

# Santa Barbara Happenings

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## The Builder's Remedy

Many state laws have been passed that aim to enforce state mandated housing requirements. The Builder's Remedy provision of the Housing Accountability Act, for instance, becomes effective only when cities or counties fail to adopt a compliant housing element. The state requires that each city and county in California submit a housing element that designates sites for new housing. The housing element is a housing, land use, transportation and environmental plan that must be updated every 5 years.

Under the Builder's Remedy, if the city or county does not timely update its housing element, developers can submit plans for residential projects that bypass local zoning laws as long as the project consists of at least 20% low-income housing.

Many cities have been reluctant to accept the projects submitted under the Builder's Remedy because they are incompatible with the local requirements or character. As a result of legal disputes, housing elements are only considered substantially compliant when the California Department of Housing and Community Development (HCD) or state court determines them to be. State law prevents jurisdictions from retroactively denying projects based on zoning non-compliance after their housing element has been deemed compliant.

Recently state law, modified the Builder's Remedy, changing the low-income requirements for projects from 20% to a staggered 7%, 10% or 13% system based on how low income the units are.

## City of Santa Barbara Plans Overhaul of Milpas Street.

### What Could Go Wrong?

Having demonstrated its success in creating a commercially vibrant and viable downtown on State Street, the city now plans to remodel Milpas Street



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between Canon Perdido and Quenientos Streets. The changes would be focused around increased pedestrian safety due to high levels of pedestrian collision on Milpas. Changes would include adding lighting, extending sidewalks and removing trees to help with visibility. Three-foot-wide buffers would also be added to the bike lanes between Cota and Canon Perdido. Here's an idea: Fix broken State Street before moving on to new projects.

## City of Santa Barbara Approves 250 Room Hotel at Garden and Yanonali in Funk Zone

The Santa Barbara City Council voted to uphold the Planning Commission's approval of what will be the second largest hotel in the city. The hotel was originally planned by developer Bill Wright in 1983 for a parcel near the waterfront on Garden Street. The area is currently part of the 'Funk Zone' and there has been a lot of resistance by the community and Keep the Funk S.B.

The City Council also voted to grant the project exemption from any further environmental review.

Dauntless Development, a Newport Beach based development company hired by Bill Wright's family to help the project through the city review process, has agreed to donate \$1,000,000 to the Local Housing Trust Fund. Pay to play has arrived in Santa Barbara.

## Eight Story Housing Project Proposed Behind Santa Barbara Mission

An 8-story housing project with 3 stories of underground parking has been proposed under the Builder's Remedy provision of the Housing Accountability Act for 505 East Los Olivos Street before Santa Barbara's Housing Element was approved. The property is 5 acres and is located behind the Santa Barbara Mission. Some issues with development in that area include the fact that it has archeological resources on site and environmental risk factors, including high erosion and landslide potential and high fire risk.



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The property, which was sold in 2021 for \$7.5 million, is owned by The Mission LLC located in Fullerton, California, its manager is SoCal Holdings, LLC of Santa Fe, New Mexico and its agent is Ben Eilenberg, a disbarred attorney from Fullerton, California.

### City of Santa Barbara Housing Incentives and Adaptive Re-Use Ordinance

Recently, Santa Barbara city planners discussed a proposal to eliminate the need to require parking and other services for increased density of development. The ordinance is included in the city's Housing Element. The ordinance would give developers incentives to redevelop commercial buildings and hotels by removing parking, open space and setback requirements for housing developments. It would also allow unlimited density as long as the ground floor of the building was non-residential and the project included 20% below market housing.

For now, the draft ordinance only applies to the Central Business District but some claim it should be revised to apply throughout the entire city. According to transportation planner Jessica Grant, "[p]arking equals congestion" and less available parking will make downtown less congested. What??? Where did she get her information and why did the city hire such a wrong thinker?

More parking means less congestion as cars then have parking places so people can get out, shop, and use the neighborhood services. Less parking means more congestion as people struggle to park their cars...or people just stop coming and you kill commercial and neighborhood activity. The data Ms. Grant cited indicates that 95% of families own at least 1 car. What is she proposing to do with all those cars? Magical thinking won't do it and putting your head in the sand is for ostriches. Less open space and smaller setbacks are bad ideas too.

### Orcutt: Richards Ranch Annexation

The Richards Ranch development, a planned, mixed-use community development in Orcutt that is sparring with Santa Barbara County regarding



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commercial water rights for the project, has had their proposal forwarded to the Santa Barbara Local Agency Formation Commission (LAFCO) which will consider whether or not expand the Santa Maria's city limits to include the 44 acres proposed for development.

The proposed development includes roughly 400

apartments and 100 townhomes as well as businesses, including a specialty grocery store, a gas station, and restaurants. The site of the proposed development is near the Union Valley Parkway, east of Highway 135.

### More Than Half of SB Unified School District Students Fail to Meet Grade-Level Standards in Reading and Math

According to the most recent STAR Assessment scores for Santa Barbara County, only 42% of 1st – 6th graders meet or exceed grade-level standards in reading and only 35% of 1st – 6th graders meet or exceed grade-level standards in math. Statewide 47% of students don't meet or exceed grade-level standards in reading. It's pathetic. Don't schools teach anymore?

According to the Santa Barbara Reading Coalition, the issue for reading score declines is the way that reading is taught. They advocate teachers be trained in 'the science of reading' a phonics – based approach as opposed to the 'whole language' or 'balanced literacy' approach that is used unsuccessfully in most schools now.

### What happens when AI robots take all or most of the entry level jobs? Where will new college grads work?

The International Federation of Robotics recently reported that robotics has continued on an upward trend globally. South Korea has already replaced many workers with robots. They currently have 1,012 robot workers per every 10,000 employees and this number is rising by 5% per year on average.

In North America, there are 197 robot workers per 10,000 employees and this number has risen 4.2% over the last year. Looks like the true minimum wage is zero when you get replaced by a robot.

### 'Demographic Cliff' Will Cause College Closures to Soar.

#### No Kids, No Future.

A recent paper published by the Federal Reserve Bank of Philadelphia attempts to predict the possible number of college closures that we can expect in the next five years. The National Center for Education Statistics published data in 2023 that showed that between 2010 and 2021 the number of students enrolled in degree-granting universities declined by 15%. In general, data suggests that the number of students attending universities has been declining since 2008.

One of the reasons for this decline, according to researchers, is what they have termed the 'demographic cliff'. Due to declining birthrates after 2008, we can expect the number of traditional college age students to peak in 2025 and then decline.

The reason that is most alarming and within our con-

trol is termed the 'demand cliff'. The demand for a university degree has been declining over the last decade as course study becomes less relevant to society.

The paper concludes that although the closing of colleges has negative outcomes on students and in the surrounding communities, "[i]f these institutions are unable to produce outcomes that students, employers or society at large find valuable, then they should not be artificially sustained by governments absent significant evidence of significant positive externalities."

### The California Exodus Continues

Since 2018, almost 400 companies have left California. A few of the companies that recently located from California to Texas include: Simplilearn (technology company), Resources Connection, Inc. (management consulting firm), Koya Medical, Inc. (medical device company), ABBYY (data analytics and AI company) and FreshRealm (meal kit company). Many insurance companies, including American National Insurance, StateFarm and AIG, have also announced that they are leaving California, not writing any new policies here, and not renewing their existing policies. According to data for 2021 and 2022 published by the IRS, California lost \$24 billion in outgoing personal income.

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