Median Income.

### 2015 HOUSING ELEMENT

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.

Per the 2015 Housing Element, the City's RHNA Plan demonstrates the capacity to develop 4,099 units. The table below is a breakdown of the 4,099 units by income category and the City's projected performance:

| Income Category           | <b>Very-Low</b><br>0-50% AMI | <b>Low</b><br>50-80% AMI | <b>Moderate</b><br>80-120% | <b>Above Moderate</b><br>>120% | <b>Total</b><br>N/A |
|---------------------------|------------------------------|--------------------------|----------------------------|--------------------------------|---------------------|
| RHNA Units                | 962                          | 701                      | 820                        | 1,616                          | 4,099               |
| City Income Range         | \$0-\$45,500                 | \$45,501-\$72,750        | \$47,151-\$99,922          | >\$86,353                      | N/A                 |
| State Income Range        | \$0-\$32,100                 | \$32,101-\$51,350        | \$51,351-\$72,400          | N/A                            | N/A                 |
| Percent of SB Households* | 25%                          | 14%                      | 28%                        | 33%                            | 100%                |

*\*Based on 2011-2015 American Community Survey*

The City of Santa Barbara’s Quantified Objective in the 2015 Housing Element is to produce 1,378 units from 2015-2023 or 172 units per year. As of March 1, 2017, there are 1,101 net new units in the AUD pipeline (including 240 restricted affordable units).

The tables below reflect the City’s Housing Element Goals for unit production and new unit produced.

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

| <b>Income Category</b>             | <b>New Construction</b> | <b>Rehabilitation</b> | <b>Conservation/<br/>Preservation</b> | <b>Total</b> |
|------------------------------------|-------------------------|-----------------------|---------------------------------------|--------------|
| Extremely Low, Very Low (<50% AMI) | 109                     | 110                   | 60                                    | <b>279</b>   |
| Low (50%-80% AMI)                  |                         |                       |                                       |              |
| Moderate (80%-120%)                | 13                      | 0                     | 0                                     | <b>13</b>    |
| Above Moderate (>120%)             | 1,086                   | N/A                   | N/A                                   | <b>1,086</b> |
| <b>Total</b>                       | <b>1,208</b>            | <b>110</b>            | <b>60</b>                             | <b>1,378</b> |

| <b>Income Category</b>             | <b>New Unit Objective<br/>(2015-2023)</b> | <b>New Units Produced</b> |             |              |
|------------------------------------|-------------------------------------------|---------------------------|-------------|--------------|
|                                    |                                           | <b>2015</b>               | <b>2016</b> | <b>Total</b> |
| Extremely Low, Very Low (<50% AMI) | 109                                       | 0                         | 3           | 3            |
| Low (50%-80% AMI)                  |                                           | 0                         | 95          | 95           |
| Moderate (80%-120%)                | 13                                        | 0                         | 0           | 0            |
| Above Moderate (>120%)             | 1,086                                     | 180                       | 189         | 369          |
| <b>Total</b>                       | <b>1,208</b>                              | <b>180</b>                | <b>287</b>  | <b>467</b>   |



## 2017 – HOUSING TASK FORCE – FACT SHEET- RESTRICTED UNITS OR IMPOSE IMPACT FEES

**Objective:** Explore options to assess impact fees or otherwise mandate the construction of rental housing affordable to households earning 80 to 120% of the Area Median Income.

### Restricted Units or Impact Fees

California State Law limits the ability of cities to apply inclusionary zoning requirements to rental housing unless some form of financial assistance is provided. Due to this, many cities have turned instead to the use of development impact fees charged on new, market-rate housing developments, known as “Housing Impact Fees”. These Housing Impact Fees are based on an assessment of the extent to which the development of new housing generates additional demand for affordable housing.

Adoption of a Housing Impact Fee must be established through a “Nexus Study.” The Mitigation Fee Act (Government Code Sections 66000-66008:

[http://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=GOV&division=1.&title=7.&part=&chapter=5.&article](http://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=1.&title=7.&part=&chapter=5.&article) requires California jurisdictions to show through a Nexus study that:

- (1) The proposed development is in fact creating an impact and
- (2) The fee or restricted units are proportional to the impact. The Nexus study effectively establishes the *maximum* fee amount that a jurisdiction may legally assess.

Some jurisdictions have adopted a policy that allows the developer the option to provide inclusionary units or be assessed a housing impact fee on new rental developments. To ensure long-term affordability of the restricted units, an Affordability Covenant Imposed on Real Property document is recorded on title. The Covenant would require compliance monitoring which includes submission of annual reports.

However, imposition of Housing Impact Fees and/or setting affordability restrictions (inclusionary rental housing) or altering the AUD Program incentives will change project economics. Setting the fees too high or making the AUD Incentive Program too restrictive could result in unintended consequences such as curtailing AUD development all together.

### Use of Housing Impact Fees:

Housing Impact Fees could be used by the City to provide financing for:

- Acquisition (Land/Property)
- Contribution to Low Income Housing Tax Credit Projects
- Development of new low & moderate income housing units

- Rehabilitation of existing affordable rental housing units to extend useful life
- Moderate income condominium projects

Approximately 170 California jurisdictions have an Inclusionary Housing program. The degree of implementation varies. Each jurisdiction’s utilization of Inclusionary or Density Bonus varies due to the jurisdiction’s base density level and how that relates to a project’s size.

The below table shows a representative sample:

| <b>AFFORDABLE RENTAL HOUSING POLICY</b> |                           |                             |
|-----------------------------------------|---------------------------|-----------------------------|
| Jurisdiction                            | Restricted Units          | Housing Impact Fee          |
| City of Salinas                         | Yes-Very Low to Workforce | No                          |
| City of Pasadena                        | yes-15 (5% low,10% mod)   | Yes                         |
| City of San Diego                       | No                        | Yes                         |
| City of San Jose                        | 15% (6%VL & 9% moderate)  | \$17 per sq. ft.            |
| City of Walnut Creek                    | 10% Low, 6% VL            | \$1.60 to \$7.20 per sq. ft |
| City of Berkeley                        | No                        | \$28,000 per rental unit    |