



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: July 19, 2012
AGENDA DATE: July 26, 2012
PROJECT TITLE: Zoning Ordinance Amendments Related to the Implementation of the Average Unit-Size Density Incentive Program
TO: Planning Commission
FROM: Planning Division, (805) 564-5470
 Bettie Weiss, City Planner
 John Ledbetter, Principal Planner
 Irma Unzueta, Project Planner

I. RECOMMENDATION

The Planning Commission review and provide input regarding the key components of the Average Unit-Size Density (AUD) Incentive Program in order for Staff to proceed with the preparation of formal ordinance language.

II. PURPOSE OF MEETING

The purpose of the meeting is to discuss with the Planning Commission ordinance amendments related to the AUD Program as directed by policies in the Land Use and Housing Elements of the General Plan and Council Resolution No. 09-058. The AUD Program is intended to replace the existing Variable Density Program.

Implementing the AUD Program will require amendments to Title 28 of the Municipal Code. The ordinance amendments are proposed to be contained in a new Chapter to Title 28 of the Code. Since numerous provisions to the multi-family and commercial zones (those that allow residential) will be necessary to implement the AUD Program, it is more practical to dedicate a separate Chapter in the Zoning Ordinance, rather than amending all affected Chapters.

III. BACKGROUND

On December 1, 2011, the City Council adopted the *Plan Santa Barbara* General Plan Update, including policies in the Land Use and Housing Elements that direct the implementation of the AUD Program. The program is intended to encourage smaller, more affordable units through established unit sizes in selected areas of the City. It allows increased residential density incentives and reduced parking requirements to facilitate the construction of residential units, with emphasis on Community Benefit Housing.

The AUD Program is composed of the following three density tiers:

- **Medium-High Density (Tier 1):** This density tier allows 15-27 dwelling units per acre, and is intended to maintain existing densities with smaller unit sizes.
- **High Density (Tier 2):** This density tier allows 28-36 dwelling units per acre, and is intended to permit market rate housing with smaller unit sizes.

- **Priority Housing Overlay (Tier 3):** This Overlay allows up to 63 dwelling units per acre, and can be applied to areas designated High Density. The Overlay is intended to encourage the construction of rental, employer sponsored, and co-operative housing. The increased density allowance in this tier serves to encourage smaller, compact development in support of additional workforce housing.

On April 10, 2012, the City Council initiated Zoning Ordinance amendments to implement the AUD Program. The ordinance amendment process is estimated to be completed in May 2013. As directed by City Council, the AUD Program will be in effect for eight years, or once 250 units have been developed in the High Density areas, whichever occurs sooner. Prior to the end of the 8-year trial period, the Council will consider whether to extend or modify the Program. If the AUD Program is not extended or modified, the residential density will revert back to the Variable Density standards in place prior to adoption of the 2011 General Plan Update.

Since Council's initiation of the ordinance amendments staff has collaborated with a technical advisory group of community members to formulate the mechanics of the AUD Program. Specific areas of collaboration include average unit size ranges, priority housing parameters, and flexibility in development standards, including setback, open space and commercial parking requirements.

IV. DISCUSSION

The following discussion is intended to provide the Planning Commission with information related to key components of the AUD Program (Exhibit A). These components are presented to the Planning Commission for discussion and feedback, which will assist in the preparation of the ordinance amendments to implement the Program.

AVERAGE UNIT SIZE RANGES

The existing Variable Density program calculates residential density based on the number of bedrooms. Because this program does not regulate the size of the units, it has unintentionally resulted in larger units and buildings, a consequence that has caused concern to some in the community. In contrast the AUD Program regulates residential density based on the average unit size, and is designed to produce smaller units and smaller buildings located primarily in and around the Downtown.

The AUD Program is permitted in the Medium-High and High Density designated areas of the City (Exhibit B). The Priority Housing Overlay can be applied in the High Density areas and the C-M Zone (Commercial Manufacturing) for additional residential densities when the development qualifies as a Community Benefit housing project: Affordable units (to very low, low and moderate households), rentals, employer sponsored housing, limited equity cooperatives, and transitional or special needs housing.

The Land Use Element provides examples of average unit size ranges intended to serve as the criteria to encourage smaller units. The average unit size ranges were intentionally not finalized as part of the General Plan Update adoption, in order to allow Staff the flexibility to further examine the ranges for practical implementation, especially for two and three bedroom units. After additional review, Staff is recommending that the Medium-High and High Density average unit size ranges remain as originally calculated.

It should be noted that the densities allowed in the Medium-High designated areas were set at the same densities allowed under the Variable Density program in order to maintain neighborhood compatibility, rather than encouraging higher densities or more development. Therefore, increasing average unit sizes, as has been suggested by some, to encourage additional residential development would be contradictory to meeting this objective of maintaining neighborhood compatibility.

Staff is also recommending that a density range of 37 to 48 dwelling units per acre, a “gap” between the High Density and Priority Housing Overlay densities, should be included as part of the Priority Housing Overlay. Therefore the Overlay would allow a residential density range of 37 to 63 dwelling units per acre. In addition, the average unit size for the Overlay is proposed to be set at 800 square feet, rather than the fixed 600 square feet that was originally discussed (Exhibit C).

Allowing an average unit size of 800 square feet rather than the more complicated “two step” calculation as originally proposed is more realistic for the construction of two-bedroom units, and much simpler to implement. While units larger than 800 square feet would be permitted in the project, a corresponding number of smaller units would be required to achieve the average unit size of 800 square feet. A guide on how to calculate the average unit size for an AUD project is included as Exhibit D.

PRIORITY HOUSING

The primary objective of the Priority Housing Overlay is to encourage the construction of long-term affordable housing, with special emphasis on rental units, employer sponsored housing, limited equity cooperatives, affordable housing for Downtown workers, and housing for special needs households. This kind of housing is considered a community benefit and therefore is allowed increased densities of up to 63 dwelling units per acre under the AUD Program.

▪ Rental Housing

Specific considerations are proposed for rental projects that develop under the Priority Housing Overlay density incentive program. Rental projects proposing densities equivalent to those allowed by the Overlay (37-63 dwelling units acre) must develop the entire project as rental and remain so in perpetuity. The intent is for the units to remain available to renters for the long-term, although there would be no income or price restrictions.

▪ Employer Sponsored Housing

The intent of the Employer Sponsored Housing Program is to generate housing for South Coast employees. The City recognizes that the success of this program is dependent on the active participation of employers, both large and small. There is clearly an interest by local employers to participate in the production of employee housing as evidenced by Cottage Hospital, Westmont, and UCSB. However, in order for the program to be viable it should be simple, flexible and attractive, so as not to present obstacles to either the employer or the lender.

One model currently being formulated would encourage smaller employers to participate together in a “consortium” type group. This would provide a mechanism for the active participation of smaller employers that might otherwise find developing employee housing

cost prohibitive. Additional work with employers will need to take place in order to receive feedback and establish final parameters of the Program.

Similar to rental housing, employer sponsored housing projects must be developed entirely as employee units and remain so in perpetuity. The goal is to maintain this housing available for South Coast employees.

Market rate employer sponsored ownership housing projects would not be income or price restricted. Long-term affordability of employer sponsored housing would be achieved through the use of resale restrictions controlled by an affordability covenant and typically through a Development Agreement. The covenant would establish buyer eligibility, resale caps, employer right of first refusal, etc.

Staff recommends that these projects be subject to the City's Inclusionary Housing Ordinance although the final terms could be adjusted through a negotiated Development Agreement. The Development Agreement would set the parameters regarding the percentage of inclusionary units, including income and price restrictions for the project. Thus employers or a consortium of employers would have the flexibility to consider project specific costs, design, and market conditions while the community would be assured of some long-term affordable housing.

- **Limited Equity Cooperative Housing**

Limited equity cooperative housing is defined as shared homeownership in a project. The units contained in a cooperative are typically designed for low and moderate income households, and the resale price of the units is restricted, which helps maintain affordability for subsequent owners. For this reason, it is not recommended that cooperative housing units be subject to the Inclusionary Housing Ordinance.

- **Other Affordable Housing**

Affordable housing (for very low, low and moderate income families), Downtown employee housing and special needs housing, which has traditionally been developed by the Santa Barbara City Housing Authority or other non-profit housing developers may use the Priority Housing Overlay incentive program, but not as a requirement. These projects may be proposed in or out of the Overlay area and will continue to be reviewed by the City on a case-by-case basis.

FLEXIBILITY IN DEVELOPMENT STANDARDS

- **Parking Requirements**

The AUD Program allows a minimum of one parking space per residential unit per Council direction. This reduction in required parking standards is intended to encourage affordability and help decrease building mass. Reduced parking requirements for AUD projects are consistent with policies of the Housing Element (H17 and H17.1) that support flexibility in development standards to facilitate additional housing.

- **Variable Setbacks**

Currently, mixed use projects in the C-2 and C-M zones are not required to provide front setbacks. Establishing a 5-foot variable front setback in these zones (excluding State Street

between Montecito and Sola Streets) was discussed during the Alternative Building Height Charter Amendment process in 2009. At that time there was strong support for the variable setback as it would assist in maintaining the City's urban forest and help soften buildings. Implementation Action LG12.3 of the General Plan Land Use Element supports the variation of building setbacks along street frontages. The AUD Program ordinance amendments will include a provision to implement the 5-foot variable front yard setback.

▪ **Open Space Requirements**

Open Space requirements for mixed use projects will be amended to allow flexibility in the location of the common open space. Currently, mixed use developments applying the Common Outdoor Living Space Method to their development must provide 15% of the net lot area as common outdoor living space. The 15% area must be provided on grade, and this requirement has been problematic for mixed use projects proposing an at-grade parking garage.

The requirement for at-grade Common Outdoor Living Space equates to smaller developments, usually with fewer units than the zoning allows. Developments with fewer units do less to address the current jobs/housing balance, which is counter to one of the basic ideas of *Plan Santa Barbara*. Additionally, the goal of Outdoor Living Space can be met effectively on upper floors.

Mixed use projects applying the Private Outdoor Living Space Method are required to provide 10% of the net lot area as open space, in addition to the private patios or balconies and a small common open area. Staff believes that eliminating the 10% open space requirement for mixed use projects would be appropriate because these projects are only allowed in the City's commercial districts, where setbacks and open space are not usually required, and because the open space requirements were originally intended for residential uses in the multi-family zones.

The 10% requirement was thought to have been eliminated during the original Zoning Ordinance amendment that created the existing mixed use incentive package. Under additional scrutiny by the City Attorney's Office, it was determined that the 10% requirement had not been eliminated. Therefore, Staff recommends that this requirement be eliminated for all mixed use developments at this point.

To address these issues, the Outdoor Living Space provisions will be amended as part of the AUD Program ordinance amendments. These amendments are supported by Housing Element Implementation Action H17.2 allowing flexibility in how, where and the extent of outdoor living space required for housing development in commercial zones.

V. NEXT STEPS

- a. Planning Commission (July 26, 2012)
- b. ABR and HLC Review (August 2012)
- c. Public Review (August/September 2012)
- d. Draft Ordinance (September/October 2012)
- e. Planning Commission Review/Recommendation (November - February 2013)
- f. Council Ordinance Committee Review (March 2013)
- g. Council Introduction and Adoption (April/May 2013)

Exhibits:

- A. Average Unit-Size Density Incentive Program Component Summary
- B. Average Unit-Size Density Incentive Program Map
- C. Average Unit-Size Density (AUD) Incentive Program Table
- D. Steps to Calculate AUD Program Density

AVERAGE UNIT-SIZE DENSITY INCENTIVE PROGRAM COMPONENT SUMMARY

Program Intent: One of the primary goals of the 2011 General Plan Update is to encourage smaller rental and workforce units. Both the Land Use and Housing Element contain policies that allow for increased densities under the Average Unit-Size Density Incentive Program. On April 10, 2012, the City Council initiated amendments to the Zoning Ordinance to develop details and implement the Average Unit-Size Density Incentive Program. This incentive program will replace the City's Variable Density ordinance in effect at the time of the General Plan Update. The Average Unit-Size Density Incentive Program is intended to facilitate the development of additional residential units by allowing increased residential densities and reduced parking requirements to encourage smaller, more affordable units through established average unit sizes. Generally, the smaller the average unit size, the greater the densities allowed.

Duration: The Average Unit-Size Density Incentive Program was adopted by the City Council on December 1, 2011, for a trial period of eight years or until the construction of 250 residential units in the High Density designated areas, whichever occurs sooner. If at the end of eight years, the Average Unit-Size Density Incentive Program is not extended or modified, the program shall expire and the residential density allowance shall revert back to the Variable Density standards in place prior to December 1, 2011.

Density/Unit Size: The Average Unit-Size Density Incentive Program is composed of three density tiers as follows:

- **Tier 1: Medium High Density** – allows densities ranging from 15 to 27 dwelling units per acre. Average unit size for the Medium High Density would range 805 SF to 1,450 SF. This density range maintains existing variable densities with smaller unit sizes.
- **Tier 2: High Density** – allows densities ranging from 28 to 36 dwelling units per acre. Average unit size for the High Density would range from 970 SF to 1,245 SF. This density range allows market rate housing with smaller unit sizes.
- **Tier 3: Priority Housing Overlay** – allows additional units above the High Density incentive program, with densities ranging from 37 to 63 dwelling units per acre and an average unit size of 800 SF. The Priority Housing Overlay is permitted in the High Density designated areas and properties zoned C-M (Commercial Manufacturing). This density range is intended to encourage rental, employer sponsored, and limited equity cooperative housing.

Densities allowed in the Medium-High and High Density areas are both minimum and maximum based on the respective Land Use Designation. For instance, if the project is located in a Medium-High Density area, the project density must fall within a minimum density of 15

dwelling units per acre, or a maximum density of 27 dwelling units per acre. Also note that larger sized units are permitted within each “average unit size” category; however a corresponding number of smaller units are then required in order to achieve the “average size” unit.

Note that the base density for multi-family and commercial zones (where residential is allowed) will continue to be a range of 12-18 dwelling units per acre based on the Zoning Ordinance standards. Projects that develop at the base density are exempted from the minimum density requirements of the Medium-High and High Density designations and are not subject to unit size limitations. However, such projects cannot apply the minimum one parking space per unit allowed by the Average Unit-Size Density Incentive Program.

Small Lots: Currently existing lots of less than 5,000 SF of net lot area are restricted to no more than two units. Under the Average Unit-Size Density Incentive Program parcels of less than 5,000 SF of net lot area will be allowed to develop more than two units provided that all other regulations of the zone are observed. This allowance would facilitate additional residential units, and in some cases bring non-conforming properties into or closer to conformance with zoning and general plan densities.

Inclusionary: Inclusionary housing requirements will continue to apply to ownership market housing (condominiums) in the Medium-High and High Density areas. The inclusionary units may be achieved through bonus density. The Inclusionary Housing Ordinance will also apply to Employer Sponsored Housing projects, subject to a negotiated Development Agreement.

Locations: The Average Unit-Size Density Incentive Program is allowed in most multi-family and commercial zones (where residential is allowed), including the R-3, R-4, C-1, C-2, C-L, C-M, C-P, HRC-2, and R-O as shown on the City of Santa Barbara Average Unit-Size Density Incentive Map contained in the Land Use Element of the General Plan.

Areas designated Medium-High Density Residential (15-27 du/ac) generally serves as a transition from medium density neighborhoods to commercial centers.

Areas designated High Density Residential (28-36 du/ac) allows denser residential development close to urban centers.

Parking: A minimum of one parking space per residential unit is allowed for projects developed under the Average Unit-Size Density Incentive Program. The reduction in parking is intended to encourage affordability and decrease building mass. Such a reduction is supported by Housing Element Policy H17 and Implementation Action H17.1 directing flexible development standards, including parking requirements to promote priority housing.

Priority Housing: Priority housing includes affordable residential units for low, moderate, or middle income households. This type of housing projects would include rental housing, employer sponsored workforce housing, limited equity cooperatives, affordable housing for Downtown workers, and housing for special needs. The Priority Housing Overlay is only available for long-term affordable housing, especially rental, employer sponsored and limited equity cooperatives.

- **Rental Housing:** Rental housing units developed under the Priority Housing Overlay incentive program must be 100% rental and the units shall remain as rental in perpetuity. These projects would be neither price nor income restricted.
- **Employer Sponsored Housing:** This type of housing is defined as residential units developed by employers and offered to south coast employees. Housing developed under this program must contain 100% employer sponsored units and remain affordable in perpetuity through a covenant. The covenant would stipulate regulatory controls pertinent to the unit, such as buyer eligibility, resale controls, employer first right of refusal, etc. These projects would not be income or price restricted. The City's Inclusionary Ordinance would apply to these projects, although the exact requirements could be negotiated with the City through a Development Agreement, to consider the unique aspects of the projects such as market conditions, project profile, and Average Medium Income.
- **Limited Equity Cooperative Housing:** This type of housing is defined as shared ownership of the entire project where individuals occupy one unit and take part in management decisions. These units are typically designed for low and moderate income households. Limited equity cooperatives restrict resale price, which helps keep sale prices low for subsequent owners.

Note that affordable housing developed by the Santa Barbara City Housing Authority or non-profit affordable housing developers may use the Priority Housing Overlay incentive program, but not as a requirement. This type of traditional affordable housing will continue to be reviewed by the City on a case by case basis. Therefore, these projects may be proposed inside or outside the overlay area.

Setbacks: The C-2 and C-M zone districts will be required to provide a 5-foot average setback along the building frontage. However, buildings with street frontage on State Street, including one block east and west of State Street between Montecito and Victoria Streets are exempt from this requirement. Setback standards in all other residential and commercial zones remain unchanged.

Open Space: Mixed use projects using the 15% Common Outdoor Living Space method (SBMC §28.21.081B) would be allowed flexibility in the location of common open space. Currently the

Municipal Code requires that the common outdoor living space (15% of the total lot area) be provided on grade. Flexibility in this requirement would permit mixed use projects to count open space located on all stories of the building towards the 15% outdoor living space requirement. The 10% open space requirement under the Private Outdoor Living Space Method (SBMC §28.21.081A.2) would be eliminated for all mixed use building. Open space standards for 100% residential or 100% commercial projects remain unchanged.

Interim Review Process: Residential development projects submitted to the City prior to the adoption of the Average Unit-Size Density Incentive Program ordinance amendments will be processed and reviewed under the City's current rules and regulations. However, projects proposing residential densities that meet the intent of the Program could be allowed to proceed with the use of zoning modifications. In addition, concept review at the City Council and/or Planning Commission would be undertaken on a case by case basis to provide early feedback to applicants regarding their project and requested modifications. Likely modification request would be for density, flexibility on open space, setbacks, parking, and design.

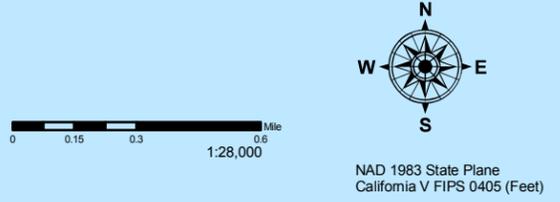
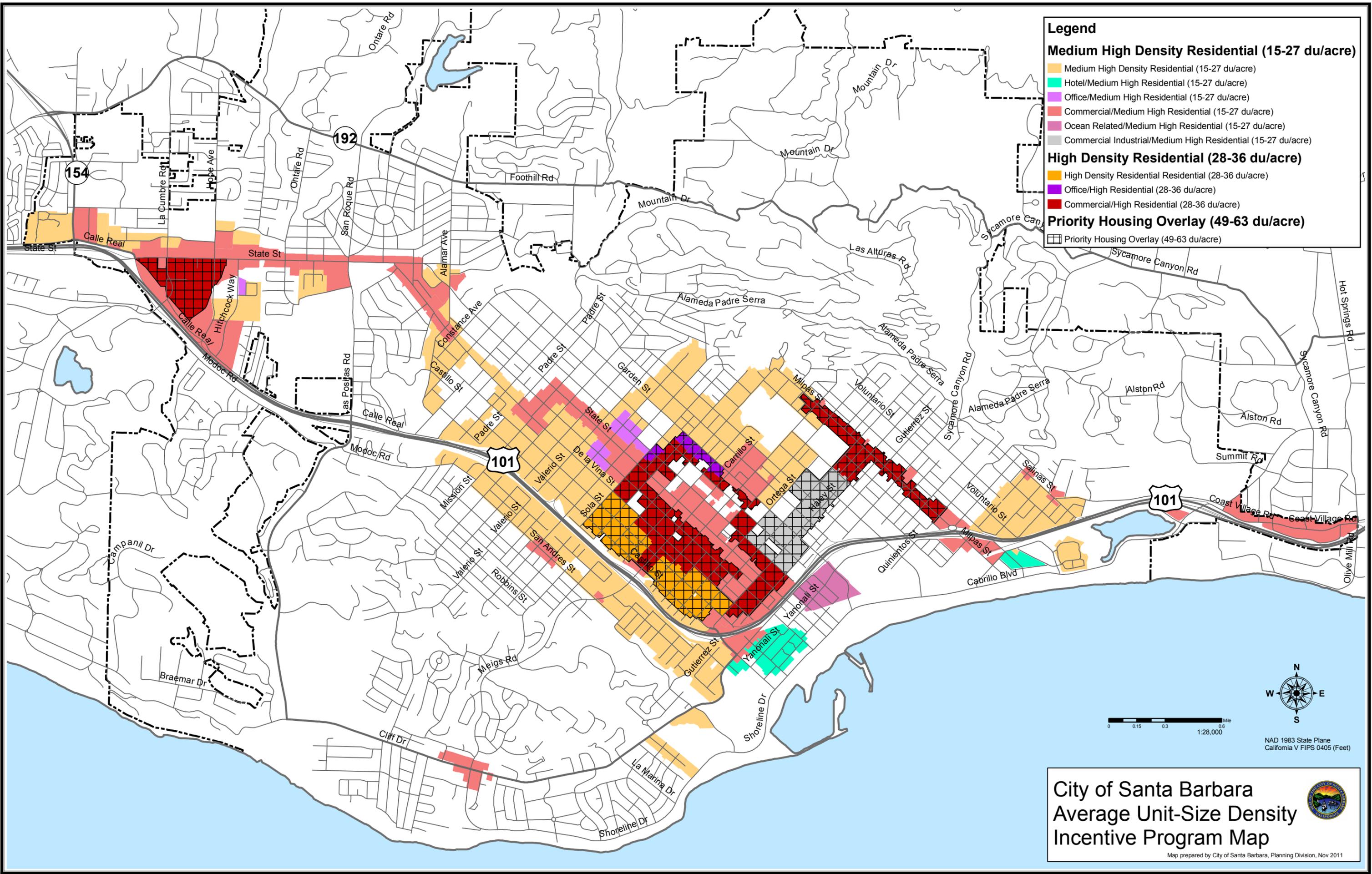
Review Process: Rental projects developing under the Average Unit-Size Density Incentive Program would continue the current practice of review by the Architectural Board of Review or Historic Landmarks Commission. Therefore, Planning Commission review is not required, unless the project exceeds the 45 foot height limit, which requires a majority vote by the Planning Commission. Similarly, rental projects requiring zoning modifications and not exceeding the 45 foot height limit would continue to be reviewed by the Staff Hearing Officer. The current process of review by the Staff Hearing Officer would continue to apply for condominium or subdivision projects with four or less units or lots, and Planning Commission review for condominiums or subdivisions of five or more units or lots.

Building Heights: Currently only the C-2, C-M, M-1, and OM-1 zones allow building heights over 45 feet. These zones permit a height of four stories, not to exceed 60 feet. Although the 60 foot height limit will remain, only buildings designated as Community Benefit housing would be eligible to exceed 45 feet, and only if findings are made and approved by a super majority of the Planning Commission. Community Benefit housing includes Affordable units, rental, employer sponsored housing, limited equity cooperatives, and transitional or special needs housing.

Findings: For projects exceeding the 45 foot building height limit, the Planning Commission must approve with a super majority vote (5 affirmative votes). In addition to findings required of the project application, possible criteria to be used in approving projects under the Average Unit-Size Density Incentive Program, which exceed the 45 feet building height limit include:

- **Architecture and Design:** The Project is designed with desirable architectural qualities and characteristics distinctive to Santa Barbara.

- **Neighborhood Compatibility:** The Project is compatible with, and complimentary to, the neighboring properties and the surrounding area. The size, mass, bulk, scale, and height are appropriate for its location and neighborhood.
- **Landmarks and Historic Resources:** The project is appropriately sensitive to adjacent Federal, State, and City Landmarks and other nearby designated historic resources, including City structures of merit, sites, or natural features.
- **Use of Open Space:** The Project provides adequate common and private open spaces for all occupants and users of the property.
- **Variable Front Setback:** The Project provides an appropriate front setback (which may be variable). Projects in the C-2 and C-M zones will provide at a minimum, a 5-foot average setback along the building frontage. Buildings with street frontage on State Street, including one block east and west of State Street between Montecito and Victoria Streets are exempt from the 5-foot average setback requirement.
- **Unit Affordability:** A Project proposed as employer sponsored housing will offer inclusionary units at prices affordable to households earning up to but not exceeding middle-income, and shall remain employer sponsored housing in perpetuity. A Project proposed as rental units will be permanently deed restricted such that they may not be converted to condominium units for the useful life of the building.



City of Santa Barbara
Average Unit-Size Density
Incentive Program Map

Map prepared by City of Santa Barbara, Planning Division, Nov 2011



AVERAGE UNIT-SIZE DENSITY (AUD) INCENTIVE PROGRAM TABLE

Medium-High Density (15-27 du/ac)				High Density (28-36 du/ac)				Priority Housing Overlay (37-63 du/ac)			
Average Unit Size SF	Density du/ac	Total SF	FAR	Average Unit Size SF	Density du/ac	Total SF	FAR	Average Unit Size SF	Density du/ac	Total SF	
1,450	15	21,750	.50	1,245	28	34,860	.80	800	37	29,600	.68
1,360	16	21,760	.50	1,200	29	34,800	.80	800	38	30,400	.70
1,280	17	21,760	.50	1,160	30	34,800	.80	800	39	31,200	.72
1,210	18	21,480	.50	1,125	31	34,875	.80	800	40	32,000	.73
1,145	19	21,755	.50	1,090	32	34,880	.80	800	41	32,800	.75
1,090	20	21,800	.50	1,055	33	34,815	.80	800	42	33,600	.77
1,040	21	21,740	.50	1,025	34	34,850	.80	800	43	34,400	.79
990	22	21,780	.50	955	35	34,825	.80	800	44	35,200	.81
950	23	21,850	.50	970	36	34,920	.80	800	45	36,000	.83
910	24	21,840	.50					800	46	36,800	.84
870	25	21,750	.50					800	47	37,600	.86
840	26	21,849	.50					800	48	38,400	.88
805	27	21,735	.50					800	49	39,200	.90
								800	50	40,000	.92
								800	51	40,800	.94
								800	52	41,600	.96
								800	53	42,400	.98
								800	54	43,200	.99
								800	55	44,000	1.01
								800	56	44,800	1.03
								800	57	45,600	1.05
								800	58	46,400	1.07
								800	59	47,200	1.08
								800	60	48,000	1.10
								800	61	48,800	1.12
								800	62	49,600	1.14
								800	63	50,400	1.16

EXHIBIT C

STEPS TO CALCULATE AUD PROGRAM DENSITY

1. Determine the Following for the Project Site:

- a. Zone
- b. Land Use Designation
 - i. Medium-High Density allows 15-27 du/ac
 - ii. High Density allows 28-36 du/ac
 - iii. Priority Housing Overlay allows 37-63 du/ac
- c. Lot Area

2. Determine the Average Unit Size for Project:

Review the AUD Program Density Table to determine the “average unit-size” desired for project. For example if the parcel is designated Medium-High and the desired average unit size is 1,450 SF, the density allowed for the project would be 15 dwelling units per acre.

Example: Average Unit Size = 1,450 SF = 15 du/ac

3. Determine the Number of Units:

Calculate the number of units allowed by multiplying the dwelling units per acre (du/ac) by the lot area, and divide by an acre (43,560 SF).

Example: 15 du/ac x 25,000 SF (lot area) ÷ 43,560 SF (acre) = 9 units (rounded up)

4. Determine Compliance with the “Average Unit Size” per AUD Program Density Table:

- a. Add up square footage of all units (include storage, laundry area, etc., if located within unit or building) and divide by the number of units.

Example: 13,050 SF (habitable space) ÷ 9 units = 1,450 SF (average unit size)

- b. Determine if the total building square footage complies with the AUD Program Table.

Example: Total building size of 21,750 SF is allowed for 15 du/ac.

- c. Average unit size for 15du/ac = 1,450 SF. Based on the calculation in the example above the project complies with AUD Program.

Notes:

1. The Average Unit-Size Density Incentive Program is allowed in the R-3, R-4, C-1, C-2, C-L, C-M, C-O, C-P, HRC-2, and R-O as shown on the City of Santa Barbara Average Unit-Size Density Incentive Map contained in the Land Use Element of the General Plan.
2. The Priority Housing Overlay applies only to the High Density designated areas and properties zoned C-M.

3. Parcels of less than 5,000 SF will be allowed to apply the Average Unit-Size Density Incentive Program provided that all other regulations of the zone are observed.
4. Larger sized units are permitted within each "average unit size" category; however a corresponding number of smaller units are then required in order to achieve the "average size".
5. Projects that develop at the base density of 12-18 dwelling units per acre are exempted from the minimum density requirement and are not subject to unit size limitations; however the projects cannot take advantage of the minimum one parking space per unit requirement.