



# City of Santa Barbara California

## PLANNING COMMISSION STAFF REPORT

**REPORT DATE:** December 1, 2005  
**AGENDA DATE:** December 8, 2005  
**PROJECT ADDRESS:** 3885-3887 State Street (MST2004-00801)  
**TO:** Planning Commission  
**FROM:** Planning Division, (805) 564-5470  
Jan Hubbell, AICP, Senior Planner  
Kathleen Kennedy, Assistant Planner

### **I. SUBJECT**

The Planning Commission reviewed the proposed project on October 20, 2005. After much discussion and public comment, the Planning Commission continued the item to the November 3, 2005 hearing in order to hold a concept discussion on the applicant's response to Commission direction. At the November 3<sup>rd</sup> hearing, the revised project was conceptually reviewed and was continued to the December 8, 2005 hearing for further review and action. The applicant has since submitted revised plans for consideration by the Planning Commission.

### **II. REVISED PROJECT DESCRIPTION**

The revised project consists of a merger of two parcels and the construction of a new mixed-use development with three commercial spaces (8,845 sq. ft. total) and fifty-five (55) one-bedroom condominium units. The residential condominium units consist of 38 market rate units, 15 middle income affordable units and 2 moderate income affordable units. The proposal includes 101 parking spaces (86 spaces in a subterranean garage and 15 uncovered spaces). The existing 12 room, 4,990 square foot motel and the 22,250 square foot office building would be demolished. The project would result in a reduction of 18,395 square feet of commercial area.

The discretionary applications required for this project are:

1. Modification to allow encroachments into the front yard setback along State Street (SBMC§28.45.008);
2. Modification of lot area requirements to allow twenty-one (21) bonus density residential condominium units (SBMC§28.21.080.G);
3. Modification to allow less than the required number of parking spaces (SBMC§28.90.100);
4. Tentative Subdivision Map for a one-lot subdivision of two merged lots to create fifty-five (55) residential condominium units and three (3) commercial condominium units (SBMC§27.07 and 27.13).

The revisions to the project since the October 20, 2005 hearing include:

- a 281 square foot reduction in residential square footage from 53,946 to 53,665 square feet;
- a change in the distribution of units per unit type (see unit type in section III below);
- a 204 square foot reduction in commercial square footage from 9,049 to 8,845 square feet;
- an addition of two underground parking spaces;
- revisions to the State Street elevation including increased setbacks on each level;
- removal of the gate at the State Street elevation;
- removal of site walls and gates to provide public access to open space areas;
- pedestrian access from State Street through the site to the parcel to the south;
- relocation plan for the motel tenants; and
- compliance with the requirement that the project be a maximum of three stories.

**III. REVISED SITE STATISTICS**

EXISTING LOT AREA:

|   |                                       |
|---|---------------------------------------|
| 3885 State St. (APN 051-022-012)        | 14,107 square feet (0.3 acres)        |
| <u>3887 State St. (APN 051-022-033)</u> | <u>48,224 square feet (1.1 acres)</u> |
| Total lot area                          | 62,331 square feet (1.43 acres)       |

PROPOSED LOT COVERAGE:

|                         |                                 |
|-------------------------|---------------------------------|
| -Building               | 26,802 square feet (43 %)       |
| -Landscaping/Open Space | 23,063 square feet (37 %)       |
| <u>-Paving/Driveway</u> | <u>12,466 square feet (20%)</u> |
| Total                   | 62,331 square feet (100%)       |

PROPOSED SQUARE FOOTAGE – RESIDENTIAL:

| <u>Unit type</u>  | <u>Number of Units</u> | <u>Square footage</u> | <u>Total square footage</u> |
|-------------------|------------------------|-----------------------|-----------------------------|
| A                 | 31                     | 1,083                 | 33,573 square feet          |
| B                 | 17                     | 644                   | 10,948 square feet          |
| C                 | 6                      | 1,200                 | 7,200 square feet           |
| <u>D</u>          | <u>1</u>               | <u>1,944</u>          | <u>1,944 square feet</u>    |
| Total Residential |                        |                       | 53,665 square feet          |

**PROPOSED SQUARE FOOTAGE - COMMERCIAL:**

|                         |                          |
|-------------------------|--------------------------|
| Commercial Space        | 3,048 square feet        |
| Commercial Space        | 2,770 square feet        |
| <u>Commercial Space</u> | <u>3,027 square feet</u> |
| Total Commercial        | 8,845 square feet        |

**TOTAL PROPOSED DEVELOPMENT**                      62,510 square feet

**COMMON OPEN SPACE AREA:**

- Required:                      10 % of lot area (6,233 square feet) or  
   15 % of lot area (9,349.65 square feet)
- Provided:                      37 % of lot area (23,063 square feet)

**PRIVATE OUTDOOR LIVING SPACE: (if using 10% common open space requirement)**

|                     | <u>Required</u> | <u>Provided</u>              |
|---------------------|-----------------|------------------------------|
| Ground floor units: | 120 square feet | 120 and 305 square feet      |
| Upper floor units:  | 72 square feet  | 120, 117 and 272 square feet |

**PROPOSED PARKING:**

- Required - Zoning:    132 spaces (83 residential, 14 visitor and 35 commercial)
- Required - Demand:    94 spaces (77 residential, 1 office and 16 retail)
- Provided:                      101 spaces (55 residential, 31 residential/commercial, 15 commercial)

**IV. DISCUSSION**

**A. FRONT YARD SETBACK MODIFICATION**

The project site is located in the SD-2 Overlay Zone District, which requires a 20' front yard setback along State Street for two and three-story buildings. The project has been redesigned to provide a 10' setback on the first floor, a 20'-1" to 22'-1" setback on the second floor, and a 20'-1" to 30'-2 1/2" setback on the third floor. A setback Modification would be required for the first floor encroachment into the setback. Staff is supportive of the requested modification because it provides architectural relief, articulation and pedestrian interest at the State Street elevation.

**B. LOT AREA MODIFICATION/ AFFORDABLE HOUSING**

The proposed project consists of 55 residential condominium units. Per the Zoning Ordinance (SBMC§28.21.080.G), each one-bedroom unit requires 1,840 square feet of lot area; therefore, 34 one-bedroom units would be allowed on the 62,331 square feet lot. The City allows increased density on lots when affordable units are proposed in accordance with the City's Affordable Housing Policies and Procedures. The City's standard affordability requirement for density bonus units is that the units within the

first 25% density bonus must be affordable to middle income buyers, and those units above the first 25% density bonus must be affordable to upper-middle income buyers. As allowed in the City's density bonus policies, the proposed project is proposing to meet the affordability requirements for the 21 density bonus units through an alternative that would provide equivalent or greater "below market benefit." In order to do this, a mix of 15 middle income units, 2 moderate income units, and 4 market rate density bonus units are proposed.

In evaluating the "value" of affordable condominium units, the City uses the concept of "below market benefit." With this approach, the value of the affordable unit is determined to be the difference between the unit's market value and its restricted sale price. Theoretically, this is what it would cost the City to buy a market rate condo at market price and then turn around and sell it at an affordable sale price to an income-eligible buyer.

In the case of the 17 affordable units for this proposed project, staff estimated that the market value of each affordable unit would be about \$500,000 without affordability restrictions. The average City-restricted price at initial sale would be about \$220,000. This results in a "below-market benefit" of \$280,000 per unit. The total benefit of the 17 units would be over \$4.7 million. If the Redevelopment Agency had to come up with this amount of subsidy, it would take the Agency's entire housing set-aside funding for two fiscal years. This underscores the value of the City's Inclusionary Housing Ordinance (IHO) and density bonus program in requiring/encouraging developers to provide middle-income housing at no cost to the City. It should be noted that the proposed project is offering to provide significantly more affordable housing than required under the IHO. The site is zoned for 34 units, and the IHO requires that the project provide a minimum of 6 affordable units. Instead, the request is for a density bonus of 21 units, 17 of which will be affordable. Staff is in support of the lot area modification that would result in the creation of new affordable units in the City.

### **C. PARKING MODIFICATION**

The parking requirement for the revised proposed project, per the Zoning Ordinance (SBMC§28.90.100), is 83 spaces for the residential uses, 14 spaces for residential visitor use and 35 spaces for the commercial uses for a total of 132 parking spaces. This is one less parking space than was required for the previous version of the project due to the reduction in the commercial square footage from 9,049 square feet to 8,845 square feet. The parking demand study prepared by Associated Traffic Engineers dated April 1, 2005 concludes that the parking demand for the proposed project would be 94 parking spaces. This total was based on using the rates for condominiums, offices, and retail shopping centers in the ITE Parking Generation handbook. The total parking demand onsite would be 94 spaces and the project is proposing 101 spaces; therefore, the parking demand would be met on site.

**V. RECOMMENDATION/ FINDINGS**

The proposed mixed-use development is consistent with the Zoning Ordinance and General Plan and complies with applicable standards governing new residential and commercial development. Therefore, staff recommends that the Planning Commission make the following findings and approve the project subject to the attached Conditions of Approval (Exhibit A):

**A. FRONT YARD SETBACK MODIFICATION (SBMC§28.45.008);**

In order for the Planning Commission to approve the requested modification to allow the buildings to encroach into the required twenty-foot front yard setback along State Street, it must be found that the modification is consistent with the purposes and intent of the Zoning Ordinance and that it is necessary to secure an appropriate improvement on a lot, prevent unreasonable hardship, or promote uniformity of improvement.

The first floor encroachment into the front yard setback provides an appropriate break in the mass of the building along the front elevation, thus, the modification is consistent with the purposes and intent of the Zoning Ordinance and is necessary to secure an appropriate improvement on the lot.

**B. LOT AREA MODIFICATION (SBMC§28.21.080.G)**

In order for the Planning Commission to approve the requested modification of the lot area requirements to allow twenty-one (21) bonus density residential condominium units, it must be found that the modification is consistent with the purposes and intent of the Zoning Ordinance and that it is necessary to secure an appropriate improvement on a lot, prevent unreasonable hardship, or promote uniformity of improvement.

Providing affordable housing opportunities is a goal of the City expressed in the Housing Element and implemented in part in the Inclusionary Housing Ordinance, approval of the lot area modification serves to accomplish this goal and is anticipated in the implementation of the Inclusionary Housing Ordinance. Therefore, the modification is consistent with the purposes and intent of the Zoning Ordinance and is necessary to secure an appropriate improvement on the lot.

**C. PARKING MODIFICATION (SBMC§28.90.100)**

In order for the Planning Commission to approve the requested modification to allow less than the number of parking spaces required by the Zoning Ordinance, it must be found that the modification will not be inconsistent with the purposes and intent of the Zoning Ordinance and will not cause an increase in the demand for parking spaces in the immediate area. As stated previously, the parking demand of the proposed project would be met onsite by the provision of 101 parking spaces. Thus, it can be found that the modification is consistent with the purposes and intent of the Zoning Ordinance.

**D. TENTATIVE SUBDIVISION MAP FINDINGS (SBMC §27.07.100)**

In order for the Planning Commission to approve the tentative subdivision map, it must be found that the proposed development is consistent with the General Plan and the

Zoning Ordinance of the City of Santa Barbara. The site is physically suitable for the proposed development and the density of development. The development is not likely to cause substantial environmental damage or serious public health problems nor conflict with easements, acquired by the public at large, for access through or use of property within the proposed development. Therefore, with the approval of the requested modifications, the proposed tentative subdivision map would be consistent with the General Plan and the Zoning Ordinance.

**E. RESIDENTIAL CONDOMINIUM DEVELOPMENT (SBMC §27.13.080)**

The proposed project is in compliance with all provisions of the City's Residential Condominium Ordinance, is consistent with the General Plan of the City of Santa Barbara, is consistent with the principles of sound community planning and will not have an adverse impact upon the neighborhood's aesthetics, parks, streets, traffic, parking and other community facilities and resources.

Exhibits:

- A. Revised Conditions of Approval
- B. Applicant's letter dated November 30, 2005