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STATE OF CALIFORNIA - THE RESOURCES AGENCY

ARNOLD SCHWARZENEGGER, Governor

CALIFORNIA COASTAL COMMISSION

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RECORD PACKET COPY

DATE: October 28, 2004

TO: Commissioners and Interested Parties

- **FROM:** Chuck Damm, Senior Deputy Director Gary Timm, District Manager Lillian Ford, Coastal Program Analyst
- **SUBJECT:** City of Santa Barbara Local Coastal Program Amendment No. SBC-MAJ-1-04 [Hotel and Related Commerce (HRC) Zones and Ocean-Oriented Commercial (OC) Zone] for Public Hearing and Commission Action at the California Coastal Commission hearing of November 19, 2004 in San Pedro.

DESCRIPTION OF THE SUBMITTAL

On July 27, 2004, the City of Santa Barbara submitted an amendment to its certified Local Coastal Program to: (1) create a new Ocean Oriented Commercial (OC) land use designation, re-designating an approximately 3-block by 3-block area of the Waterfront generally bound by Helena Avenue on the west, Highway 101 on the north, Garden Street on the east, and Cabrillo Boulevard on the south (excluding parcels fronting Cabrillo Boulevard and those within the Cabrillo Plaza Specific Plan), from the existing HRC-2 land use designation to the OC or a dual HRC/OC land use designation; and (2) amend the Zoning Ordinance to include a new Ocean-Oriented Commercial (OC) and dual HRC/OC land use zone applicable to the subject area (Exhibit 4). Other proposed changes include: amending the LUP and the Zoning Ordinance to allow free standing restaurants in the HRC-1 land use designation and zone; amending the Zoning Ordinance to allow section Zone); and amending the Zoning Ordinance to allow residential uses in the HRC-2 and proposed OC zones to develop to variable density standards.

On August 31, 2004, the Executive Director determined that the City's Amendment was in proper order and legally adequate to comply with the submittal requirements of Coastal Act Section 30510 (b). Pursuant to Coastal Act Section 30517 and California Code of Regulations Section 13535 the Commission extended the statutory 90 day time limit for Commission action on the proposed LCP amendment for a period not to exceed one year at its October 2004 meeting.

SUMMARY OF STAFF RECOMMENDATION

Staff recommends **approval** of the Land Use Plan (LUP) amendment as submitted. Staff recommends **denial** of the Implementation Program /Zoning Ordinance (IP) amendment as submitted, followed by approval with suggested modifications. As submitted, the proposed IP amendment is inconsistent with the intent of the proposed LUP amendment to provide a more balanced mix of uses and ensure the development of ocean-oriented, ocean dependent, commercial recreation and arts-related uses in conjunction with residential development. Therefore, Commission staff is recommending denial of the IP amendment, and **one suggested modification** to bring it into conformity with the proposed LUP amendment. The motions and resolutions for Commission action begin on page 4; the suggested modifications begin on page 6.

For additional information please contact Lillian Ford at the South Central Coast District Office: 89 South California St., Ste. 200, Ventura, CA. 93001 or 805-585-1800.

I. PROCEDURAL ISSUES

A. STANDARD OF REVIEW

The Coastal Act provides:

The commission shall certify a land use plan, or any amendments thereto, if it finds that a land use plan meets the requirements of, and is in conformity with, the policies of Chapter 3 (commencing with Section 30200)... (Section 30513(c))

The standard of review that the Commission uses in reviewing the adequacy of the Land Use Plan (LUP) amendment is whether the LUP amendment is consistent with the policies of Chapter 3 of the Coastal Act.

Section 30513 of the Coastal Act further provides:

The local government shall submit to the Commission the zoning ordinances, zoning district maps, and, where necessary, other implementing actions that are required pursuant to this chapter...

The Commission may only reject ordinances, zoning district maps, or other implementing action on the grounds that they do not conform with, or are inadequate to carry out, the provisions of the certified land use plan. If the Commission rejects the zoning ordinances, zoning district maps, or other implementing actions, it shall give written notice of the rejection, specifying the provisions of the land use plan with which the rejected zoning ordinances do not conform, or which it finds will not be adequately carried out, together with its reasons for the action taken. (Section 30514) The Commission may suggest modifications in the rejected zoning ordinances, zoning district maps, or other implementing actions, which, if adopted by the local government and transmitted to the Commission shall be deemed approved upon confirmation by the executive director. The local government may elect to meet the Commission's rejection in a manner other than as suggested by the Commission and may then resubmit its revised zoning ordinances, zoning district maps, and other implementing actions to the Commission.

The standard of review used by the Commission for the proposed Implementation Program/Zoning Ordinance amendment is whether or not the proposed amendment is in conformance with, and adequate to carry out the provisions of the Land Use Plan.

The City of Santa Barbara's Coastal Zoning Ordinance implements the City's Coastal Land Use Plan and policies. It serves to integrate the City of Santa Barbara Coastal Land Use Plan with the adopted Santa Barbara General Plan and Zoning Ordinance as applied to the Coastal Zone. The Coastal Zoning Regulations and Maps set forth regulations, standards, and procedural requirements for development within the Coastal Zone and establish required consistency with the policies of the LCP Land Use Plan.

B. PUBLIC PARTICIPATION

Section 30503 of the Coastal Act requires public input in preparation, approval, certification and amendment of any LCP. The City held public meetings on the proposed amendment on 3/02/04, 4/22/04, 5/25/04, 6/15/04, and 6/22/04. In addition, the City held numerous public meetings and/or workshops, beginning in 1998, on a similar amendment that was approved by the Commission in November 2003 with suggested modifications and subsequently withdrawn by the City. All workshops and hearings were noticed to the public consistent with Sections 13551 and 13552 of the California Code of Regulations. Notice of the subject amendment has been distributed to all known interested parties.

C. PROCEDURAL REQUIREMENTS

Pursuant to Section 13551 (b) of the California Code of Regulations, the City resolution for submittal may provide that a Local Coastal Program Amendment will either require formal adoption by the local government after the Commission action to approve, or is an amendment that will take effect automatically upon the Commission's approval. In this case, because the recommendation of approval is subject to suggested modifications, if the Commission approves the Amendment pursuant to the staff recommendation, the City must act to formally accept the suggested modifications before the amendment can become effective. Pursuant to Section 13544 of the Code of Regulations, the Executive Director shall determine whether the City's action is adequate to satisfy all requirements of the Commission's certification with suggested modifications and report such adequacy to the Commission.

II. STAFF RECOMMENDATION, MOTIONS, AND RESOLUTIONS ON THE LAND USE PLAN/COASTAL PLAN (LUP/CP)

Following public hearing, staff recommends that the Commission adopt the following resolution and findings. The appropriate motion to introduce the resolution and the staff recommendation is provided prior to each resolution.

A. CERTIFICATION OF THE LAND USE PLAN AMENDMENT AS SUBMITTED

<u>MOTION I:</u> I move that the Commission certify Amendment SBC-MAJ-1-04 to the City of Santa Barbara Land Use Plan/Coastal Plan as submitted by the City of Santa Barbara.

STAFF RECOMMENDATION TO CERTIFY:

Staff recommends a **YES** vote. Passage of the motion will result in certification of the land use plan as submitted and adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the appointed Commissioners.

RESOLUTION TO CERTIFY THE LAND USE PLAN AMENDMENT:

The Commission hereby **certifies** Land Use Plan Amendment SBC-MAJ-1-04 as submitted by the City of Santa Barbara and adopts the findings set forth below on the grounds that the amendment conforms with the policies of Chapter 3 of the Coastal Act. Certification of the Land Use Plan amendment complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the plan on the environment, or 2) there are no furtyer feasible alternatives or mitigation measures which could substantially lessen any significant adverse impact which the Land Use Plan Amendment may have on the environment.

III. STAFF RECOMMENDATION, MOTIONS, AND RESOLUTIONS ON THE IMPLEMENTATION PROGRAM/COASTAL ZONING ORDINANCE (IP/CZO)

Following public hearing, staff recommends that the Commission adopt the following resolution and findings. The appropriate motion to introduce the resolution and the staff recommendation is provided just prior to each resolution.

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A. DENIAL OF THE IMPLEMENTATION PROGRAM/COASTAL ZONING ORDINANCE AS SUBMITTED

<u>MOTION II:</u> I move that the Commission reject the City of Santa Barbara Implementation Program / Zoning Ordinance Amendment SBC-MAJ-1-04 as submitted.

STAFF RECOMMENDATION OF REJECTION:

Staff recommends a **YES** vote. Passage of this motion will result in rejection of the Implementation Program / Zoning Ordinance amendment and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

<u>RESOLUTION TO DENY CERTIFICATION OF THE IMPLEMENTATION PROGRAM</u> AMENDMENT AS SUBMITTED:

The Commission hereby **denies** certification of the City of Santa Barbara Implementation Program/Zoning Ordinance Amendment SBC-MAJ-1-04 and adopts the findings set forth below on grounds that the Implementation Program/Zoning Ordinance Amendment as submitted does not conform with and is not adequate to carry out the provisions of the certified Land Use Plan. Certification of the Implementation Program/Zoning Ordinance amendment would not meet the requirements of the California Environmental Quality Act as there are feasible alternatives and mitigation measures that would substantially lessen the significant adverse impacts on the environment that will result from certification of the Implementation Program/Zoning Ordinance as submitted.

B. CERTIFICATION WITH SUGGESTED MODIFICATIONS

<u>MOTION III:</u> I move that the Commission certify the City of Santa Barbara Implementation Program / Zoning Ordinance Amendment SBC-MAJ-1-04 if it is modified as suggested in this staff report.

STAFF RECOMMENDATION TO CERTIFY IF MODIFIED:

Staff recommends a **YES** vote. Passage of this motion will result in certification of the Implementation Program Amendment with suggested modifications and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

RESOLUTION TO CERTIFY THE IMPLEMENTATION PROGRAM AMENDMENT WITH SUGGESTED MODIFICATIONS:

The Commission hereby **certifies** the City of Santa Barbara Implementation Program / Zoning Ordinance Amendment SBC-MAJ-1-04 if modified as suggested and adopts the

findings set forth below on grounds that the Implementation Program with the suggested modifications conforms with, and adequate to carry out, the provisions of the certified Land Use Plan. Certification of the Implementation Program / Zoning Ordinance Amendment if modified as suggested complies with the California Environmental Quality Act, because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the Implementation Program/Coastal Zoning Ordinance on the environment, or 2) there are no further feasible alternatives and mitigation measures that would substantially lessen any significant adverse impacts on the environment.

IV. SUGGESTED MODIFICATIONS TO THE IMPLEMENTATION PLAN - ZONING ORDINANCE AMENDMENT

Suggested Modification No. 1

<u>SECTION SIX. Ponding development applications submitted to the City between the dates of November 25, 2003 and May 25, 2004 which apply for projects exclusively comprised of residential units shall be exempt from the mixed use requirements of Section 3 hereof [as being codified herein as Santa Barbara Municipal Code Section 28,71.020(5)(a)] of this Ordinance.</u>

FINDINGS AND DECLARATIONS FOR APPROVAL OF THE LAND V. (LUP) USE PLAN AMENDMENT, DENIAL THE OF IMPLEMENTATION PROGRAM (IP) AMENDMENT AS SUBMITTED, AND APPROVAL OF THE IP AMENDMENT WITH SUGGESTED MODIFICATIONS

The following findings support the Commission's approval of the LUP amendment as submitted, denial of the IP amendment as submitted, and approval of the IP amendment if modified as suggested below. The Commission hereby finds and declares as follows:

A. AMENDMENT DESCRIPTION AND HISTORY

The City proposes to amend its certified Local Coastal Program to change the Land Use Plan and Zoning Ordinance designations for several parcels in the City's waterfront area. All of the proposed changes are located in an area bounded by the 101 Freeway on the north, Cabrillo Boulevard on the south, State Street on the west, and Calle Cesar Chavez on the east. The most significant proposed change to the LCP involves changing the LUP and Zoning designations in an approximately 3-block by 3-block area of the waterfront generally bound by Helena Avenue on the west, Highway 101 on the north, Garden Street on the east, and Cabrillo Boulevard on the south (excluding

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parcels fronting Cabrillo Boulevard and those within the Cabrillo Plaza Specific Plan). The change would create a new Ocean Oriented Commercial (OC) designation, and apply either the OC designation or a dual HRC/OC designation to the area (Exhibit 4). The new OC designation would allow ocean-dependent, ocean-oriented, arts related, commercial, and residential uses, while prohibiting new hotel, motel and related visitor-serving uses allowed under the current HRC-2 designation. Both HRC-2 uses and OC uses would be allowed in the combined HRC/OC zone. In addition, a modified OC zone, located south of the railroad right-of-way, will allow small hotels (maximum six rooms) while prohibiting residential uses. These and other proposed amendment changes are described in greater detail below.

The City's proposed changes arose out of a comprehensive study involving numerous public meetings, workshops, and walking tours between 1995 and 1999. The City submitted similar LCP Amendment applications in 1999 and in 2001, both of which were withdrawn prior to Commission action. The City resubmitted the amendment in 2002. City of Santa Barbara LCP Amendment No. SBC-MAJ-2-02 was approved by the Commission on August 6, 2003 with several suggested modifications, including application of a dual HRC/OC designation to a portion of the proposed OC area, and a mixed use requirement (minimum 30% commercial, maximum 70% residential) for residential projects on parcels greater than 5,000 square feet. The City rejected the suggested modifications and withdrew the amendment application in November 2003.

The City Council adopted the resolution and ordinances that constitute the current proposed amendment (Resolution No. 04-041; Ordinance No. 5322) on June 22, 2004 **(Exhibits 1** and **2)**. The proposed amendment incorporates many of the suggested modifications to LCPA No. SBC-MAJ-2-02 approved by the Commission. Table 1 on page 14 of this report compares the proposed amendment to LCPA No. SBC-MAJ-2-02, as modified and approved by the Commission.

B. PROPOSED CHANGES TO THE CERTIFIED LOCAL COASTAL PLAN

The amendment involves changes to the City of Santa Barbara General Plan Map, the text of the City's Local Coastal Plan, and the Zoning Ordinance, as follows (summary adapted from application submittal letter):

Ocean-Oriented Commercial

- Amend selected text of the Local Coastal Plan to create the Ocean-Oriented Commercial (OC) and dual HRC/OC land use designations.
- Amend the General Plan Map to remove the existing Hotel and Related Commerce II land use designation and apply the OC or HRC/OC land use designation in affected areas.
- Amend the Zoning Ordinance to include a new OC land use zone that allows primarily ocean-dependent and ocean-oriented uses, commercial recreational

uses, arts-related uses, restaurants, residential (in mixed-use settings) and small hotels in a limited area.

- Amend the Zoning Ordinance to include a new dual HRC/OC land use zone that allows both HRC-2 and OC land uses.
- Rezone the area roughly bounded by Helena Avenue on the west, Highway 101 on the north, Garden Street on the east, and Cabrillo Boulevard on the south (excluding parcels fronting on Cabrillo Boulevard or within the Cabrillo Plaza Specific Plan area) from HRC-2 to OC and, for parcels fronting on Montecito Street and for the property at 25-27 East Mason, from HRC-2 to HRC/OC (Exhibit 4).

The legislative intent of the proposed OC zone is as follows:

[The OC] zone strives to achieve balanced use of the City's Waterfront and maintain the small scale, local character that is unique to the Waterfront area. Land uses shall be encouraged in this zone that maintain and enhance the desirability of the Waterfront as a place to work, visit, and live. This zone is intended to foster a vital, mixed-use neighborhood and preserve and protect the coastal environment in terms of light, air, and visual amenities.

The proposed Ocean-Oriented Commercial (OC) Zone would allow the following types of uses:

- Ocean-dependent and ocean-oriented uses (aquaculture; boat rentals; manne equipment & accessories manufacturing, sales, repair storage, or rental; marineoriented government & research & development facilities; boat & sail manufacturing and repair; seafood processing & wholesaling; commercial fishing services, e.g. repair & storage; and, ocean-oriented educational facilities);
- Commercial recreational uses (consistent with HRC-2 zoning);
- Arts related uses (art galleries, schools, studios/workspaces, printing & publishing, industrial arts & crafts);
- Restaurants (consistent with HRC-2 zoning);
- Residential uses (in a mixed use setting) in the area bounded by Helena Avenue on the west, the existing railroad right-of-way on the south, Garden Street on the east, and Highway 101 on the north (geographically consistent with HRC-2);
- Small stores that sell liquor, groceries, or food that do not exceed 2,500 square feet in gross floor area (consistent with HRC-2 zoning);
- Other ocean-dependent, ocean-oriented, commercial recreational, or arts-related uses that are found to be consistent with the intent of the OC Zone by the Planning Commission;
- Automobile rentals and parking lots, with a Conditional Use Permit (consistent with current HRC-2 zoning); and
- Small hotels, in limited circumstances south of the railroad tracks (Exhibit 4) with a Conditional Use Permit and special findings.

Rezoning a portion of the interior HRC-2 area to OC would remove the potential for further hotels, motels, tourist courts, auxiliary uses for hotel guests, specialty and gift shops, and general office uses. These uses would be replaced by ocean-dependent, ocean-oriented, and arts-related uses. Restaurants and commercial recreational uses would continue to be allowed. Residential development would continue to be allowed in the sub-area between the railroad right-of-way and the 101 freeway but would be required to be part of a mixed-use project where the residential portion would not exceed 70 percent of the total building floor area of the project.

Proposed exemptions to the mandatory mixed-use requirement include:

- Any existing parcel of 5,500 square feet or less in size that is not in contiguous ownership (Exhibit 6);
- Development projects comprised exclusively of units affordable to very low, low, or moderate income households;
- Pending development applications comprised of residential units (one development application, two parcels associated with the Wright Area Specific Plan application (Exhibit 7);
- Remodel and expansion of existing residential units (up to 20% of the floor area of the existing dwelling). Any demolition of existing units would trigger the mandatory mixed-use requirements.

Rezoning the interior area from HRC-2 to OC (or HRC/OC) would also change the development standards that apply to the area. The current HRC-2 zoning requires setbacks. The proposed OC zone does not require building setbacks. The three-story and 45 foot building height limit that currently applies to the area would remain unchanged as well as the current parking requirements. The development standards for the OC zone are proposed in recognition of the fact that the majority of existing buildings in the area were developed to pre-Coastal Act Commercial-Manufacturing zone standards with no setback requirements. The development standards were proposed to allow for maximum site planning flexibility in order to aid in the provision of usable public open space, protection of view corridors, and application of traditional urban design principles. Setbacks may still be required on a case-by-case basis as necessary to meet the stated design principles.

The interior area in and around Montecito Street would be rezoned to a dual HRC/OC zone. In the dual-zoned areas, both HRC-2 and OC land uses would be allowed. Development projects in the dual-zoned area would be subject to the OC development standards including the mandatory mixed-use requirements for new residential development.

Staff is recommending modifications to the proposed IP/Zoning Ordinance amendment to delete Section Six of the ordinance. Section Six exempts pending residential development applications that were submitted to the City between November 25, 2003 and May 25, 2004 from the mandatory mixed-use requirement. The effect of Section Six is to exempt a single multi-unit residential project, currently being reviewed by the City's Preliminary Review Team (PRT) as part of the Wright Area Specific Plan.. This modification is recommended in order to render the ordinance consistent with the intent of the proposed LUP Amendment to provide a more balanced mix of uses and ensure the development of ocean-oriented, ocean dependent, commercial recreation and artsrelated uses in conjunction with residential development.

Free Standing Restaurants in the HRC-1 Zone

- Amend text of the LCP Land Use Plan to allow free-standing restaurants in the HRC-1 land use designation.
- Amend the Zoning Ordinance to allow free-standing restaurants in the HRC-1 zone.

Land uses currently allowed in the HRC-1 zone are limited to hotels, motels, and tourist courts including related recreational, conference center and other auxiliary uses for hotel guests. There are currently a number of free-standing restaurants in the HRC-1 zone in the Waterfront area that do not conform to the existing zoning requirements. The intent of this amendment is to make free-standing restaurants an allowed use in the HRC-1 zone, recognizing that they are an important visitor-serving use.

Staff is recommending approval as submitted of this portion of the amendment request.

Chase Palm Park Expansion

• Amend the Zoning Ordinance to remove language that allows housing in the Chase Palm Park Expansion (now zoned Park and Recreation).

In 1997, the Chase Palm Park Expansion was rezoned from HRC-2 to PR (Park and Recreation) to reflect the City ownership of the property and the intent to use it as a public recreational facility. During the rezone process, however, language in the HRC-2 ordinance that allowed residential use in the area occupied by the Chase Palm Park Expansion was not deleted. The intent of the proposed amendment is to remove this ordinance inconsistency.

Staff is recommending approval as submitted of this portion of the amendment request.

Variable Density Standards for Residential Development in the HRC-2 and OC Zones

• Amend the Zoning Ordinance to allow residential uses in the HRC-2 and OC zones to develop to variable density standards.

There are currently two areas of the HRC-2 zone where residential uses are allowed:

- Area #1 (Proposed rezone to OC) -The area bounded by Helena Avenue, the railroad right-of-way, Garden Street, and Highway 101; and
- Area #2 The area bounded by Cabrillo Boulevard, Los Patos Way, and the railroad right-of-way.

Within these areas, residential land uses can be developed to the standards of the R-3 (Limited Multiple-Family Residence) zone. The R-3 zone allows residential development to variable density standards in order to encourage a mix of residential unit types and affordability levels. The intent of allowing R-3 development in the HRC-2 zone was to allow variable density standards to be applied. However, the variable density provisions of the R-3 zone do not specifically include the HRC-2 zone in the list of zones where the standards may be applied.

The purpose of the proposed Zoning Ordinance amendment is to clarify that the intent of allowing R-3 uses in the HRC-2 zone was to allow residential development to variable density standards. Because area #1 is proposed to be rezoned from HRC-2 to OC (with R-3 uses continuing to be permitted), the OC zone is added to the list of zones where variable density standards will apply.

Staff is recommending approval as submitted of this portion of the amendment request.

C. ISSUE ANALYSIS

The proposed amendment to the LCP Land Use Plan raises issues with the following Coastal Act Policies:

Section 30213 of the Coastal Act states:

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

The commission shall not: (1) require that overnight room rentals be fixed at an amount certain for any privately owned and operated hotel, motel, or other similar visitor-serving facility located on either public or private lands; or (2) establish or approve any method for the identification of low or moderate income persons for the purpose of determining eligibility for overnight room rentals in any such facilities.

Section 30222 of the Coastal Act states:

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

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Section 30223 of the Coastal Act states:

Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.

Section 30250 of the Coastal Act states:

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.

The most significant policy issues raised by the proposed amendment concerns consistency with Sections 30213, 30222, and 30223 of the Coastal Act. These policies give priority to new development or protect existing development that provides lower cost visitor-serving commercial and recreational facilities, including overnight accommodations, designed to enhance public opportunities for coastal recreation over private residential, general industrial or general commercial development.

Ocean-Oriented Commercial Land Use Change and Rezone

The proposed amendment will change the Land Use Plan and Zoning designation for a large area of the Waterfront from Hotel and Related Commerce II (HRC-2) to Ocean-Oriented Commercial (OC) or a dual HRC/OC designation. The new OC designation would allow ocean-dependent, ocean-oriented, arts related, commercial, and residential uses, while prohibiting new hotel, motel and related visitor-serving uses allowed under the current HRC-2 designation. Both HRC-2 uses and OC uses would be allowed in the combined HRC/OC zone. In addition, a modified OC zone, located south of the railroad right-of-way, will allow small hotels (maximum six rooms) while prohibiting residential uses.

The area subject to the proposed OC designation, known locally as the "Funk Zone," currently contains a varied mix of industrial, residential, small businesses, and arts-related facilities with no particular site design features. Many existing buildings are built to the edge of the street. In recognition of the eclectic mix of uses and build-out pattern in the area the amendment proposal is intended to provide maximum flexibility in site planning by allowing residential development in the OC Zone to be built to variable density standards, consistent with the standards currently allowed in an R-3 (Limited Multi-Family Residential) Zone and by not requiring building setbacks in this zone since numerous existing buildings have been built to the street edge under previously existing industrial development standards. The City's intent is to provide an incentive to property owners to rehabilitate or replace older industrial buildings into OC uses. This

flexibility is also intended to encourage development to be oriented toward the street. In some cases, the City notes, setbacks may be necessary and required on a case-bycase basis to achieve other objectives such as landscaping, open space, compatibility with adjacent development or public view protection. Urban Design Guidelines will apply to the OC area. The City also notes that the proposed amendment does not affect properties along Cabrillo Boulevard, State Street or lower Garden Street and that, therefore, no significant public view corridors or vistas would be impacted by new development as a result of this amendment.

A stated objective of the proposed amendment is to prohibit new hotels, restaurants, and other primarily visitor-serving uses allowed by the HRC-2 designation in the interior area of the Waterfront. The City is concerned that intensification of visitor-serving development in the Waterfront area will lead to increasing congestion and that the area is becoming less appealing and attractive to local residents. An additional concern is that if locals are starting to avoid the Waterfront on weekends, visitors might start avoiding the area as well. To address these concerns the City is proposing the new Ocean-Commercial Land Use designation based on the stated objective provided below:

This zone strives to achieve balanced use of the City's Waterfront and maintain the small scale, local character that is unique to the Waterfront area. Land uses shall be encouraged in this zone that maintain and enhance the desirability of the Waterfront as a place to work, visit, and live. This zone is intended to foster a vital, mixed-use neighborhood and preserve and protect the coastal environment in terms of light, air, and visual amenities.

This statement reflects the parallel objective of the amendment to encourage the existing mix of uses in the "Funk Zone," including residential uses. The City acknowledges that accomplishing this goal requires the City to balance local land use priorities with those of the Coastal Act.

The Commission is largely supportive of the proposed OC and dual HRC/OC designations, which provide for different types of visitor-serving uses, as long as a means to balance the uses to obtain a true "mixed-use" neighborhood is achieved. The major Coastal Act concern raised by the previously proposed amendment (SBC-MAJ-2-02) was that the cumulative effect would change the balance of future development within the interior Waterfront area from one that gave priority to visitor-serving uses to one that would give priority to residential development. In order to ensure that the previously proposed amendment would provide for balanced mixed-use development, the Commission approved the amendment with several suggested modifications, including the requirement that residential development be subject to a minimum 30% commercial, maximum 70% residential mixed-use standard. The City subsequently rejected the suggested modifications and withdrew the application.

The City's current proposal incorporates all of the suggested modifications made to SBC-MAJ-2-02, with some changes. It also adds several additional provisions that allow limited exemptions from the mixed use requirements, and allow limited hotel

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development in the OC zone south of the railroad-right-of way. These changes are outlined in Table 1 below.

Suggested Modifications to SBC-MAJ-2-02	Changes to SBC-MAJ-2-02 included in current proposal		
•	(variations from suggested modifications highlighted)		
Boundaries of OC area defined as Helena Avenue on the west, Highway 101 on the north, Santa Barbara Street on the east, and Cabrillo Boulevard on the south plus parcel No. 033-08-02 at the northwest corner of Helena and Yanonali and the condo project at Santa Barbara and Yanonali Streets (excluding parcels fronting on Cabrillo Boulevard or within the Cabrillo Boulevard Plaza Specific Plan area and parcels fronting on Montecito Street)	Boundaries of OC area defined as Helena Avenue on the west, Highway 101 on the north, Santa Barbara Street on the east, and Cabrillo Boulevard on the south plus parcel No. 033-08-02 at the northwest corner of Helena and Yanonali and the Villa del Mar condominium project at Santa Barbara and Yanonali Streets (excluding parcels fronting on Cabrillo Boulevard or within the Cabrillo Boulevard Plaza Specific Plan area and parcels fronting on Montecito Street)		
Combined HRC/OC designation for parcels fronting on Montecito Street	Combined HRC/OC designation for parcels fronting on Montecito Street and for the property at 25-27 East Mason (Bekins building)		
Mixed use requirement (min. 30% commercial, max. 70% residential) for residential projects in OC and in dual HRC/OC zone	Mixed use requirement (min. 30% commercial, max. 70% residential) for residential projects in OC and in dual HRC/OC zone		
Mixed use requirement applied only to parcels 5,000 sq. ft. or larger, or contiguous parcels in common ownership where the combined size is 5,000 sq. ft. in total.	Mixed use requirement applied only to parcels larger than 5,500 sq. ft. as of June 2004, or contiguous parcels in common ownership. (NOTE: Only nine parcels are exempt from mixed use requirements under this standard. See Exhibit)		
	Development projects comprised exclusively of housing units affordable to very low, low, and moderate incomes exempt from mixed use requirement.		
	Improvements and additions to existing residential units (up to 20% of existing floor area) exempt from mixed use requirement.		
	Pending residential development applications submitted between November 25, 2003 and May 25, 2004 exempt from mixed use requirement (exempts one parcel associated with the Wright Area Specific plan)		
	Small hotels (max. six rooms) allowed in OC area south of the railroad right-of-way, with CUP and special findings.		

Table 1. Current Proposal Compared to Suggested Modifications to SBC-MAJ-2-02

The primary issue raised by the proposed amendment is whether it provides the proper balance of mixed-use development and means or policies to achieve that balance in conformance with applicable Coastal Act policies. The amendment would restrict development of hotels, motels, and other visitor-serving uses, which are considered priority uses pursuant to the Coastal Act, while continuing to allow residential use, which is not a priority under the Coastal Act. As noted in Table 1, however, the amendment includes several provisions that allow for continued overnight accommodations development in portions of the interior Waterfront area, and builds in a mixed-use balance that ensures continued commercial and arts-related visitor-serving uses.

Specifically, the amendment applies a dual HRC/OC designation for parcels fronting on Montecito Street, thus allowing continued development of hotel and related uses in an area, directly adjacent to Highway 101, suitable for lower-cost overnight accommodations. The amendment also applies the dual HRC/OC designation to 25-27 East Mason Street, which contains a large, non-conforming four-story concrete building, known as the Bekins Building. This designation would allow conversion of the building's upper floors into overnight accommodations, an idea in which the current owners have expressed interest. In addition, the amendment allows development of small hotels (max. six units), with a CUP and special findings, in the proposed OC zone south of the railroad right-of-way, thus allowing limited overnight accommodations in the interior Waterfront area nearest the beach and harbor. The amendment prohibits residential uses in this area.

The proposed amendment requires residential development in both OC and HRC/OC zones to incorporate a minimum 30% commercial, maximum 70% residential mixed use balance, thus eliminating the potential total conversion of the area to residential use, which, given the market value of housing in Santa Barbara, would likely occur in the absence of such a provision. The mixed-use requirement will help maintain the diversity of ocean-oriented commercial and arts-related uses that attract visitors as well as residents.

The proposed amendment provides several exemptions from the mixed-use requirement. It specifically exempts all parcels 5,500 sq. ft. or less as of June 2004, except those that are contiguous and held in common ownership. This exemption is seemingly more liberal than that provided in Suggested Modification No. 2 to SBC-MAJ-2-02, which exempted parcels 5,000 sq. ft. or less. During Commission review of SBC-MAJ-2-02, the City provided a map indicating that 25 parcels were less than 5,000 sq. ft. in size. The number of those lots in contiguous ownership was not determined. In preparing the proposed amendment, the City further researched the size and number of small parcels in non-contiguous ownership. The City determined that only eight small lots of approximately 5,000 sq. ft. were held in non-contiguous ownership, and that the exact area of each lot was indeterminate, because many of the lot line dimensions were qualified with "plus or minus two feet." The City also noted that the potential for changes in property ownership, and thus the elimination of contiguous ownership, could change the number of parcels that would qualify for exemption. Thus the proposed amendment exempts only those lots that were 5,500 sq. ft. or less and held in non-contiguous

ownership as of June 2004. Therefore, the proposed amendment only exempts the eight lots identified by the City in their submittal **(Exhibit 6)**. This exemption is reasonable given concerns regarding the feasibility of mixed-use development, and its attendant parking and vehicle exit/entry requirements, on lots that are roughly 50 feet wide and 100 feet long. Furthermore, this exemption will not significantly affect the balance of residential and commercial uses in the "Funk Zone," as the subject lots represent a small percentage of the total area under consideration.

The proposed amendment also allows remodel and expansion of up to 20% of the existing floor area or existing residential units without triggering mixed-use requirements. This exemption allows modest improvements to be made to existing homes, which will not significantly affect the balance of residential and commercial uses in the subject area.

In addition, the proposed amendment exempts projects comprised exclusively of housing units affordable to very low, low, and moderate incomes. These income levels are defined in the following tables excerpted from the City's "Affordable Housing Policies and Procedures of City of Santa Barbara," dated July 1, 2004:

Income Category	Percentage of Area Median Income
Very low income	50% or below
Low Income	>50% - 80%
Moderate Income	>80% - 120%
Middle Income	>120% - 160%
Upper-middle Income	>160% - 200%

Table 3. Income Categories

Table 5. Maximum Incomes for Various Income Categories As of February 2004

Category	% of	Number of Persons in the Household					
Category	Median	1	2	3	4	~ 5	6
Very-Low	50%	\$22,650	\$25,900	\$29,100	\$32,350	\$34,950	\$37,550
Low	80%	36,250	41,400	46,600	51,750	55,900	60,050
Moderate	120%	54,360	62,160	69,840	77,640	83,880	90,120
Middle	160%	72,480	82,880	93,120	103,520	111,840	120,160
Upper- middle	200%	90,600	103,600	116,400	129,400	139,800	150,200

The production of affordable housing in the "Funk Zone" will contribute to the diverse character of the neighborhood and pose little threat of overtaking the area. Because the production of affordable housing carries much less economic incentive than development of market-rate housing, particularly in the Santa Barbara Waterfront area, there exists less potential for affordable housing to dominate the area, as would non-restricted housing. In addition, the exemption for affordable housing is consistent with the City's density bonus and other affordable housing incentive programs included in the Zoning Ordinance.

Finally, the proposed amendment exempts pending residential development applications submitted between November 25, 2003 and May 25, 2004. Two development projects fit these criteria, both of which are part of the pending Wright Area Specific Plan application. The first project consists of very-low to low income housing and therefore qualifies for the affordable housing exemption discussed above. The other project, located at the corner of Garden and Yanonali Streets, consists of units priced for "moderate and workforce" income levels, including units affordable only to those with incomes greater than 120% of the average median income (AMI), and therefore does not qualify for the 100% affordable housing exemption. The sole effect of the proposed exemption for pending applications, therefore, is to exempt this particular project from the proposed mixed-use requirement (Exhibit 7).

The exemption is included as a separate item, Section Six, in the proposed Zoning Ordinance amendment. No reference to the exemption is included in the proposed Land Use Plan amendment, and no justification for the exemption under the Chapter Three policies of the Coastal Act or under the proposed Land Use Plan has been provided. The area of the affected parcel is approximately 0.57 acres, therefore there are no size constraints that would prevent mixed-use development. As one of the larger lots in the "Funk Zone," the use of the parcel will significantly affect the overall balance of uses in the area. Furthermore, the proposed project is undergoing concept review by the City's Pre-application Review Team (PRT) and is thus in the early stages of the review process. Therefore, redesign of the proposed project to meet the affordable housing exemption standards or to incorporate mixed use is feasible.

As noted above, the intent of the proposed amendment is to provide a more balanced mix of uses and ensure the development of ocean-oriented, ocean dependent, commercial recreation and arts-related uses in conjunction with residential development. The mandatory mixed-use requirement for residential development projects serves this intent. Although some exemptions from the mixed-use requirement, including the exemptions for small parcels, minor improvements, and affordable housing discussed above, are appropriate, the proposed exemption for the Wright parcels is inconsistent with the overall intent of the proposed amendment.

Therefore, in order to render the proposed Implementation Program/Zoning Ordinance amendment consistent with the mixed-use requirements of the proposed Land Use Plan amendment, **Suggested Modification No. 1** to the proposed amendment deletes

Section Six of the ordinance, which exempts the pending development applications from the mixed-use requirement.

In summary, the Commission finds that the proposed amendment to the certified City of Santa Barbara LCP to incorporate the OC and dual HRC/OC land use designation and zone is consistent with policies 30213, 30222, and 30223 of the Coastal Act only if it is modified as presented in the findings above.

VI. THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to Section 21080.9 of the California Environmental Quality Act ("CEQA"), the Coastal Commission is the lead agency responsible for reviewing Local Coastal Programs for compliance with CEQA. The Secretary of Resources Agency has determined that the Commission's program of reviewing and certifying LCPs qualifies for certification under Section 21080.5 of CEQA. In addition to making the finding that the LCP amendment is in full compliance with CEQA, the Commission must make a finding that no less environmentally damaging feasible alternative exists. Section 21080.5(d)(2)(A) of CEQA and Section 13540(f) of the California Code of Regulations require that the Commission not approve or adopt a LCP, "...if there are feasible alternative or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment."

The proposed amendment is to the City of Santa Barbara's certified Local Coastal Program Land Use Plan and Implementation Ordinance. The Commission originally certified the City of Santa Barbara's Local Coastal Program Land Use Plan and Implementation Ordinance in 1981 and 1986, respectively. For the reasons discussed in this report, the LCP amendment, as submitted is inconsistent with the intent of the applicable policies of the Coastal Act and the certified Land Use Plan and feasible alternatives are available which would lessen any significant adverse effect which the approval would have on the environment. The Commission has, therefore, modified the proposed LCP amendment to include such feasible measures adequate to ensure that such environmental impacts of new development are minimized. As discussed in the preceding section, the Commission's suggested modifications bring the proposed amendment into conformity with the Coastal Act and certified Land Use Plan. Therefore, the Commission finds that the LCP amendment, as modified, is consistent with CEQA and the Land Use Plan.

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RESOLUTION NO. 04-041

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING THE LOCAL COASTAL PROGRAM TO CREATE AN OCEAN-ORIENTED COMMERCIAL ZONE IN THE INTERIOR PORTION OF THE HOTEL AND RELATED COMMERCE AREA

WHEREAS, in June 1981, the State Coastal Commission certified the Land Use Plan of the City's Local Coastal Program;

WHEREAS, Section 30514 of the California Coastal Act provides that all amendments to a certified Local Coastal Plan shall be processed in accordance with Sections 30512 and 30513 of the California Coastal Act;

WHEREAS, in June 1998, the City Council directed staff to study potential future land uses in the Hotel and Related Commerce (HRC) zoned areas of the City's Waterfront;

WHEREAS, in September 1998, the *HRC-1* and *HRC-2* Zones Study Report was released followed by public workshops and then a joint City Council / Planning Commission worksession on Waterfront land use issues on October 27, 1998;

WHEREAS, On December 15, 1998 and February 16, 1999, City Council and Planning Commission joint worksessions were held to discuss staff recommendations for future land uses in the HRC zones;

WHEREAS, on April 13, 1999, the City Council initiated General Plan, Local Coastal Program and Zoning Ordinance Amendments to the land use provisions of the HRC zones;

WHEREAS, on July 8, 1999 the Planning Commission held a noticed public hearing and recommended that the General Plan Map and Local Coastal Program Amendments be approved;

WHEREAS, on August 17, 1999, the City Council held a noticed public hearing and approved the proposed amendments;

WHEREAS, on August 31, 1999 the City submitted an application to the California Coastal Commission to amend the Local Coastal Program;

WHEREAS, in October 1999, a one-year time extension for Coastal review was issued by mutual consent;

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PLANNING DIV	RESOLUTION No. 04-041

Attachment 7c

WHEREAS, in October 2000, Coastal Commission review had not occurred and the City agreed to withdraw the application with the expressed intent to re-submit with additional information as requested by Coastal Staff;

WHEREAS, on September 6, 2001, the City re-submitted the LCP Amendment and provided the additional information requested by Coastal Staff;

WHEREAS, in November 2001, a one-year time extension for Coastal review was issued by mutual consent;

WHEREAS, in early 2002, City and Coastal Staff met several times seeking ways to address Coastal Commission concerns yet not compromise City goals;

WHEREAS, in June 2002, the City Council reviewed the modifications being requested by Coastal Staff and directed City Staff to pursue Coastal Commission certification of the City's application as submitted;

WHEREAS, on September 26, 2002, recognizing that a local Coastal Commission hearing could not be achieved within the current one-year time extension, the City withdrew and resubmitted the LCP Amendment application with the understanding that it would be considered at the next Coastal Commission hearing in Santa Barbara (April 2003);

WHEREAS, in January 2003, a one-year time extension for Coastal review was issued by mutual consent to achieve the local hearing;

WHEREAS, in April 2003, the Coastal Commission Staff Report recommended that the City's application be denied as submitted unless modifications are made including requiring mandatory mixed-use. At the April 10, 2003 Coastal Commission meeting in Santa Barbara, the Commission received a presentation from City Staff, held a public hearing and continued the item without taking any action;

WHEREAS, on July 1, 2003, the City Council reviewed the modifications being recommended by Coastal Staff. Council directed Staff to work with Coastal Staff to modify the LCP Amendment application and specified that a mixed-use percentage standard of 60% residential and 40% commercial would be acceptable;

WHEREAS, at the August 6, 2003 Coastal Commission meeting in Huntington Beach, the Coastal Commission denied the City's application as submitted but approved an LCP Amendment with the modifications recommended by Coastal Staff including mandatory mixed-use (70/30) for parcels 5,000 square feet or greater;

WHEREAS, on November 11, 2003, the City Council reviewed the Coastal Commission action and voted 4 to 3 to reject the changes and to withdraw the City's LCP Amendment application;

WHEREAS, on November 4, 2003, a city election was held resulting in the seating of several new Councilmembers in January 2004;

WHEREAS, on March 2, 2004, in response to continued community concern for the area, the City Council initiated a limited-scope Local Coastal Program (LCP) and Zoning Ordinance Amendment; and

WHEREAS, on April 22, 2004 the City Planning Commission held a noticed public hearing, recommended changes to allow restaurants in the OC zone and small hotels in the OC zone below the railroad tracks with a CUP, and recommended that Council adopt the amendments as revised; and

WHEREAS, on May 25, 2004 the City Council held a noticed public hearing, discussed the amendments and directed staff to revise the ordinance to exempt small lots and pending residential development applications from the mandatory mixed-use requirements and to apply the dual HRC / OC zoning designation to 25-27 East Mason Street;

WHEREAS, on June 15, 2004, the City Council introduced the revised ordinance for adoption on June 22, 2004; and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The General Plan Map of the City of Santa Barbara is amended as shown in Exhibit A.

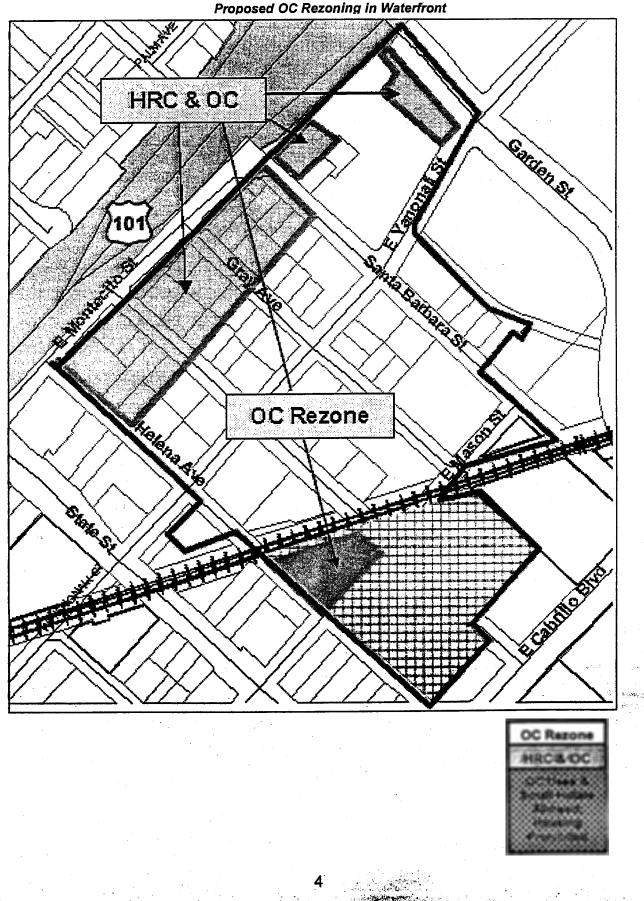
SECTION 2. The Local Coastal Program (land use plan and map) of the City of Santa Barbara is as shown in Exhibit A (map) and Exhibit B (LCP text amendments).

SECTION 3. The Local Coastal Plan Amendments have been prepared consistent with the Coastal Act and the City's Coastal Land Use Plan.

SECTION 4. This resolution shall not be effective until the Coastal Commission certifies, and Council accepts, the certified LCP Amendment.

Exhibit A: Proposed OC Rezoning in Waterfront Map Exhibit B: Proposed LCP Text Amendments

EXHIBIT A



RESOLUTION NO. 04-041

STATE OF CALIFORNIA COUNTY OF SANTA BARBARA CITY OF SANTA BARBARA

) ss.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Council of the City of Santa Barbara at a meeting held on June 22, 2004, by the

following roll call vote:

AYES:

Councilmembers Brian B. Barnwell, Iya G. Falcone, Roger L. Horton, Helen Schneider, Dan B. Secord, Das Williams; Mayor Marty Blum

NOES: None

None ABSENT:

ABSTENTIONS: None

IN WITNESS WHEREOF, I have hereto set my hand and affixed the official seal of the City of Santa Barbara on June 23, 2004.

Mabi Covarrubias Plisky, CMC City Clerk Services Manager

I HEREBY APPROVE the foregoing resolution on June 23, 2004.

<u>I (arty Blum</u> Marty Blum

Mayor

PROPOSED LOCAL COASTAL PLAN TEXT AMENDMENTS

p. 10 Component 4: Chapala Street to Santa Barbara Street

(3rd paragraph)...The General plan calls for "Hotel and Residential" <u>and "Ocean-Oriented Commercial"</u> uses on the General Plan map.

p. 67 Policy 4.1

HRC-1 designation shall include hotels, motels, other appropriate forms of visitor-serving overnight accommodations, and ancillary commercial uses directly related to the operation of the hotel/motel, and restaurants.

p. 104 General Plan

Component 4, with commercial-manufacturing zoning, has businesses within its boundaries which are coastal-dependent or ocean oriented (e.g., retail fish markets, seafood processing plants, surfboard fabrication, sailmakers, a boat accessories store, and new/used boat sales). The General Plan calls for relocating these operations out of this sector into component five to the east (p. 33a).

p. 111 Policy 7.5

The area designated Ocean-Oriented Industrial, northerly and adjacent to the Southern Pacific tracks, shall not extend westerly of the eastern boundary of the present recorded alignment of the existing Garden Street Easement and the balance of land to the west of the easterly boundary of the existing Garden Street Easement shall be designated Visitor-serving and Ocean-Oriented Commercial.

p. 177 Component 4: Chapala Street to Santa Barbara Street

1. Existing Plans and Land Use

Zoning: Commercial/Manufacturing

General Plan: Current zoning does not reflect the General Plan's land use designation for Component 4. This area is set aside in the General Plan as a Hotel and Related Commerce and Hotel/Residential neighborhood. Moreover, the current uses are, for the most part, not ocean oriented or visitor serving and not appropriate for the area in which they are located. for Hotel and Related Commerce and Ocean-Oriented Commercial uses. The purpose of the Ocean-Oriented Commercial land use designation is to foster a vital, mixed use neighborhood in the Waterfront. Uses permitted and encouraged are those that contribute to balanced use of the City's Waterfront and maintain the small scale. local character that is unique to the Waterfront area. Land uses are also

DRAFT SHOWING CHANGES FROM CURRENT TEXT (June, 2004)

encouraged that maintain and enhance the desirability of the Waterfront as a place to work, visit, and live. Such uses include ocean-dependent and ocean-oriented uses, uses that provide commercial recreational opportunities for residents and visitors to the City, restaurants or uses that provide work space for local artists (as defined in the Zoning Ordinance). As of 2004, new residential development must be in a mixed-use context where residential uses comprise no more than 70 percent of the project floor area. Development projects comprised exclusively of units affordable to very low, low or moderate income households shall be exempt from the mixed-use requirements. Any parcel of 5,500 square feet or less in size as of June 2004 which is not contiguous to another adjacent parcel(s) which is held in common ownership with the first parcel shall also be exempt for the mixed-use requirement.

The area bounded by Helena Avenue on the west, Highway 101 on the north, Santa Barbara Street on the east, and Cabrillo Boulevard on the south plus parcel No. 033-082-002 at the northwest corner of Helena and Yanonali and the Villa del Mar condominium project at Santa Barbara and Yanonali Streets (excluding parcels fronting on Cabrillo Boulevard or within the Cabrillo Boulevard Plaza Specific Plan area and parcels fronting on Montecito Street is set-aside in the General Plan for Ocean-Oriented Commercial uses. In the Ocean-Oriented Commercial area located south of the railroad tracks, small hotels (up to 6 guest rooms) would also be allowed with a Conditional Use Permit.

Parcels fronting on Montecito Street within the area described above, as well as the property at 25-27 East Mason, are set aside in the General Plan for combined Ocean-Oriented Commercial and Hotel and Related Commerce uses except that any residential development shall be subject to the mixed use development standards for Ocean-Oriented Commercial (Residential Uses) established in Chapter 28.71.20 (Ocean-Oriented Commercial Zone) of the certified Local Coastal Program Zoning Ordinance.

The remainder of Component 4 sub-area is comprised of parcels fronting along State Street and Cabrillo Boulevard. These parcels are set aside for Hotel and Related Commerce uses.

Redevelopment Plan: The areas fronting Cabrillo Boulevard and State Street are planned for "Tourist Related Commercial". The interior area north to the freeway and east into Component 5 are designated "Tourist Related Commercial & Residential & Related Facilities". The area around U.S. 101 is depicted as "Public Facilities — Transportation Corridor" projecting the proposed improvement corridor of the freeway improvement plan. The Redevelopment Plan generally conforms to the designations of the General Plan.

4. LCP Land Use

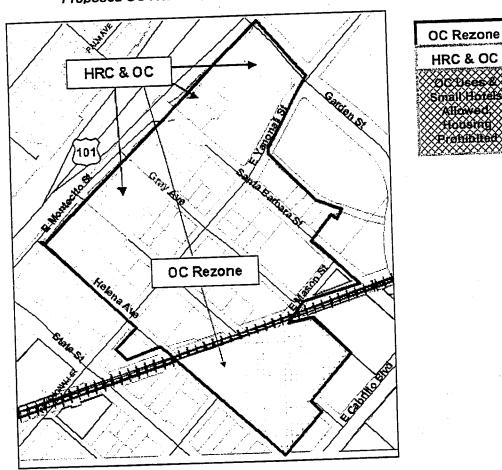
(3rd paragraph) In the area east of State Street and north of the existing railroad right-of-way there are no significant coastal related issues. The General Plan and Redevelopment Plan call for Hotel/Residential uses. Presently, there are no hotels and very few residential uses in this area. The redevelopment of this area to "tourist related" ocean-oriented commercial uses or a mix of HRC and OC uses would generally be consistent with the Coastal Act policies and priorities. Residential development of this area would, however, appear to be in conflict if a portion of any new redevelopment related housing opportunities is not set aside or specifically developed for low to moderate income households. Hence, the "Housing" policies shall be important in guiding the redevelopment of this area. The land use designation within the LCP shall be a mixture of HRC-II (visitorserving use) and Residential Ocean-Oriented Commercial, which allows oceandependent and ocean-oriented, commercial recreational, arts related (as defined in the Zoning Ordinance), restaurants and residential uses as set forth below. The City will consider development of a specific plan to be used as a general guideline for this area. The City will encourage mixed use projects visitor serving oceanoriented commercial, commercial recreational, arts related uses or restaurants and residential as a component of mixed use projects within this area.

As shown on the map below, the area between State Street and Helena Avenue is designated HRC II. The area bounded by Helena Avenue on the west, Highway 101 on the north, Santa Barbara Street on the east and the existing railroad rightof-way on the south (excluding parcels fronting and near to Montecito Street between State Street and Santa Barbara Street) is designated Ocean-Oriented Commercial (OC). The City will encourage visitor-serving uses between State Street and Helena Avenue and mixed use and visitor-serving uses along Montecito Street south of the freeway, and ocean-oriented commercial and residential as a component of mixed use projects within the remaining area.

Parcels fronting on and near to Montecito Street within the area described above, as well as the property at 25-27 East Mason, are designated as a combined Ocean-Oriented Commercial and Hotel and Related Commerce use category except that any residential development shall be subject to the mixed use development standards for Ocean Oriented Commercial (Residential Uses) established in Chapter 28.71.20 (Ocean-Oriented Commercial Zone) of the certified Local Coastal Program Zoning Ordinance.

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DRAFT SHOWING CHANGES FROM CURRENT TEXT (June, 2004)



Proposed OC Rezoning in Waterfront

p. 179 Component 5:

Santa Barbara Street to Punta Gorda Street

4. LCP Land Use... The area immediately west of Garden Street, east of Santa Barbara Street, and north of the existing railroad right-of-way shall be designated Mixed HRC II and Ocean-Oriented Commercial.

p. 194 Land Use Map Designations

Hotel and Related Commerce I

HRC-1 Designation shall include hotels, motels, other appropriate forms of visitor-serving overnight accommodations, and ancillary commercial uses directly related to the operation of the hotel/motel, and restaurants.

Ocean-Oriented Commercial

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The purpose of the Ocean-Oriented Commercial land use designation is to foster a vital, mixed use neighborhood in the Waterfront. Uses permitted and encouraged are those that contribute to balanced use of the City's Waterfront and maintain the small scale, local character that is unique to the Waterfront area. Land uses are also encouraged that maintain the desirability of the Waterfront as a place to work, visit, and live. Such uses include ocean-dependent and ocean-oriented uses, uses which provide commercial recreational opportunities for residents and visitors to the City, restaurants or uses which provide work space for local artists (as defined in the Zoning Ordinance). As of 2004, new residential development must be in a mixed-use context where residential uses comprise no more than 70 percent of the project floor area. Development projects comprised exclusively of units affordable to very low, low or moderate income households shall be exempt from the mixed-use requirements. Any parcel of 5,500 square feet or less in size as of June 2004 which is not contiguous to another adjacent parcel(s) which is held in common ownership with the first parcel shall also be exempt for the mixed-use requirement. In the OC area south of the railroad tracks, small hotels (up to 6 guest rooms) would also be allowed with a Conditional Use Permit.

ORDINANCE NO. 5322

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING MUNICIPAL CODE TITLE 28 BY AMENDING CHAPTERS 28.21 AND 28.22 TO AMEND THE PROVISIONS OF THE HRC-1 AND HRC-2, HOTEL AND RELATED COMMERCE ZONES, AND ADDING A NEW CHAPTER, CHAPTER 28.71, IN ORDER TO ESTABLISH THE OC, OCEAN-ORIENTED COMMERCIAL ZONE

THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 28.21.080 of Chapter 28.21 (R-3 Limited Multiple-Family Residence Zone and R-4 Hotel-Motel Multiple Residence Zone) of Title 28 of the Santa Barbara Municipal Code is amended to read as follows:

Section 28.21.080 Lot Area and Frontage Requirements.

A. Minimum Lot Size and Frontage for New Lots. Every lot hereafter created in an R-3 and R-4 Zone shall contain at least fourteen thousand (14,000) square feet and sixty feet (60') of frontage on a public street.

B. Existing Lots Between 5,000 and 7,000 Square Feet. For existing lots having between five thousand (5,000) and seven thousand (7,000) square feet of lot area, such lot may be used as a building site for two (2) dwelling units, provided that all other regulations of the zone prescribed by this title are observed.

C. Lots Less Than 5,000 Square Feet. For existing lots of less than five thousand (5,000) square feet of area, such lot may be used as a building site for a one-family dwelling, provided that all other regulations of the zone prescribed by this title are observed.

D. Lots Greater Than 7,000 and Less Than 14,000 Square Feet. For existing lots having between seven thousand (7,000) and fourteen thousand (14,000) square feet of lot area, such lot may be used as a building site for three (3) units, provided that all other regulations of the zone prescribed by this title are observed.

EXHIBIT NO. 2
APPLICATION NO.
SBC-MAJ-1-04
ORDINANCE No. 5322

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Attachment 7d

E. Lots Greater Than 14,000 Square Feet. For lots of fourteen thousand (14,000) square feet or more, there shall be provided a lot area of three thousand five hundred (3,500) square feet or more for each dwelling unit hereafter erected.

F. Additional Open Space. In addition to all required yards, there shall be an open space area of not less than ten percent (10%) of the total lot area. The open space may consist of walks, patios, planted areas, lawns, swimming pool areas and other landscaped area; excluding, however, for open space credit garages, carports, balconies, porches, roof areas, driveways, parking and turnaround areas. Landscaped areas which are located seven feet (7') or more below eaves, balconies and other architectural and building projections may be included in the open space required herein.

G. Variable Density in Certain Zones. Lots in the R-3, R-4, C-1, C-2, C-M and R-O Zones, as well as lots in the HRC-2 and OC Zones where residential uses are allowed by the Local Coastal Plan, may be used as a building site for more units than permitted in paragraphs 2, 3, 4 and 5 above if the number of bedrooms in the dwelling unit is limited in accord with the following:

- a. Studio unit one (1) unit per 1,600 square feet of lot area;
- b. 1 bedroom unit one (1) unit per 1,840 square feet of lot area;
- c. 2 bedroom unit one (1) unit per 2,320 square feet of lot area;
- d. 3 or more bedroom unit one (1) unit per 2,800 square feet of lot

area.

Existing lots with less than 5,000 square feet of lot area size, shall not be used as a building site under this sub-paragraph for more than two (2) dwelling units. This sub-paragraph shall be applicable in the R-3, R-4, C-1, C-2, C-M, R-O, HRC-2 and OC Zones and not in any other zone.

SECTION 2. Chapter 28.22 (HRC-1 and HRC-2 Hotel and Related Commerce Zones) of Title 28 of the Santa Barbara Municipal Code is amended to read as follows:

Section 28.22.010 In General.

This is a zone which, because of its proximity to the shoreline and its location along two major arteries, strives to promote, maintain and protect visitor-serving and commercial recreational uses. Tourist and traveler related uses shall be encouraged in this zone in a manner which does not detract from the desirability of the shoreline as a place to visit. Residential uses are appropriate in certain areas of the HRC-2 zone.

Land classified in the HRC-2 zone may also be overlaid with a second classification of being in the Ocean-Oriented Commercial zone (hereinafter referred to as the "OC zone.") The OC zone regulations shall apply to all development projects on land with a dual HRC-2 / OC zoning designation.

Section 28.22.030 Land Uses Permitted.

The following land uses are allowed in the HRC zones indicated:

1. HRC-1 Zone:

Hotels, motels and tourist courts including related recreational, conference center and other auxiliary uses primarily for use by hotel guests and as permitted in Section 28.21.030.B2 of this code. In addition, restaurants, including those with entertainment facilities used in conjunction with the restaurant, are allowed.

2. HRC-2 Zone:

a. General: Any use permitted in the HRC-1 Zone and subject to the restrictions and limitations contained therein.

b. Specific: Any of the following uses which are primarily visitorserving or of a commercial recreational nature specific to the Coastal Zone are allowed:

(1) Bicycle, roller skating, moped, dive gear and other recreational equipment rental stores.

(2) Stores which sell liquor, groceries and food which do not exceed 2,500 sq. ft. in gross floor area.

(3) Specialty and gift shops.

(4) Art galleries.

(5) Bait and tackle shops, sales of boats, marine supplies and related equipment.

(6) Other visitor-serving or commercial recreational uses deemed appropriate by the Planning Commission.

c. General Office Use. The second and third floors of commercial buildings are allowed to be used for general office uses upon issuance of a Conditional Use Permit. A Conditional Use Permit may be granted by the Planning Commission or City Council on appeal for such uses in accordance with the provisions of Chapter 28.94 of this Code, subject to the following additional findings:

1. The use is compatible with visitor-serving uses;

2. Visitor-serving uses remain the primary use of the building; and

3. Non-visitor-serving uses shall not exceed fifty (50) percent of the total square footage of the building.

d. Restriction on Residential Use. Residential use is prohibited in the HRC-2 Zone except in the area bounded by Cabrillo Boulevard on the southeast, Los Patos Way on the southwest and the existing railroad right-of-way on the north. Any use permitted in the R-3 Zone is allowed in these areas subject to the restrictions and limitations contained in this Chapter.

e. Special treatment area. The following additional restrictions shall apply in the area bounded by Cabrillo Boulevard on the southeast, Los Patos Way on the southwest and the existing railroad right-of-way on the north due to concerns about protection of the sensitive habitat character and aesthetics of the Andree Clark Bird Refuge:

1. High Intensity Uses. The following high-intensity uses shall be prohibited:

(a) fast food restaurants;

(b) stores which sell liquor, groceries and food, except that off-site sale of beer and wine and picnic items may be allowed only when incidental to and related to the primary use of the establishment.

(c) automobile service station.

2. Front Yards. There shall be a front yard of not less than:

(a) Ten (10) feet for one-story buildings that do not exceed fifteen (15) feet in height; and

(b) one hundred (100) feet for the second-story portion of any building that exceeds fifteen (15) feet in height

3. Building Height. Three-story buildings and buildings in excess of thirty (30) feet in height shall be prohibited.

Section 28.22.035 Uses Permitted Upon the Issuance of a Conditional Use Permit.

In the HRC-2 Zone, automobile rentals, parking lots, automobile service stations and automobile service station/mini-markets shall be permitted with a conditional use permit issued in accordance with the provisions of Chapter 28.94 of this Code, except where specifically prohibited elsewhere in this Chapter.

Section 28.22.040 Coastal Zone Review.

All development in the Coastal Overlay Zone (S-D-3) is subject to review pursuant to Section 28.45.009 of this Code.

Section 28.22.045 Development Potential.

Notwithstanding any provision of law to the contrary, no application for a land use permit for a nonresidential construction project will be accepted or approved on or after December 6, 1989 unless the project complies with the provisions outlined in General Provisions, Development Plan Approval, Section 28.87.300.

Section 28.22.050 Building Height Standards.

No building or structure in an HRC zone shall exceed three (3) stories or exceed forty-five (45) feet in height.

Section 28.22.060 Yards.

A. FRONT YARD. There shall be a front yard of not less than:

a. Ten (10) feet for one story buildings that do not exceed fifteen (15) feet in height; and

b. Twenty (20) feet for all other buildings.

B. INTERIOR YARD. Buildings on property immediately adjacent to residentially-zoned property shall have an interior yard of no less than ten (10) feet or one-half ($\frac{1}{2}$) the height of the building, whichever is greater.

SECTION 2. Title 28 of the Santa Barbara Municipal Code is amended by adding a new chapter, Chapter 28.71 [the "Ocean-Oriented Commercial (OC) Zone"], which reads as follows:

Section 28.71.010 In General.

The regulations contained in this Chapter shall apply in the OC Zone unless otherwise provided in this Title. This zone strives to achieve balanced use of the City's Waterfront and maintain the small scale, local character that is unique to the Waterfront area. Land uses shall be encouraged in this zone that maintain and enhance the desirability of the Waterfront as a place to work, visit, and live. This zone is intended to foster a vital, mixed use neighborhood and preserve and protect the coastal environment in terms of light, air, and visual amenities.

Land classified in the OC zone may also be classified in the HRC-2 (Hotel and Related Commerce 2) zone and those land uses authorized within the HRC-2 zone are also allowed uses within the dual OC/HRC-2 zone.

Section 28.71.020 Uses Permitted.

Any of the following uses are permitted, provided that such operations, manufacturing, processing, or treatment of products are not obnoxious or offensive by reason of emission of odor, dust, gas, fumes, smoke, liquids, wastes, noise, vibrations, disturbances, or other similar causes which may impose hazard to life or property:

1. Ocean-dependent and ocean-oriented uses such as:

a. Aquaculture facilities.

b. Boat and boat trailer rental.

c. Marine equipment and accessories manufacturing, sales, repair, storage, or rental.

- d. Marine-oriented government facilities.
- e. Marine research and development facilities.
- f. Offices of businesses engaged in ocean-related activities.

g. Boat and sail manufacturing and repair.

h. Seafood processing, wholesaling, storage, and related activities.

i. Services necessary for commercial fishing activities, including such facilities as net repair areas, ice machines, and storage areas.

j. Ocean-oriented educational facilities.

2. Commercial recreational uses such as:

a. Bicycle, roller skating, moped, dive gear, boating, surfing, and other recreational equipment rental, sales, manufacturing, and repair.

b. Public or private parks or recreational facilities.

3. Arts related uses such as:

- a. Art galleries (may include sales).
- b. Art schools.

c. Art studios/workspaces (may include sales).

d. Blueprinting, photostatting, printing, lithographing, or publishing establishments.

e. Industrial arts and crafts uses, including, but not limited to, framing, jewelry making, metallurgy, pottery, sculpture, specialty sewing/monogramming, and weaving (industrial arts and crafts uses may include sales).

For the purposes of this Chapter, the term "art" shall be defined as the creative application of a specific skill, the purpose of which is to create objects of form or beauty.

4. Restaurants.

5. Residential Uses.

a. Generally. Any use permitted in the R-3 zone is allowed in the area bounded by Helena Avenue on the west, the existing railroad right-of-way on the south, Garden Street on the east and Highway 101 on the north, subject to the restrictions and limitations contained in this Chapter so long as the R-3 use is constructed as a project providing a mix of allowed non-residential and residential use where the residential use will not exceed 70 percent of the total building floor area of the development project.

Any parcel of 5500 square feet or less in size which exist as of the date of the adoption of the ordinance codifying this amendment to Chapter 28.71 and which is not contiguous to another adjacent parcel(s) which is held in common ownership with the first parcel shall be exempt from the above-described mixed-use requirements.

b. Affordable Housing Projects. Development projects comprised exclusively of units affordable to very low, low, or moderate income households (as evidenced by the recordation of long-term affordability covenants consistent with the City's Affordable Housing Policies and Procedures) shall be exempt from the above-stated mixed-use requirements for this zone.

c. Existing Residential Buildings. Residential buildings which exist at the time of the adoption of the Ordinance enacting this Chapter (as established by the existence of a valid certificate of occupancy issued by the City), shall not be deemed non-conforming to the requirements of this Chapter and such buildings may be rehabilitated or remodeled (but not demolished) and expanded so long as any such permitted expansion (or expansions in total) does not exceed twenty percent (20%) of the floor area of the existing dwelling unit with the floor area and percentage calculated as of the date of the adoption of the Ordinance enacting this Chapter.

6. Small Stores. Stores that sell liquor, groceries, or food that do not exceed 2,500 square feet in gross floor area.

7. OC Uses Found Consistent. Other ocean-dependent, ocean-oriented, commercial recreational, or arts-related uses that are found to be consistent with the intent of the OC zone by the Planning Commission.

Section 28.71.030 Uses Permitted Upon the Issuance of a Conditional Use Permit.

A. Automobile Related Uses. In the OC Zone, automobile rentals and parking lots shall be permitted with a conditional use permit issued in accordance with the provisions of Chapter 28.94 of this Code.

B. Small Hotels. In the OC zone, small hotels shall be permitted upon the issuance of a conditional use permit in the OC zone area designated for "small hotel" on the map attached to this Chapter as Exhibit _____ subject to the following express limitations:

1. A small hotel may not have more than six (6) guest rooms;

2. The size of each hotel guest room shall be limited to a maximum of 300 square feet of floor area (including hallways, closets, baths, interior circulation and other similar floor area) and the room may not include an individual kitchen area;

3. A common kitchen / dining / lobby area is allowed but may not be located within a guest room;

4. A manager's residential unit is allowed with a maximum of 600 square feet of floor area provided that the manager's unit is located adjacent to, or with immediate access to, the common or lobby area and provided that it not have an separate access from outside the common area.

C. Findings Required for Small Hotels. Planning Commission approval of small hotels in the area of the OC zone for which they are authorized by subsection B hereof shall be subject to all of the following CUP findings:

That the small hotel:

1. will support the goals of the Local Coastal Plan and OC zone to promote a vital, mixed use neighborhood in the Waterfront comprised of a diversity of land uses;

2. is part of a mixed-use project and in a mixed-use setting within a property having pre-existing legal uses or permitted OC uses;

3. is compatible with the surrounding land uses and OC uses;

4. may include a manager's unit if it is necessary to support the hotel or other improvements on the site;

3.

5. will not be materially detrimental to the public peace, health, safety, comfort and general welfare and will not materially affect property values in the particular neighborhood involved;

6. has a sufficient area for the site and has a design for the facilities of an appropriate magnitude in view of the character of the land and in view of the proposed development that significant detrimental impact on surrounding properties is avoided;

7. will provide adequate access and off-street parking in a manner and amount so that the demands of the development for such facilities are adequately met without altering the character of the public streets in the area at any time; and

8. will have an appearance (in terms of its arrangement, height, scale, and architectural style of the buildings, location of parking areas, landscaping, and other features) which is compatible with the character of the area.

28.71.040 Coastal Zone Review.

All development in the Coastal Overlay Zone (S-D-3) is subject to review pursuant to Section 28.45.009 of this Code.

28.71.050 Development Potential.

Notwithstanding any provision of law to the contrary, no application for a land use permit for a nonresidential construction project will be accepted or approved on or after December 6, 1989 unless the project complies with the provisions outlined in General Provisions, Development Plan Approval, Section 28.87.300.

28.71.060 Building Height Standards.

No building or structure in the OC zone shall exceed three (3) stories nor exceed forty-five (45) feet in height.

28.71.070 Lot Area, Frontage, and Outdoor Living Space Requirements.

A. Lot Area and Frontage Requirements. All buildings or portions thereof used for dwelling purposes shall comply with the lot area and frontage provisions of the R-3 Zone.

B. Outdoor Living Space. All buildings or portions thereof used for dwelling purposes shall comply with the outdoor living space provisions of the R-3 zone.

28.71.080 Parking Requirements.

Off-street parking and loading space shall be provided as required in Chapter 28.90 of this title.

SECTION 4. The Sectional Zone Map 8 of Chapter 28.12 (Zone Map) of the Santa Barbara Municipal Code is hereby amended by changing the zoning of the following Assessor's Parcel Numbers:

- 017-021-007 and 031,
- 017-022-002 through -004, -007 and -009,
- 017-700-018,
- 017-710-017,
- 017-720-009
- 033-052-015 through --018
- 033-053-007, -008, -013, -018, -020 and -023
- 033-054-007, -013, -014, -021, and -028
- 033-081-002,
- 033-082-004, 010 and -011
- 033-083-006, -007, -012. -016 through -019, and -022
- 033-084-001 through --007
- 033-112-001, -002, and -007 through -010
- 033-113-001, -008, -009, and -012 through -014

(as shown in the Exhibit A) from HRC-2, Hotel and Related Commerce 2 to OC, Ocean-Oriented Commercial.

SECTION 5. Sectional Zone Map 8 of Chapter 28.12 (Zone Map) of the Santa Barbara Municipal Code is hereby amended by changing the zoning of Assessor's Parcel Numbers:

- 017-021-020 and -024
- 033-052-004, -005, -007, -012, -019 and -020
- 033-053-003, -021, -022, and -024 through -027

- 033-054-004 through --006, -017, -020, -026, and --027
- 033-082-008

(as shown in the Exhibit A) from HRC-2, Hotel and Related Commerce 2 to the dual combined zone of OC, Ocean-Oriented Commercial / HRC-2, Hotel and Related Commerce 2.

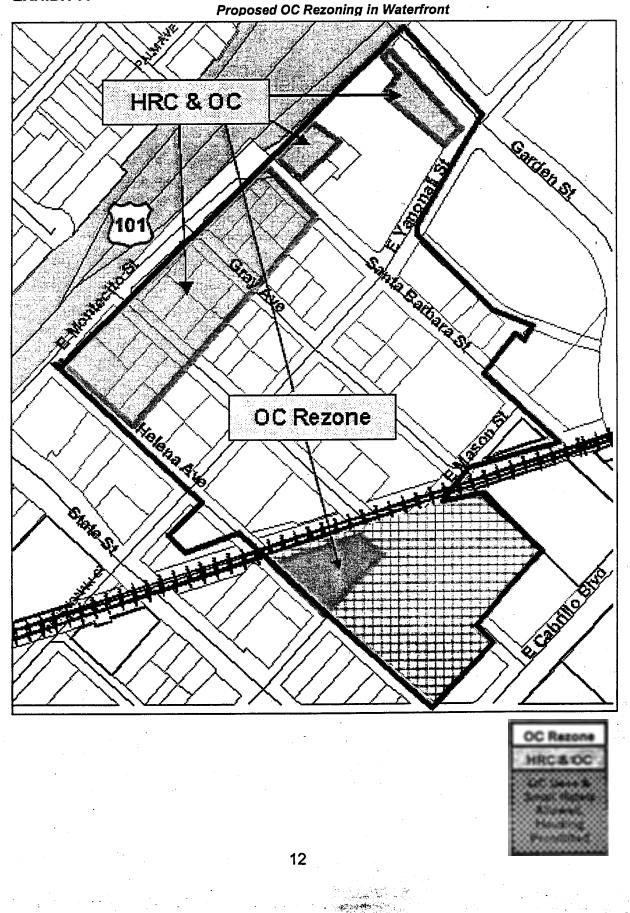
SECTION 6. Pending development applications submitted to the City between the dates of November 25, 2003 and May 25, 2004 which apply for projects exclusively comprised of residential units shall be exempt from the mixed-use requirements of Section 3 hereof [as being codified herein as Santa Barbara Municipal Code Section 28.71.020(5)(a)] of this Ordinance.

SECTION 7. This ordinance shall not be effective until it has been certified by the California Coastal Commission pursuant to the requirements of the State Coastal Act.

11

EXHIBIT A (Attached Map)

Swiley/ord/HRC-OC Rezone Ord June 4, 2004 (2:26 pm) **EXHIBIT A**



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ORDINANCE NO. 5322

STATE OF CALIFORNIA COUNTY OF SANTA BARBARA CITY OF SANTA BARBARA

) ss.

I HEREBY CERTIFY that the foregoing ordinance was introduced on June 15, 2004, and was adopted by the Council of the City of Santa Barbara at a meeting held on June 22, 2004, by the following roll call vote:

AYES: Councilmembers Brian B. Barnwell, Iya G. Falcone, Roger L. Horton, Helen Schneider, Dan B. Secord, Das Williams; Mayor Marty Blum

NOES: None

ABSENT: None

ABSTENTIONS: None

IN WITNESS WHEREOF, I have hereto set my hand and affixed the

official seal of the City of Santa Barbara on June 23, 2004.

1100

Mabi Covarrubias Plisky, CMC City Clerk Services Manager

I HEREBY APPROVE the foregoing ordinance on June 23, 2004.

2 Blun

Marty Blue Mayor



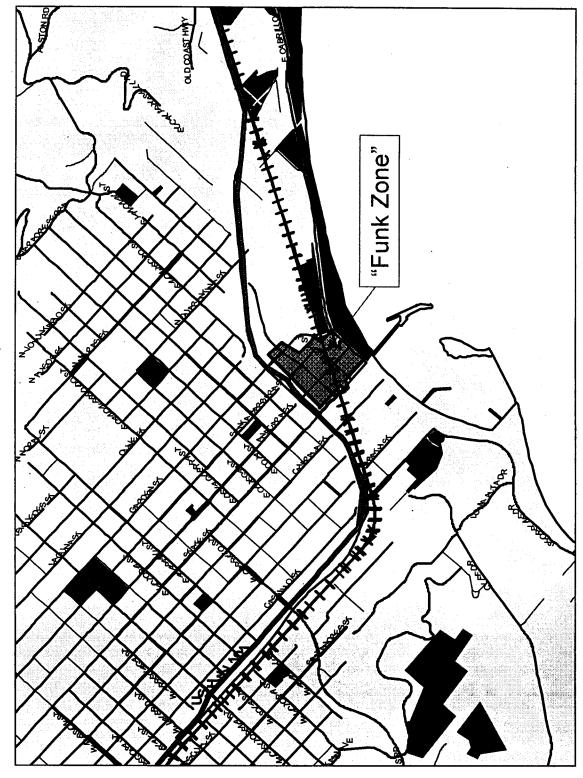


EXHIBIT NO. 3 APPLICATION NO. SBC-MAJ-1-04 VICINITY MAP

Proposed Zoning Changes

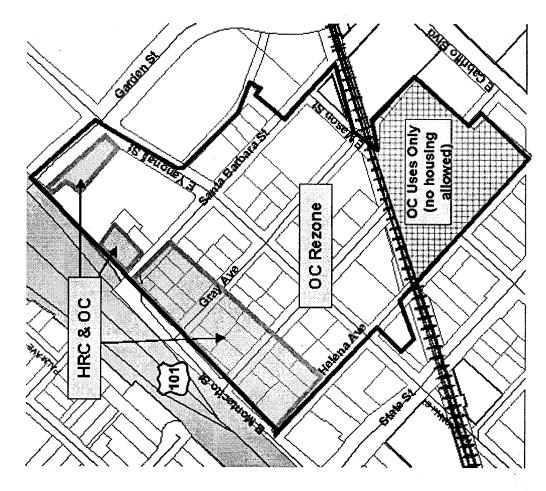
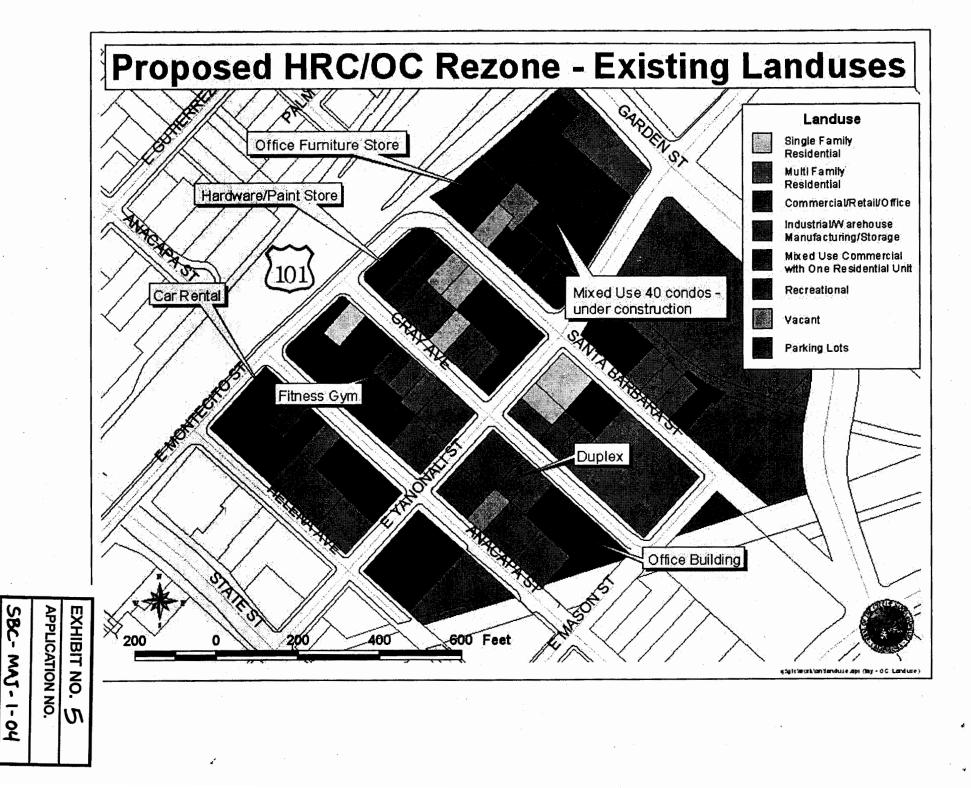
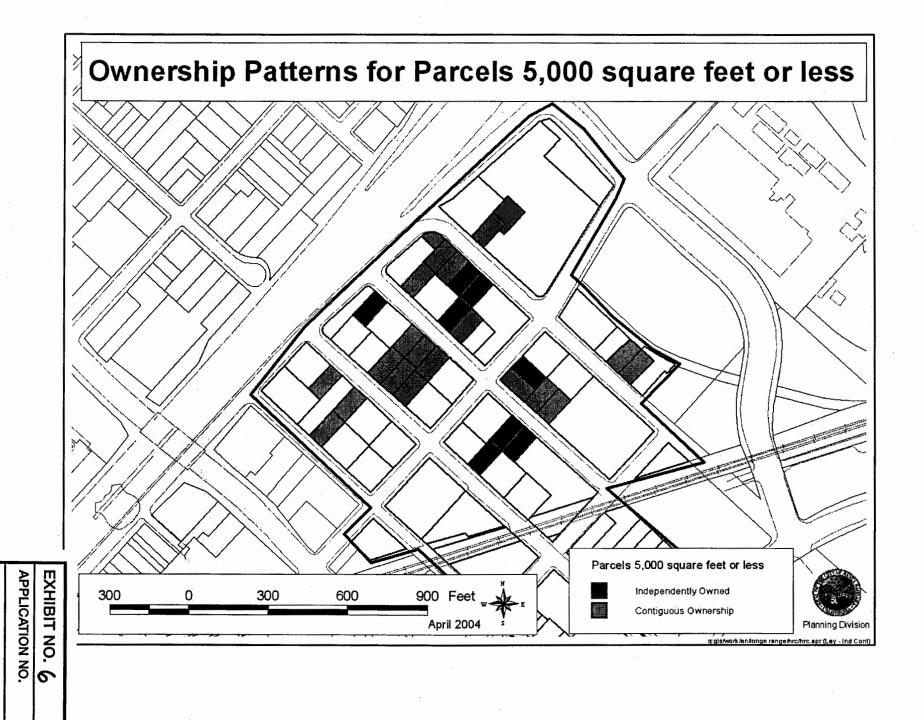


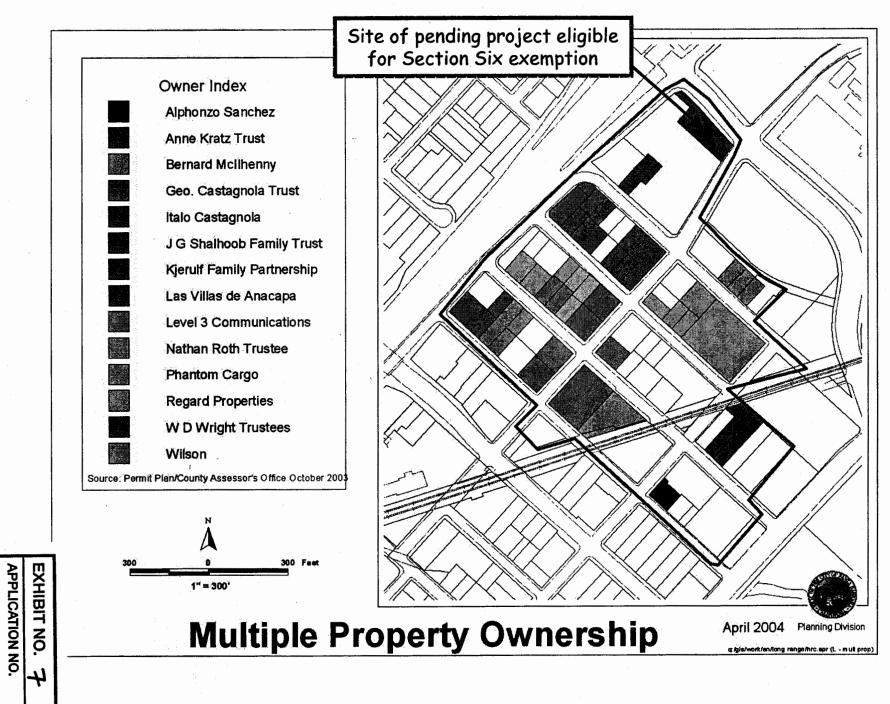
EXHIBIT NO. 4 APPLICATION NO. SBC-MAJ-1-04 ZONE CHANGES



EXISTING LAND USES



58C-MAJ-1-04



SBC-MAJ-1-04 PENDING PROJECT SITE