

Allied Neighborhoods Association

March 11, 2009

Planning Commission, City of Santa Barbara
Michael Berman, Project Planner, Planning Division
Steven Faulstich, Housing Division
Community Development Dept.
Santa Barbara, CA

RE: Allied Comments on Draft Negative Declaration - MST2008-00574, on Amending the Inclusionary Housing Ordinance to Apply to Projects with from 2 - 9 Units.

Allied Neighborhoods Association wishes to submit the following items for inclusion and discussion in the Initial Study's environmental review of the proposed amendment to the existing Inclusionary Housing Ordinance.

Our organization already has serious concerns about the effectiveness of the existing inclusionary program in addressing the jobs/housing balance. We believe that the proposed extension of aspects of the original ordinance to development of small projects may well expand the problems of the original ordinance to these units and even have further negative impacts on the city's goals of providing affordable workforce housing and reducing commuting.

Since neither the city nor the rest of us have the data on who buys these units and anecdotal evidence exists that some middle class workforce members may indeed be buying these units, the city should not discount them as a potential source of some work force housing. Beyond doubt, more study is needed to establish whether the in-lieu fee would not have an adverse impact by discouraging the building of units that are "affordable-by-design" for a reasonably large segment of the work force. There is also the issue of the lack of affordable upper middle class workforce housing, for those who fall between what the city defines as the top of workforce, 200% of AMI, and buyers of million dollar plus condos.

This being the case, the following points need to be added to the policy consistency/inconsistency discussion in the Plans and Policy section of the Initial Study. This amendment to the Inclusionary Ordinance is potentially inconsistent with the Housing Element goal of providing more affordable housing. Specifically it is potentially inconsistent with Policy 4.1 which encourages construction of new affordable opportunities for owners and renters. Also, it is potentially inconsistent with the Land Use Element that encourages housing for all economic levels.

In other words, the city needs to undertake further environmental review of the proposed amendment to the existing Inclusionary Ordinance and add discussion of the following potential impacts:

1. Adverse Impact on the Small Builder/Developer and Housing. The proposed fee has a negative impact on the small developer, both the one-time builder and the developer who may build several small projects with small units. The imposition of this fee may discourage them from building. This has the potential to negatively impact the supply of workforce housing that is “affordable by design.”

2. Adverse Impact on Buyers and Housing. There is a potential impact of reduction in the amount of housing that is affordable to workforce buyers. The proposed fee will probably increase the price of the market- rate units. Every increment in price makes it that much harder for people to qualify for loans and buy these in-fill units. In both point 1 and 2, there is the secondary adverse impact of more congestion and commuting.

3. Adverse Traffic Impact. The higher the unit cost and the wealthier the buyer, the greater the likelihood of an adverse impact as the new prosperous owners will probably employ more service workers who will have to commute to the area.

As stated before Allied has grave concerns about the effectiveness of the Inclusionary Ordinance itself. We believe that it further exacerbates the jobs/housing imbalance. This amendment to the Ordinance has the potential to cause even more impacts.

While Allied retains the right to oppose any given project that is too big and bulky and incompatible with a given neighborhood, we do not oppose the majority of small projects. We are not against all building, and we think that this is one area where the private sector is working and should be left alone for the present time.

We do, however, wonder why this amendment is coming up now. It would seem that all aspects of inclusionary should await further discussion of related items such as unit size, density, living within our resources, floor area ratios for multi-family zones, and of course affordable by design. All of these items have been promised to be discussed as part of Plan Santa Barbara. In addition, we have always been told that inclusionary zoning is but one tool in the tool box for obtaining affordable housing. It is now time to discuss the other tools. Why not do this before tinkering with the inclusionary tool, which we already know does not help and in fact even hurts the jobs/housing balance?

Sincerely,

Cathie McCammon, First Vice President