



# City of Santa Barbara California

## PLANNING COMMISSION STAFF REPORT

**REPORT DATE:** December 5, 2013  
**AGENDA DATE:** December 12, 2013  
**TO:** Planning Commission  
**FROM:** Planning Division, (805) 564-5470  
 Bettie Weiss, City Planner *BLW*  
 Irma Unzueta, Project Planner  
**SUBJECT:** AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM REVIEW  
 PROCESS DISCUSSION & RECOMMENDATION TO COUNCIL

**RECOMMENDATION:** That the Planning Commission consider possible options for adjustments in the review process of rental projects using the Average Unit-Size Density (AUD) Incentive Program. The adjustments should support and streamline the process for these projects, while ensuring a complete review of the projects, including reviews from the Planning Commission when appropriate. Staff recommends Option One as it can begin immediately without the need for an ordinance amendment and has received support from the Architectural Board of Review (ABR) and Historic Landmarks Commission (HLC). Option One addresses the design review board's primary need for more staff support and continues to allow them the opportunity to refer projects to the Planning Commission on a case-by-case basis.

### **I. BACKGROUND**

The Average Unit-Size Density (AUD) Incentive Program is an important General Plan initiative intended to support needed residential development and particularly rental units in the community. Two initial projects that have gone before the HLC and ABR have caused concern that AUD projects do not necessarily require Planning Commission review. As a result, the City Council has requested a re-assessment of the AUD project review process. The following discussion lays out what has occurred to date and presents three process review options for Planning Commission consideration.

The AUD program encourages housing by allowing increased densities based on unit size; the smaller the average unit size for the project, the greater the density allowed. Additionally, development standard incentives related to parking, setbacks, building height, distance between buildings, and open space are provided to help make possible the construction of additional residential units. The approach taken to develop the AUD Program involved policy tradeoffs that naturally make AUD projects potentially more controversial.

One key objective of the AUD Program is to promote non-subsidized rental housing development. Recent development trends indicate that the rental market is becoming more attractive to funding entities and developers. Rental housing demand is very high in Santa Barbara (61% of households are renters), making it an important factor in the jobs/housing equation. All three density tiers of the AUD

Program allow rental housing – Medium High (15-27 du/ac); High (28-36 du/ac); and the Priority Housing Overlay (37-63 du/ac) (see Exhibit A – Map & Exhibit B – Density Table).

Generally, apartment developments do not require specific approvals from the Planning Commission. As a rule, all rental projects are reviewed and approved by the ABR or HLC. Planning Commission action is typically required of housing projects that involve condominiums, or mixed use projects (with rental) if the new commercial space is more than 3,000 square feet. The HLC and ABR have expressed that they are not prepared to handle the controversy and intent of AUD projects, and that the Planning Commission may provide a better forum for community input and working through the policy purpose and controversy. Their primary focus is on the physical building (size, bulk, and scale) and its aesthetics, and ensuring the building is appropriate and “fits” within the context of its neighborhood. As such, Council has requested that a process adjustment be made to include the Planning Commission in the review of larger apartment projects.

## **II. DISCUSSION**

### **Joint Council and Planning Commission Work Session**

On September 12, 2013, the City Council and Planning Commission held a joint work session to discuss major Planning Division work program activities including potential process changes in implementing the AUD Program. Staff presented the intent and objectives of the AUD Program and acknowledged that additional assistance and training was needed by the ABR and HLC to fully understand their role in successfully implementing the program.

The Council and Planning Commission agreed that more staff review of AUD projects that go to the ABR and HLC would be appropriate. Staff’s knowledge and experience with AUD policies and related issues would benefit the review process. In addition, there was general support to include the Planning Commission, to some degree, in the review of AUD projects. At the conclusion of the joint meeting, Staff identified the next step would be to hold discussions with the ABR and HLC to receive input regarding potential adjustments to the AUD Program review process.

In considering adjustments to the review process of AUD rental projects, Staff has identified the following list of objectives:

- The process should further the objectives of the General Plan to support rental housing projects.
- Decision makers should have a full understanding of the AUD Program goals, objectives, tradeoffs, inherent tension, and the mechanisms that have been put in place to achieve the objectives and deal with the tensions.
- Decision makers should understand their roles in the review process.
- Have a coordinated land development staff team review that is appropriate for the project type and size.
- The process should be easily accessible to the public, and where the public concerns/comments are addressed.
- The process should be realistic, within staffing resources and implemented quickly.
- The process should increase certainty for applicants.

### **ABR and HLC Discussions**

On October 28, 2013, a training and discussion focused on the AUD Program was held with the ABR to specifically speak about their role in reviewing AUD projects. Staff explained the intent of the AUD Program and outlined a process that would include more Staff support in reviewing AUD projects and the option to forward projects to the Planning Commission for comments on issues identified by the Board in order to assist them with their final review. Comments received from the ABR suggested more understanding and confidence with their role and stated their support for the process and approach (Option One) recommended by Planning Staff (see Exhibit C – ABR Minutes).

In addition, Planning Commissioners Schwartz and Campanella attended the ABR meeting and offered comments related to the effective and successful implementation of the AUD Program. Commissioner Schwartz expressed support in working together to ensure that the Program meets its objectives. Commissioner Campanella asked the Board to carefully take into account the trade-offs needed to produce workforce housing when considering design criteria that may affect the density of the project.

On October 23, 2013, a similar training and discussion was held with the HLC related to the AUD Program. The HLC expressed concern regarding an increased workload and their lack of experience in reviewing larger, more complex rental projects. On November 6, 2013, Staff returned to the HLC and discussed the proposed adjustments to the review process including increased Staff assistance in reviewing AUD projects. The HLC supported the review process approach (Option One) presented by Staff (see Exhibit D – HLC Minutes).

### **Review Process Options**

Described below are three review process options for consideration. Staff continues to favor Option One – similar to what was presented at the Joint Work Session. However, Staff realizes that the Planning Commission and City Council may want a more definitive trigger for Planning Commission review; therefore we have presented additional options for discussion.

#### Option One – Staff Recommendation

1. Provide greater Staff involvement with applicant and design review body (ABR or HLC).
2. Assign a Case Planner before the item is scheduled for first Concept Review. The Planner will assist with preparing notices, communicating with applicant and Land Development Team (LDT) contacts, and attending all hearings.
3. Require a coordinated LDT staff review similar to Pre-application Review Team (PRT) for more significant projects (i.e. 10 units or more).
4. Staff will prepare a report to the ABR or HLC with recommendations on General Plan consistency and whether to refer the project to Planning Commission for comments.
5. After reviewing the project and Staff Report, the ABR or HLC determines if the project is referred to the Planning Commission for confirmation of appropriateness of the project in the broader General Plan policy context (in particular with Housing Element and Land Use Element policies) and assistance with considerations of the Project Design Compatibility Criteria as reflected in Exhibit E.
6. The project would be scheduled at the next available Planning Commission meeting consistent with noticing requirements. The Planning Commission would receive the same report that was

provided to ABR or HLC and representatives of the ABR or HLC would also attend the Planning Commission meeting.

7. Planning Commission review is for direction to applicant with the expectation that they render a majority opinion on specific issue areas. The Staff and the design review board may include recommended conditions of approval. No action is taken by the Planning Commission, and their direction to the ABR or HLC is not appealable.
8. The project returns to the ABR or HLC for Project Design Approval and other steps in review process as usual.

Option Two – Criteria for Automatic Referral for Comments

This option would establish specific project criteria regarding what projects are referred to the Planning Commission for comments. The process would be the same as above except that step 5 would not be necessary. This approach may require an amendment to the Municipal Code or could be a policy direction from Council using the current code referral sections as reflected in Exhibit F.

Setting clearer triggers adds certainty to the process for requiring Planning Commission review. When the ABR or HLC refer projects to the Planning Commission for comment, that referral is essentially a judgment call (that is hard to make) to balance the time and resources expended with the value achieved. If the trigger is too far-reaching, it may result in a constraint particularly given the AUD Program is meant to be an incentive. Staff believes a more limiting trigger for Planning Commission review of even a few projects can still be useful to the ABR and HLC’s review of a project.

Possible criteria for an automatic referral could include:

- Property is adjacent to a creek, or;
- Property is adjacent to a designated (or potential) historic resource, or;
- The project lot area is more than 1/2 acre (this is irrespective of mergers or lot divisions; it is the “project” area). For example an AUD projects on a ½ acre (21,780 SF) parcel in the High Density or Priority Housing Overlay could potentially develop the following range of units:

Density Tier	Number of Units
High Density (28-36 du/ac)	14 – 18 units
Priority Housing Overlay (37-63 du/ac)	18 – 31 units

Option Three – Planning Commission Formal Review & Appealable Action

1. Amend the recently adopted AUD Program ordinance and establish a requirement for Planning Commission review. Also consider if certain Staff Hearing Officer (SHO) procedures should be changed to refer projects to the Planning Commission.
2. Provide a mechanism to have a more formal Planning Commission review and action (that is appealable).
3. Develop project design and/or density criteria for new Planning Commission requirement.

4. Allow that a Planning Commissioner may require Planning Commission review by attending a meeting of the ABR or HLC when project review is occurring and assert that the project merits review by the Commission because it raises significant policy considerations (similar to the process for SHO reviews).

### Other Discussion Considerations

Staff requests that the Planning Commission consider the following topics as part of the discussion:

1. **Role of Planning Commission:** One of the primary roles of the Planning Commission is to recommend policy and ordinances to the Council. The Planning Commission worked diligently to craft the AUD ordinance based on General Plan policies. Now the City is reviewing projects per the AUD program. Typically in project reviews, the Planning Commission addresses consistency with General Plan policies and makes ordinance required findings. For AUD projects that could be commenting on neighborhood compatibility in terms of General Plan policy, and providing direction for areas that will experience change as a result of AUD projects. What is the role of the Planning Commission in reviewing AUD projects? How is it different than what occurs at ABR & HLC? Based on the Planning Commission's role, what process best addresses the Commission's function.
2. **Trade Offs:** Consider the tradeoffs between a Planning Commission comment review vs. Planning Commission action and additional appeal. What is the balance between incentivizing priority housing and applying the appropriate process? At what point does the process become a disincentive?
3. **AUD Parking Standards:** The AUD parking standard has been an issue area for the design review boards in their review of recent AUD projects. This standard (one parking space per residential unit) was adopted as part of the AUD Program ordinance and is fundamental and critical to the success of providing more units on a project site. How can the AUD permitting process more effectively support implementation of this standard when site specific pressures are pushing for more parking?
4. **Story Poles:** When should story poles be required for AUD projects?
5. **Fees:** There is a substantial fee difference for a project reviewed by the ABR or HLC and the Planning Commission. The LDT Staff spends much more time in the process with site visits, meetings, correspondence, staff reports and hearing participation. To support additional staff review and a Planning Commission comment review, Staff believes it is appropriate to charge applicants the PRT fee and the Planning Commission Concept Review fee. Staff would like the City Council to be aware that the additional review is subsidized by the General Fund, which we believe is appropriate to support priority housing and the AUD process.

#### New Projects /ABR or HLC

11-20 units	\$3,245
21-30 units	\$3,955
31-50 units	\$4,945

#### PRT

Subdivisions with 10 or more units/lots	\$2,770
---	---------

<b>Planning Commission</b>	
Concept Review	\$2,740
<b>Condominiums</b>	
11-20	\$17,010
21-50	\$27,220
>50	\$34,070

### **III. NEXT STEPS**

Staff will schedule this matter at Council early next year to receive formal direction regarding adjustments to the review process for AUD rental projects including how to involve the Planning Commission in the review process for projects that currently do not require such review. The Planning Commission's recommendation will be forwarded to the Council at that time. Depending on Council's direction, the new process can be implemented immediately or may require amendments to the Municipal Code. In the meanwhile Staff is doing what we can to implement Option One.

#### Exhibits:

- A. AUD Map
- B. AUD Density Table
- C. ABR Minutes
- D. HLC Minutes
- E. Project Compatibility Analysis
- F. SBMC Referral Sections 22.22.133A and 22.68.050A



**Legend**

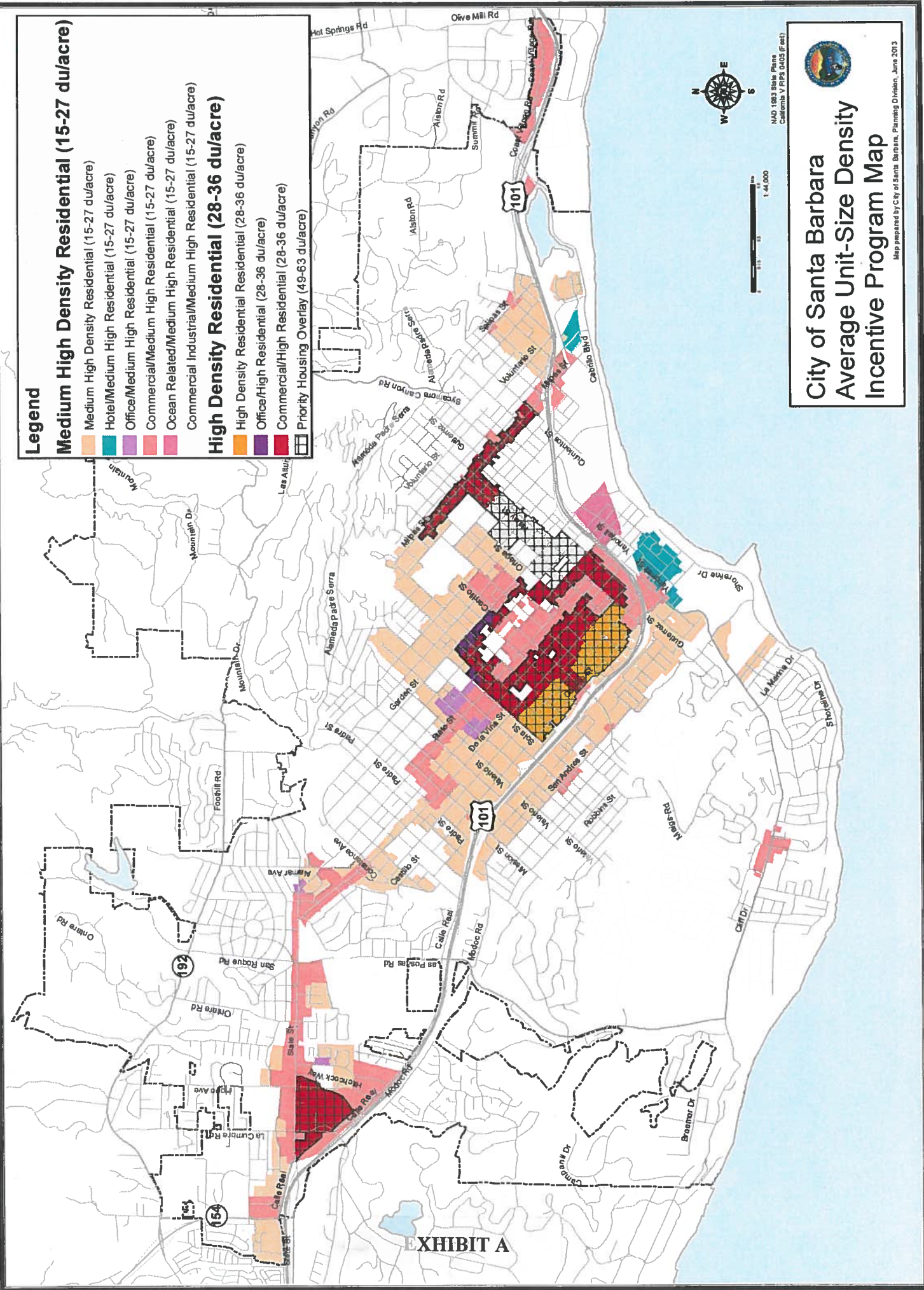
**Medium High Density Residential (15-27 du/acre)**

- Medium High Density Residential (15-27 du/acre)
- Hotel/Medium High Residential (15-27 du/acre)
- Office/Medium High Residential (15-27 du/acre)
- Commercial/Medium High Residential (15-27 du/acre)
- Ocean Related/Medium High Residential (15-27 du/acre)
- Commercial Industrial/Medium High Residential (15-27 du/acre)

**High Density Residential (28-36 du/acre)**

- High Density Residential (28-36 du/acre)
- Office/High Residential (28-36 du/acre)
- Commercial/High Residential (28-36 du/acre)
- Priority Housing Overlay (49-63 du/acre)

**EXHIBIT A**



  
**City of Santa Barbara**  
**Average Unit-Size Density**  
**Incentive Program Map**  
 Map prepared by City of Santa Barbara, Planning Division, June 2013





**AVERAGE UNIT-SIZE DENSITY (AUD) INCENTIVE PROGRAM TABLE**

Medium-High Density (15-27 du/ac)		High Density (28-36 du/ac)		Priority Housing Overlay (37-63 du/ac)	
Maximum Average Unit Size SF	Density du/ac	Maximum Average Unit Size SF	Density du/ac	Maximum Average Unit Size SF	Density du/ac
1,450	15	1,245	28	970	37
1,360	16	1,200	29	970	38
1,280	17	1,160	30	970	39
1,210	18	1,125	31	970	40
1,145	19	1,090	32	970	41
1,090	20	1,055	33	970	42
1,040	21	1,025	34	970	43
1,005	22	995	35	970	44
985	23	970	36	970	45
965	24			970	46
945	25			970	47
925	26			970	48
905	27			969	49
				960	50
				941	51
				935	52
				917	53
				901	54
				896	55
				880	56
				874	57
				859	58
				845	59
				840	60
				827	61
				825	62
				811	63



**ARCHITECTURAL BOARD OF REVIEW**  
**October 28, 2013**

**DISCUSSION ITEM**

**1. (3:10) AVERAGE UNIT-SIZE DENSITY (AUD) INCENTIVE PROGRAM**

Staff: Bettie Weiss, City Planner & Jaime Limón, Design Review Supervisor

(Training on the relationship between Design Review and the Average Unit-Size Density Incentive program. This training will focus on the role of the ABR, key design issues, examples of past projects and standards, and the role of the Planning Commission.)

**Presentation made and discussion held.**

Board members had the following general questions and comments:

1. The Board supports the approach to have planning staff provide a recommendation to the ABR on when a project should be forwarded to the Planning Commission for comments.
2. Recommends that the 'livability' of units be considered when high density projects are proposed and not just architectural design.
3. Asked about and received confirmation that the lack of open space could be a basis for denial of a project.
4. Asked if other space not used for rental units could be reduced, and at what point is a mixed use project considered too large?
5. Inquired about the maximum height measurement methods when projects exceed 45 feet and are required to get PC approval? What is actually considered 'top of roof'?
6. Asked if outdoor private living space is the same amount regardless of number of units? How is outdoor living space factored in with commercial?

Planning staff provided answers to the questions and thanked Board members for their input.

Planning Commissioner Swartz attended and asked that the Board follow City policy regarding AUD projects regardless of your personal feelings on the subject. The Planning Commission has expressed interest and support of a new review process that would involve PC review of some projects. Asked that they work together to effectively implement the program.

Planning Commissioner Campanella attended and indicated he was looking forward success of the AUD program and wanted to clarify that there are some AUD projects such as for sale (condo) projects would still be in front of the Planning Commission. He pointed out how some of the aspects of the AUD design such as the one space per unit design actually can make the buildings smaller and more compatible for the site. He

asked that the Board look at projects carefully to consider trade-offs when considering all design criteria and when it may affect the density for a project.

Planning Commissioner Swartz attended and indicated asked that the Boards follow City policy regardless of your personal feelings on the subject. The Planning Commission has expressed interest and support of a new review process; and asked that they work together to effectively to implement the program.

## HISTORIC LANDMARKS COMMISSION MEETING MINUTES

October 23, 2013

(First of a two-part training on the relationship between Design Review and the Average Unit-Size Density Incentive program. This training will focus on the role of the HLC, key design issues, and examples of past projects.)

Actual time: 3:00 p.m.

Present: Jaime Limón, Design Review / Historic Preservation Supervisor; and Bettie Weiss, City Planner

Staff comments: Mr. Limón and Ms. Weiss gave a Staff PowerPoint presentation. Staff's proposal is that very early on in the review process an internal Land Development Team review would be conducted in order to provide Staff comments for HLC consideration. During the HLC hearing, the HLC/Public would then be encouraged to ask questions and make comments for Staff to return at the next hearing with answers. Expression of Staff recommendation for a project would be a critical change in the process to provide sufficient information for appropriate decision-making by the HLC.

Ms. Weiss clarified that any time the HLC reviews a project that is going to the Planning Commission, the HLC has the purview of challenging the design considerations and development. The HLC has Charter and Ordinance authority and responsibility for review of buildings found within El Pueblo Viejo Landmark District (EPV).

Public comment opened at 4:03 p.m.

Kellam de Forest, local resident, inquired whether the AUD Incentive Program has a cap as an experimental project and only allows up to certain units. He also asked if proposed project plans are reviewed by the HLC first or if Staff does the initial review.

Public comment closed at 4:07 p.m.

Ms. Weiss responded to public comment by saying that the 250 unit cap is in the high density zone. Much of the EPV area was specifically excluded from the high density zone. Staff will continue to review plans for basic submittal and zoning compliance standards before the first HLC concept hearing.

The Commission made the following comments:

1. More complicated projects should have Staff recommendations as is done for the Planning Commission.
2. Inquired as to whether a recommendation could be made by the HLC to the Planning Commission with respect to residential lot line subdivisions/mergers that may affect historic resources.
3. Considered whether it would be better for the Planning Commission to review these projects instead of the HLC. The AUD Incentive Program will result in a workload increase for the HLC.

4. It would be helpful during the concept review process to ask Staff to address HLC concerns.
5. The comprehensive Staff review as early in the process would be helpful for HLC's evaluation.

**\*\* MEETING ADJOURNED AT 4:12 P.M. \*\***

## HISTORIC LANDMARKS COMMISSION MEETING MINUTES

November 6, 2013

### DISCUSSION ITEM/TRAINING:

#### 1. AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM

(1:45) Presenter: Bettie Weiss, City Planner; and Jaime Limón, Design Review Supervisor

(Second of a two-part training on the relationship between Design Review and the Average Unit-Size Density Incentive program. This training will focus on the various new development standards of the AUD program and potential changes to refer some AUD projects to the Planning Commission for review and comments.)

Actual time: 1:40 p.m.

Present: Bettie Weiss, City Planner; and Jaime Limón, Design Review Supervisor

Staff comments: Mr. Limón and Ms. Weiss gave a Staff PowerPoint presentation. Ms. Weiss explained a new review process for projects over 45 feet in height and the types of average unit density (AUD) projects that will be reviewed solely by the HLC and those that will be reviewed in conjunction with the Planning Commission. The proposed review process changes were discussed.

There will be an AUD discussion item at the Planning Commission on December 12, 2013, where they will be asked to make a recommendation to City Council.

Public comment opened at 2:14 p.m.

Kellam de Forest, local resident, expressed concern on building heights and asked if an HLC decision on an AUD project's height is appealable to the Planning Commission. He also asked if there is currently a height limit in El Pueblo Viejo Landmark District (EPV).

Public comment closed at 2:16 p.m.

Ms. Weiss responded to public comment by saying that a 60-foot height limit is still allowed in commercial zones, even within the EPV. The appeal process has not changed: HLC and Planning Commission decisions are appealed to the City Council.

Ms. Weiss responded to Commission questions. Under the Adaptive Management Program, the effectiveness of the AUD Program will be reported on annually during the Joint City Council/Planning Commission meeting.

The Commission made the following comments:



1. The proposed design review changes for AUD Program projects are sensible provided there is adequate staff assistance. It seems staff's involvement will increase.
2. It will be even more critical for the HLC to make clear and concise comments to provide guidance to the applicant as to whether a comment is a suggestion or a requirement.
3. The HLC's comments shall reflect in which specific way the project meets the compatibility analysis criteria.
4. The Commission agrees with the proposed changes in design review recommendations as outlined in the Staff presentation.

**\*\* THE COMMISSION RECESSED FROM 2:29 P.M. TO 2:36 P.M. \*\***

## PROJECT COMPATIBILITY ANALYSIS

### Historic Landmarks Commission

#### 22.22.145 Project Compatibility Analysis.

**A. PURPOSE.** The purpose of this section is to promote effective and appropriate communication between the Historic Landmarks Commission and the Planning Commission (or the Staff Hearing Officer) in the review of development projects and in order to promote consistency between the City land use decision making process and the City design review process as well as to show appropriate concern for preserving the historic character of certain areas of the City.

**B. PROJECT COMPATIBILITY CONSIDERATIONS.** In addition to any other considerations and requirements specified in this Code, the following criteria shall be considered by the Historic Landmarks Commission when it reviews and approves or disapproves the design of a proposed development project in a noticed public hearing pursuant to the requirements of Section 22.22.132:

**1. Compliance with City Charter and Municipal Code; Consistency with Design Guidelines.** Does the project fully comply with all applicable City Charter and Municipal Code requirements? Is the project's design consistent with design guidelines applicable to the location of the project within the City?

**2. Compatible with Architectural Character of City and Neighborhood.** Is the design of the project compatible with the desirable architectural qualities and characteristics which are distinctive of Santa Barbara and of the particular neighborhood surrounding the project?

**3. Appropriate size, mass, bulk, height, and scale.** Is the size, mass, bulk, height, and scale of the project appropriate for its location and its neighborhood?

**4. Sensitivity to Adjacent Landmarks and Historic Resources.** Is the design of the project appropriately sensitive to adjacent Federal, State, or City Landmarks or other nearby designated historic resources, including City structures of merit, sites, or natural features?

**5. Public Views of the Ocean and Mountains.** Does the design of the project respond appropriately to established scenic public vistas?

**6. Use of Open Space and Landscaping.** Does the project include an appropriate amount of open space and landscaping?

## Architectural Board of Review

### 22.68.045 Project Compatibility Analysis.

**A. PURPOSE.** The purpose of this section is to promote effective and appropriate communication between the Architectural Board of Review and the Planning Commission (or the Staff Hearing Officer) in the review of development projects and in order to promote consistency between the City land use decision making process and the City design review process as well as to show appropriate concern for preserving the historic character of certain areas of the City.

**B. PROJECT COMPATIBILITY CONSIDERATIONS.** In addition to any other considerations and requirements specified in this Code, the following criteria shall be considered by the Architectural Board of Review when it reviews and approves or disapproves the design of a proposed development project in a noticed public hearing pursuant to the requirements of Chapter 22.68:

**1. Compliance with City Charter and Municipal Code; Consistency with Design Guidelines.** Does the project fully comply with all applicable City Charter and Municipal Code requirements? Is the project's design consistent with design guidelines applicable to the location of the project within the City?

**2. Compatible with Architectural Character of City and Neighborhood.** Is the design of the project compatible with the desirable architectural qualities and characteristics which are distinctive of Santa Barbara and of the particular neighborhood surrounding the project?

**3. Appropriate size, mass, bulk, height, and scale.** Is the size, mass, bulk, height, and scale of the project appropriate for its location and its neighborhood?

**4. Sensitivity to Adjacent Landmarks and Historic Resources.** Is the design of the project appropriately sensitive to adjacent Federal, State, and City Landmarks and other nearby designated historic resources, including City structures of merit, sites, or natural features?

**5. Public Views of the Ocean and Mountains.** Does the design of the project respond appropriately to established scenic public vistas?

**6. Use of Open Space and Landscaping.** Does the project include an appropriate amount of open space and landscaping?

## **REFERRAL TO THE PLANNING COMMISSION**

### **22.22.133 Historic Landmarks Commission Referral of Residential Projects to Planning Commission.**

A. **PLANNING COMMISSION COMMENTS.** When the Historic Landmarks Commission determines that a residential development is proposed for a site which is highly visible to the public, the Historic Landmarks Commission may, prior to granting preliminary approval of the application, require presentation of the application to the Planning Commission solely for the purpose of obtaining comments from the Planning Commission regarding the application for use by the Historic Landmarks Commission in its deliberations.

### **22.68.050 Architectural Board of Review Referral to Planning Commission.**

A. **PLANNING COMMISSION COMMENTS.** When the Architectural Board of Review determines that a project is proposed for a site which is highly visible to the public, the Board may, prior to granting preliminary approval on the application, require presentation of the application to the Planning Commission solely for the purpose of obtaining comments from the Planning Commission regarding the application for use by the Architectural Board of Review in its deliberations.

