

## General Plan Policies Related to Prioritizing or Controlling Residential Development

### Land Use Element

- LG1. Resource Allocation Priority. Prioritize the use of available resources capacities for additional affordable housing for extremely low, very low, low, moderate, and middle income households over all other new development.

*Possible Implementation Actions to be Considered:*

- LG1.1 Affordable Housing. Support affordable housing consistent with Housing Element goals and requirements and develop incentives in the form of flexibility in densities or standards for affordable housing projects if supported by available resource capacities.
- LG1.2 Available Resources. Monitor resource capacities and policy effectiveness at intervals commensurate with Housing Element planning periods and adjust specific housing policies as necessary to further achieve the City's Housing Element goals and requirements.
- LG3. Live Within Our Resources. New development shall be monitored to ensure that we are living within our resources through a comprehensive Adaptive Management Program.

*Possible Implementation Actions to be Considered:*

- LG3.1 Adaptive Management Program (AMP). Develop a comprehensive AMP that will monitor, assess, adapt, and inform the public and decision makers about the implications to resources from the next increment of growth in order to revise General Plan policies as necessary. The program will start small with priority resources and use of existing data whenever possible.
- a. Monitor resource capacities for appropriate measurable community indicators including jobs/housing imbalance and transportation mode shifts at meaningful time intervals.
  - b. Assess community indicators annually and conduct overall assessments every four to eight years and with a comprehensive review of goals, policies, and implementation procedures in the year 2020 and 2030.
  - c. Where warranted by monitoring and assessment adapt and revise policies consistent with resource capacities (e.g., water, sewer, affordable housing, traffic, etc.).
  - d. Inform the public and staff about current science and state-of the art technology related to sustainability, and other topics relevant to the General Plan.

LG4. Principles for Development. Establish the following Principles for Development to focus growth, encourage a mix of land uses, strengthen mobility options and promote healthy active living.

- Focus Growth. Encourage workforce and affordable housing within a quarter mile of frequent transit service and commercial services through smaller units and increased density, transit resources, parking demand standards, targeted infrastructure improvements, and increased public areas and open space. Incorporate ideas as a result of an employee survey.
- Mix of Land Uses. Encourage a mix of land uses, particularly in the Downtown to maintain its strength as a viable commercial center, to include retail, office, restaurant, residential, institutional, financial and cultural arts, encourage easy access to basic needs such as groceries, drug stores, community services, recreation, and public space.
- Mobility and Active Living. Link mixed-use development with main transit lines; promote active living by encouraging compact, vibrant, walkable places; encourage the use of bicycles; and reduce the need for residential parking.

LG5. Community Benefit Housing. While acknowledging the need to balance the provision of affordable housing with market-rate housing, new residential development in multi-family and commercial zones, including mixed-use projects, should include affordable housing and open space benefits.

*Possible Implementation Actions to be Considered:*

LG5.1 Affordable Housing. Develop standards and project level findings to encourage the development of Community Benefit Housing defined as:

- Rental housing;
- Housing affordable to low, moderate, or middle income households;
- Employer sponsored workforce housing;
- Limited Equity Co-operative Housing;
- Affordable Housing Downtown for Downtown Workers; and/or
- Transitional housing, single residential occupancy, and other housing for special needs populations including seniors, physically or mentally disabled, homeless, and children aging out of foster care.

LG6. Location of Residential Growth. Encourage new residential units in multi-family and commercial areas of the City with the highest densities to be located in the Downtown, La Cumbre Plaza/Five Points area and along Milpas Street.

*Possible Implementation Actions to be Considered:*

- LG6.1 Average Unit-Size Density Incentive Program. Amend the Zoning Ordinance to incorporate an Average Unit-Size Density Incentive Program in multi-family and commercial zones based on smaller unit sizes and higher densities adjacent to transit and commercial uses and to implement Housing Element policies for higher densities for affordable and/or Community Benefit projects.
- LG6.2 Average Unit Density Components. The program developed under LG6.1 shall be in effect for 8 years from implementing ordinance adoption or once 250 units have been developed in the High Density areas, whichever occurs sooner. The program will include the following components:
- a. The 250 unit limitation shall apply to projects developed in the High Density and/or Priority Housing Overlay;
  - b. All units within a project developed at either the High Density or Priority Housing Overlay will be included in the 250 unit maximum;
  - c. The minimum parking requirement for projects using the Average Unit-Size Density Incentive Program is 1 space per unit; and
  - d. A report to Council will be made to analyze the effectiveness of the program as part of the Adaptive Management Program for the General Plan, and as the trial period is approaching its end, the Council will consider whether to extend or modify the program. In absence of Council review before the trial period expires, the allowed residential density will default to the Variable Density standards allowed under SBMC 28.21.080. F as it existed in 2011.
- LG6.3 Priority Housing Overlay. Encourage the construction of rental and employer housing and limited equity co-operatives in select multi-family and commercial zones where residential use is allowed by providing increased density (over Average Unit-Size Density Incentive Program).
- LG6.4 Public Housing and All Affordable Partnership Projects. Community Benefit projects such as public housing and partnership projects (e.g., El Carrillo, Garden Court) can be considered at higher densities on a case-by-case basis per the City's Affordable Housing Policies and Procedures.
- LG6.5 High Fire Areas. Limit new residential development in the High Fire Areas by offering incentives and/or an option for property owners to transfer development rights from the High Fire Area to the High Density residential land use designations.
- LG6.6 Transfer of Development Rights (TDR). Develop a TDR (or densities) program that allows transfer of residential density to sites adjacent to frequent transit, within easy walking and biking, in order to reduce commuting and to preserve open space.

Program considerations include:

- a. Development transfer from residentially zoned properties with severe site constraints; or
- b. Preservation of open space, within residentially zoned areas as long as there is no increase in the overall allowed densities of the area and; or
- c. The regional transfer of development rights with local and regional cooperation to allow transfer of development from rural lands and important urban open spaces to higher density, urban in-fill sites.

LG6.7 Housing for Downtown Workers. Encourage affordable housing projects by expediting and facilitating downtown housing construction that includes provisions prioritizing downtown workers to the extent legally possible.

### **Housing Element**

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.

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; and
  - 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;
    - Adjust the inclusionary housing in-lieu fee rate based on unit size (i.e., lower fees for smaller units); and
  - c. Require a Housing Mitigation Fee Program for commercial development; and
  - d. Suspend the inclusionary housing requirements or in-lieu fees during times of economic downturn if development costs are prohibitive.
- 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.
- 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 Central City Redevelopment Project (CCRP) area tax increment financing when it expires in 2015.
- H11.18 Extend Redevelopment Project Area. Continue to explore and pursue potential legislative amendments or other opportunities for extension or replacement of the Redevelopment Project Area 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.

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.

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.

H17. Flexible Standards. Implement 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
- 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. Develop and 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.

**Economy and Fiscal Health**

EF26. **Development Impact Fees.** To the extent applicable, in order for the community to function more sustainably, new commercial and market-rate residential development and redevelopment shall either avoid impacts on community services and facilities, or contribute financially to the City or other community organizations to mitigate such impacts and costs of providing increased services and facilities.

## **Circulation Element**

*Implementation Strategy 13.1.1* - Encourage the development of projects that combine and locate residential uses near areas of employment and services.

**Policy 13.2** - Without increasing the City wide development potential as provided for in the existing Zoning Ordinance and General Plan, the City shall allow more compact, pedestrian oriented development along major transit corridors.

*Implementation Strategy 13.2.2* - Consider amending the Zoning Ordinance to:

- allow increased residential densities and more compact, pedestrian oriented, non-residential development along streets identified as major transit corridors, and
- reduce parking requirements for properties near major transit corridors if it can be demonstrated that a negative impact will not occur. In conjunction with this reduction, the City shall evaluate and aggressively monitor the results to ensure continued use of alternative means of travel and to justify reduced parking demands.

**Policy 13.3** - Provide incentives for mixed use development.

*Implementation Strategy 13.3.3* - Continue to assist in the development of mixed use projects through such methods as, but not limited to:

- land use policies,
- modified development standards, and
- public - private partnerships and/or financial support, where a City Council finding of General Plan consistency has been made.

**Policy 13.4** - Establish provisions to allow for creative site development and urban design standards that support the City's mobility goals.

*Implementation Strategy 13.4.5* - Explore the feasibility of the transfer of residential development rights from hillside and environmentally sensitive areas to transit corridors and commercial areas while preserving the residential development rights.