DATE: January 27, 1999

To: Housing Authority Board of Commissioners

From: Robert G. Pearson, Executive Director

Subject: DEVELOPMENT PLANS FOR 335 W. CARRILLO/922 CASTILLO

RECOMMENDATION:

That the Commission review and discuss the attached letter (Exhibit A) dated January 20th, 1999, from the Housing Authority’s Executive Director to the Planning Commission discussing development and program objectives for the Authority’s property at 335 W. Carrillo /922 Castillo and provide direction to Staff regarding same for the Planning Commission’s February 4th concept hearing on this project.

DISCUSSION:

At the end of your last Commission meeting, Staff distributed a copy of the attached letter to each of you and noted that it would be placed on your next agenda for discussion. I explained that said letter was written at the request of the Planning Staff and reflected my best thoughts to date as to where the Housing Authority wanted to go with the Carrillo/Castillo site in terms of development and operation.

Staff would like the opportunity to review with your Board the thoughts expressed in the attached letter, along with schematic drawings for the site, for the purpose of securing solid direction from you prior to the Planning Commission’s February 4th hearing (i.e. it is the day after tonight’s meeting). Also, up to three Commissioners (we want to avoid a quorum/Brown Act violation) may attend the hearing on Thursday, February 4th, 1999, should some of you desire direct input to the Planning Commission on this project. Also attached for your review (see Exhibit B) is our architect’s latest letter to Planning Staff, including reduced copies of his most current concept drawings, on our project.

Reviewed by: Adm.____ Attorney____ Finance____ Hsg. Mgmt.____ Maint.____ Res. Serv.____

Board Action:

Vote:

Comments:
Planning Commission
City of Santa Barbara
630 Garden St.
Santa Barbara, CA 93101

ATTN: Mark Aguilar, Assistant Planner

RE:  PROPOSED 44 UNIT AFFORDABLE HOUSING DEVELOPMENT AT 325 W.
CARRILLO ST. & 922 CASTILLO ST.—OCCUPANCY PREFERENCES AND
INCOME/RENT TARGETING

Dear Chair Lowenthal and Members of the Planning Commission:

The above referenced Housing Authority project is tentatively set for concept review by your
Board on February 4, 1999. While our architect, Detlev Peikert, has provided schematic
drawings and written comments on the physical aspects of our project, this letter seeks to
provide you with the “objectives” and “programmatic details” of the development, i.e. proposed
occupancy preferences, suggested income limits as well as projected rent levels. Hopefully,
these objectives and details will ultimately provide your Commission sufficient justification for
making the required findings for the bonus density and land use modifications we will be
seeking.

Since acquiring the subject properties in 1997, the Housing Authority Commission and Staff
have considered various development scenarios for the site. As most of you know, the Housing
Authority’s primary mission is the development and operation of affordable rental housing along
with housing assistance programs (i.e. rental subsidies) targeted to low and very low income
seniors and families. Having studied various alternatives for Carrillo/Castillo, the Housing
Authority has decided to break from its standard mission in an effort to address another growing
need in the community—affordable rental housing for downtown workers who are not auto
dependent, with a household size of one or two persons. We believe the Carrillo/Castillo
site is perfect for such an endeavor. Family housing is not suitable for this site and we are
presently addressing senior housing needs in other locations.

Parameters as to “who exactly should be served” by this development are somewhat fluid as of
this writing. What follows is the Housing Authority’s considered advise on “need” and “what we
think will work”—but we remain open to direction from policy makers such as yourselves. Briefly,
most recent affordable rental housing developments in Santa Barbara are targeted to
households at or below 60% of area median income. The bulk of the Housing Authority’s units
and programs are targeted to households at or below 50% of area median—with the bulk of our
actual clientele falling in the range of 17% to 35% of area median. What is increasingly evident
to us is the lack of affordable rental housing opportunities for households that are at or around
80% of area median.
Planning Commission  
January 19, 1999  
Page 2

Note: Federal guidelines define 50% of area median and below as “very low income”; 50% to 80% as “lower income”; and 80% to 120% as “moderate income”. To see what these ranges translate to dollar wise, by household size, please see the attached chart from the City of Santa Barbara marked Exhibit A.

Where we see a pressing need is affordable rental housing opportunities for those persons/households that fall in the 60% to 120% range. This income range defines many of our downtown service workers and that is to whom we think this project should be targeted. It is our suggestion that the 1 person household income limit be at or around 80% of area median (currently $28,800 or less) and the 2 person household be at or around 120% of area median (currently $49,350 or less). To put these figures in better perspective, let’s consider some local salary examples. The gross salary range for an entry-level bank teller in Santa Barbara is $18,536 to $24,960; a clerk at the City is $22,964 to $27,913; and for a Planning Technician I it’s $35,265 to $42,865. The question then becomes how broad a range of folks/income should be served by this project?

Income targeting is also a function of the project’s funding source or sources. To give us (i.e. the Housing Authority and your Commission) maximum flexibility in making this decision, we have focused on building this development with Redevelopment Agency housing set-aside funds and a tax exempt debt issuance by the Housing Authority. Those two sources offer the broadest discretion as to who can live in the development. All other immediate sources of housing subsidy monies (tax credits, federal HOME dollars, state programs, etc.) come with much deeper targeting requirements, i.e. occupancy by only very low income households.

Next, we need to consider rent levels. Our hope (and development pro formas) is to seek rent levels of $550/month for the studios and $650/month for the one-bedroom units. The various formulas for calculating what is an affordable rent for a given income class tells us that these rents are affordable (roughly speaking) to households in the 60% to 80% of area median income bracket. HUD’s latest Fair Market Rent determination for the south coast is $726 for studios and $806 for one-bedroom units (these HUD figures assume landlord pays all utilities). To help give you an idea as to what is considered an affordable rent for different income levels by unit size, we have attached a chart marked Exhibit B.

Another item for discussion that goes to the purpose of this housing project (besides affordability), is the housing of downtown workers in a location that allows them to walk to work, or use other modes of transportation besides their car. In order to meet this objective, the Housing Authority will establish a preference for occupancy for downtown workers. We suggest that downtown be defined by Micheltorena St. as the north boundary, Olive St. as to the East, and U.S. 101 as to the west and south boundaries. Proof of employment within said boundaries would be a condition of receiving a preference for occupancy.

Lastly, we’d like to touch on parking demand and vehicle ownership restrictions. We are proposing only one parking space per household and a requirement that each tenant household execute a Housing Authority “Vehicle Ownership Limitation Agreement” (see attached Exhibit C). The Agreement is currently in use by the Housing Authority on other projects. Further, it has received drafting assistance and approval by our General Counsel such that he feels it is legally
enforceable with respect to eviction actions by the Housing Authority if it is violated. As an added disincentive to vehicle ownership, we are considering an additional monthly charge for parking (say $25 to $50) for those tenant households owning the one allowed vehicle.

Those are our thoughts with respect to the objectives for this project, defining who should live there, and potential income and rent targeting figures. As stated earlier, these thoughts remain somewhat fluid at this juncture. We are anxious to discuss them with your Commission and determine if we are on the right track with respect to addressing the articulated problem of downtown worker housing. We look forward to your February 4th meeting.

Sincerely,

HOUSING AUTHORITY OF THE
CITY OF SANTA BARBARA

ROBERT G. PEARSON
Executive Director

cc: Housing Authority Commission
Detlev Peikert, Bialosky/Peikert Architects
Don Olson, City Planner
Steven Faulstich, Housing Programs Supervisor
Simon Kiefer, Project Planner
Skip Szymanski, Property & Development Director
<table>
<thead>
<tr>
<th>Area Median Income = $51,400</th>
<th>January 1998</th>
<th>Maximum Income for Various Income Categories</th>
<th>City of Santa Barbara</th>
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<tr>
<td>Median</td>
<td>Low</td>
<td>High HOME</td>
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<tr>
<td>70,000-$89,999</td>
<td>80%</td>
<td>%</td>
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<td>61,000-$79,999</td>
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<tr>
<td>11,000-$20,999</td>
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<tr>
<td>$10,000 or less</td>
<td>150%</td>
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## Rents Targeted to Vs. Income Levels

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<th>Unit Size</th>
<th>Income Levels</th>
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<th>FMR</th>
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<tr>
<td>Studio</td>
<td>463</td>
<td>617</td>
<td>771</td>
<td>925</td>
<td>1157</td>
<td>616</td>
<td>726</td>
<td>665</td>
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<td></td>
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<tr>
<td>1 Bedroom</td>
<td>578</td>
<td>771</td>
<td>964</td>
<td>1157</td>
<td>1446</td>
<td>684</td>
<td>806</td>
<td>835</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>2 Bedroom</td>
<td>694</td>
<td>925</td>
<td>1157</td>
<td>1388</td>
<td>1735</td>
<td>867</td>
<td>1022</td>
<td>1075</td>
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<tr>
<td>3 Bedroom</td>
<td>810</td>
<td>1079</td>
<td>1349</td>
<td>1619</td>
<td>2024</td>
<td>1207</td>
<td>1423</td>
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<tr>
<td>4 Bedroom</td>
<td>925</td>
<td>1234</td>
<td>1542</td>
<td>1850</td>
<td>2313</td>
<td>1362</td>
<td>1606</td>
<td>na</td>
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Rent Levels assume Owner pays all utilities.

- Studio Adj Factor: 0.60
- 1BR Adj Factor: 0.75
- 2 BR Adj Factor: 0.90
- 3 BR Adj Factor: 1.05
- 4 BR Adj Factor: 1.20

Median Income: 51,400
VEHICLE OWNERSHIP LIMITATION AGREEMENT

Family Name: ____________________________________ Computer # _________________________

Address: ___________________________ Lease # ___________________________

As residents of the Housing Authority of the City of Santa Barbara ("Housing Authority"), we agree to comply with vehicle guidelines as stated below:

Number of Vehicles: I/we understand that the Housing Authority is required to restrict resident owned vehicles at the complex. THEREFORE, I/WE AGREE TO LIMIT THE OWNERSHIP OF VEHICLES TO ONE OR NO VEHICLES* PER RESIDENCE, DEPENDING UPON THE AVAILABLE PARKING SPACE AT THE COMPLEX. I/WE AGREE TO NOT PARK VEHICLES ON THE STREETS SURROUNDING THE COMPLEX.

I/WE EXPRESSLY CONSENT TO THE INDEPENDENT DETERMINATION OF HOUSEHOLD VEHICLE OWNERSHIP BY THE HOUSING AUTHORITY BY ANY MEANS, INCLUDING A SEARCH OF DEPARTMENT OF MOTOR VEHICLE RECORDS.

Parking Permit: To keep valid Housing Authority parking permit displayed in clear view and attached to the inside of the rear window on same side as the driver sits.

Number of Permits: NO MORE THAN ONE PERMIT PER RESIDENCE. In certain complexes with limited parking spaces, if space is severely limited, no vehicle ownership will be allowed and your name may be added to a waiting list for the next available parking space. *(The "no vehicle" ownership restriction applies to 816 Vine Avenue when vehicle ownership by current residents exceeds 3 vehicles collectively at the complex, and 1012-1024 East De la Guerra Street when vehicle ownership by current residents exceeds 12 vehicles collectively at the complex."

Parking: To abide with the particular parking requirements at my/our complex, this means parking only vehicles with permits in authorized resident parking areas, not parking in spaces marked "visitors", and not parking any vehicles on the street. I/we understand my vehicle permit is good only for my complex, and that when visiting another Housing Authority complex, I/we will park in spaces reserved for visitors or on the street. Relatives and other visitors will park in Visitor spaces or on the street.

Registration: To keep California vehicle registration current and to supply evidence of such registration to the Housing Authority on an annual basis.

Change/Sale of Vehicle: If I/we sell or change vehicles for any reason, I/we will remove the parking sticker from the vehicle beforehand. I/we will also report this to the Maintenance Office so records can be updated. If I/we change vehicles or obtain one, a copy of the registration must be given to Housing Management and, if necessary, to the Maintenance Office if a parking permit is to be issued.

By signing below, I/we as well as other family, members who may drive agree to all conditions stated above. I/we further understand that violations may be cause for parking fines and are also cause for termination of my/our lease.

Signature ___________________________________________ Date ___________________________

Signature ___________________________________________ Date ___________________________

This form is to be used as an attachment to the Lease Agreement for the following properties:

610 – 616 West Carrillo Street 82 North La Cumbre Road
511-515 West Victoria Street 816 Vine Avenue
1012-1024 East De La Guerra

C:\Sophie's Documents\parking.doc

1/99
January 26, 1999

Mr. Marck Aguilar, Assistant Planner
Planning Department
City of Santa Barbara
630 Garden Street
Santa Barbara, CA

Re: Carrillo Castillo Street – Affordable Housing

Dear Marck,

Thank you for your timely response to our initial submittal for concept Planning Commission review. I have enclosed for your use 12 sets of revised drawings showing additional information as requested.

Additionally, the following should serve to provide you with clarification of issues raised in your letter of 1/15/96:

Number of units:
The number of units is 44 based on 1 parking space per unit. The site plan shows a potential for 47 units. The 3 extra units will be taken from the third floor to modulate the three story height as needed. The location of the two story building areas has not yet been determined and we will be looking for guidance from the planning commission.

Required Yards:
We do not meet the required yard for three story structures in several locations and will be asking the planning commission for modifications as required when we submit our full preliminary application package.

Stepped Back Building:
We are prepared to step the building back in several locations as stated above but would like to explore the optimal locations with the commission.

Surrounding Properties:
I have prepared a map showing the block that the proposed development is located on as requested. I will provide some transparencies of photographs showing the surroundings for the hearing.

Bicycle Storage:
Since we are requesting some relief from parking requirements, bicycle parking is important. We have shown a bicycle garage on the plans. It’s our intention to
Carrillo / Castillo Affordable Housing
January 26, 1999

provide an all weather bicycle storage shed large enough to meet the projected needs of the tenants.

Distance between main buildings:
The proposed apartments are configured into one building joined by stairwells as shown on the plans.

Please feel free to contact me at your convenience if I can answer any further questions.

I look forward to presenting our concept to the Planning Commission on February 4, 1999.

Sincerely,

Detlev Peikert, AIA

cc: Rob Pearson, Housing Authority
View from Carillo Street
# Project Data

**Lot Area:**
- Lot 1: 15,000 SF
- Lot 2: 18,750 SF
- Total: 33,750 SF (0.77 acres)

**Building Coverage:** 14,000 SF (41%)

**Open Area / Landscape:** 13,750 SF (41%)

**Open Parking:** 6,000 SF (18%)

**Commercial Area:** 1,500 SF

**Unit Areas:**
- **STUDIO:** 16 Units, 400 SF each = 6,400 SF
- **1 BDRM:** 28 Units, 500 SF each = 14,000 SF
- **Total:** 44 Units, 20,400 SF

**Density at 44 Units:** 57 units/acre

**Parking Garage:** 7,820 SF

**Parking Provided:**
- **Covered:** 24 Cars
- **Open:** 20 Cars
- **Total:** 44 Cars

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Housing Authority of the City of Santa Barbara
Affordable Housing For Downtown Workers

Carrillo / Castillo Street, Santa Barbara, CA

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Bialosky + Feinert Architects

404 Vine St. Santa Barbara, CA 93101
Phone: (805) 969-0101
Fax: (805) 969-0242

1/26/99