# ALLIED
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June 6, 2021

**To:** Mayor Murillo and City Council

**Re:** Average Unit-Size Density Incentive Program Ordinance Amendments Related to Affordable Housing And Mobile Home Parks (June 8, 2021 Agenda Item #9)

Madam Mayor, Mayor Pro Tem Oscar Gutierrez and Council Members,

Allied Neighborhoods Association appreciates the opportunity to provide comments to the above agenda item.

1) Introduce amendment to SBMC 30.150.090, reinstating clarifying language that the AUD Program development standards do not apply to mobile home parks. As explained in the CAR, this language was inadvertently omitted from a subsequent amendment to the AUD ordinance.

2) In the City of Santa Barbara, we have a housing **affordability crisis.** We think it's important to identify our biggest housing issue – the extremely high cost of housing.

It seems like with each new market-rate rental project offered for rent, that apartment rents go up and up. For example, the recently completed rental project at 414 Chapala is advertising 2-bedroom, 2-bath apartments at $5,300 - $5,600 per month!

Rent Information. As new rental units come on the market and are advertised at these sky-high prices, folks shake their heads and can barely believe it. It would be helpful for staff to bring to Council actual rent information - from the required rent surveys, and from proactively gathering rent information on the very newest projects; this information is long overdue. The public only sees advertised asking rents and it would be very informative for both Council and the public to know actual monthly rents. (For example, did the "premium" units at Arlington Village, 1- or 2-bedroom units, really rent for the advertised rent of $6,250 per month?)

Inclusionary Units for Rental Projects. It is particularly important that our Inclusionary Program for rental projects be/stay targeted to our “missing middle” (Moderate Income category, 81 – 120% AMI). This is the category of housing we are most deficient in, as shown on the recent RHNA chart for our current Housing Element planning period 2015 – 2023.

As Council knows, the Inclusionary Program for rental projects was adopted in July 2019 and, at that time, rental projects in the pipeline deemed complete were not required to provide this Inclusionary requirement. Some recent good news from Renee Brooke is ~ 20 to 30 Moderate Income Inclusionary units are now in the pipeline from newer projects.

We hear pressure from the development community and others to change the income category for rental Inclusionary to higher income categories (and may refer to Inclusionary for ownership projects) – but this is not a good idea. In addition, it is not helpful for the applicant on the project at 121 E. Mason to put in their applicant letter (pg.70) that their “missing middle” Moderate Income category is 81 – 150% AMI; this is not the “missing middle” as “missing middle” top of income range is 120% AMI.

Land Banking. Our City parking lots should be considered land banking for Affordable housing projects **only** (capital “A”, price-restricted housing). Land banking for non-profit development by the SB Housing Authority, for example – and not also for market-rate housing, if we really want to produce Affordable housing with the limited sites available in our mostly built-out City. Unlike when the SBHA goes out and purchases a site for Affordable housing costing a million plus or more (recent purchases include the Cota property across from the Cota Farmers Market location, and a property on N. La Cumbre Road) - the land cost of parking lot sites is very low or zero.

Our understanding is the federal tax credit program(s) used by SBHA and other non-profit developers to produce truly Affordable, price-restricted housing, targets low and very low income categories. It seems we need to brainstorm how “missing middle” housing (Moderate Income, Affordable) can be incorporated into SBHA projects using or along with the federal tax credit program.

As a first step, we suggest a presentation to Council by Rob Fredericks (SBHA) to explain how the federal tax credit program they use works. And additionally, to ask Mr. Fredericks in advance, does he have any ideas how “missing middle” Affordable housing could be included in a theoretical parking-lot Affordable housing project?

In closing, it’s important to remember a conclusion from the 2017 Keyser Marston study. New market-rate housing creates the need for additional service workers who need lower cost housing, creating a need for more lower cost housing.

Thank you for consideration of our comments.

Sincerely,
Allied Neighborhoods Association

Cc: Renee Brooke
Daniel Gullett
Jessica Metzger
Rebecca Bjork
Paul Casey
Ariel Calonne