BY RIGHT INTELLIGENCE
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BY RIGHT SNAPSHOT

Downtown-Waterfront Redevelopment Lot

City of Santa Barbara · Coastal Zone · a few blocks from the beach and downtown

76
BY RIGHT SCORE

~7,800 sf	R-4	2 units	~85%	~$1.7–2.2M
LOT · ABOUT 0.18 ACRE	HOTEL · MULTI-RESIDENCE ZONE	OLDER BUILDING	OF ASSESSED VALUE IS LAND	LAND-VALUE RANGE*

THE READ

The land is the asset, and there are two ways to win.

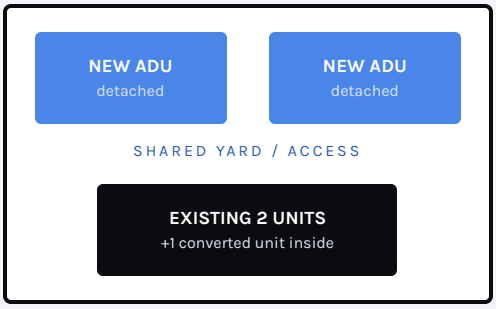
The building is small and old, but the zoning is valuable. This lot sits in one of the few zones in Santa Barbara that allows **hotels as well as multi-unit housing**. The fastest, lowest-risk play is to **keep the two existing units and add up to three ADUs** under state law, with no demolition and no rezoning. The bigger play is a **rebuild of roughly 4 to 9 homes** using the City's density rules and the State Density Bonus, which needs a coastal permit and patience. **Worth pursuing**, priced as land.

What you can build, and what you can't

PATH	RULE	SCALE	FIT
Keep the duplex, add ADUs	State ADU law · SB 1211 (multifamily)	Up to 2 detached + 1 converted = **5 homes**	Strong
Rebuild at base density	R-4 variable density (by unit size)	~3–4 units	Yes
Rebuild under the City density program	AUD program (coastal eligibility to confirm)	~5–6 units; ~11 if rental in the priority overlay	Verify
State Density Bonus	Gov. Code §65915, with affordable units	+20–50% over base; more if 100% affordable	Verify
Small hotel / inn	R-4 allows hotels; coastal visitor-serving use	Boutique scale; discretionary	Possible
SB 9 lot split	Single-family zones only	n/a	No
SB 1123 / AB 2011	Vacant single-family lots / commercial zones	n/a	No

Every path here needs a Coastal Development Permit. Height is capped at 3 stories / 45 ft in this zone.

The quickest win, drawn



Illustrative only. 2 homes today → up to 5 homes, no demolition.

2 → 5	~9	45 ft
Homes with ADUs	Homes with a bonus	Height cap

The numbers, roughly (illustrative)

SCENARIO	ALL-IN COST	WHAT IT RETURNS
As-is land value 3 nearby land sales in 2026 at ~$215–$275 per sf of land	n/a	**~$1.7M–$2.2M**
Add 3 ADUs, hold 2 detached (~$350K each) + 1 conversion (~$150K) + soft costs	~$1.0M on top of purchase	~$100K/yr added rent · **~7% yield on the added cost**
Ground-up, ~6 rentals Demolish, rebuild at ~$650/sf hard cost	~$7.5M incl. land	**~2–3% yield; doesn't pencil today**
Entitle and sell Secure a density/coastal approval, sell to a builder	Entitlement costs + carry	Premium for approved density; timing risk

*Land values, costs and rents are planning estimates from public sales data, not an appraisal. Get contractor bids and a broker opinion before acting.

Red flags to price in

- **Coastal permit.** Every path needs a Coastal Development Permit, and bigger projects can be appealed to the Coastal Commission. Budget time.
- **Sea level and flooding.** Low-lying beach neighborhoods are on the City's sea-level-rise maps. Check FEMA flood status and the vulnerability maps before designing.
- **Existing tenants.** Replacing occupied units triggers tenant relocation and, in the coastal zone, affordable-unit replacement rules (Mello Act, Housing Crisis Act).
- **City density program in the coastal zone.** Confirm with City Planning that the AUD program applies in the coastal zone before counting on it.
- **Parking and access.** A small lot limits parking. Confirm current transit-based parking relief.

Why this lot, why now

- **Rare zoning.** One of the few zones that allows both hotels and multi-unit housing, blocks from the waterfront.
- **The land carries the value.** About 85% of the assessed value is land, so the building is a placeholder.
- **State law got easier.** SB 1211 (2025) lets existing multifamily properties add detached ADUs without replacing uncovered parking they build on.
- **Long-held.** A long ownership means a low tax basis, so a seller may value a quiet sale, a leaseback or seller financing.

What to check next

ITEM	WHY
Preliminary title	Open loans, easements
City zoning letter	Base density, AUD eligibility, height
Coastal pre-application	CDP path and appeal status
FEMA + sea-level maps	Flood design and insurance
Leases and rents	Tenant rights, relocation
Utility capacity	Water/sewer for added units

SCORE BREAKDOWN

Upside under current law	**High**
Entitlement path	**Medium** (coastal)
Location	**High**
Ground-up economics today	**Weak**

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This Snapshot is a sample for illustration. The address, owner and financial details of the subject property have been withheld. Information comes from public records and third-party sources believed reliable but not guaranteed. Zoning, density and permit outcomes depend on review by the City of Santa Barbara and, in the coastal zone, the California Coastal Commission. All figures are illustrative estimates, not appraisals, bids or projections of results. By Right Intelligence provides information and analysis only. It is not a real estate brokerage, law firm or investment adviser, and nothing here is legal, tax or investment advice. Verify independently and consult qualified professionals before acting. © 2026 By Right Intelligence.