Appendix E – Constraints on Housing

The City of Santa Monica has consistently placed the provision of adequate and affordable housing for all residents as one of its primary goals. However, many factors can encourage or constrain the development, maintenance, and improvement of housing including governmental, market, construction, and infrastructure constraints. This appendix discusses potential governmental and nongovernmental constraints and analyzes the extent to which the City can mitigate the negative impacts of these constraints where possible. A thorough understanding of the constraints to development can help to create appropriate policy responses to mitigate constraints and make it easier and more affordable to develop housing.

Table of Contents

A. GOVERNMENTAL CONSTRAINTS 3
1. Land Use Controls 3
a. Land Use and Circulation Element 3
b. Zoning Ordinance 6
c. Downtown Community Plan 16
d. Bergamot Area Plan 19
e. Civic Center Specific Plan 21
2. Zoning for a Variety of Housing Types 22
a. Accessory Dwelling Units / Junior Accessory Dwelling Units 24
b. Emergency Shelters 27
c. Group Residential 28
d. Low Barrier Navigation Centers 29
e. Manufactured Homes and Mobile Home Parks 29
f. Single-Room Occupancy Housing 29
g. Supportive/Transitional Housing 30
3. Zoning Regulations and Practices for Persons with Disabilities 31
a. Definition of a Family 31
b. Definition of Disability 32
c. Residential Facilities 32
d. Reasonable Accommodation 33
4. Building Codes and Code Compliance 34
a. Building Code Implementations 34
b. Compliance and Enforcement 35
5. On and Off-Site Improvements 35
6. Development Fees/Assessments 36
7. Entitlement and Permit Processing 40
a. Processes and Thresholds 40
b. Ministerial Approvals 41
c. Discretionary Approval 42
d. Architectural Review Board 43
e. Use Permits and Other Processes 45
f. State Law 47
8. Local Measures, Propositions, Rent Control Law, and Ordinances 49
a. Santa Monica City Charter Section 615 49
b. Rent Control 50
c. State of California, Article 34 55
d. Home Sharing (Short-Term Rental) Ordinance 56
e. Residential Leasing Requirements Ordinance 57
f. City Anti-Discrimination Ordinances 57
g. Rent Control Bootleg Unit Ordinance 59
B. NON-GOVERNMENTAL CONSTRAINTS 59
1. Construction Costs 59
2. Land Costs and Availability 60
3. Availability of Financing 61
4. Requests for Housing Development at Reduced Densities 61
5. Length of Time Between Project Approval and Applications for Building Permits 62

A. GOVERNMENTAL CONSTRAINTS

Governmental policies and regulations can result in both positive and negative effects on the availability and production of housing. This section, as required by Government Code Section 65583(a)(5), describes and evaluates City policies and regulations that could potentially constrain the City's ability to achieve its housing goals. Potential constraints to housing include land use controls (through General Plan policies and zoning regulations), development standards, infrastructure requirements, development impact fees, and development approval processes. While government policies and regulations are intended to serve public objectives and further the public good, the City of Santa Monica recognizes that its actions can potentially constrain the availability and affordability of housing to meet the community's future needs. The City has implemented several measures to streamline the approval process and remove barriers to all types of housing throughout Santa Monica as described in this section.

1. Land Use Controls

Land use controls have the most immediate impact on the location and construction of new housing. Below is a description of the various plans, documents, and other controls that set forth the goals, policies, and standards that affect both where various types of housing can be located in the City [see Section A(2) below] as well as the development standards and requirements that shape housing developments. Pursuant to Government Code Section 65940.1(a)(1)(B), all documents and standards summarized below can be found on the City's Community Development Department website.

a. Land Use and Circulation Element

Santa Monica adopted its General Plan Land Use and Circulation Element (LUCE) in 2010 (subsequently updated in 2015 with the Zoning Ordinance update, 2017 with the adoption of the Downtown Community Plan, and 2020 with the revisions to housing process thresholds) which substantially revised the City's land use policies, goals,and standards in non-residential zones but generally maintained the status quo in the city's traditional residential neighborhoods. The overarching goal of the LUCE is to create significant new additional housing opportunities within transit-served areas in a manner that provides more affordable options, enhances sustainability, creates complete neighborhoods, and provides easy access to local services. Additionally, the LUCE established policies to preserve the existing pattern of uses for the protection and long-term conservation of established neighborhoods. To accomplish these goals, the LUCE implemented a variety of strategies including, but not limited to the following:

- Encourage the creation of new housing in selected transit-accessible areas such as Downtown, Bergamot, and along the City's boulevards.
- Establish a Neighborhood Conservation Strategy to promote the protection of

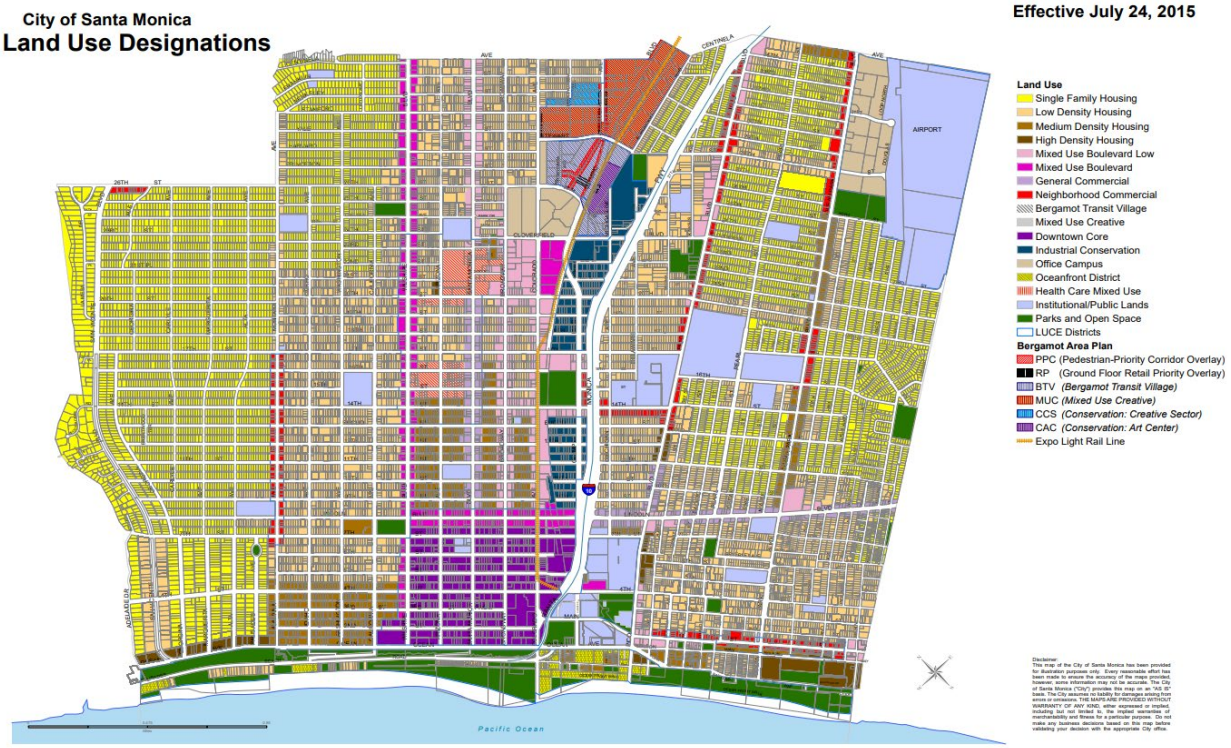
housing in existing neighborhoods, much of which is under rent control, strengthen standards for demolition, and redirect growth to appropriate locations along transit corridors and in the vicinity of the Metro E (formerly Expo) light rail stations.

- Establish a maximum base height for ministerial project review and require projects exceeding the base height to incorporate community benefits, such as additional affordable housing.

The LUCE established 17 land use designations, as shown in Map E-1, grouped into the following five broad categories:

- Neighborhoods
- Boulevards
- Mixed Use Centers
- Employment and Commerce
- Community and Public Uses

Map E-1 LUCE Land Use Designations



The LUCE encouraged the expansion of housing opportunities into new areas of the City with residential uses permitted in all but three (Industrial Conservation, Office Campus, and Parks and Open Space) of the 17 land use designations. While the implementing Zoning Ordinance established specific development standards, the LUCE set forth standards for building height, densities (in neighborhood designations), and intensities that establish the outer parameters for

zoning. The LUCE does not specify maximum densities for non-neighborhood designations. Instead, density is regulated through building intensities such as Floor Area Ratio (FAR) and height.

In most land use designations, the LUCE also established a tiered system that affords additional building height and density (through traditional means or through an increase in FAR depending on the designation) beyond the base (Tier 1) standards for projects that provide community benefits or that are 100% affordable housing.

Figure E-1 presents the 17 LUCE land use designations and summarizes the base (Tier 1) height and density/intensity standards and the Tier 2 and 3 standards for projects which provide identified community benefits and/or 100% affordable housing developments.

Figure E-1 LUCE Land Use Designation – Height and Density/Intensity Parameters

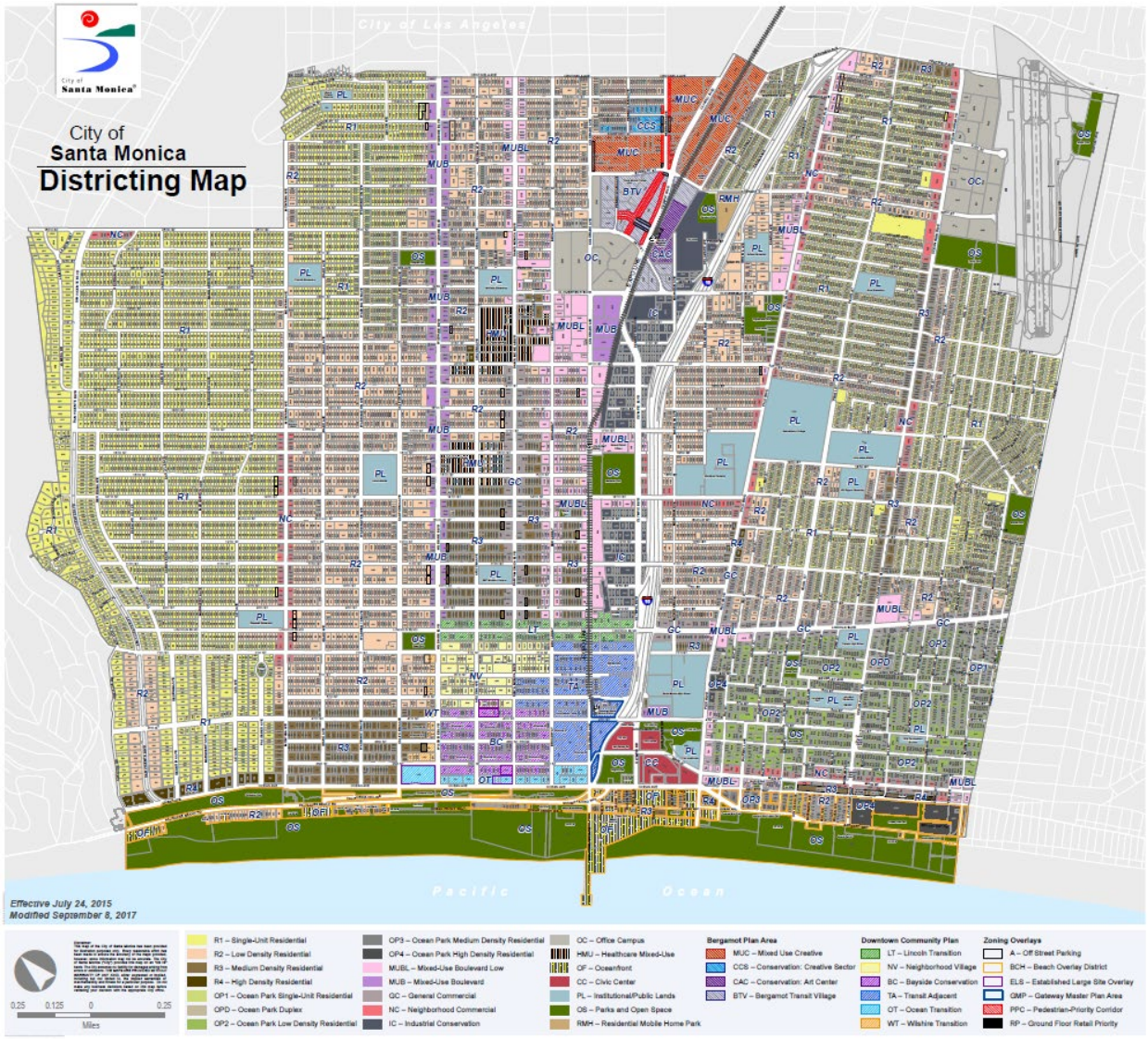
LUCE Land Use Designation	Max. Building Height and Density/Intensity			
	Tier 1	Tier 2	Tier 3	100% Affordable Housing
Neighborhoods				
Single-Unit Housing	No tiers. Height: 28' – 35' depending on parcel size, dimensions, and location; Density: 1 du/parcel			
Low Density Housing	No tiers. Height: 30' – 40' depending on parcel location; Density: 29 du/acre			
Medium Density Housing	30' / 29 du/acre	40' / 35 du/acre	-	40' / 35 du/acre
High Density Housing	30' / 35 du/acre	45' / 48 du/acre	-	45' / 48 du/acre
Boulevards				
Mixed Use Boulevard Low	32' / 1.5 FAR 36' / 1.5 FAR*	36' / 1.75 FAR	47' / 2.0 FAR	47' / 2.0 FAR
Mixed Use Boulevard (100% residential above ground floor)	32' / 1.5 FAR 39' / 1.5 FAR*	50' / 2.25 FAR	55' / 2.75 FAR	55' / 2.75 FAR
		DCP – East Side of Lincoln Blvd: 50' / 2.25 FAR	-	DCP – East Side of Lincoln Blvd: 60' / 2.75 FAR
		DCP – West Side of Lincoln Blvd: 60' / 2.75 FAR	-	DCP – West Side of Lincoln Blvd: 70' / 3.25 FAR
		DCP – Wilshire Blvd West of Lincoln Blvd: 50' / 2.25 FAR	-	-
Mixed Use Boulevard (All Other Projects)	32' / 1.5 FAR 35' / 1.5 FAR*	45' / 2.25 FAR	55' / 2.75 FAR	55' / 2.75 FAR
		DCP – East Side of Lincoln Blvd: 40' / 1.75 FAR	-	DCP – East Side of Lincoln Blvd: 55' / 2.75 FAR
		DCP – West Side of Lincoln Blvd: 50' / 2.25 FAR	-	DCP – West Side of Lincoln Blvd: 55'' / 3.25 FAR
		DCP – Wilshire Blvd West of Lincoln Blvd: 40' / 1.75 FAR	-	DCP – Wilshire Blvd West of Lincoln Blvd: 40' / 1.75 FAR

LUCE Land Use Designation	Max. Building Height and Density/Intensity			
	Tier 1	Tier 2	Tier 3	100% Affordable Housing
General Commercial (Santa Monica Blvd)	32′ / 1.25 FAR	35′ / 1.5 FAR	-	35′ / 1.5 FAR
General Commercial (Lincoln & Pico Blvds)	32′ / 1.5 FAR 36′ / 1.5 FAR*	36′ / 1.75 FAR 2.0 FAR***	-	40′ / 2.0 FAR
Mixed Use Centers				
Neighborhood Commercial	32′ / 1.5 FAR 1.75 FAR**	-	-	32′ / 1.75 FAR 40′ / 2.0 FAR (Pico Blvd)
Bergamot Transit Village	32′ / 1.75 FAR 39′ / 1.75 FAR*	60′ / 3.0 FAR	75′ / 3.5 FAR	75′ / 3.5 FAR
Mixed Use Creative	32′ / 1.5 FAR 36′ / 1.5 FAR*	47′ / 2.0 FAR	57′ / 2.5 FAR	57′ / 2.5 FAR
Beach and Oceanfront	32′ / 1.5 FAR 36′ / 1.5 FAR*	47′ / 2.0 FAR 2.25 FAR***	-	47′ / 2.25 FAR
Downtown Core	Downtown Community Plan establishes development standards			
Employment and Commerce				
Industrial Conservation	Residential uses are not permitted			
Office Campus	Residential uses are not permitted			
Healthcare Mixed-Use	No tiers. Hospital Area Specific Plan establishes development standards			
Community and Public Uses				
Institutional/Public Lands/ Civic Center	No tiers. Civic Center Specific Plan establishes development standards			
Office Campus	Residential uses are not permitted			
**Height bonus for provision of on-site affordable housing.* ***FAR bonus for provision of on-site affordable housing.* ****FAR bonus for provision of additional affordable housing.*				

b. Zoning Ordinance

In 2015, the City completed a comprehensive update of its Zoning Ordinance to ensure consistency with the new policies, goals, and standards set forth in the LUCE and specified implementation mechanisms for achieving these policy standards. Through the Zoning Ordinance, land use regulations regarding where types of housing can be developed within the City and various development standards such as parcel size, density (for residential zones), number of stories, building height, parcel coverage/FAR, setbacks, and open space are provided for each of the City's 21 zone district classifications governed by the Zoning Ordinance (as shown in Map E-2). Except in the City's residential zones, density limitations are controlled through a combination of building height and FAR limitations. The Zoning Ordinance defines a "dwelling unit" as "one or more rooms designed, occupied, or intended for occupancy as separate living quarters, with full cooking, sleeping and bathroom facilities for the exclusive use of a single household" that exceeds 375 square feet. Additionally, the Zoning Ordinance and its associated land use regulations provide additional regulations for affordable units to ensure consistency with market rate unit sizes including standards for minimum unit sizes and unit mix/bedroom counts. Typically, these unit size requirements range from 500 square feet for a studio unit to 850 square feet for a two-bedroom unit.

Map E-2 Zoning Ordinance Zone District Classifications



While the Zoning Ordinance also implements the tiered development concept that was established in the LUCE, between the adoption of the LUCE in 2010 and the Zoning Ordinance update in 2015, Santa Monica's growth management strategy fluctuated based on a multitude of factors that influenced how the community's priorities were identified and addressed. This resulted in a reduced tiered system implemented in the Zoning Ordinance that eliminated the Tier 3 option identified in the LUCE for certain land use designations. The changes also removed four of the five "Activity Centers" which were intended to incentivize mixed-use residential development around the City's transit stations through additional height above Tier 3 limits and FAR increases.

Even with the removal of these concepts, the City's development standards are generous toward housing projects especially in commercial zones where setbacks are minimal (if any) and density limits are not established. The tiered system, with its provision of pre-established

community benefits in exchange for increased building heights and densities/intensities, has also proven to be the preferred route for many housing developers to capture some level of additional development potential. However, some development standards such as low FAR and building height limitations may present constraints on the City's ability to meet its updated housing goals. Therefore, Housing Element Program 4B proposes to reevaluate development standards and regulations as needed to incentivize housing production citywide.

Figures E-2, E-3, and E-4 present the main development standards that control housing development within the City's residential, commercial, and other zone districts, respectively.

Figure E-2 Development Standards in Residential Zone Districts

Development Standard	Residential Zone Districts								
	R1	R2	R3	R4	OP1	OPD	OP2	OP3	OP4
Minimum Parcel Size	5,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	4,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.
Maximum Parcel Area per Unit (Density)									
Tier 1 – Base Standard	1 unit	2,000 (or 4 total units, whichever is less)	1,500 (or 5 total units, whichever is less)	1,250 (or 6 total units, whichever is less)	1 unit	2 units	2,000	1,500	1,250
Tier 2 – With Provisions of Community Benefits	–	–	1,250	900	–	–	–	–	–
100% Affordable Housing Projects	–	1,500	1,250	900	–	–	–	–	–
Maximum Parcel Coverage (% of Parcel Area)									
Base Standard	45% – 55% depending on number of stories and new/existing development	Ground floor: 45% Upper Stories: 90% of allowable ground floor coverage	Ground floor: 50% Upper Stories: 90% of allowable ground floor coverage	Ground floor: 50% Upper Stories (% of allowable ground floor coverage): 2nd Story: 80% 3rd Story: 60% 4th Story: 50%	50%	50%	50%	50%	50%
100% Affordable Housing Projects	–	90% of allowable ground floor	90% of allowable ground floor	50% of allowable ground floor	60%	60%	60%	60%	60%
Maximum Building Height (Stories/Feet)									
Tier 1 – Base Standard	2 / 28' -32' depending on parcel size	2 / 30'	2 / 30'	3 / 30'	2 / 20' – 27' depending on roof type	2 / 23' – 30' depending on roof type	2 / 23' – 30' depending on roof type	2 / 23' – 30' depending on roof type	3 / 35'
Tier 2 – With Provisions of Community Benefits	–	–	3 / 40'	4 / 45'	–	–	–	–	–
100% Affordable Housing Projects	–	No limit / 30'	No limit / 40'	No limit / 45'	2	No limit / 23' – 30' depending on roof type	No limit / 23' – 30' depending on roof type	No limit / 23' – 30' depending on roof type	No limit / 35'
Minimum Setbacks									
Front	Varies by street	20'	20'	20'	15'	30'	20'	20'	15'
Sides	10% or 30% aggregate	Parcel 50' or greater: 8' Parcel less than 50': 4' or 16%	Parcel 50' or greater: 8' Parcel less than 50': 4' or 16%	Parcel 50' or greater: 8' Parcel less than 50': 4' or 16%	Development/ Parcel Specific	Development/ Parcel Specific	Development/ Parcel Specific	Development/ Parcel Specific	Development/ Parcel Specific
Rear	15'	15'	15'	15'	10'	15'	15'	15'	15'
Minimum Outdoor Living Area per Unit (Sites with 3+ Units)									
Private	–	60 sq. ft.	60 sq. ft.	60 sq. ft.	–	60 sq. ft.	60 sq. ft.	60 sq. ft.	60 sq. ft.
Total	–	150 sq. ft.	150 sq. ft.	150 sq. ft.	–	150 sq. ft.	150 sq. ft.	150 sq. ft.	100 sq. ft.

Figure E-3 Development Standards for Commercial Zone Districts

Development Standard	Commercial Zone Districts						
	MUBL	MUB	GC (Santa Monica Blvd)	GC (Lincoln & Pico Blvds)	NC	NC (Main St)	NC (Ocean Park Blvd & Montana Ave)
Minimum Parcel Size	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	5,000 sq. ft.	5,000 sq. ft.	5,000 sq. ft.
Maximum FAR							
Tier 1 – Base Standard	1.25	1.25	1.0	1.25	1.25	0.75	0.75
Tier 1 – Projects Including On-site Affordable Housing in Compliance with AHPP	1.5	1.5	1.25	1.5	1.5	1.0	1.0
Tier 2 – With Provisions of Community Benefits	1.75	2.25	1.5	1.75 (2.0 if on-site affordable housing provided)	-	-	-
100% Affordable Housing Projects	2.0	2.75	1.5	2.0	1.75; 2.0, on Pico Blvd only	1.25	1.25
Maximum Building Height (Stories/Feet)							
Tier 1 – Base Standard	2 / 32′	2 / 32′	2 / 32′	2 / 32′	2 / 32′	2 / 27′	2 / 32′
Tier 1 – Projects Including On-site Affordable Housing in Compliance with AHPP	3 / 36′	3 / 39′ if 100% residential above ground floor, 3/35′ for all other projects	-	3 / 36′	2 / 32′	2 / 27′	2 / 32′
Tier 2 – With Provisions of Community Benefits	3 / 36′	3 / 45′	2 / 35′	3 / 32′ (3 / 36′ if on-site affordable housing provided)	-	-	-
Tier 2 – With Provisions of Community Benefits and 100% Residential Above the Ground Floor	No limit / 36′	No limit / 50′	No limit / 35′	No limit to stories / 32′ (36′ if on-site affordable housing provided)	-	-	-
100% Affordable Housing Projects	No limit / 55′	No limit / 55′	No limit / 35′	No limit / 40′	No limit / 32′; 40′ on Pico Blvd only	No limit / 32′	No limit / 32′
Minimum Setbacks							
Interior Side and Rear if Adjacent to Residential District	10′	10′	10′	10′	10′	10′	10′
Minimum Outdoor Living Area per Unit (Sites with 3+ Units)							
Private	60 sq. ft.	60 sq. ft.	60 sq. ft.	60 sq. ft.	60 sq. ft.	60 sq. ft.	60 sq. ft.
Total	100 sq. ft.	100 sq. ft.	100 sq. ft..	100 sq. ft.	100 sq. ft.	100 sq. ft..	100 sq. ft.

Figure E-4 Development Standards for Other Zone Districts

Development Standard	Zone Districts			
	IC	OC	HMU	OF
Minimum Parcel Size	15,000 sq. ft.	15,000 sq. ft.	7,500 sq. ft.	5,000 sq. ft.
Maximum Density	–	–	–	Parcels Along PCH between Santa Monica Pier and the north City limits: Parcels 4,000 sq. ft. or more: 1 dwelling unit/1,500 sq. ft. Parcels less than 4,000 sq. ft.: 1 dwelling unit/parcel if existing, no new dwelling units
Maximum FAR				
Tier 1 – Base Standard	1.0	1.5	1.5	1.5; 0.5 for parcels located along the PCD between the Santa Monica Pier and the north City limits
Tier 2 – With Provisions of Community Benefits	1.75	1.75	2.5	2.0
100% Affordable Housing Projects	2.25	–	2.5	2.25
Maximum Parcel Coverage	–	–	–	70; 50 on parcels along the PCH between the Santa Monica Pier and the north City limits
Maximum Building Height (Stories/Feet)				
Tier 1 – Base Standard	2 / 32′	2 / 32′	3 / 45′	2 / 32′ – 30′ depending on roof type and location
Tier 1 – Projects Including On-site Affordable Housing in Compliance with AHPP	–	–	–	3 / 36′
Tier 2 – With Provisions of Community Benefits	3 / 45′	3 / 45′	5 / 70′	3/47′
Tier 2 – With Provisions of Community Benefits and 100% Residential Above the Ground Floor	–	–	–	No limit / 47′
100% Affordable Housing Projects	No limit / 45′	–	No limit / 70′	No limit / 47′
Minimum Setbacks				
Street Frontage	–	–	–	5′ except for 20′. on PCH between northern City limits and Santa Monica Pier
Side	–	–	–	Parcel specific
Rear	–	–	–	15′ if adjacent to a residential use; 25′ for beach rear setback on parcels over 100′. in depth located along the PCH between the Santa Monica Pier and the north City limits
Interior Side and Rear if Adjacent to Residential District	15′	15′	15′	–
Minimum Outdoor Living Area per Unit (Sites with 3+ Units)				
Private	–	–	60 sq. ft.	60 sq. ft.
Total	–	–	100 sq. ft..	100 sq. ft.

i. Affordable Housing

Santa Monica has consistently tried to remove barriers and incentivize 100% affordable housing projects in all of its zone districts citywide through the following methods:

- Greater FAR, density, and building height allowances
- No limit to the number of stories within the maximum building height
- Parking reductions
- Ministerial permit processing
- No City Planning application fees or development impact fees
- Compliance with California Assembly Bill (AB) 1763 (addition of 3 stories or 33' in height, four incentives/concessions, no parking requirements)

Through new Housing Element programs and concepts, such as the affordable housing overlay identified in Housing Element Program 2A, Santa Monica will continue to provide and expand benefits for 100% affordable housing projects throughout the City.

ii. Affordable Housing Production Program

The City's Affordable Housing Production Program (AHPP), implemented through Santa Monica Municipal Code (SMMC) Chapter 9.64, requires that residential and mixed-use projects of two or more units contribute to affordable housing production to assist the City in addressing its overall affordable housing needs. Figure E-5 summarizes the options for fulfilling the City's AHPP requirements. However, Housing Element Program 2C proposes a revision to the City's AHPP, including re-evaluation of the minimum required percentage of on-site or off-site units, to evaluate potential constraints in comparison to achieving the City's housing goals.

Figure E-5 Affordable Housing Production Program Options

	Projects with 2-3 Ownership Units / Projects with 2+ Rental Units	**Projects with 4-15 Ownership Units**	**Projects with 16 or More Ownership Units**
On-site Option	5% extremely low income units (option currently unavailable until after February 28, 2022); or 10% very low income units, or 20% low income units, or 100% moderate income units	20% moderate or 20% low or 10% very low income units	25% moderate or 25% low or 15% very low income units
Off-site Option	Same as on-site option	25% more than required number of on-site units	25% more than required number of on-site units
Affordable Housing Fee (2020)	$36.49/sf for apartments $42.62/sf for condominiums Unit Development Cost: $382,795.00	Not Applicable	Not Applicable

iii. Community Benefits

The purpose of community benefits is to implement LUCE policies that require community benefits in exchange for increased development parameters. As discussed above, for a housing project to receive Tier 2 or 3 increased building heights and/or densities/intensities, the project must provide community benefits as prescribed in SMMC Chapter 9.23 or SMMC Section 9.10.070 for projects located within the Downtown Community Plan area. Community benefits consist of the following:

1. Housing (Affordable Housing and Unit Mix Requirements)
2. Transportation Impact Fee
3. Open Space
4. Transportation Demand Management

While some community benefits require on-site features such as increased affordable units and unit mix requirements, others only require increases to development impact fees. While community benefits can add additional requirements and fees to housing projects, they do not present a constraint because they are associated with an elective process and provide increased development potential in return. However, Housing Element Program 4B will be reevaluating development standards citywide to support housing production which may have an effect on the tiered system that dictates when community benefits are required. 100% affordable housing projects are deemed to have satisfied the housing community benefit requirement and are not required to provide additional community benefits.

iv. Parking Requirements

Figure E-6 summarizes Santa Monica's parking requirements for residential uses throughout the City except for those areas governed by the Bergamot Area Plan (BAP). Single-unit dwellings are required to provide a flat rate of two parking spaces, whereas for other residential uses parking is calculated on a per-bedroom basis and in some cases per bed for certain housing types.

Figure E-6 Parking Requirements for Residential Uses, Excluding the Bergamot Plan Area

Residential Use/Facility	Citywide (Excluding Parking Overlay Area 1, Downtown Community Plan Area, and Bergamot Area Plan Area)	Parking Overlay Area 1	Downtown Community Plan Area (Maximum Parking Allowed)
Single-Unit Dwelling	2 spaces per dwelling unit	2 spaces per dwelling unit, which may be tandem	2 spaces per dwelling unit
Accessory Dwelling Unit	1 space per dwelling unit	1 space per dwelling unit	N/A
Junior Accessory Dwelling Unit	N/A	N/A	N/A
Multiple-Unit Dwelling	Market Rate Units: Guest = 1 space per 5 units Studio, no bedroom = 1 space per unit 1 bedroom = 1.5 spaces per unit 2 or more bedrooms = 2 spaces per unit Deed Restricted Affordable Units: Studio, no bedroom = 0.5 space per unit 1 bedroom = 0.75 spaces per unit 2 or more bedrooms = 1 spaces per unit	Market Rate Units: Guest = 1 space per 10 units Studio, no bedroom = 1 space per unit 1 bedroom = 1 space per unit 2 or more bedrooms = 1.5 spaces per unit Deed Restricted Affordable Units: Studio, no bedroom = 0.5 space per unit 1 bedroom = 0.5 spaces per unit 2 or more bedrooms = 1 spaces per unit	Market Rate Units: Guest = 1 space per 15 units Studio, no bedroom = 0.5 space per unit 1 bedroom = 0.5 space per unit 2 or more bedrooms = 1 space per unit Deed Restricted Affordable Units: Guest = 1 space per 30 units Studio, no bedroom = 0.25 space per unit 1 bedroom = 0.25 spaces per unit 2 or more bedrooms = 0.5 spaces per unit
Senior Citizen Multiple-Unit Dwelling	0.5 space per unit Guest = 1 space per 5 units Low and moderate income units = 0.25 space per unit	0.5 space per unit Guest = 1 space per 6 units Low and moderate income units = 0.25 space per unit	0.5 space per unit Guest = 1 space per 6 units Low and moderate income units = 0.25 space per unit
Single-Room Occupancy	See Multiple-Unit Dwelling	See Multiple-Unit Dwelling	See Multiple-Unit Dwelling
Group Residential	0.5 space per bed	0.5 space per bed	0.5 space per bed
Congregate Housing	1 space per 5 beds	1 space per 5 beds	1 space per 5 beds
Senior Group Residential	0.5 space per unit Guest = 1 space per 5 units Deed restricted affordable = .025 space per unit	0.5 space per unit Guest = none required Deed restricted affordable = .025 space per unit	0.5 space per unit Guest = none required Deed restricted affordable = .025 space per unit
Elderly and Long-Term Care	0.5 space per bed plus one visitor space per 5 beds	0.2 space per bed	0.2 space per bed
Residential Care, General	If more than 6 residents = 0.5 space per bed plus 1 visitor space per 5 beds	If more than 6 residents = 0.5 space per bed plus 1 visitor space per 5 beds	If more than 6 residents = 0.5 space per bed plus 1 visitor space per 5 beds
Residential Care, Limited	None required other than what is required for existing residence	None required other than what is required for existing residence	None required other than what is required for existing residence
Residential Care, Senior	If more than 6 residents = 0.25 space per bed plus 1 visitor space per 5 beds If less than 6 residents = none other than what is required for the existing residence	If more than 6 residents = 0.25 space per bed plus 1 visitor space per 5 beds If less than 6 residents = none other than what is required for the existing residence	If more than 6 residents = 0.25 space per bed plus 1 visitor space per 5 beds If less than 6 residents = none other than what is required for the existing residence
Hospice, General	If more than 6 residents = 0.25 space per bed plus 1 visitor space per 5 beds If less than 6 residents = none other than what is required for the existing residence	If more than 6 residents = 1 space per 5 beds If less than 6 residents = none other than what is required for the existing residence	If more than 6 residents = 1 space per 5 beds If less than 6 residents = none other than what is required for the existing residence
Hospice, Limited	None required other than what is required for the existing residence	None required other than what is required for the existing residence	None required other than what is required for the existing residence
Supportive Housing	If more than 6 residents = 0.5 space per bed plus 1 visitor space per 5 beds If less than 6 residents = none other than what is required for the existing residence	If more than 6 residents = 1 space per 5 beds If less than 6 residents = none other than what is required for the existing residence	If more than 6 residents = 1 space per 5 beds If less than 6 residents = none other than what is required for the existing residence
Transitional Housing	None other than what is required for residential type	None other than what is required for residential type	None other than what is required for residential type
Live-Work	1 space per unit plus 1 guest space per unit	1 space per unit plus 1 guest space per unit	1 space per 500 sq.ft.

Realizing the constraint parking can have on housing projects, the City provides the following alternatives to relieve and/or lessen parking requirements for new development:

- Reduced parking requirements for deed-restricted affordable housing units
- No minimum parking requirements for 100% affordable housing projects located within 1/2 mile of a major transit stop consistent with State density bonus law (AB 1763)
- Reduced parking requirements for projects located in close proximity to transit, identified as Parking Overlay Area 1
- Reduced parking requirements for the provisions of car-sharing parking spaces. Parking is reduced by two spaces for every one car-sharing space provided, up to a maximum of 25% of the required parking spaces, not exceed 10 spaces
- Allowance for shared parking in nonresidential zone districts for projects within close proximity to each other
- Elimination of parking requirements and the need to replace displaced existing parking in conjunction with the construction/establishment of Accessory Dwelling Units and Junior Accessory Dwelling Units
- No minimum parking requirements in the Downtown area

Additionally, Housing Element Program 1D proposes to explore revising minimum parking requirements for housing projects in Transit Priority Areas.

As for the Downtown area, instead of minimum parking requirements, the numbers provided in Figure E-6 stipulate parking maximums. This regulatory shift from parking minimums to parking maximums has allowed housing providers to right-size their parking needs including the option to provide no parking at all in the City's Downtown area.

Unlike the majority of the City where residential parking requirements are based on bedroom count, residential parking in the BAP is based on unit count. Additionally, the BAP provides both minimum and maximum parking requirements which gives developers the ability to provide the appropriate amount of parking to serve each development. Also unique to the BAP is the concept of requiring less parking per unit when the plan area reaches 5,000 new parking spaces after the plan was adopted, which was in 2013. This eventual reduction will further lessen the constraint parking places on housing projects within the plan area. Figure E-7 summarizes the parking requirements for residential uses in the BAP.

Figure E-7 Parking Requirements for Residential Uses in the Bergamot Plan Area

Stage of Plan Development	Minimum Space Required per Unit		Maximum Spaces Permitted per Unit	
	Tier 1 & 2	Tier 3	Tier 1 & 2	Tier 3
At Plan Adoption	1.5, of which at least 1.0 must be reserved	1.5, of which at least 1.0 must be reserved and 0.5 must be shared	2.0, of which no more than 1.5 may be reserved (With voluntary shared parking)	2.0, of which no more than 1.5 may be reserved
At 5,000 Net New Spaces	1.0, which may be reserved or shared	1.0, which must be shared	1.5, of which no more than 1.0 may be reserved (With voluntary shared parking)	1.5, of which no more than 0.5 may be reserved

v. State Density Bonus

State law (California Government Code Section 65915-65918) requires cities and counties to approve density bonuses for housing developments that contain specified percentages of affordable housing units or units restricted to occupancy by seniors. A density bonus is the allocation of development rights that allows a parcel to accommodate additional square footage or additional residential units beyond the maximum for which the parcel is zoned. Projects that qualify for a density bonus are also eligible for reduced parking standards and additional concessions or incentives and waivers of development standards. The legislature has made frequent changes to State density bonus law over the years, including AB 1763, which significantly increased density bonus provisions for 100% affordable projects and AB 2345 which increased density bonus provisions for housing development projects that are not 100% affordable but qualify for a density bonus.

The City's density bonus law is outlined in SMMC Section 9.22, which was last updated in 2020 but does not reflect the recent changes in State law. As described in Housing Element Program 2D, the City will update its density bonus ordinance to be consistent with State law requirements.

c. Downtown Community Plan

The Downtown Community Plan (DCP), adopted in July 2017, is a specific plan to implement the LUCE goals and policies for the City's Downtown core. The DCP addresses important issues in the Downtown including, but not limited to, historic preservation, high quality architecture, sensitive urban design, diverse housing opportunities, sustainability, expansion of cultural arts offerings, additional open spaces that support quality of life, walkability, additional office space to meet the needs of creative businesses, and integration with the Metro E light rail stations.

Map E-3 Downtown Community Plan Zone District Classifications

The DCP established six zone district classifications as shown in Map E-3. Similar to the LUCE and Zoning Ordinance, the DCP specifies land use regulations regarding where various types of housing can be developed and various development standards such as parcel size, FAR, building height, setbacks, and open space for the zone districts it governs. The DCP also established a tiered system for developments that provide development standards for housing and community benefits specific to the DCP. As with other commercial zone districts within the City, the DCP does not impose density limits, but rather density is controlled through a combination of maximum building heights, FAR limitations, and other massing/siting development standards. Additionally, similar to the Zoning Ordinance, minimum dwelling unit sizes and unit mix/bedroom counts are prescribed for affordable units to ensure their consistency with market rate units.

Overall, the DCP standards largely allow for the greatest amount of flexibility for housing developments within the City. However, some development standards such as low FAR and building height limitations may present constraints on the City's ability to meet its housing goals. Therefore, Housing Element Programs 1F and 4B propose to reevaluate development standards and regulations as needed to support housing production in the Downtown area.

Figure E-8 presents the main developments standards that control residential development within the DCP zone districts.

Figure E-8 Development Standards for Downtown Community Plan Zone Districts

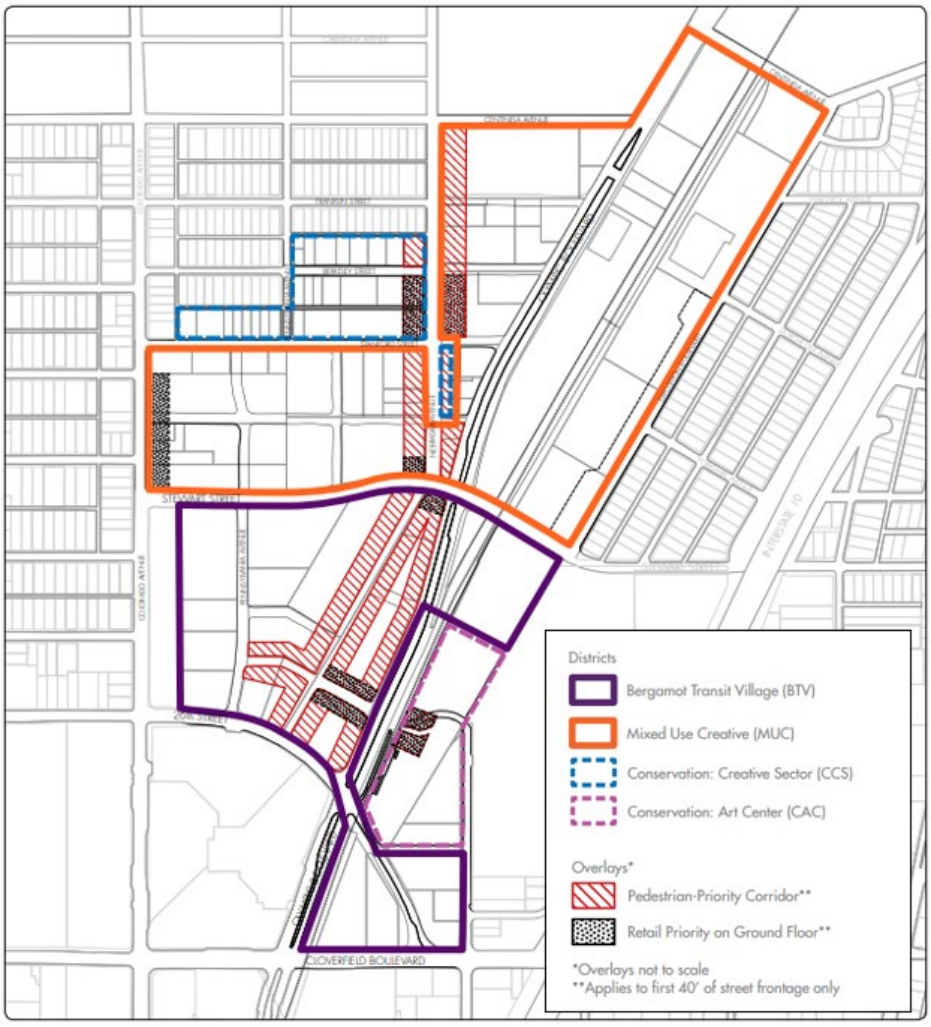
Development Standard	Downtown Community Plan Zone Districts							
	LT (East)	LT (West)	NV	BC (Promenade)	BC (2nd & 4th Streets)	TA	OT	WT
Minimum Parcel Size	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.	7,500 sq. ft.
Maximum FAR								
Tier 1 – Base Standard	1.25	1.25	1.75	1.75	1.75	1.75	1.75	1.5
Tier 1 – With Housing	1.5	1.5	2.25	2.25	2.25	2.25	2.25	1.5
Tier 2 – With Provisions of Community Benefits	1.75	2.25	2.75	2.75	3.0	3.0	2.25	1.75
Tier 2 – With Housing and Provisions of Community Benefits	2.25	2.75	3.5	2.75	3.5	3.5	2.75	2.25
Tier 2 – With Housing for parcels that front on Wilshire Blvd, are not located adjacent to a residential district, and have a LUCE designation of Downtown Core	–	–	–	–	–	–	–	2.75
Tier 3 – With Provisions of Community Benefits	–	–	–	–	–	3.5	–	–
Tier 3 – With Housing and Provisions of Community Benefits	–	–	–	–	–	4.0	–	–
100% Affordable Housing Projects	2.75	3.25	4.0	3.25	4.0	4.0	3.25	2.75
100% Affordable Housing Projects – Parcels that front on Wilshire Blvd, are not located adjacent to a residential district, and have a LUCE designation of Downtown Core	–	–	–	–	–	–	–	3.25
Maximum Building Height								
Tier 1 – Base Standard	32′	32′	32′	32′	32′	32′	32′	32′
Tier 1 – Projects Including On-Site Affordable Housing In Compliance with AHPP	39′	39′	39′	39′	39′	39′	39′	39′
Tier 2 – With Provisions of Community Benefits	40′	50′	60′	60′	60′	60′	50′	40′
Tier 2 – With Housing and Provisions of Community Benefits	50′	60′	60′	60′	60′	60′	50′	50′
Tier 2 – With Housing for parcels that front on Wilshire Blvd, are not located adjacent to a residential district, and have a LUCE designation of Downtown Core	–	–	–	–	–	–	–	60′
Tier 3 – With Provisions of Community Benefits	–	–	–	–	–	84′	–	–
Tier 3 – With Housing and Provisions of Community Benefits	–	–	–	–	–	84′	–	–
100% Affordable Housing Projects	60′	70′	70′	70′	70′	84′	60′	60′
Minimum Setbacks								
Interior Side and Rear if Adjacent to Residential District	10′	10′	–	–	–	–	–	10′
Minimum Open Space (% of Buildable Area)								
Lot Width of 50′ or Less	–	–	–	–	–	–	–	–
Lot Width between 52- and 150′	20%	20%	20%	–	20%	20%	20%	20%
Lot Width greater than 150′	25%	25%	25%	–	25%	25%	25%	25%

d. Bergamot Area Plan

The Bergamot Area Plan (BAP), adopted in September 2013, is a specific plan that provides guidance on transitioning former industrial lands of the Bergamot Area into an arts-focused, mixed use, pedestrian-oriented neighborhood.

As shown on Map E-4, the BAP established two main zone district classifications, Bergamot Transit Village (BTV) and Mixed Use Creative (MUC), with two conservation districts, Conservation Arts Center (CAC) and Conservation Creative Sector(CCS). Similar to the LUCE and Zoning Ordinance, the BAP specifies land use regulations regarding where types of housing can be developed and development standards such as FAR, building height, and open space for the zone districts it governs. The BAP also requires a minimum mix of uses for developments within the MUC zone district. As with the DCP and other commercial zone districts, the BAP institutes a tiered system for developments that provide community benefits and controls density through maximum building heights and FAR limitations. Additionally, similar to the Zoning Ordinance, minimum dwelling unit sizes and unit mix/bedroom counts are prescribed for affordable units to ensure their consistency with market rate units.

Map E-4 Bergamot Area Plan Zone District Classifications



However, unique to the BAP, is the concept of flexible standards. While some development standards are mandatory, others are flexible if it is determined that the project promotes design creativity, architectural innovation, and the vitality of the street and sidewalk environment and setting. Mandatory standards include FAR and building height, while flexible standards include mix of uses and open space standards. However, this concept of having flexible standards has led to more discretionary process for projects. Therefore, Housing Element Program 1E proposes to revise the design and development standards in the BAP for easier understanding and support of housing production.

Since adoption of the BAP, the transit and job-rich Bergamot area has experienced a lack of housing production. Two potential reasons for this may include insufficient Tier 2 development standard increases that would otherwise incentivize housing over commercial development as well as a general concern about risk and predictability with the development agreement process that is required to access the heightened Tier 3 development standards. Therefore, Housing Element Program 4B proposes to reevaluate development standards and regulations as needed to support housing production in the BAP area to meet the City's housing goals.

Figure E-9 presents the main developments standards that control residential development within the BAP zone districts.

Figure E-9 Development Standards for Bergamot Area Plan Zone Districts

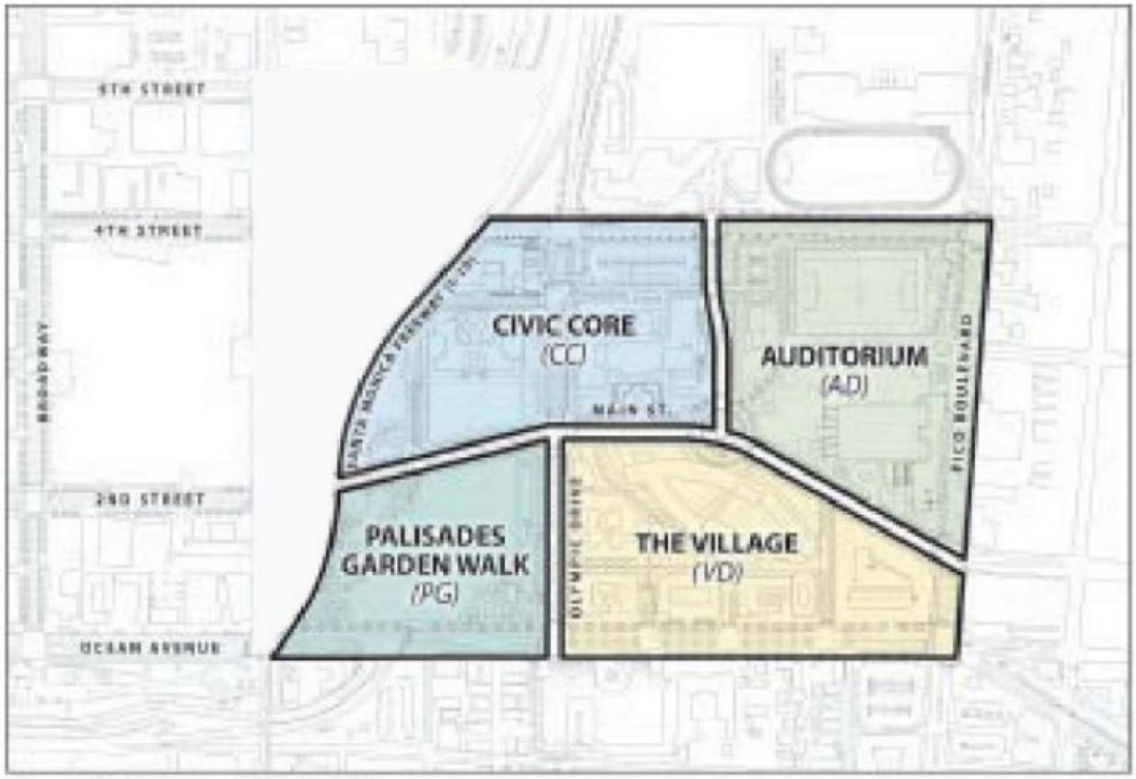
Development Standard	**Bergamot Area Plan Zone Districts**			
	BTV	**MUC**	**CCS**	**CAC**
Maximum FAR (Parcel 100,000 SF or Greater / Parcel Less Than 100,000 SF)				
Tier 1	1.75 / 1.75 (25% FAR bonus for projects providing additional affordable units)	1.5 / 1.5 (25% FAR bonus for projects providing additional affordable units)	1.5	1.0 / 1.0
Tier 2	2.0 / 2.0 (25% FAR bonus for projects providing additional affordable units)	1.7 / 1.7 (25% FAR bonus for projects providing additional affordable units)	-	1.0 / 1.5
Tier 3	2.5 / 2.5	2.2 /2.5	-	1.0 / 2.5
Maximum Building Height (Standard / Variation)				
Tier 1	32' / 39' if housing is provided	32' / 36' if affordable housing is provided	32' / 36' if live/work component is provided	32' / -
Tier 2 – With Provisions of Community Benefits	60' / -	47' / -	-	60' / -
Tier 3 – With Provisions of Community Benefits	75' / 86' with increase ground floor-to-floor height	57' / -	-	75' / 86' with increase ground floor-to-floor height

Development Standard	Bergamot Area Plan Zone Districts			
	BTV	MUC	CCS	CAC
Minimum Open Space - % of Site Area (Site Greater than 80,000 SF / Site 40,000 SF – 80,000 SF / Site Less than 40,000 SF)				
Tier 1	20% / 15% / 10%	15% / 12% / 7%	15%	-
Tier 2	20% / 15% / 10%	15% / 12% / 7%	12%	15%
Tier 3	25% / 20% / 15%	20% / 15% / 10%	7%	10%
Minimum Required Mix of Uses for Parcels over 120,000 SF	-	50% Commercial / 50% Residential (Ratio can vary up to 10%)	-	-

e. Civic Center Specific Plan

The Civic Center Specific Plan, adopted in June 2005 with subsequent amendments, is unique in that it established a vision that promotes civic buildings and public open spaces and also provided standards that are more building specific for one of its four special use districts. Currently the plan area is built out and development of additional residential units, which would likely come from the redevelopment of existing buildings, would require an amendment to the plan. Map E-5 presents the Civic Center Specific Plan Special Use Districts.

Map E-5 Civic Center Specific Plan Special Zone District



2. Zoning for a Variety of Housing Types

The City of Santa Monica encourages and facilitates the development of a variety of housing types beyond traditional single-unit and multiple-unit dwellings. These additional housing types include such uses as accessory dwelling units and junior accessory dwelling units, emergency shelters, group residential, manufactured homes and mobile home parks, 100% affordable single-room occupancy housing, and supportive and transitional housing, as well as accessible housing for the disabled [see Section A(3) below]. As Santa Monica is urbanized and does not have any agricultural industries as indicated in Housing Element Chapter 3, Section 2, the City does not provide housing specifically for agricultural workers; however, some of the housing types listed below and elsewhere in this appendix would be able to accommodate housing needs for these workers.

Figure E-10 Permitted Housing Types by Zone District

Residential Uses	R1	R2	R3	R4	OP1	OPD	OP2	OP3	OP4	LT	NV	BC (Prom.)	BC (2nd/4th)	TA	OT	WT	MUBL	MUB	GC	NC	BTV	MUC	CAC	CCS	IC	OC	HMU	OF	CC	PL	OS	RMH
Single-Unit Dwelling	P	P	P	P	P	P	P	P	P	L(1)	L(1)	L(1)	L(1)	L(1)	L1)	L(1)	P	P	P	P	–	–	–	–	–	–	P	P	–	–	–	–
Accessory Dwelling Unit	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	–	–	P	P	P	–	–	–
Junior Accessory Dwelling Unit	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	–	–	–	–	–	–	P	P	–	–	–	–
Duplex	MUP	P	P	P	–	P	P	P	P	P	L(3)	L(1)	L(1)	L(1)	L(1)	L(1)	P	P	P	P	–	–	–	–	–	–	–	P	–	–	–	–
Multiple-Unit Structure	–	P	P	P	–	–	P	P	P	L(1)	L(3)	L(1)	L(1)	L(1)	L(1)	L(1)	P	P	P	P	P	P	CUP	–	–	–	P	P	L(1)	–	–	–
Senior Citizen Multiple-Unit Residential	–	P	P	P	–	–	P	P	P	L(1)	L(3)	L(1)	L(1)	L(1)	L(1)	L(1)	P	P	P	P	P	P	CUP	–	–	–	P	P	L(1)	–	–	–
Single-Room Occupancy Housing	–	P	P	P	–	–	P	P	P	L(1)	L(3)	L(1)	L(1)	L(1)	L(1)	L(1)	P	P	P	P	P	P	CUP	–	–	–	P	P	L(1)	–	–	–
Group Residential	–	MUP	MUP	MUP	–	–	MUP	MUP	MUP	MUP	MUP, L(3)	MUP, L(1)	MUP, L(1)	MUP	MUP	MUP	MUP	MUP	MUP	MUP	P	P	CUP	–	–	–	–	MUP	L(1)	–	–	–
Congregate Housing	–	P	P	P	–	–	P	P	P	P	MUP, L(3)	CUP, L(1)	CUP, L(1)	MUP	MUP	MUP	P	P	P	P	P	P	CUP	–	L(1)	L(1)	P	P	L(1)	–	–	–
Senior Group Housing	–	P	P	P	–	L(2)	P	P	P	P	MUP, L(3)	MUP, L(1)	MUP, L(1)	MUP, L(1)	MUP, L(1)	MUP, L(1)	P	P	P	P	P	P	CUP	–	CUP	CUP	P	P	L(1)	–	–	–
Elderly and Long-Term Care	–	CUP	CUP	CUP	–	–	CUP	CUP	CUP	P	L(3)	L(1)	L(1)	L(1)	L(1)	L(1)	P	P	P	P	P	P	CUP	–	–	P	P	P	–	–	–	–
Emergency Shelters	–	–	CUP	CUP	–	–	CUP	CUP	CUP	L(6)/ CUP	L(6)/ CUP	CUP/ L(1)	L(1/6), CUP	L(6)/ CUP	L(6)/ CUP	L(6)/ CUP	L(3)/ CUP	L(3)/ CUP	L(3)/ CUP	L(3)/ CUP	P	P	CUP	–	L(2)/ CUP	L(2)/ CUP	L(2)/ CUP	CUP	–	P	–	–
Residential Care, General	–	MUP	MUP	MUP	–	–	MUP	MUP	MUP	P	L(3)	L(1)	L(1)	P	L(1)	L(1)	P	P	P	P	P	P	CUP	–	–	–	–	P	L(1)	–	–	–
Residential Care, Limited	P	P	P	P	P	P	P	P	P	P	L(3)	L(1)	L(1)	P	L(1)	L(1)	P	P	P	P	P	P	CUP	–	P	P	P	P	L(1)	–	–	–
Residential Care, Senior	–	L(2)/ MUP	L(2)/ MUP	L(2)/ MUP	L(2)	L(2)	L(3)/ MUP	L(3)/ MUP	L(3)/ MUP	P	L(3)	L(1)	L(1)	P	L(1)	L(1)	P	P	P	P	P	P	CUP	–	P	P	P	P	L(1)	–	–	–
Hospice, General	–	MUP	MUP	MUP	–	MUP	MUP	MUP	MUP	P	L(3)	L(1)	L(1)	P	L(1)	L(1)	P	P	P	P	P	P	CUP	–	–	–	–	–	–	–	–	–
Hospice, Limited	P	P	P	P	P	P	P	P	P	P	L(3)	L(1)	L(1)	P	L(1)	L(1)	P	P	P	P	P	P	CUP	–	P	P	P	–	–	–	–	–
Supportive Housing	P	P	P	P	P	P	P	P	P	P	L(3)	L(1)	L(1)	L(1)	L(1)	L(1)	P	P	P	P	P	P	CUP	–	P	P	P	P	L(1)	–	–	–
Transitional Housing	P	P	P	P	P	P	P	P	P	P	L(3)	L(1)	L(1)	L(1)	L(1)	L(1)	P	P	P	P	P	P	CUP	–	P	P	P	P	L(1)	–	–	–
Live-Work	–	–	–	–	–	–	–	–	–	L(13)	L(3/13)	L(1/13)	L(13)	L(13)	L(1/13)	L(13)	L(14)	L(14)	L(14)	L(14)	P	P	CUP	P	L(14)	CUP	L(14)	–	L(1)	–	–	–
Existing Mobile Home Park	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	P	–	–	–	–	–	–	–	–	–	–
Mobile Home Park	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	P

"P" = Permitted by right.
"L(#)" = Limited uses, which are permitted by right, provided they comply with specific limitation.
"MUP" = Use classifications that are permitted after review and approval of a Minor Use Permit.
"CUP" = Use classifications that are permitted after review and approval of a Conditional Use Permit.
"–" = Not permitted

Figure E-10 presents a comprehensive matrix of land use regulations compiled from all City implementation plans (Zoning Ordinance, DCP, BAP) that specify where and how each housing type is permitted. Of the 32 zone districts within Santa Monica, all but one (OS) allow for some type of housing. How each housing type is processed is identified with either a "P" for when the use is permitted by right, an "L" for the when use is permitted if it complies with specific limitations such as location or size, or either an "MUP" or "CUP" for when the use requires discretionary approval [see Section 7(e) below]. If the use does not have a process identified it means that the use is not permitted, and if an "L" is coupled with another process it either means that the use must comply with both processes or if separated by a "/", the use must comply with the second process listed if it cannot abide by the first.

The following analysis details how the City facilitates specific special housing types consistent with State law requirements.

a. Accessory Dwelling Units / Junior Accessory Dwelling Units

Accessory Dwellings Units (ADUs) play an important role in the production of housing particularly within single-unit residential zoning districts where historically only one unit is permitted per parcel. In recognition of this, the State over the past four years has enacted laws to help spur the production of housing through the development of ADUs. Building off of initial State law passed in 2017 that began removing barriers to ADU production, three new State laws [AB 68, AB 881, and Senate Bill (SB) 13] came into effect on January 1, 2020 that significantly expanded potential ADU development. Statewide, these new laws revised development standards that sometimes limited ADU construction such as eliminating minimum parcel size, establishing larger unit sizes based on bedroom count, reducing minimum side and rear setbacks, and removing on-site parking requirements. In addition, the new laws extended ADUs into multiple-unit residential and mixed-use zoning districts, introduced the new concept of deed restricted Junior Accessory Dwelling Units (JADUs) when in conjunction with single-unit dwellings, and established a strict 60-day processing timeframe and development parameters for ADUs that must be approved ministerially.

On September 8, 2020, the City approved an ordinance incorporating these State law requirements into a new ADU/JADU section of the Zoning Ordinance, SMMC Section 9.31.025: Accessory Dwelling Units and Junior Accessory Dwelling Units. Additionally, to further encourage the production of ADUs and JADUs, the City expanded upon the new requirements by exempting all ADUs and JADUs from parcel coverage or floor area calculations and requiring only a ministerial process for review and approval of ADUs and JADUs. Additionally, no development fees are collected for the construction or establishment of ADUs or JADUs. Figure E-11 summarizes the main development standards adopted for an ADU or JADU consistent with State law.

Figure E-11 ADU and JADU Development Standards

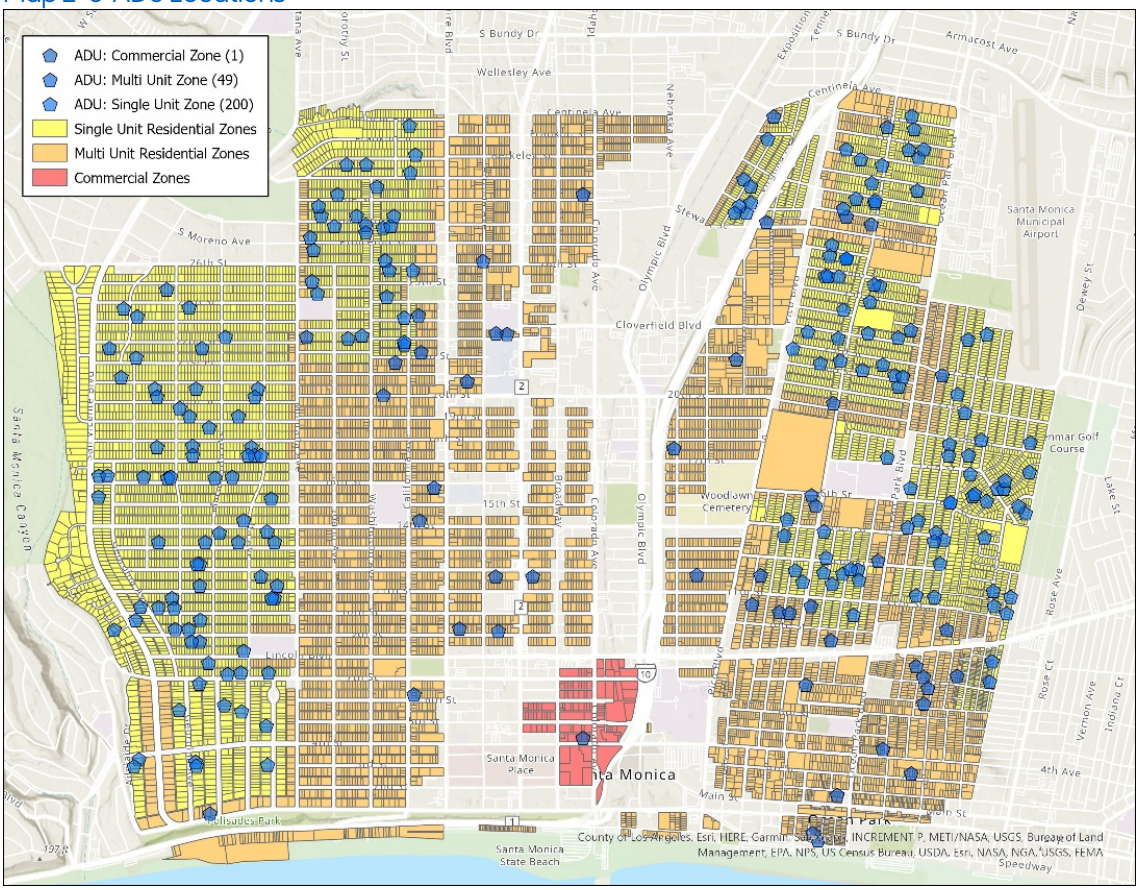
Standard	Requirement
Minimum Parcel Size	No minimum parcel size
Maximum Number of Units	*Single-Unit Development:* • One ADU or one JADU is permitted per parcel, except that one JADU and one detached ADU may be permitted on a single parcel • JADUs are only permitted within single-unit zone districts *Multi-Unit Development:* • Two detached ADUs AND/OR • Any area not used as livable space and that can be brought up to State building standards for dwellings, can be converted to at least one ADU or to a maximum number that equals 25% of the existing unit count.
Maximum Size	*ADUs:* • Studio/1 bedroom – 850 square feet • 2+ bedrooms – 1,000 square feet or 1,200 square feet for parcels greater than 10,000 square feet *JADUs:* • 500 square feet
Parcel Coverage / Floor Area	Exempt
Setbacks	Rear and side setbacks – 4 feet
Unit Requirements	*ADUs:* • No interior access between the ADU and primary dwelling is permitted • Exterior access separate from the primary dwelling shall be provided • Independent eating and cooking facilities including, but not limited to, a sink, refrigerator, and a stovetop and/or oven shall be provided • Independent sanitation facilities including, but not limited to, a sink, toilet, and a shower and/or bathtub shall be provided *JADUs:* • Exterior access separate from the primary dwelling shall be provided; however, interior connection is permitted. • An efficiency kitchen that includes a cooking facility with appliances and a food preparation counter and storage cabinets that are of reasonable size in relation to the size of the JADU shall be provided • May provide individual or share sanitation facilities with the primary dwelling
Parking	• Additional on-site parking is not required for an ADU • Converted parking spaces are not required to be replaced

Since implementation of these new State laws, the City has seen an increase in ADU production and interest each year. Based on building permit data as of June 1, 2021, Figure E-12 and Map E-6 below summarize ADU development and location within the City since 2018 when State law began to focus on incentivizing ADUs.

Figure E-12 Santa Monica ADU Production

Building Permit Year	In-Progress	Permit Issued	Completed	Total
2018	2	13	41	56
2019	32	30	21	83
2020	88	25	2	115
2021	25	2	-	27
TOTAL	**147**	**70**	**64**	**281**

Map E-6 ADU Locations



While Santa Monica has taken steps beyond what is required by State law to streamline and incentivize the production of ADUs, Housing Element Program 1G proposes an ADU incentive program for single-unit residential zone districts. The incentive program would allow a property owner the ability to construct an additional ADU if they deed restrict one of the ADUs as a rental unit. This incentive program would help achieve the Housing Element goal of affirmatively furthering fair housing by providing more housing opportunities that are affordable by design within single-unit residential zone districts, which are areas of the city that have largely been unaffordable to many. Additionally, Program 1G proposes to develop an ADU Accelerator Program to simplify the ADU process by providing prospective ADU developers with a handbook detailing all ADU standards and review procedures and pre-approved ADU plans that can be selected to reduce time and costs associated with ADU development.

b. Emergency Shelters

State law [Government Code Section 65583(a)(4)] requires each jurisdiction to identify one or more zoning districts where emergency homeless shelters are allowed without a discretionary permit. Additionally, Government Code Section 65583(a)(4) limits the development standards and locational restrictions that can be applied to emergency shelters. Emergency shelters may only be subject to those development and management standards that apply to residential or commercial development within the same zone except that a local government may apply written, objective standards that include all the following:

- the maximum number of beds or persons permitted to be served nightly by the facility;
- sufficient parking to accommodate all staff working in the emergency shelter, provided that the standards do not require more parking for emergency shelters than other residential or commercial uses within the same zone;
- the size and location of exterior and interior onsite waiting and client intake areas;
- the provision of onsite management;
- the proximity to other emergency shelters, provided that emergency shelters are not required to be more than 300 feet apart;
- the length of stay;
- lighting; and
- security during hours that the emergency shelter is in operation.

Emergency shelters are defined in the Zoning Ordinance as "a temporary, short-term residence providing housing with minimal supportive services for homeless families or individual persons where occupancy is limited to six months or less, as defined in Section 50801 of the California Health and Safety Code. Medical assistance, counseling, and meals may be provided." As shown in Figure E-10, emergency shelters are permitted by right in three zone districts (BTV, MUC, and PL) and with approval of a Conditional Use Permit in 21 other zone districts.

Additionally, emergency shelters are subject to standards set forth in SMMC Section 9.31.130 to ensure they do not adversely impact adjacent parcels or the surrounding neighborhood and that they will be developed in a manner that protects the health, safety, and general welfare of the nearby residents and businesses while providing for the housing needs of a vulnerable segment of the community. The standards include provisions and limitations on lighting, laundry facilities, common facilities, security, outdoor activity, services (including lengths of stay), maximum unit density, and health and safety standards. In terms of density, emergency shelters that are located in residential zone districts, when not developed in an individual dwelling unit format, are not subject to the underlying zone district's maximum unit density standard, but the number of beds are limited to three times the maximum number of dwelling units which would otherwise be permitted on the site. Temporary shelter is also available to residents for no more than six months with extensions up to 180 days available if the shelter operator determines that no alternative housing is available.

Government Code Section 65583(a)(4)(A) requires the Housing Element to demonstrate that the zones where emergency shelters are allowed by right include sufficient capacity to accommodate the need for emergency shelter identified in the most recent point-in-time count conducted before the start of the planning period. For more information regarding the City's capacity for emergency shelters, see Section D of Appendix B.

c. Group Residential

Group Residential is defined by the Zoning Ordinance as "shared living quarters without a separate kitchen or bathroom facilities wherein two or more rooms are rented to individuals under separate rental agreements or leases, either written or oral, whether or not an owner, agent or rental manager is in residence, offered for rent for permanent or semi-transient residents for periods generally of at least 30 days." This land use classification includes rooming and boarding houses, dormitories, fraternities, convents, monasteries, and other types of organizational housing, and private residential clubs but excludes extended stay hotels intended for long-term occupancy and residential facilities. As shown in Figure E-10, group residential is allowed in the same zone districts as multiple-unit structures but typically requires discretionary approval of a Minor or Conditional Use Permit.

Within the land use category of group residential, the subcategories of Congregate Housing and Senior Group Residential have special standards and are treated separately.

Congregate Housing is defined as "a residential facility with shared kitchen facilities, deed-restricted or restricted by an agreement approved by the City for occupancy by low- or moderate-income households, designed for occupancy for periods of six months or longer, providing services that may include meals, housekeeping, and personal care assistance as well as common areas for residents of the facility." Similar to the requirement for transitional housing, the Zoning Ordinance establishes maximum density limitations for beds in congregate housing facilities that is three times the maximum number of dwelling units that would otherwise be permitted, as well as requiring a management plan for the facility.

Senior Group Residential is defined as "a residential facility that provides residence for a group of senior citizens as defined in Health and Safety Code Section 1569.2(k) with a central kitchen and dining facilities and a separate bedroom or private living quarters." To ensure that senior group residential does not "adversely impact adjacent parcels or the surrounding neighborhood and are developed in a manner that protects the health, safety, and general welfare of nearby residents, while providing for the housing needs of an important segment of the community," the land use must adhere to standards related to location, development, and operation. This includes such standards as maximum number of private living quarters, kitchen and laundry facilities, common area facilities, security, minimum age requirements, minimum private living quarter sizes, and outdoor living area requirements.

As shown in Figure E-10, unlike the rest of the group residential land use, both subcategories are permitted by right in all multiple-unit residential and mixed-use districts and only need discretionary approvals in the DCP and employment zone districts.

d. Low Barrier Navigation Centers

AB 101, passed in 2019, requires that a low barrier navigation center be a use permitted by right in mixed-use zones and nonresidential zones permitting multiple-unit uses if it meets specified requirements. AB 101 defines "low barrier navigation center" as a "housing first, low-barrier, service-enriched shelter focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals experiencing homelessness to income, public benefits, health services, shelter, and housing". Housing Element Program 5B proposes to amend the Zoning Ordinance to comply with this new land use requirement.

e. Manufactured Homes and Mobile Home Parks

State law requires jurisdictions to allow the placement of manufactured homes (also referred to as factory-built homes and modular homes) meeting Federal construction standards and manufactured home subdivisions in single-unit neighborhoods. Government Code Sections 65852.3 through 65852.5 require that manufactured homes be permitted in single-unit districts subject to the same land use regulations as conventional homes.

In accordance with State law, the City's Zoning Ordinance includes manufactured housing units within its single-unit dwelling land use classification. This allows manufactured homes to be permitted wherever single-unit dwellings can be located which is in all residential, commercial, and DCP zones districts (single-unit dwellings are not a permitted land use within the BAP area). As manufactured homes are considered single-unit dwellings, they must be compatible in design and appearance with other residential structures in the vicinity and be built on a foundation as well as meet other standards regarding roofing materials, siding, and skirting.

Santa Monica defines the "Mobile Home Park" land use as "any area or tract of land where 2 or more lots are rented, leased, or held out for rent or lease, to accommodate mobile homes used for human habitation." There are only two remaining mobile home parks located within Santa Monica: (1) the Village Trailer Park that consists of 10 units and is located in the MUC zone district and (2) the Mountain View Mobile Home Park. Mountain View, with an approved capacity of 105 units, is located in the specially zoned "Residential Mobile Home Park District" which was established to preserve and protect existing mobile home parks as developments that offer alternative types of residential units and opportunities for affordable housing with special development standards and processes specific to the zone.

f. Single-Room Occupancy Housing

Single-Room Occupancy (SRO) housing is defined in the City's Zoning Ordinance as "multiple-unit residential buildings containing housing units that may have kitchen and/or bathroom facilities and are guest rooms or efficiency units as defined by the State Health and Safety Code." Additionally, SROs are only permitted to be "occupied by no more than two persons," must be "offered on a monthly rental basis or longer," and are subject to specific standards that

all SROs must abide by as set forth in SMMC Section 9.31.330. These standards include the following:

- *Maximum Occupancy*. Each SRO unit shall be designed to accommodate a maximum of two persons.
- *Minimum Size*. An SRO unit must have at least 150 square feet of floor area, excluding closet and bathroom. No individual unit may exceed 375 square feet.
- *Minimum Width*. An SRO of one room shall not be less than 12 feet in width.
- *Entrances*. All SRO units must be independently accessible from a single main entry, excluding emergency and other service support exits.
- *Bathroom*. An SRO unit is not required to but may contain partial or full bathroom facilities. A partial bathroom facility shall have at least a toilet and sink; a full facility shall have a toilet, sink and bathtub, shower or bathtub/shower combination. If a full bathroom facility is not provided, common bathroom facilities shall be provided in accordance with the California Building Code for congregate residences with at least one full bathroom per floor.
- *Closet*. Each SRO unit shall have a separate closet.
- *Common Area*. Four square feet per living unit shall be provided, excluding janitorial storage, laundry facilities and common hallways. At least 200 square feet in area of interior common space provided as a ground floor entry area that provides a central focus for tenant social interaction and meetings.
- *Tenancy*. Tenancy of SRO units shall be for 30 or more days.
- *Facility Management*. An SRO structure with ten or more units shall provide full-time on-site management. An SRO structure with fewer than ten units shall provide a management office on-site.

SROs are classified by the City's Zoning Ordinance under the multiple-unit dwelling land use classification and are therefore permitted wherever and however multiple-unit structures are allowed; however, it is important to note that since 2019, SROs are only permitted if they are 100% affordable housing projects, elderly and long-term care, emergency shelters, residential facilities, supportive housing, or transitional housing. This change was made in response to a threat of over-proliferation of market-rate SROs that would have been inconsistent with the City's longstanding commitment to providing a range of housing types. This is not a constraint given the wide range of alternatives available. Further, this Housing Element update proposes micro-units near transit provided that they are for moderate-income units.

g. Supportive/Transitional Housing

Consistent with the State Health and Safety Code, the City defines supportive housing as "housing with no limit on length of stay, that is occupied by the target population, and that is linked to on-site or off-site services that assist the supportive housing resident in retaining the housing, improving their health status, and maximizing their ability to live and, when possible,

work in the community." The target population for supportive housing is defined as persons, including persons with disabilities, and families who are homeless or who are homeless youth.

While transitional housing is similar to supportive housing, transitional housing units are meant to be for a limited length of stay and "are operated under a program requiring recirculation to another program recipient at some future point in time." Transitional housing may be designated for homeless or recently homeless individuals or families transitioning to permanent housing, and the classification includes domestic violence shelters. Also, unlike supportive housing, transitional housing has maximum density limitations for beds that is three times the maximum number of dwelling units that would otherwise be permitted and requires a management plan for the facility.

In compliance with Government Code Section 65583, both land uses are considered residential uses and may be provided in either multiple-unit structures or group residential facilities, but transitional housing can also be provided in single-room occupancy structures and single-unit dwellings. Therefore, they are both permitted uses within the City wherever and however single or multiple-unit dwellings are permitted and even in the IC and OC zone districts where most housing is not permitted as demonstrated in Figure E-10. Additionally, pursuant to recent changes in State law (AB 2162), the City must also allow 100% affordable housing projects that include 25%, or 12 units of supportive housing, by right where multiple-unit and mixed-use development are permitted. Santa Monica is already consistent with this requirement because Supportive and Transitional Housing are permitted uses in all multi-unit zones and commercial zones where multi-unit housing is a permitted use.

3. Zoning Regulations and Practices for Persons with Disabilities

The City of Santa Monica recognizes the importance of addressing the housing needs of persons with disabilities. This section reviews potential governmental constraints to the development and improvement of housing for persons with disabilities.

a. Definition of a Family

Local governments may unintentionally restrict access to housing for households failing to qualify as a "family" by the definition specified in a zoning code. Specifically, a restrictive definition of "family" that limits the number of and differentiates between related and unrelated individuals living together may impermissibly limit the development and siting of group homes for persons with disabilities but not housing for families that are similarly sized or situated.

Santa Monica's Zoning Ordinances does not include a definition of "family", nor is family used in any of the City's land use classification titles. Instead, it defines the persons who occupy a housing unit as a "household". A household is defined as follows:

> *"One or more persons living together in a single dwelling unit, with access to and use of all common living and eating areas and all common areas and facilities for the preparation and storage of food and who maintain a single mortgage, lease, or rental agreement for all members of the household."*

This definition of household does not refer to related or unrelated persons who may occupy a housing unit. Therefore, the zoning regulations do not discriminate against unrelated individuals with disabilities who reside together in a congregate or group living arrangement.

b. Definition of Disability

With the adoption of the updated Zoning Ordinance in 2015, Santa Monica incorporated the following definition of "disability" consistent with the Federal Fair Housing Act:

> *"Physical or mental impairment that substantially limits one or more of a person's major life activities or a record of having an impairment, but the term does not include current, illegal use of, or an addiction to, a controlled substance. Current users of illegal controlled substances, persons convicted with illegal manufacture or distribution of a controlled substance, sex offenders, and juvenile offenders are not considered disabled under the Fair Housing Act, by virtue of that status."*

The addition of this definition provides consistency with Federal law and brings clarity to land use classifications within the Zoning Ordinance.

c. Residential Facilities

California State law mandates State-licensed group homes of six or fewer residents must be regulated in the same manner as single-unit dwellings for zoning purposes. The City of Santa Monica's Zoning Ordinance classifies a group home as a "Residential Facility", which is defined as follows:

> *"Facilities that provide permanent living accommodations and 24-hour primarily non-medical care and supervision for persons in need of personal services, supervision, protection, or assistance for sustaining the activities of daily living. Living accommodations are shared living quarters with or without separate kitchen or bathroom facilities for each room or unit. This classification includes facilities that are operated for profit as well as those operated by public or not-for-profit institutions, including group homes for minors, persons with disabilities, people in recovery from alcohol or drug addictions, and hospice facilities."*

Within the Residential Facility classification, the use is divided between five subtypes with the following distinctions:

- *Residential Care, General:* A residential facility licensed by the State of California providing care for more than 6 persons.
- *Residential Care, Limited:* A residential facility licensed by the State of California providing care for 6 or fewer persons.
- *Residential Care, Seniors:* housing arrangement chosen voluntarily by the resident, the resident's guardian, conservator, or other responsible person, where residents are 60 years of age or older and where varying levels of care and supervision are provided as agreed to at the time of admission or determined necessary at subsequent times of reappraisal. This classification includes continuing care retirement communities and life care communities licensed for residential care by the State of California.
- *Hospice, General:* A facility that provides residential living quarters for more than 6 terminally ill persons.
- *Hospice, Limited:* A facility that provides residential living quarters for up to 6 terminally ill persons.

As shown in Figure E-10, Residential Care Limited is permitted in the same zone districts and/or to the same locational standards as single-unit dwellings and in some cases even where single-unit dwellings are not permitted such as in the BTV, MUC, CAC, IC, and OC zone districts. As for Residential Care General, the use is permitted by right in most of the City's mixed-use and commercial zone districts that allow for larger development, but it is only permitted if certain locational standards are met or if the use obtains approval of either a Minor or Conditional Use Permit in the City's multiple-unit residential zone districts. Hospice Limited and Hospice General generally follow the same approval process as their Residential Care counterparts, whereas Residential Care Senior follows the approval process based on the number of residents the facility holds.

As Residential Care Facilities are treated as residential uses, they are subject to the same development standards as any permitted residential use of the same housing type in the district in which they are located. However, Residential Care General is required to be located a minimum distance of 300 feet from any other Residential Facility.

d. Reasonable Accommodation

Both the Federal Fair Housing Act and the California Fair Employment and Housing Act direct local governments to make reasonable accommodations (*i.e.*, modifications or exceptions) in their zoning laws and other land use regulations when such accommodations may be necessary to afford disabled persons an equal opportunity to use and enjoy a dwelling. One of the primary reasons for a reasonable accommodation procedure is to provide a way – other than through a discretionary entitlement – for residents with disabilities to request a

modification from zoning, building, and land use rules, standards, policies, practices, and procedures.

In the 2015 Zoning Ordinance update, Santa Monica adapted reasonable accommodation procedures (SMMC Chapter 9.49) that specify the applicability of eligible applicants and requests, application requirements, reviewing authority and procedures, findings and decisions, appeal process, and the duration limits of the accommodation.

4. Building Codes and Code Compliance

Building codes regulate the construction of dwellings and apply to plumbing, electrical, and mechanical systems. The purpose of building codes and their enforcement is to protect the public from unsafe conditions associated with faulty construction.

a. Building Code Implementations

The City of Santa Monica enforces State building code standards for all structures subject to the Code, including the construction and rehabilitation of housing, and has adopted the 2019 California Building Standards Code (based on the 2018 International Building Code), the 2019 California Green Building Standards Code, and the 2019 California Residential Code. For historic resources, the City allows determinations to be made based on the State Historical Building Code. The State Building Standards Code establishes accessibility requirements in Chapters 11A (Housing Accessibility) and 11B (Accessibility to Public Buildings, Public Accommodations, Commercial Buildings and Publicly Funded Housing). Consistent with the Federal Fair Housing Act, the Code requires all multiple-unit structures with four or more units built after March 13, 1991 to provide accessible routes throughout the property, and "adaptable" dwelling units to allow conversion to a fully accessible unit without significant costs and the need to make significant structural modifications. In multiple-unit structures with an elevator, 100% of the units must meet the accessibility requirements, whereas in buildings without an elevator, all of the ground floor units must be accessible. The Code requires compliance with the following seven basic design and construction requirements for accessible routes and unit adaptability:

1. Accessible building entrance on an accessible route
2. Accessible and usable public and common-use areas
3. Usable doors by a person in a wheelchair
4. Accessible route into and through the dwelling unit
5. Light switches, electrical outlets, thermostats, etc. in accessible locations
6. Reinforced bathroom walls for later installation of grab bars
7. Usable kitchens and bathrooms for persons in a wheelchair

These accessibility requirements pertain to new construction only and not renovations or remodels. However, the Building Code applies a more stringent standard for publicly funded

housing requiring 20% of public funds utilized on renovation, structural repair, alterations, or additions to existing multiple-unit buildings be allocated towards removal of architectural barriers.

Section 504 of the Federal Rehabilitation Act of 1973 adds additional accessibility requirements for projects receiving federal funds such as the HOME Investment Partnership Program (HOME) or Community Development Block Grants (CDBG). In federally assisted new construction or substantially rehabilitated housing with five or more units, 5% of the units, or at least one unit, must be accessible for persons with mobility disabilities. An additional 2% of the dwelling units, or at least one unit, must be accessible for persons with hearing or visual disabilities. These units must be constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) or a standard that is equivalent or stricter. UFAS generally defines an accessible housing unit as a unit located on an accessible route that can be approached, entered, and used by individuals with disabilities.

b. Compliance and Enforcement

Santa Monica's Building and Safety Division ensures compliance with all State building and accessibility requirements as part of the plan check process. During the construction phase, building inspectors conduct site visits to ensure the project adheres to the approved project plans and required accessibility specifications prior to signing off on the final certificate of occupancy (CofO).

Code enforcement can be a potential fair housing concern because code compliance actions may create disproportionate impacts on protected groups such as minority populations. In Santa Monica, however, code enforcement is triggered by complaints, and the City seeks voluntary code compliance through administrative processes that allow for retroactive compliance. In some cases, proactive campaigns are also undertaken when a widespread problem or a specific life/health/safety concern is identified. In conjunction with inspecting and noticing property owners regarding a violation, Code Enforcement personnel inform property owners of assistance provided through the City's various housing rehabilitation programs.

5. On and Off-Site Improvements

While Santa Monica is fully developed with its primary infrastructural systems in place, upgrading these systems is sometimes necessary to accommodate new development. As part of the entitlement and building permit process, the City may require the provision of on-site and off-site improvements necessitated by the development such as improvements to alleys, curbs and gutters, streets, sidewalks and street lights, and utility under- grounding. These on- and off-site improvements are undertaken regularly by developers and are not considered a constraint to development.

6. Development Fees/Assessments

Similar to other cities throughout California, Santa Monica collects various impacts fees, charges, and taxes on new residential development. Charges for such things as entitlement applications or development impact fees are set at rates designed to recover the cost of permit processing and to provide public services to residents as well as to mitigate certain development impacts (e.g., parks and open space and affordable housing). The City annually reassesses its fees to ensure they reflect the actual cost of providing services with most user fees adjusted annually based on the change in the Consumer Price Index (CPI).

The City has been active in meeting State requirements of Government Code Section 65940.1(a)(1)(A) to increase transparency and predictability of fees. All entitlement application and development impact fees, as well as building permit and plan check estimates, are posted on the City's Finance Department website. Figure E-13 and E-14 summarize the City's adopted entitlement application processing fees and potential development impact fees for new housing developments, respectively. The cost of development impact fees is determined by the type of development or uses proposed and the development tier of a project as described above in Section A(1). When a housing development project requires multiple entitlement applications, the City charges 100% of the cost for the highest application fee and 50% of the cost of associated applications filed concurrently or after the initial filing for the project. All application fees and development impact fees are waived for 100% affordable housing projects.

Figure E-13 City Planning Residential Development Application Fees, Fiscal Year 2020-2021

Entitlement Application Type	Total Fee Amount
Administrative Approval: Non-Downtown	$7,990.46
Administrative Approval: Downtown – Non-residential Projects Up to 10,000 SF	$7,990.46
Administrative Approval: Downtown – Housing Projecting up to 75,000 SF	$13,947.51
Architectural Review Board: New Construction	$4,563.52
Coastal Zone (Approval in Concept)	$190.38
Conditional Use Permit	$19,727.12
Deed Restrictions	$887.68
Demolition Permit	$899.64
Development Agreement	$416.01 per hour plus $50,000 initial deposit
Development Review Permit	$28,539.79
Final Subdivision Map	$1,993.13
Major Modification	$5,486.47
Minor Modification	$2,027.74
Minor Use Permit	$8,065.39
Pre-Submittal Review	$3,553.16
Tentative Subdivision Map	$9,001.05
Variance	$15,120.46
Waiver of Zoning Ordinance	$5,486.47
Waiver of Parcel Map	$3,042.71

Most planning and construction fees and taxes are due at building permit issuance, but some fees and charges such as the in-lieu AHPP fee may be paid at the end of the construction process (*e.g.*, Certificate of Occupancy). In limited cases, off-site improvements may be required to mitigate project impacts (*e.g.*, street, utility, or sewer capacity improvements), to repair public facilities damaged during project construction (*e.g.*, sidewalk and curb reconstruction or alley repaving), and to protect the public health, safety and general welfare of city residents, businesses, and visitors.

Figure E-14 Development Impact Fees, Fiscal Year 2020-2021

Transportation Impact Fee					**Parks and Recreation Development Impact Fee**		
Land Use	**Adopted Fee**			**Fee Basis**	**Land Use**	**Adopted Fee**	**Fee Basis**
	Area 1	Area 2	Area 3				
Residential					Residential		
Single Unit	$8,901.19	$9,135.43	$9,135.43	per unit	Single Unit	$8,584.88	per unit
Multi-Unit	$3,045.14	$3,864.99	$3,045.60	per unit	Multi-Unit (Studio/1 BR)	$4,652.20	per unit
Non-Residential					Multi-Unit (2+ BR)	$7,493.22	per unit
Retail	$24.60	$35.25	$35.25	per SF	Non-Residential		
Office	$11.36	$12.65	$12.65	per SF	Office/Creative Office	$2.60	per SF
Medical Office	$32.91	$34.90	$34.90	per SF	Medical Office/Hospital	$1.43	per SF
Hospital	-	$17.22	$17.22	per SF	Retail/Auto Sales	$1.68	per SF
Lodging	$4.21	$4.21	$4.21	per SF	Hotel	$3.50	per SF
Industrial	$1.40	$1.53	$1.53	per SF	Industrial	$1.46	per SF
Auto Sales Display	$1.40	$1.53	$1.53	per SF	-	-	-

Cultural Arts Contribution				**Affordable Housing Commercial Linkage Fee**		
Land Uses	**Onsite**	**In-Lieu**	**Fee Basis**	**Land Uses**	**Adopted Fee**	**Fee Basis**
New Residential/ Commercial	2% of $200	1% of $200	per SF	Office	$12.60	per SF
Commercial Tenant Improvement	2% of $50	1% of $50	per SF	Creative Office	$10.78	per SF
Childcare Linkage Fee				Medical Office	$7.75	per SF
Land Use		Adopted Fee	Fee Basis	Hospital	$6.91	per SF
Residential		$156.54	per unit	Retail	$10.96	per SF
Office		$7.43	per SF	Hotel	$3.45	per SF
Retail		$5.31	per SF	Industrial	$8.47	per SF
Hotel		$3.73	per SF	Institutional	$11.50	per SF

Santa Monica's AHPP allows eligible housing projects of three or fewer units to pay an affordable housing fee in-lieu of providing units on-site or off-site. Calculations resulting in a fractional unit of less than 0.75 can also be met through payment of a unit development cost fee. The unit development cost fee reflects the average cost to the City to develop an affordable housing unit and is adjusted annually based on changes in land and construction costs. Figure E-15 provides the affordable housing in-lieu fee costs.

Figure E-15 Affordable Housing In-Lieu Fee, Effective November 1, 2020

Affordable Housing In-Lieu Fees	
Apartment Developments	$36.49 per sq. ft. of entire project
Condominium Developments	$42.62 per sq. ft. of entire project
Unit Development Cost	$382,795.00

As a means of assessing the total cost that fees contribute to development in Santa Monica, Figure E-16 provides a breakdown of individual and cumulative costs of City permit fees, charges, and taxes applicable to three typical housing development types: (1) a mixed-use development, (2) a three-unit condominium development, and (4) a single-unit dwelling. As Figure E-16 shows, total development fees are approximately $27,155.75 per unit ($23.04 per square foot) for the mixed-use development, $124,588.59 per unit ($64.66 per square foot) for the three-unit condominium development, and $35,870 ($10.63 per square foot) for the single-unit dwelling.

Figure E-16 Development Fees Applicable to Prototypical Residential Development Projects

Fees	Mixed-Use Development	3-Unit Condo Development	Single-Unit Dwelling
Zone	MUBL	R2	R1
Stories	3	2	2
Market Rate	25 units	3 units	1 unit
Affordable	3 units	0 units	N/A
Total Units	28 units	3 units	1 unit
Residential Floor Area	24,000 SF	5,780 SF	3,375 SF
Ground Floor Commercial	9,000 SF Retail	N/A	N/A
Avg. Unit Size	704 SF per Unit	1,926 SF per unit	N/A
Tenure Type	Rental	Ownership	Ownership
# Parking Spaces	49 spaces	6 spaces	2 spaces
Entitlement and Development Impact Fees			
Administrative Approval	$7,990.46	Exempt	Exempt
Subdivision Map	Exempt	$10,994.63	Exempt
Architectural Review Board: New Construction	$4,563.52	$4,563.52	Exempt
CEQA analysis	Exempt	Exempt	Exempt
Aff. Housing In-lieu	Exempt	$246,343.60	Exempt
Aff. Housing Comm. Linkage	$4,393.96	Exempt	Exempt
Parks & Rec.	$146,110.38	$14,986.44	Exempt
Transportation Impact Fee	$115,085.58	$7,729.98	Exempt

Fees	Mixed-Use Development	3-Unit Condo Development	Single-Unit Dwelling
Cultural Arts	$66,000.00	Exempt	Exempt
Childcare Linkage	$52,173.12	$469.62	Exempt
Construction Fees			
Plan Check	$34,353	$11,156	$7,773
Building Permits/ Inspections	$41,581	$10,152	$6,203
Water Meter[1]	$8,429	$8,429	$8,429
Fireline Meter[2]	$84,292	$26,973	$0
Wastewater Capital Facilities	$128,492	$13,767	$ 4,589
Other Requirements and Taxes			
School Facilities Fee	$66,900	$15,201	$8,876
Condo Tax	$0	$3,000	$0
Total Fees and Taxes	$760,361.02	$373,765.79	$35,870
Total Fees/Unit	$27,155.75	$124,588.59	-
Total Fees/ Sq. Ft.	$23.04	$64.66	$10.63
1 Assume 1 inch water meter *2 Assumes 4 inch Fireline meter*			

In 2021, the average cost to construct an apartment unit in Santa Monica is approximately $735,000[1], including construction and land costs. Given that cost, the percentage of cumulative development fees the City imposes on an apartment unit is approximately 3.7% of the construction cost. Additionally, using the mixed-use development prototype above, the cost City fees contribute to an 100% affordable housing project is approximately $364,047 (mixed-use development total minus all entitlement and development impact fees) or $13,001.68 per unit. As of November 2020, with the average cost for the City to develop an affordable housing unit at $382,795.00, it can be assumed that applicable City fees amount to approximately 3.4% of the cost to construct an affordable unit.

As detailed in Section E of Appendix B, the average cost of a condominium and single-unit dwelling in 2019 within Santa Monica was $915,000 and $3,966,251, respectively. Given those costs, the percentage of cumulative development fees the City imposes is approximately 13.6% of the average condominium sales price and approximately 0.9% of the average single-unit dwelling sales price. It should be noted that the main reason City fees are a high percentage of the construction cost for the three-unit condominium prototype is because a $246,343 affordable housing in-lieu fee was applied. This fee could be avoided if a developer provided an affordable unit on-site, which would lower the total fee amount to $127,422.79 or 4.6% of the sales price.

Given the percentages that City fees represent of average construction and sales prices, combined with the fact that the volume of new housing construction in the last housing cycle exceeds the City's regional housing need, it can reasonably be concluded that the City's permit fees and other development charges and taxes do not impose an undue constraint on the production of new housing.

[1] From investigation of total development cost for market-rate housing by HR&A in 2021

7. Entitlement and Permit Processing

Housing development in Santa Monica is subject to varying ministerial and discretionary processes depending on such parameters as size, development tier, and land use. Below is a description of typical processes, thresholds, requirements, and timeframes housing projects may encounter.

a. Processes and Thresholds

New housing development within Santa Monica are reviewed through one of three processes based on size, use, and location thresholds – Building Permit review, Administrative Approvals, or Development Review Permits. In August 2020, an Interim Zoning Ordinance (IZO) was adopted that temporarily revised the processing thresholds for most housing projects. The intent behind the IZO was to streamline and incentivize housing projects, especially those that are subject to the Housing Accountability Act (HAA), by making projects that were once discretionary now ministerial. Housing Element Program 1A proposes to make these interim process thresholds permanent.

Figure E-17 and E-18 summarize the IZO thresholds and typical processes for housing projects within the City, respectively. With these IZO thresholds, most housing projects largely fall into a ministerial process which alleviates the processing time barriers that provide constraints for housing production in Santa Monica.

Figure E-17 Entitlement Application Thresholds

Review Process	Entitlement	Development Thresholds
Ministerial	Building Permit Review Only	• Projects in residential zone districts • Single-Unit Dwellings
	Administrative Approval	• Projects more than 1,000 sq. ft. in nonresidential zone districts • All 100% affordable housing projects • Any project that meets the definition of "housing development project" under the HAA, up to Tier 2 maximum limits and meets all objective standards*
Discretionary	Development Review Permit	Projects that exceed: • Tier 2 maximum limits in the DCP and BAP • Tier 1 maximum limits for projects that do not meet the definition of "housing development project" under the HAA or do not meet all objective standards* • 10,000 sq. ft of floor area located in Residential Zone Districts • 7,500 sq. ft. of floor area in the NC and OF Zone Districts • 15,000 sq. ft. of floor area located in Nonresidential Zone Districts (Not including NC and OF) • 30,000 sq. ft. of floor area in projects containing no more than 15% commercial floor area located in Nonresidential Zone Districts (Not including NC and OF) • 7,500 sq. ft. feet of floor area located in the Pico Neighborhood Area
** The Housing Accountability Act defines a "housing development project" as a project that is either (1) residential units only, (2) a mixed-use development consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use, or (3) transitional or supportive housing.*		

Figure E-18 Housing Development Project Processes

Step in Entitlement Process	Building Permit Review Only	Administrative Approval	Development Review Permit
Application Submittal	X	X	X
ARB Preliminary Review		X (*Downtown only*)	X
Staff Administrative Review and Approval		X	
Planning Commission Review and Approval			X
ARB Formal Review and Approval	X	X	X
Plan Check / Building Permit Approval	X	X	X

b. Ministerial Approvals

Housing projects that require either an Administrative Approval or only a building permit are processed ministerially for conformance with objective development standards with no discretion exercised by the Community Development Director, Planning Commission, or City Council, although certain projects are required to receive design review approval by the Architectural Review Board (ARB) [see Section 7(d) below]. Below is a description of these processes.

i. Administrative Approvals

The Administrative Approval (AA) entitlement is intended to allow for the approval of projects which conform to the standards established for the applicable zone district in which the project is located and do not require discretionary review or approval by the Director, Planning Commission, or City Council. AAs provide for an administrative review and assessment of the proposed development project in light of explicit standards which have been designed to ensure that the completed project will be in harmony with existing or potential development in the surrounding area consistent with the goals, objectives, and policies of the LUCE.

Generally, the AA process consists of the following steps:

1. Application submittal
2. ARB preliminary review for Downtown projects only
3. Staff review and approval
4. ARB review and approval
5. Plan Check/Building Permit approval

For an AA to be issued, only approval from the City Planning, Mobility, and Resource Recovery and Recycling Divisions are required, and the following findings must be made in the affirmative:

1. The proposed development conforms precisely to the development standards for the area and the Santa Monica Municipal Code and General Plan.
2. The proposed development does not require discretionary review or approval as outlined in the Municipal Code.

The typical processing time for an AA is approximately three months, not including building permit or ARB review and approval. This timeframe coupled with the lack of discretionary review does not present a constraint on housing development projects. The lack of discretionary review also means that AA projects cannot be appealed.

ii. Building Permit Only Projects

Projects that only require building permit approval consist of single-unit and multiple-unit dwellings in residential districts. However, ARB review is required for all multiple-unit structures and in limited cases, for single-unit dwellings. Building permit review time varies based on project type, but due to the lack of discretionary approval these projects are not constrained by the building permit process. Building permit projects also cannot be appealed.

c. Discretionary Approval

Housing developments that fall within the discretionary category for processing are required to obtain approval of a Development Review Permit (DRP). Below is a description of the DRP process and requirements.

i. Development Review Permit

A DRP is intended to allow for the construction of certain projects provided that the building design, siting, and use are compatible with the site and neighborhood, and the project does not result in an adverse impact on the surrounding area. DRPs are reviewed and approved by the Planning Commission, and as part of the review, consideration is given to the location, size, massing, and placement of structures on a site as well as to the location of proposed uses within a project. A DRP review also consists of an evaluation of a project's compliance with the development standards of the Zoning Ordinance, and approval of a DRP takes into account the potential impacts of a project, as evaluated under the aforementioned aspects of review, and weighs it against the public need for benefits derived from the project.

Generally, the DRP process consists of the following steps, subject to compliance with SB 330 limitations on number of hearings:

1. Application submittal
2. ARB preliminary review
3. Planning Commission review and approval
4. ARB review and approval
5. Plan check/Building permit approval

A DRP will only be granted if the Planning Commission determines that the following findings of fact can be made in support of the project as submitted or modified. The inability to make one of the following required findings is grounds for denial of an application.

1. The physical location, size, massing, setbacks, pedestrian orientation, and placement of proposed structures on the site and the location of proposed uses within the project are consistent with applicable standards and are both compatible and relate harmoniously to surrounding sites and neighborhoods;
2. The rights-of-way can accommodate autos, bicycles, pedestrians, and multi-modal transportation methods, including adequate parking and access;
3. The health and safety services (police, fire etc.) and public infrastructure (e.g., utilities) are sufficient to accommodate the new development;
4. The project is generally consistent with the Municipal Code, General Plan, and any applicable Specific Plan;
5. Based on environmental review, the proposed project has no potentially significant environmental impacts or any potentially significant environmental impacts have been reduced to less than significant levels because of mitigation measures incorporated in the project or a Statement of Overriding Considerations has been adopted;
6. The project promotes the general welfare of the community;
7. The project has no unacceptable adverse effects on public health or safety; and
8. The project provides Community Benefits consistent with SMMC Chapter 9.23.

In granting a DRP, the Planning Commission (or the City Council if appealed) must make findings that the use and development of the property conform with a site plan, architectural drawings, or statements submitted in support of the application, or in such modifications thereof, as may be deemed necessary to protect the public health, safety, and general welfare and secure the objectives of the LUCE and the Zoning Ordinance. They may also impose any other conditions as deemed necessary to achieve these purposes and to support the findings for approval.

The typical time to process a DRP takes between six to nine months not including building permit or ARB review and approval. Given the discretionary process of DRPs, the lack of predictably and timing can be a constraint on housing production. Additionally, DRP approvals can also be appealed which results in a project having an additional public hearing before a higher decision-making body (City Council) adding more time and uncertainty to the overall process. However, with the IZO thresholds in place and the intent to make them permanent through Housing Element Program 1A, discretionary permits for housing projects are only required in limited circumstances.

d. Architectural Review Board

The Architectural Review Board's (ARB) role in the development of housing is to preserve existing areas of natural beauty and cultural importance, and to assure that buildings, structures, signs, or other developments are in good taste, good design, harmonious with surrounding developments and in general contribute to the preservation of Santa Monica's

reputation as a place of beauty, spaciousness, and quality. The ARB's purview relative to housing production is over all new multiple-unit and mixed-use developments within the City and only single-unit dwellings if they are located on sloped parcels.

For housing projects in residential zone districts that only require a building permit or for housing developments that only require an AA, the ARB's review and approval happens either before the building permit process or after the AA is approved. When it comes to housing development projects that require DRPs, in addition to the formal ARB review and approval after the entitlement is approved, a preliminary review takes place prior to the discretionary public hearing in order to provide initial design feedback that can be considered by the Planning Commission. This preliminary review also serves to provide the project applicant feedback on their design as the project advances through the entitlement process.

The ARB may approve, approve with conditions, or disapprove a project subject to the following findings:

1. The plan for the proposed building or structure is expressive of good taste, good design, and in general contributes to the image of Santa Monica as a place of beauty, creativity, and individuality.
2. The proposed building or structure is not of inferior quality such as to cause the nature of the local neighborhood or environment to materially depreciate in appearance and value.
3. The proposed design of the building or structure is compatible with developments on land in the general area.
4. The proposed development conforms to the effective guidelines and standards adopted pursuant to Chapter 9.55 – *Architectural Review Board*, and all other applicable ordinances insofar as the location and appearance of the buildings and structures are involved.

Projects that are subject to ARB review are typically approved on the first or second round of review which can take approximately six weeks to three months. While good design is a priority to the City, the ARB process can add a constraint on housing projects as it adds either a discretionary process to otherwise ministerial projects or another level or review to projects that are already going through one discretionary process. Additionally, ARB approvals can also be appealed which results in a project having to go to an additional public hearing at a higher decision-making body (Planning Commission) adding more time and uncertainty to the overall process. However, to help remove barriers to some housing projects, the City has made recent revisions to staff-level ARB review and approval thresholds. Projects such as exterior remodels and the addition of new housing units in the rear of the parcel can now be reviewed and approved by staff. Additionally, Housing Element Program 1B stipulates adoption of additional streamlining efforts to expedite ARB review for housing projects. The expansions to the staff-level approvals and process streamlining will help remove constraints to some housing development projects within the City.

e. Use Permits and Other Processes

Additional processes are described below that some residential land use types may need to adhere to.

i. Conditional and Minor Use Permits

As shown in Figure E-9, some types of residential land uses require approval of a Conditional (CUP) or Minor User Permit (MUP). These use permits and the processes they require are to help ensure that the uses being proposed are consistent with the purposes of the zone district in which they are located and that special consideration is given to the design, location, and operation of the use in a manner that will not interfere with the use and enjoyment of surrounding properties.

Both use permits are required to be reviewed by a decision-making body (Planning Commission for a CUP and the Community Development Director for a MUP) and can only be granted if the following findings can be made in the affirmative:

1. The proposed use is conditionally allowed within the applicable Zoning District and complies with all other applicable provisions of the Zoning Ordinance and all other titles of the Municipal Code.
2. The proposed use is consistent with the General Plan and any applicable specific plan.
3. The subject parcel is physically suitable for the type of land use being proposed.
4. The proposed use is compatible with any of the land uses presently on the subject parcel if the land uses are to remain.
5. The proposed use is compatible with existing and permissible land uses within the District and the general area in which the proposed use is to be located which may include but not be limited to size, intensity, hours of operation, number of employees, or the nature of the operation.
6. The physical location or placement of the use on the site is compatible with and relates harmoniously to the surrounding neighborhood.
7. Based on environmental review, the proposed project has no potentially significant environmental impacts or any potentially significant environmental impacts have been reduced to less than significant levels because of mitigation measures incorporated in the project or a Statement of Overriding Considerations has been adopted.
8. The proposed use and related project features would not be detrimental to the public interest, health, safety, convenience, or general welfare.

In granting a CUP or MUP, the decision-making body shall require that the use and development of the property conform with a site plan, architectural drawings, or statements submitted in support of the application, or in such modifications thereof, as may be deemed necessary to

protect the public health, safety, and general welfare and secure the objectives of the General Plan and the Zoning Ordinance. The decision-making body may also impose any other conditions as may be deemed necessary to achieve these purposes and to support the findings of approval.

Typically, a CUP or MUP is processed concurrently with other associated entitlements that are being proposed but on their own can take approximately three months to process. However, use permit approvals can be appealed which results in a project having to go to an additional public hearing at a higher decision-making body (City Council for CUP appeals and Planning Commission for MUP appeals) adding more time and uncertainty to the overall process. These timeframes can add a constraint on certain types of housing that require a use permit, but as shown in Figure E-9, the vast majority of residential land uses are permitted by right and therefore, would not be required to go through any of these processes.

ii. Subdivision Maps

For some housing projects, such as condominiums or mixed-use developments that have commercial and residential components, developers may choose to subdivide the airspace rights of individual units or uses. For example, this typically happens when a housing developer wants to develop for-sale housing units. Additionally, a developer may also choose to process a subdivision map in order to vest current development standards at time of application.

The process is conducted in two steps: a Tentative Map that is approved by the Planning Commission and a Final Map that is approved by City Council. The Tentative Map may be denied by the Planning Commission on any of the grounds provided by City ordinances or the California Subdivision Map Act. The Planning Commission may deny approval of the Tentative Map if it makes any of the following findings:

1. The proposed map is not consistent with applicable general and specific plans as specified in Government Code Section 65451.
2. The design or improvement of the proposed subdivision is not consistent with applicable general and specific plans.
3. The site is not physically suitable for the type of development.
4. The site is not physically suitable for the proposed density of development.
5. The design of the subdivision or the proposed improvements are likely to cause substantial environmental damage or substantially and avoidably injure fish or wildlife or their habitat.
6. The design of the subdivision or the type of improvement is likely to cause serious public health problems.
7. The design of the subdivision or the type of improvements will conflict with easements, acquired by the public at large, for access through or use of, property within the proposed subdivision. In this connection, the governing body may approve a map if it finds that alternate easements for access or for use will be provided, and that these will

be substantially equivalent to ones previous acquired by the public. This subsection shall apply only to easements of record or to easements established by judgment of a court of competent jurisdiction and no authority is hereby granted to a legislative body to determine that the public at large has acquired easements for access through or use of property within the proposed subdivision.

8. The proposed subdivision is inconsistent with any ordinance or law of the City of Santa Monica.

The subdivision process can add a time constraint on a housing project, but a subdivision map is only a requirement if the developer is selecting to develop for-sale units, wants to divide the uses within a building for financing reasons, or wants to vest development standards.. While the processing time for a subdivision map is approximately 50 days, the approval can also be appealed which results in a project having to go to an additional public hearing at a higher decision-making body (City Council). This possibility adds more time and uncertainty to the overall process. However, the requirements of the Subdivision Map Act cannot be waived or amended by local ordinance when a subdivision of airspace or land is a part of the proposed project.

f. State Law

Existing and new State laws have an impact on housing developments and how they are processed. Below is a description of three pertinent laws.

i. Senate Bill 330

Senate Bill (SB) 330, "The Housing Crisis Act of 2019", established a statewide housing emergency to be in effect until January 1, 2025 ("housing emergency period"). During the housing emergency period, the City of Santa Monica, as an urban area, is generally prohibited from enacting any development policy, standard, or condition that would have the effect of the following:

1. Changing the land use designation or zoning to a less intensive use or reducing the intensity of land use within an existing zoning district below what was allowed on January 1, 2018;
2. Imposing or enforcing a moratorium on housing development;
3. Imposing or enforcing new non-objective design standards established on or after January 1, 2020; or
4. Establishing or implementing certain limits on the number of permits issued for housing development projects or the population of Santa Monica.

SB 330 also limits the demolition of existing housing units in conjunction with a housing development project (two or more units) unless replacement units are provided and only allows the demolition of affordable, rent-controlled, or other protected units if certain tenant protections are met.

Additionally, new specific requirements and limitations on development application procedures have been established by SB 330. Housing developers may now submit a "preliminary application" for a housing development project that requires a specified subset of information prior to providing a formal application. Submittal of the preliminary application secures the applicable development standards and fees adopted at that time. The project is considered vested unless the project changes substantially or no formal entitlement application is filed within 180 days. SB 330 also limits the processing time of housing development projects to 60 or 90 days depending on environmental review requirements and limits the number of public hearings to no more than five including Planning Commission, Architectural Review Board, and City Council. To facilitate this process, Santa Monica has developed a preliminary application form consistent with SB 330.

ii. Senate Bill 35

Senate Bill (SB) 35, passed in 2017, requires jurisdictions that have not approved enough housing projects to meet their Regional Housing Needs Allocation (RHNA) to provide a streamlined, ministerial entitlement process for housing developments that incorporate affordable housing. Pursuant to SB 35, if a jurisdiction has not approved enough market rate or affordable housing units to meet its RHNA, review and approval of proposed projects with at least 10% affordability or 50% affordability must be based on objective standards and cannot be based on subjective design guidelines, respectively. However, to be eligible, projects must also meet a long list of other criteria including prevailing wage requirements for projects over 11 units. In order for applicants to take advantage of SB 35, per Government Code Section 65913.4 (10)(b)(1)(a)(et seq.), they need to submit a Notice of Intent, and jurisdictions need to give Native American tribes an opportunity for consultation.

The City is currently not subject to SB 35 under the 5th Cycle Housing Element reporting period (2013-2021) because the City meet its RHNA targets. Nevertheless, the City will be undertaking the development of objective design standards should the City become subject to SB 35 in the coming 6th Cycle Housing Element reporting period (2021-2029). It should also be noted that the City has enacted an interim ministerial approval process for nearly all housing projects that meet objective standards of the Zoning Ordinance, and Housing Element Program 1A proposes to make those interim process thresholds permanent.

iii. Housing Accountability Act

The Housing Accountability Act (Government Code Section 65589.5) (HAA) is a State law that restricts the City's ability to deny, reduce the density of, or make infeasible any housing development project that complies with objective general plan, zoning, and subdivision standards and criteria (collectively, "Objective Standards") in effect at the time that the housing development's application is determined to be complete. The HAA has been in effect since 1982 and has undergone several amendments to further reinforce the state legislature's intent to increase the supply of residential housing stock. The most recent amendments went into effect on September 25, 2020.

In essence, the HAA precludes the City from denying or imposing any conditions upon any housing project (including residential units only or mixed-use projects with at least two-thirds of square footage designated for residential use) unless specific findings are made. However, the HAA does not preclude the City from exercising its discretion and imposing design conditions as part of its review as long as any such conditions does not have the effect of reducing the number of residential units and/or the residential density of this mixed-use project. The City reviews all housing development projects that meet objective LUCE, zoning, and subdivision standards and criteria in accordance with the limitations set forth in the HAA.

As discussed above, the City expanded its ministerial processing thresholds for housing development projects to now include all Tier 2 projects that meet the definition of "housing development project" under the HAA. This expansion was to not only acknowledge that the HAA limits the ability to deny housing development projects but also was a way to further streamline the vast majority of new housing projects in the City.

8. Local Measures, Propositions, Rent Control Law, and Ordinances

The following section focuses on key policies in Santa Monica which serve to promote the production and preservation of housing for all residents, many of which have been in place during prior Housing Elements cycle. As evidenced by the robust housing development the City has seen in recent years, these policies are not impeding housing production and should not prevent the City from achieving its quantitative housing goals.

a. Santa Monica City Charter Section 615

Santa Monica Charter Section 615 sets forth processes for adoption of ordinances by the City Council. On November 6, 2018, Santa Monica voters approved Measure SM, which amended Charter Section 615 to require five affirmative votes of the City Council in order to adopt or approve an amendment to either the LUCE or the DCP that would increase any maximum height limit or floor area ratio. All members of the City Council that are eligible to vote must be present to vote on an adoption or an amendment to increase height or floor area ratio pursuant to Measure SM. Measure SM includes express exemptions for 100% affordable housing projects and development on property owned by the Santa Monica-Malibu Unified School District or

successor school district in the City. The provisions of Measure SM are set to expire on November 6, 2028.

The City Council has not considered any adoptions or amendments to the LUCE or DCP that would be subject to the provisions of Measure SM since it was adopted in November 2018. Program 4.B proposes to revise the City's development standards to incentivize housing projects over commercial development which will likely result in proposed increases in height or floor area ratio subject to the requirements of Measure SM. However, because the amendments to Charter Section 615 enacted by Measure SM expressly exempt 100% affordable housing projects, the provisions of Measure SM will not serve as a constraint on the development of 100% affordable housing projects.

b. Rent Control

Santa Monica Rent Control was adopted by the voters in April 1979 in response to a shortage of housing units, low vacancy rates, and rapidly rising rents. The law was intended to alleviate the housing shortage and to ensure that owners received no more than a fair return. Regulations were adopted by the Rent Control Board to implement and enforce the Rent Control Law. Changes to the City Charter can only be made by the voters, whereas changes to the implementing Regulations are made by the Board.

The City's Rent Control Law does the following:

- Controls the amount that may be charged for a rental unit during a tenancy and provides remedies for the collection of excess rent.
- Determines the amenities and services that are included as part of the rent and provides remedies for removal or reduction of those amenities.
- Limits the reasons why tenants may be evicted.
- Limits removal of controlled units from rental market.

The following units are covered under the Law:

- Most residential rental buildings in the City constructed prior to April 10, 1979 and certain units constructed after that date (e.g., those on properties on which a rent-controlled building stood within the last five years) are covered by Rent Control.
- In addition to apartment buildings, Rent Control also applies to some single-unit dwellings and condominiums used as rentals.
- Duplexes and triplexes where one unit is occupied by the owner are eligible for an exemption from rent control.

The services of the Rent Control Agency are financed by a per unit annual registration fee charged to owners of controlled rental units. Owners who are in compliance with the law may pass through half of the fee to the tenant(s) on a monthly basis. The Rent Control Board provides

waivers of Rent Control registration fees to units occupied by their owners, subsidized by HUD (Section 8 or HOME program), or occupied by low-income tenants who are at least 62 years old or who are disabled. There are also fee waivers for condominiums and single-unit dwellings on which rent restrictions have been lifted pursuant to the Costa-Hawkins' Rental Housing Act and in mobile home parks forunits where tenants have signed long-term leases.

i. Vacancy Decontrol

The Costa-Hawkins Rental Housing Act, passed by the State Legislature in 1995, has had a significant impact on local rent affordability. Under this State law, a unit's rent is decontrolled at the end of a tenancy. The owner can set a new rent for the next tenancy which is then recontrolled using the new rent as the base leading some to characterize Costa- Hawkins as a system of "vacancy decontrol-recontrol." The following highlights some of the major effects Costa Hawkins's has had on the Santa Monica rental market during its 22 years of implementation (1999- 2020)[2]:

- Since the passage of Costa-Hawkins, nearly 20,000 controlled units have received vacancy increases, representing 73% of the City's total rent-controlled housing stock. Market-rate rents are on average roughly double that of long- term controlled rents.
- Median rents for decontrolled-recontrolled apartments have gone up by well over 200% between 1999-2020
- 84% of Santa Monica's rental units that have now been re-rented at least once were affordable to low income households (<80% AMI) prior to Costa Hawkins with 73% of the rental stock decontrolled-recontrolled as of 2020 due to tenant turnover. Even moderate-income households (<120% AMI) are challenged to afford the majority of rental housing in the community.

The impact of this increase in rents on lower income households is significant. For example, many young people earning entry-level pay will be unable toafford to live in Santa Monica, and those living on fixed incomes—principally seniors and the disabled—will likely be unable to continue to live here if they lose their long-term rent-controlled housing.

As passed by Santa Monica voters, the Rent Control Law provides Just Cause Eviction protections to help protect existing tenants in rent-controlled housing from unfair evictions. The voters expanded these protections in 2010 through Measure RR to most residential tenants regardless of rent control status. The City Council has also enacted Tenant Anti-Harassment laws to protect all renters in the city.

[2] Santa Monica Rent Control Board, 2020 AnnualReport, March 2021

ii. Just Cause Eviction

Santa Monica's Rent Control Law establishes "Just Cause Eviction" provisions and defines procedures that a property owner must follow to lawfully evict a tenant. These local provisions are in addition to State regulations on landlord and tenant rights and responsibilities. The Rent Control Law identifies the following permissible grounds for eviction:

- Fault-Based Evictions
  - Nonpayment of rent
  - Materially and substantially breaching the lease
  - Causing or permitting a substantial nuisance or damage to the unit
  - Being convicted of using the unit for an illegal purpose
  - Refusing to renew or extend the lease on the same terms as the original lease when lawfully asked to do so by the landlord
  - Refusing to grant the landlord reasonable access to the unit to make necessary or agreed-upon repairs or improvements, or show the property for sale
  - Subletting in violation of the lease

- No Fault Evictions
  - The landlord seeks possession of a unit in good faith for use and occupancy by herself or himself, or her or his children, parents, grandparents, brother, sister, father-in-law, mother-in-law, son-in-law, or daughter-in-law
  - The landlord seeks to recover possession to demolish or otherwise remove the controlled rental unit from rental residential housing use after having obtained all proper permits from the City of Santa Monica.
  - The landlord seeks to recover possession of the unit to remove the rental unit permanently from rental housing use pursuant to the Ellis Act enacted by the State Legislature.

In November 2010, Santa Monica voters passed Measure RR amending the City Charter to further strengthen tenant protections against eviction in the following three ways:

- Extending "just cause" eviction protections to all tenants in multi-unit apartment buildings that are permanently exempt from rent control, as well as two- and three-unit owner-occupied properties, and newly constructed rental units.
- Requiring owners to give tenants a reasonable opportunity to correct an alleged lease violation, nuisance activity, or failure to provide lawful access before serving a three-day notice to perform or quit.
- Forbidding owners to evict for owner occupancy any tenant who has occupied a rental unit for at least five years and is 62 or older, disabled, or terminally ill, unless the owner (or qualified relative intending to occupy the unit) meets at least one of these same criteria.

The strengthened eviction protections under MeasureRR have had a noticeable impact. From 2005 to 2010, the Rent Control Board received on average copies of 109 eviction notices per year for reasons other than non-payment of rent. By comparison, the Board received on average 85 notices annually after Measure RR took effect (excluding 2020 when eviction moratoria related to the COVID-19 pandemic reduced the number to just 31).

iii. Tenant Harassment Protections

In 2002, the CityCouncil adopted a Tenant Harassment Ordinance to protect tenants in rent-controlled units from landlords'conduct in derogation of tenants' rights. The ordinance prohibits the following acts by landlords if they are done with the intent to harass:

- Taking away services provided for in the lease (such as parking or laundry)
- Failure to perform repairs and maintenance required by law
- Entering the apartment without proper notice
- Using lies or intimidation intended to make a tenant move out
- Giving a "3-day notice" or other eviction notice that is based on false charges where the landlord does not intend to take the case to court
- Threatening the tenant, by word or gesture, with physical harm
- Intentionally disturbing a tenant's peace and quiet
- Interfering with a tenant's right to privacy
- Refusing to acknowledge receipt of a tenant's rent payment without justification
- Violating any law which prohibits discrimination based on race, gender, sexual preference, sexual orientation, ethnic background, nationality, religion, age, parenthood, marriage, pregnancy, disability, Acquired immunodeficiency syndrome (AIDS), or occupancy by a minor child

In December 2011, the City Council extended these tenant harassment protections to all tenants covered by just cause eviction rules. Tenant harassment complaints are referred to the City Attorney's Office forinvestigation and enforcement of the law. As a neutral enforcer of the law, the City cannot represent tenants directly and refers tenants requiring representation to Legal Aid (located near City Hall) and the Santa Monica Bar Association.

iv. Relocation Assistance

Under the City's Municipal Code, a property owner is required to pay relocation assistance to a tenant when terminating a tenancy for any of the following reasons:

- The owner seeks to withdraw all rental units from the rental market as provided for under the Ellis Act
- The owner seeks to recover possession of a rental housing unit for use by the owner or

family member

- The landlord seeks to demolish or otherwise withdraw a rental housing unit from residential rental housing use, including units that were illegally converted to residential use, after having obtained the proper permits from the City

Santa Monica had not increased its permanent relocation benefit amounts (other than cost of living increases) since 2007, during which time rent levels in the city had increased and vacancies had decreased. In December 2011, the City Council adopted increased relocation fees. In addition, the City established augmented relocation amounts to households with seniors, disabled persons, and children because these households are particularly vulnerable. It increased the assistance amounts again effective February 2019 to mitigate the financial impacts of involuntary displacement and to keep pace with living costs. Figure E-19 presents the City's adopted relocation amounts effective July 1, 2020. The fees are adjusted each July to reflect increases in the cost of living.

Figure E-19 Residential Relocation Fee Amounts, Fiscal Year 2020/2021

Unit Size	Fee Amount	Augmented Fee Amount*
Single or Studio	$16,500	$17,200
One bedroom	$22,700	$24,250
Two or more bedrooms	$31,550	$33,650

Source: City of Santa Monica, Ordinance #2383
**Eligible households include those with a senior citizen, occupant with a disability, or an occupant with whom a minor child resides.*

v. Rent Control Dispute Resolution

The Rent Control Law provides processes for filing of petitions, complaints, and applications to resolve disputes between landlords and tenants.

- Excess rent complaints are reviewed by staff, and the owner is given a chance to resolve the complaint. Complaints which are unable to be resolved administratively are referred to the Hearings Division for mediation and/or hearing.
- Owner-occupied exemption applications are reviewed by staff and granted or denied by the Rent Control Board. If staff review indicates an exemption may be recommended to be denied, or if a tenant challenges the granting of an exemption, it is referred to the Hearings Division for an evidentiary hearing and for preparation of a recommendation to the Board.
- The Hearings Division provides mediation services as part of the decrease and excess rent processes, as well as for issues involving lack of maintenance, loss of housing services, and unreasonable construction impacts. Mediators have been very successful in settling a large percentage of these cases.

The City has found that mediation may be particularly useful when a building is purchased. For example, new owners may want to fix up the building and make improvements in the common areas yet may be unaware of how the Rent Control Law affects those changes such as proper notice being required before entering the tenants' units or the tenants being entitled to certain amenities. The tenants maybe concerned about changes to their home and disruptions to the longstanding practices or "culture" of a building and may not know how to communicatetheir concerns effectively. Mediation is often appropriate and helpful in this type of situation.

c. State of California, Article 34

Article 34 of the State Constitution requires local jurisdictions to obtain voter approval for specified "low rent" housing projects that involve certain types of public agency participation. Generally, a project is subject to Article 34 if more than 49% of its units will be rented to low-income persons. If a project is subject to Article 34, it will require an approval from the local electorate. This can constrain the production of affordable housing since the process to seek ballot approval for affordable housing projects can be costly and time consuming with no guarantee of success. Local jurisdictions typically place a measure or referendum on the local ballot that seeks "general authority" to develop a certain number of low-income units during a given period of time. If the electorate approves general parameters for certain types of affordable housing development, the local jurisdiction will be able to move more quickly in response to housing opportunities that fall within those parameters.

In compliance with this article, the City of Santa Monica put a referendum (Proposition N) before the voters in 1978 in order to win approval to "develop, finance, or rehabilitate, but not own or operate within the city, housing for rental to low- and moderate-income persons, no less than 50% of which shall be reserved for persons age 60 or older, not to exceed in total throughout the city, 1% of the dwelling units in the city." On November 3, 1998, Santa Monica's voters approved Proposition I, which provides the City with an annual authorization to develop, construct, acquire, and finance low- income housing units including senior housing. The City's annual authorization is equal to 1/2 of 1% of the total dwelling units existing in the city at the end of the prior fiscal year. Any portion of an annual authorization that is not used may be carried over into future for up to three additional years.

To date, the City has never exceeded any annual Proposition I low-rent housing production limits. The Suitable Sites Inventory includes a number of City-owned sites that are considered to have the highest potential to accommodate the production of affordable housing. Program 2E proposes to explore means of maximizing housing potential on these sites subject to a public process. The City estimated the realistic capacity of these sites with consideration to existing constraints (such as lease terms, financial feasibility, etc.). Based on this estimate and applying a density factor of 150 units/acre, the City estimates that these City-owned sites have the potential for accommodating for 1,693 units.

Due to the high cost of construction in Santa Monica, the City's financial assistance to an affordable housing developer consisting solely of land conveyance is not likely sufficient to

construct a 100% affordable housing project without additional sources of government funding (typically federal tax credits) which are typically awarded on a competitive basis. In theory, however, if sufficient funding were available to construct all 1,693 units on City-owned property, the Proposition I limitation on the annual cap of affordable dwelling units that could be produced with each conveyance would need to be considered. This would require coordination to ensure that the conveyances of City-owned property are staggered to fall below the Proposition I limits or, alternatively, the City Council could place a measure on the ballot to increase the cap. However, based upon the current "cushion" of Proposition I authority (due to affordable housing development below the annual Proposition I thresholds in the last three fiscal years) and assuming that government funding remains constrained at historical levels, it does not appear realistic to assume that Article 34/Proposition I would be a likely constraint on affordable housing development for City-owned sites during the 6th Cycle of the City's proposed Housing Element.

d. Home Sharing (Short-Term Rental) Ordinance

In response to the increase in vacation rentals due to the popularity of Airbnb and other online platforms, the City desired to reaffirm its long-standing prohibition of vacation rentals in Santa Monica while allowing individuals to be able to rent a spare room in their homes for periods of thirty days or less ("home-sharing"). Therefore, on May 12th, 2015, the City adopted the "Home-Sharing Ordinance" adding Chapter 6.20 to the SMMC to expressly adopt and confirm its longstanding prohibition against short-term vacation rentals and establish regulations for home-sharing. This law became effective on June 12th, 2015, and was subsequently amended by ordinances adopted on January 24, 2017, June 27, 2017, and September 24, 2019. The Home-Sharing Ordinance allows eligible residents (owners and long-term residents) to apply for a home-sharing permit and business license so that they can home-share their primary residence. In addition, the September 24, 2019 amendments to the ordinance contain listing and advertising requirements, restrictions on the number of group bookings, occupancy and visitor vehicle limitations, and other prohibitions. These amendments took effect on October 24, 2019 and apply to all home-shares including those operating under business licenses obtained prior to the effective date of the ordinance.

The Home-Sharing Ordinance provides for regulations of two types of Short-Term Rentals:

- "Home-Sharing" – The rental of 30 consecutive days or less of one or more bedrooms in the home that is the primary residence of the host while the host lives on-site in the home throughout the visitor's stay. The Home-Sharing Ordinance authorizes home-sharing.
- "Vacation Rental" – A vacation rental is the rental of 30 consecutive days or less of a home, in whole or in part, for exclusive transient use. The visitor enjoys the exclusive private use of the unit. The Home-Sharing Ordinance restates and clarifies the City's longstanding prohibition against Vacation Rentals.

The City's Home-Sharing Ordinance does not present a constraint on the production or preservation of housing.

e. Residential Leasing Requirements Ordinance

To protect the City's rental housing stock for use as long-term permanent housing, the City enacted a Residential Leasing Requirement Ordinance on September 8, 2020. The ordinance established the following new leasing requirements which apply to all rental housing units in Santa Monica:

- Units must be rented only to natural persons
- Units must be rented only to tenants intending the unit to be their primary residence
- Units must be rented for an initial term of not less than 1 year
- Units must be rented unfurnished

Subsequent to adoption, on October 13, 2020 the requirements were amended to allow the following limited exemptions to the residential leasing regulations:

- Leases of owner-occupied rental housing units for more than 30 days and less than a year no more than twice a year for a total period of 6 months. This would not apply to a unit that had been the subject of an Ellis Act or owner-move-in eviction within the last ten years.
- Leases that provide temporary relocation for tenants who are subject to a temporary relocation order under the City's tenant projection laws.
- Leases of ADUs and JADUs for which plans are submitted for plan check before December 2020 for more than 30 days and less than one year. This would only apply if the ADU or JADU is located on a parcel with an owner-occupied single-unit dwelling and the owner of the single-unit dwelling resides onsite throughout the duration of the lease.

The City's Medium-Term Housing Ordinance does not present a constraint on the production of housing and helps preserve the City's rental housing supply.

f. City Anti-Discrimination Ordinances

Santa Monica maintains the following anti- discrimination protections within its Code:

i. Sexual Orientation or Domestic Partnership

Chapter 4.40 of the Municipal Code prohibits housing discrimination against persons based upon sexual orientation or domestic partnership. Specifically, the Code prohibits unlawful real estate practices, generally defined as the refusal to treat persons fairly in the sale, lease, or rental of housing; the provision of credit or insurance; the advertisement of housing; and the

provision of tenant services. In addition, the Code prohibits evictions against any tenant on the grounds that he or she has breached a rental agreement if the alleged breach arises from an increase in the number of occupants due to the domestic partnership of the tenant provided that the occupancy by the tenant's domestic partner and children of the domestic partneris otherwise lawful.

ii. Persons Living with AIDS

Passed by the City Council in 1988 as one of the first ordinances in California to address AIDS discrimination, Chapter 4.52 of the Municipal Code prohibits housing discrimination against a person with AIDS, a history of AIDS, or those regarded as having or transmitting AIDS. Specifically, the Code prohibits unlawful real estate practices, which are generally defined as the refusal to treat persons fairly in the sale, lease, or rental of housing; the provision of credit or insurance; the advertisement of housing; and the provision of tenant services. The only exception applies to the rental or leasing of any housing unit in which the owner or lessor or any member of his or herfamily occupies one of the living units and it is necessaryfor the owner or lessor to use a bathroom or kitchen facility in common with the prospective tenants.

iii. Families with Children

Chapter 4.28 of the SMMC establishes the following actions as unlawful for any person offering for rent, leasing, or listing any housing accommodation, or anyauthorized agent or employee of such person:

- Refuse to rent or lease a housing accommodation, allow access to or use of the common areas and facilities, serve a notice of termination of tenancy, commence an unlawful detainer action or otherwise deny or withhold a housing accommodation on the basis of age, parenthood, pregnancy, or the actual or potential occupancy of a minor or child.
- Advertise, represent, or include in any contract with regard to a housing accommodation offered by that person a statement that indicates any preference, limitation, or discrimination with respect to age, parenthood, pregnancy, or the potential actual occupancy of a minor child.
- Include in any rental agreement or lease for a housing accommodation a clause providing that as a condition of continued occupancy, the tenants shall remain childless or shall not bear children or otherwise not maintain a household with a person or persons of a certain age.
- Threaten to commence or commence eviction proceedings against any tenant head of household on the grounds of breach of a rental agreement due to an increase in the number of occupants arising out of the marriage of the tenant, or the birth, adoption, or change of legal custody of a minor child of whom the tenant head of household or his or her spouse is the parent or legal guardian.

Exceptions to this chapter include housing designed and operated exclusively for senior adults and their spouses, or any nursing, convalescent, or retirement home.

g. Rent Control Bootleg Unit Ordinance

In the past, City regulations regarding the status of certain units that had been illegally created and then registered with Rent Control caused conflict. To address this, the City passed an ordinance in 2008 that set forth terms to allow these "bootleg units" to become legal, non-conforming. Pursuant to SMMC Section 9.27.090, a "bootleg unit" is defined as "a rental unit registered with the Santa Monica Rent Control Board, which was built or created without City planning or building permits." Typically, these units do not meet applicable development standards, but the ordinance allows for the unit to not be required to meet setback and density requirements if the unit is or can be made habitable pursuant to the Building Code. While the legalization of these units might require the addition of parking for the unit, if the Community Development Director determines it is not feasible, the requirement may be waived. The Rent Control Bootleg Unit Ordinance does not present a constraint on housing as it provides a path forward to legalize existing units.

B. NON-GOVERNMENTAL CONSTRAINTS

State law [California Government Code, Section 65583(a)(6)] requires Housing Elements to contain an analysis of nongovernmental constraints to the maintenance, improvement, or development of housing for all income levels including cost of construction, the price of land, and the availability of financing. Potential nongovernmental constraints are largely determined by market conditions over which local jurisdictions have little control. However, local governments can influence market conditions and their associated costs even if only indirectly.

1. Construction Costs

A number of factors, such as the type of construction, site conditions, application of parking, unit size, fire safety requirements, and amenities, all impact the cost of housing. In general, multiple-unit housing projects are less expensive to construct than single-unit housing. However, construction costs vary significantly depending on the size of the unit and the number and quality of amenities offered. These include features such as parking supply, swimming pools, rooftop gardens, gyms, and other less obvious decisions based on the types of flooring, appliances, light fixtures, and quality of cabinetry and woodwork.

Based on recently completed affordable housing projects built in the City, Santa Monica Housing Office data indicate that total development costs average $480,000 per unit[3]. Of these total costs,it is estimated that $300,000, or 69%, are "hard costs"related to construction. Total development costs have increased in the past several years due to labor and material availability constraints. Based on construction cost estimates prepared by a third-party City consultant and interviews with market-rate developers, total development costs of apartment projects are approximately $799,000 per unit. Of these total costs, it is estimated that $413,000, or 52%, are "hard costs" related to construction[4]. Though construction costs comprise a large portion of the total development cost of a project, the costs in Santa Monica are not atypical compared to Los Angeles County and therefore, would not constitute an actual constraint on housing production.

2. Land Costs and Availability

Land costs include the cost of acquiring land. Land costs typically account for a large share of the total housing production costs. In Santa Monica, one of the primary market constraints to producing market rate and affordable housing is land cost. This is directly attributable to the City's desirable location and limited availability of vacant and developable land for residential development. Land costs can vary depending on which area of the City the project is located, ranging from $690 per square foot in Downtown to $430-$435 on Lincoln Boulevard/Main Street and the Boulevards. Land costs on recent affordable housing projects in the city averaged $180,000 per unit[5] comprising 37% of the total unit development cost. Land costs for market-rate apartment projects are approximately $233,000 per unit comprising 29% of the total unit development cost[6].

The persistent demand for housing and competition for limited available land has kept Santa Monica residential land values high for many years. The combination of non-governmental constraints (e.g. high land costs) and governmental constraints (low-density development standards) are a constraint to new residential development. It is often challenging to find sites that are large enough to accommodate projects at a preferred development scale (i.e., 60- to 100-unit projects at four to five stories). To the extent that total development costs can be reduced through changes in zoning, development standards, City-imposed development costs, and/or permit processing time, affordability goals can be better accomplished.

[3] November 20, 2019 HR&A Feasibility Analysis
[4] HR&A Advisors and MGAC 2021
[5] November 20, 2019 HR&A Feasibility Analysis
[6] HR&A Advisors and MGAC 2021

3. Availability of Financing

The availability of financing is a critical factor that can influence the cost and production of housing. There are generally two types of financing used in the multi-unit housing market: (1) construction financing used for initial site preparation and construction; and (2) permanent financing used to purchase existing buildings or to pay off more-expensive construction financing. Both of these products are generally distinguished from financing available to purchasers of single-unit dwellings as they are commercial real estate products, and there is less government involvement to stabilize rates and availability of debt.

The availability and cost (i.e., interest rates) of financing can substantially impact housing production either because it adds cost to a project or because it reduces the value or attractiveness of the sale/purchase of a completed project. Generally, the cost of development in Santa Monica and associated risks present challenges for developers to secure financing for new multiple-unit buildings. The COVID-19 pandemic has also had an impact broadly on the availability of financing although less so for multiple-unit developments. While interest rates remain reasonably low, lenders have been underwriting projects more conservatively during the pandemic leading to tightened credit despite affordable interest rates. These impacts are likely to ease as pandemic conditions continue to improve and the economy recovers.

4. Requests for Housing Development at Reduced Densities

State law requires the Housing Element to include an analysis of requests to develop housing at densities below those anticipated in the sites inventory. In Santa Monica, density is controlled differently between residential and nonresidential zone districts. In residential zones, density limitations are traditionally prescribed, whereas in nonresidential zones, density is controlled through a combination of building height and FAR development standards. Through a review of projects within these different zone types, projects in residential zones have typically been developed at or below density maximums. This is largely due to when the City's Affordable Housing Production Program (AHPP) requires affordable units to be provided on site versus when a developer can pay an in-lieu fee. While this can be viewed as a constraint on housing production, it must be weighed against the need for affordable housing. However, Housing Element Program 2C proposes to reevaluate the City's AHPP in comparison to achieving the City's housing goals. As for the City's nonresidential zones, it is rare for developers to not maximize the allowable development potential of a parcel, and therefore, it can be assumed that developers are not under-densifying their developments.

The sites inventory analysis takes into account past production trends when calculating the capacity for residential redevelopment amongst various zone districts throughout the City.

5. Length of Time Between Project Approval and Applications for Building Permits

State law requires an analysis of the length of time between receiving approval for housing development and submittal of an application for building permit. On average the time between the approval of a housing development application and submittal of an application for a building permit varies between three to six months for smaller projects, and sometimes up to a year or more for larger mixed-use projects.