On August 30, 2013, the Average Unit Size Density Incentive Program (AUD Program) became effective; see SBMC Chapter 28.20. In some commercial zones, AUD projects are required to provide a “variable setback” (SBMC§28.20.070.D.1). This handout outlines the variable setback regulations, and demonstrates how to calculate the variable setback.

**SETBACK REQUIREMENTS FOR AUD PROJECTS IN THE R-O, C-P, C-L, C-1, C-2, C-M, AND S-D-2 ZONES**

**A. FRONT SETBACK**
1. A **5’ variable front setback** applies to all residential or mixed-use projects, unless they are exempt or in the S-D-2 Overlay Zone.
2. **Exempt Projects:** No setback is required for projects on lots fronting State Street between Montecito Street and Sola Street and lots fronting the first block east or west of State Street on streets that cross State Street between and including Montecito Street and Sola Street.

**B. INTERIOR SETBACK ADJACENT TO A RESIDENTIAL ZONE**
A **6’ variable interior setback** applies to all residential or mixed-use projects located adjacent to a residential zone, unless they are in the S-D-2 Overlay Zone.

**C. S-D-2 OVERLAY ZONE SETBACKS**
1. A **10’ non-variable front setback** applies to all residential and mixed-use projects developed in the S-D-2 Overlay Zone.
2. Condominium projects in the “Medium High Density” designation, developed with “market rate ownership” units:
   a. A **non-variable, base zone front setback** applies (i.e. 10’- 20’).
   b. A **non-variable, base zone interior setback** (i.e., 6’-10’ or ½ the building height).

**D. “COMPENSATING AREA” LOCATION**
Portions of all floors of a multi-story building may encroach into the variable setback, but the “Compensating Area” must be provided on the ground floor. The “Compensating Area” must be unobstructed by all parking, buildings and structures from the ground up. The “Compensating Area” is the area of the building FOOTPRINT that encroaches into the setback, not the total amount of floor area that encroaches into the setback. In other words, if Area A on the Sample Site Plan below extends three stories high and is 150 s.f. total, the compensating areas is still only 50 s.f., which is the building footprint.

**E. ALLOWED ENCROACHMENTS INTO VARIABLE SETBACKS**
1. Outdoor dining is allowed in all commercial zones that allow restaurant uses.
2. Loose, non-permanent items, such as patio furniture are allowed; but junk or other items are prohibited per SBMC§28.87.190. Fences, walls, flatwork and landscape are allowed.
3. Uncovered commercial bicycle parking is allowed.
4. Encroachments allowed per SBMC§28.87.062.A&B (bay windows, balconies, chimneys, balconies, landings etc.) may protrude into a variable setback without a compensating area; however, a second-story deck is not allowed without a compensating area. See the definitions of **balcony** and **deck** in the Zoning Ordinance under SBMC§28.04.
HOW TO SHOW COMPLIANCE WITH THE VARIABLE SETBACK

1. Show the **5' or 6' Setback Area** on the Site Plan.
2. Show the **building footprint of all floors** on the Site Plan. Calculate the total of all area(s) of the building that encroach into the setback. \((\text{Area } "A" + \text{Area } "B" = 100 \text{ s.f.})\)
3. Show a **Compensating Area** that meets all location requirements. It must be at least as large as the area calculated in Step 2. \((\text{Area } "C" = 100 \text{ s.f.})\)
   a. For variable **front setbacks**:
      i. The Compensating Area cannot be located farther than \(\frac{1}{2}\) the length of the front lot line from the front lot line (e.g. on the sample site plan, the length of the front lot line is 50'; therefore, the Compensating Area shall not be located farther than 25' from the front lot line).
      ii. The Compensating Area must be in **front** of the building (i.e. between the building and the front lot line).
   b. For variable **interior setbacks**, the Compensating Area must be between the building and the interior lot line for which the variable setback is being applied.

SAMPLE SITE PLAN (NOT TO SCALE)

\[50'\]
\[100'\]
\[25'\]

**STREET**

- **A** = Area on the 1st floor that encroaches into the setback = 50 s.f.
- **B** = Area on the 2nd floor that encroaches into the setback = 50 s.f.
- **C** = Area that compensates outside the setback for both Area A & B = 100 s.f.
- **D** = Area that does not count towards the "Compensating Area" because:
  1. The "Compensating Area" must be in front of the building.
  2. The Compensating Area may not be farther than \(\frac{1}{2}\) the length of the front lot line from the front lot line. (50 ft / 2 = 25')