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August 8, 2021

To: Planning Commission

Re: Land Banking (City parking lot sites)

Allied Neighborhoods Association's June 12, 2021 letter to City Council included a section on Land Banking. Looking back, we notice Planning Commission was not cc'd on that letter.

From our June letter to Council (June 15, 2021 Council Agenda, Item #12 – AUD Ordinance Amendments Related to Affordable Housing and Mobile Home Parks):

*"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?"

June 19, 2021, Santa Barbara News-Press (pg. B4*)*, *"The California Tax Credit Allocation Committee has allocated $10,301,000 in Federal Low Income Tax Credits to a local project to be developed by the Housing Authority of the City of Santa Barbara."* This is funding for

their project at 116 E. Cota. The property, with entitlements, was purchased fairly recently, and the Housing Authority is changing the AUD apartment mix to more, smaller units - 28 new Affordable studio units and a one-bedroom manager's unit. The project will provide free supportive services. The article also includes *"All studio units will be subsidized with Project Based Vouchers, making rent affordable at 30% of a resident's income."*

We included in our letter to Council the topic of land banking City-owned parking lots for Affordable housing, as local architects have been expressing at City meetings on housing their desire to provide market-rate housing on City parking lot property. We shouldn't rush into partnering with for-profit housing developers to use our lots for market-rate housing, also - aren't we embarking on the new Multi-Unit Housing Development Standards for the for-profit development community? ***We need to keep our City lots for Affordable housing only.***

The Housing Authority and other Affordable housing developers have used a number of methods when planning their projects over the years. Those include lot area modification to increase density under Variable Density zoning before AUD, AUD, and available are both our local Density Bonus program and the State Density Bonus program. For their project on N. La Cumbre Road, The Housing Authority is using State Bonus Density, not the AUD Program.

At the Planning Commission meeting last Thursday (update on Economic Feasibility Study for Proposed Multi-Unit Housing Development) staff said, in response to the topic of production of housing on City-owned property by private/public partnerships or the Housing Authority brought up by a Commissioner - looking at public/private partnerships and public property is beyond the scope of what we asked BAE to do, and will look at that with the Housing Element update next year. That said, one Planning Commissioner later commented the work effort for these multi-unit housing standards should include both feasibility and prototypes for City lots.

During the hearing, mentioned multiple times by BAE and staff, was the tight time frame they are working under, budget limitations, and limited scope of work. (The staff report for the first Planning Commission meeting in October is in less than 60 days.) The BAE/JKA contract was approved by Council in late June, and BAE said City-owned property was not in their scope of work. BAE/JKA have plenty of work to do in their tight time frame. We shouldn't unnecessarily rush this topic and agree with staff that our Housing Element work beginning next year is the appropriate time to discuss our parking lots/public property.

Thank you for your consideration of our comments.

We request that Planning staff please forward this letter, with our August 2nd letter, to the appropriate individuals at BAE and JKA, the consultants hired for the Economic Feasibility Study for Proposed Multi-Unit Housing Development Standards.

Sincerely,
Allied Neighborhoods Association

Cc: Daniel Gullett
Jessica Metzger
Renee Brooke
Mayor Murillo and City Council
Elias Isaacson
Rebecca Bjork
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Rob Fredericks, Housing Authority