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July 26, 2020

To: Mayor Murillo and Council Members

Re: Introduction of Ordinance for Amendments To The Average Unit-Size Density Incentive Program Focused On The Central Business District (July 28, 2021 Agenda, Item 13)

Allied Neighborhoods Association has been engaged in the AUD Program from the beginning. Most recently, we've provided written comment on the Downtown-Focused Amendments at Planning Commission and Ordinance Committee meetings, plus public comment.

Below please find our comments on the specific topic areas in the Downtown-Focused Package:

1. Allow unbundled parking for multi-unit residential development in the CBD.

Allied is supportive of unbundled parking, it provides flexibility for residents and property owners.

2. Exempt properties in the CBD, located between Chapala Street and Anacapa Street, from the Open Yard requirement.

We think an open yard requirement is still important; some common open yard should be required. The Ordinance Committee came up with roof decks as a solution that works for adaptive re-use of existing buildings and also new construction.

3. Remove the Priority Housing Overlay from the potential Historic Districts on lower De La Vina and Castillo Streets.

Allied is very supportive of the proposed AUD Program Amendment to remove the Priority Overlay and High Density designation from the potential historic districts on De La Vina and Castillo Streets. We are also very supportive of retaining the lower density zoning for the Brinkerhoff Avenue Historic District. Our historic resources are very important to our residents, contribute to the character and charm of our city, and are an important economic driver.

We understand that staff needed to defer the Map density reductions for the historic districts to the subsequent package of AUD amendments due to Housing Element requirements and that timing, and Council's direction to expedite the Downtown-Focused Package. With the length of time between the amendment packages and

State no-net-loss requirements, we appreciate that staff contacted HCD and explained the intent.

From the City Attorney's Memorandum, "*HCD has informally expressed that they are supportive of the City's proposed AUD Program ordinance amendments because, once all amendments are made, the City will be increasing its potential housing units as opposed to maintaining the status quo or decreasing units."*

Section 1, Findings & Determinations at the beginning of the Draft Ordinance, provides critically important intent language necessary to protect and implement Council's specific directions.

4. Increase the baseline height limit in the CBD, in the Priority Housing Overlay and the C-G and M-C Zones, from 45 to 48 feet.

We strongly agree with the Ordinance Committee recommendation to retain the current height limit. Throughout the Downtown-Focused amendment process, we have consistently opposed an increase in the maximum building height.

The current 45-foot height limit allows for 9-foot ceilings, which are adequate. Adding 3 additional feet for a height of 48 feet, allows units to be promoted as high-end luxury, with 10-foot ceilings, and can command higher rental rates. This runs counter to the goal of the AUD Program to provide workforce housing.

Additional height can be available under State and Local programs, which would also provide more Affordable housing.

Taller buildings use more energy and cost more per unit to build.

5. Add High Density with Priority Housing Overlay in the CBD, except within the Brinkerhoff Avenue Historic District.

Allied is very supportive of retaining the current lower density zoning for the Brinkerhoff Avenue Historic District. Allied is not supportive of the proposed density increases for the CBD.

This housing will be market rate and very expensive due to high land prices in this area of the CBD. Recent AUD market-rate rental projects show that rental rates are not affordable, in spite of the fact that generally the units may be smaller.

Increased densities can be accomplished through State and Local programs, and can also provide true affordable price-restricted housing.

6. Allow developers to pay a fee in lieu of providing on-site residential vehicle parking in the CBD.

Contrary to how it is presented in the Agenda Report, the Ordinance Committee recommendation is to retain the requirement of 1 parking space per unit, not allow more than 1 space per unit via a parking maximum, and include an in-lieu fee section in the Ordinance with the fee set at zero.

We agree with the Ordinance Committee recommendations to retain the requirement of 1 parking space per unit, not allow more than 1 space via a parking maximum, and include an in-lieu fee section in the Ordinance.

The discussion at Ordinance Committee included that the fee could be adjusted as needed. Additionally, staff learned from HCD that a study is necessary before a fee could be implemented.

The concept of a parking minimum, along with a parking maximum, is not in conflict with the concept of in-lieu fees.

7. Trial Period End Date.

We do not agree with the Planning Commission recommendation to eliminate the trial period end date. This would end the trial period upon adoption of the Downtown-Focused Package (maybe as soon as next week) and before the Subsequent Amendments come to Council.

We agree with City Council's original direction to retain a trial period end date. The Subsequent Amendments are projected to be completed in early 2021 and the trial period end date could coincide with that date.

With Council direction to eliminate the 250-unit cap, all that remains of the compact with the community is the 2021 trial period end date. This compact with the community was the result of a number of years of community process and compromise, and should not be eliminated at this time.

Preliminary Application, established by recent State housing law, is a new very abbreviated list of submittal requirements. There are major differences between our old "application completeness" threshold, and the new Preliminary Application which removes uncertainty, as the latter essentially "locks in" the rules applicable to a project. Please consider this during your deliberations about the trial period end date.

Additionally, we'd like to provide comments on two related topics:

AUD Goals. The AUD goal of "more affordable" units obviously has not been achieved. AUD market-rate rental units are renting for historically high prices. Pre-Covid-19, we were hearing about rental rates increasing on existing older rental units, without any improvements being made.

60 Feet. We were rather shocked to hear discussion at Planning Commission about building height of 60 feet, and 60 feet by right. Additionally, it was mentioned that 60 feet would be part of subsequent amendments.

Language is very important. In AUD staff materials, there's been the Downtown-Focused Package, the Full Package, and also Subsequent Amendments (those being the balance of amendments in the Full Package, minus the Downtown-Focused Amendments). When it was mentioned at Planning Commission that building heights to 60 feet would be coming back in subsequent amendments, it was unclear if that comment meant the Subsequent Amendments, to be completed in early 2021, or subsequent amendments in a more general sense, which could be coming in the future.

Ordinance Committee Minutes. We are very displeased that the Ordinance Committee minutes from late June, were not included in the Council agenda materials. They are so important, as they are the written record of the Committee's voting and recommendations to Council.

To conclude, our unique architectural impression in the CBD is mostly determined by our low density and lower building heights, and historic resources. These attributes contribute to Santa Barbara's small-town character and are important elements in the attraction of our town and our tourist economy.

We appreciate your careful consideration of these important decisions.

Sincerely,
Allied Neighborhoods Association

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