



BY RIGHT CAPITAL
REAL ESTATE INTELLIGENCE

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

LOT · ABOUT 0.18
ACRE

R-4

HOTEL-MOTEL-
MULTIPLE RESIDENCE

2 units

OLDER BUILDING ON
SITE

~85%

OF ASSESSED VALUE
IS LAND

~\$1.7-2.2M

LAND-VALUE RANGE*

THE READ

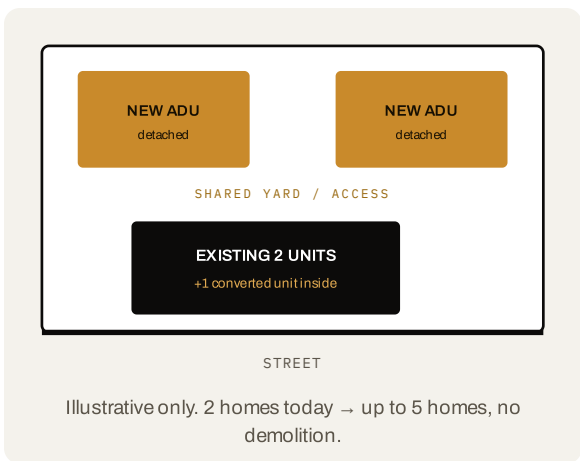
The land is the asset — and there are two ways to win.

The building is small and old; the zoning is not. 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 — no demolition, 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 — base density	R-4 variable density (by unit size)	~3-4 units	Yes
Rebuild — 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	—	No
SB 1123 / AB 2011	Vacant single-family lots / commercial zones	—	No

The quickest win, drawn



2 → 5

Homes with
ADUs

~9

Homes with a
bonus

45 ft

Height cap

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

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	—	~\$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; 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.** The AUD path's coastal eligibility must be confirmed with City Planning 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 — 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

WANT THIS FOR YOUR PROPERTY?

A Snapshot is \$49 — delivered in 48 hours. The Full By Right Analysis (\$495) adds the zoning letter checklist, a density study, comps, a working financial model and a 30-minute call. No property yet? Ask about our off-market pipeline. byrightcapital.com



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