

Transferable Development Credit Program as a means to mitigate Urban Sprawl along the Gaviota Coast:

Identifying and quantifying the region specific variables for effective program implementation

Darren Greve, dgreve@bren.ucsb.edu 805 259-8432
Taylor Carroll, tcarroll@bren.ucsb.edu 805 801-7535

Faculty Sponsors:
Antonio Bento, bento@bren.ucsb.edu 805 893-5804

Problem Statement:

Counties throughout California are facing the difficult challenge of deciding how best to combat urban sprawl while still allowing for growth. A recent progressive trend in planning has seen regulation move from command and control policies toward market driven mechanisms to affect smart growth. A Transferable Development Credit approach is one such program that promotes density development while encouraging land conservation. A TDC reallocates growth by allowing landowners to sell or transfer development rights, at fair market value, from a particular plot of land intended for preservation (sending site) to an area of targeted growth (receiving site). Development at greater densities is then allowed on the receiving parcel.

The City of Goleta is struggling with trying to preserve its rural space while at the same time facing city residents strongly protesting increased density within the city boundary. The City of Santa Barbara currently has a TDC program but having very limited scope with most of the focus within the city boundaries, not the rural areas of the Gaviota Coast. The needs of a TDC program in urban Santa Barbara are very different from those of the rural Gaviota Coast. Thus, the challenge and focus of this project lies in implementing an effective TDC program for the Gaviota region. This will serve as a valuable land management tool for Santa Barbara County, which has jurisdiction over the proposed study area.

The Goleta Valley is growing at an increasing rate with growth projections estimating a population increase of 41,000 over the next 30 years. This corresponds to a doubling of the City of Goleta's population in less than 30 years (*SB Co. P&D, November 2000*). With the stability of the Urban Growth Boundary uncertain, there is high likelihood of development moving west beyond this boundary to the Gaviota Coast. The Gaviota Coast is a region rich in biodiversity, and is one of the few remaining undeveloped coastal zones in Southern California. The National Park Service in 2001 was given Congressional approval to see if the Gaviota Coast merited Federal protection. The Park

service concluded the study stating “The Gaviota Coast is a national treasure, vulnerable to development and deserving of special protections” (*Santa Barbara News Press 1/16/02*). However, because of landowner opposition and lack of funds for the expensive parcels, the federal agency decided not to get involved.

Currently, of the 80,000 acres of private land within the coastal watersheds of the study area, acquisition of land and conservation easements cover about 6,000 acres, or only 8%. Five thousand acres of the coastal properties are presently for sale at a collective asking price of over \$100 million (*Lunsford, 2003*). Local preservation organizations and the State do not have the economic resources to acquire these properties and thus are being forced to compromise with rural development. Due to the large average parcel size the *current* threat is not large subdivisions but rather rural fragmentation with the proposed building of large 6000-8000 sqf. homes. If this threat of development pressure is not dealt with using creative and effective land-use management, the Gaviota Coast is likely to resemble the ‘mansionization’ analogous to the Malibu coast.

Project Objectives:

The project objective will be to identify and quantify the region-specific variables associated with a transferable development credit program for the Gaviota Coastal region for effective TDC program implementation. The success of a TDC program depends upon understanding and integrating these local and regional variables into a workable program. The goal of the study is to produce a usable report/manual for landowners and County officials that will provide guidelines for a TDC program for the South Coast region from the city of Goleta to Hollister Ranch. The nature of a TDC program will have the group working closely with developers, non-profit organizations, land-owners, and County planning officials. The focus of the study will be to develop TDC guidelines that incorporate the multiple viewpoints associated with the different stakeholders. This is essential for the TDC program to have the greatest probability for success. *It is not the aim of this study to simply conduct an analysis of an existing program but rather to assess and author a guideline manual for what is needed to put an effective program in place in the near future.*

Project Significance:

An effective TDC program is a unique strategy that promotes open space while providing development opportunities. This can serve as a valuable conservation tool to mitigate urban sprawl. The region lacks the pertinent data, information and guidelines for effective TDC implementation. ***This study’s significance lies in resolving the regional variables and thereby contributing to the critical long-term smart growth and sustainability of the Gaviota Coast as one of the few remaining, effectively managed, and ecologically rich regions of the South Coast.***

Background Information:

Traditional planning strategies for controlling urban sprawl have been dictated by local planning departments through command and control mechanisms. These regulations provide little flexibility for the routes to achieve planning objectives. Market mechanisms have been gaining support as an alternative approach to determine optimal land use. "In general, economists point towards these market-based mechanisms as a more efficient means of accomplishing policy objectives" (*Dietenhofer et al, 2002*). A TDC is one such mechanism which looks to reallocate growth through the transfer of development rights from a particular plot of land without threatening other private property rights. The development rights would be transferred (bought at fair market value) from an area intended for preservation (sending site) to an area of targeted growth (receiving site). Once these rights are transferred the sending parcel will be protected in perpetuity via a conservation easement. (*Dietenhofer et al, 2002*) The receiver sites would undergo a rezoning by the county, allowing for increased development density.

In the past, three attempts have been made by the County to look at transfers of development rights but with little to no success (*Feeney, 2004*). The problem has always been identifying plausible receiving sites. The city of Santa Barbara has limited space for increased development while the city of Goleta has space available to promote density. The current city politics of Goleta make development transfer difficult. The merits of increased density development within Goleta are not readily appreciated by members of the Goleta City Council. This is a variable that the study will need to address and work to creatively circumnavigate or solve. Possible solutions to this may be addressing and incorporating into TDC guidelines the externalities that political constituencies face with development transfers.

It is important to point out that the private land owner of the Naples property, situated along the Gaviota Coast, who has plans for building 55 homes in this area, **will conduct an Environmental Impact Report with a required section for transferable development rights** (*Santa Barbara News Press 11/25/03*). Thus, the timing of a TDC analysis for the Gaviota Coast could not be better!

Study Location:

The Gaviota Coast includes the coastal land area of Santa Barbara County from the City of Goleta up the coast to the eastern boundary of Vandenberg Air Force Base; incorporating lands both east and west of highway 101.

Stakeholders:

Gaviota land-owners, Goleta residents, County Planning Office, Local non-profit organizations, Developers.

Possible approach:

The group will work with all the above mentioned stakeholders to acquire the essential field data in the form of property values, parcel size, ecological information, as well as existing county ordinances and policies. The study will entail dialogue with local developers gleaned essential information from them to determine their needs in a TDC program, as well as dialogue to determine local landowner needs and County needs.

A review of existing TDR/TDC programs in a comparable context will need to be analyzed to determine what works and what does not work. **It should be pointed out that a 2002 Bren School group project (cited in reference section) completed an analysis of a TDC program already in existence for San Luis Obispo County. This 2004 proposed project differs in that it is not an analysis of an existing program but rather an analysis of the region-specific mechanisms to get an effective TDC program up and running. This study will also provide some continuity of group projects by building upon existing Bren research.**

Deliverables:

- Plausible sending and receiving sites for transfer of development.
- Determination of local market forces for development credit valuation.
- Identifying and creating market driven incentives and solutions to the political obstacles beyond just a ‘voluntary’ option for landowners.
- Creating solutions to the ‘not in my backyard syndrome’ of receiving site residents associated with density development re-zoning by addressing the negative externalities they incur.
- Integrating recommended regional TDC guidelines to function with both the municipalities’ and Santa Barbara County’s General Plans.
- An interactive website that will enable landowners, developers and residents to have readily available visual access to parcel maps with associated credit value and conservation value. The web site will also have the steps to take for an interested party to initiate a TDC transaction.

Clients:

Mike Lunsford
Gaviota Coast Conservancy
PO box 1099, Goleta, CA 93116
lunsford4@cox.net 966-5828

Kalon Kelley
Naples Coalition
906 Garden St., Suite 2C
Santa Barbara, CA 93101
kalon@mtnimage.com, 961-1539

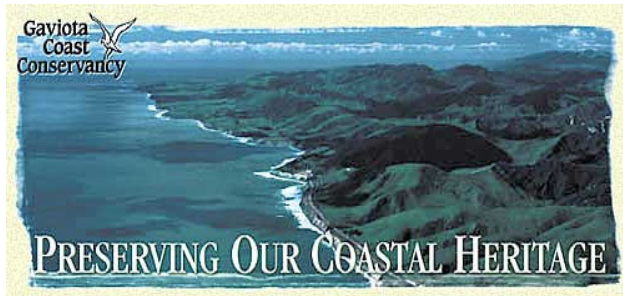
Darlene Chirman
Santa Barbara Audubon Society
5679 Hollister Av. Suite 5B, Goleta CA 93117
dchirman@rain.org, 692-2008

Ken Palley
Santa Barbara Surfrider Foundation
PO Box 21703
Santa Barbara, CA 93121-1703
palley@rain.org 967-9938

Scott Bull
Shoreline Preservation Fund
Associated Students Main Office
UCSB, Santa Barbara, CA 93106
Scott Bull: spf@as.ucsb.edu 893 5166

It will be important to have both County officials and local developer stakeholder involvement. Thus:

The project is currently working on establishing a working relationship with County Supervisor Gail Marshal as well as developers Jeff Bermant, Michael Towbes, and Roger Hemowits. These latter individuals are interested in supporting this study for the purposes of developing a TDC program with incorporated long-term development implications.



Santa Barbara Audubon Society
A Chapter of the National Audubon Society



Support:

• Two student interns for two months during July and August	\$9000
• Travel expenses	\$1500
• Miscellaneous project costs	\$2000
	\$12,500

References:

Burns, Melinda; 1/16/02 Santa Barbara New Press.

Dietenhofer et al.;: Predicting spatial pressures of development in SanLuis Obispo County, March 2002, Donald Bren School, UCSB.

Feeney, Michael; 2004, Santa Barbara Land Trust

Lunsford, Mike; 4/9/03, Gaviota Conservancy Report.

National Park Service, April 2003: Gaviota Coast Draft Feasibility Study & Environmental Assessment. US department of the Interior.

Santa Barbara News Press; 11/25/03

Santa Barbara County Planning and Development: Extrapolation of 1990-1999 DOF data November 2000, SB.County P&D

Smith, Cliff et al.;: Transfer of Development Credit Program: San Luis Obispo County November 1999, San Luis Obispo County Department of Planning and Development.

