

Response to 2024-25 Grand Jury Report

Santa Barbara County South Coast Housing Crisis – A Call
to Action

County Executive Office
Planning & Development Department
Community Services Department

Board of Supervisors

September 9, 2025



Summary

- On June 23, 2025, the 2024-25 Grand Jury distributed report titled “Santa Barbara County South Coast Housing Crisis – A Call to Action”
- Focused on the South Coast’s housing crisis and effects on low- and moderate-income renters in particular
- Includes 3 findings and 7 recommendations
- Board must respond within 90 days

Background

- State law requires local governments to plan for housing needs of residents of all income levels
- For 2023-2031 cycle, County has Regional Housing Needs Allocation (RHNA) of 4,142 units for unincorporated South Coast sub-region
- GJ report highlights County and South Coast cities efforts to meet their RHNAs and investigates reasons behind housing shortage
- State and federal funding limitations, regulatory and legal complexity, and high development costs pose significant barriers to housing
- GJ report made recommendations to address these challenges; many already implemented

Finding 1

Finding 1: *Santa Barbara County and the cities of Santa Barbara, Goleta, and Carpinteria own land that is surplus to their operational requirements, some of which could be used for affordable housing.*

Agree.

- County owns properties in unincorporated and incorporated areas
- Some sites suitable for affordable housing; others constrained or encumbered
- Program 12 of 2023-2031 Housing Element Update (HEU) directs the County to select and prioritize County-owned sites to help meet RHNA
- 30 County-owned sites identified in HEU and Workforce Housing Study for future housing

Recommendation 1a

Recommendation 1a: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria identify publicly owned properties within their jurisdiction that could be utilized for affordable housing.*

Has been implemented.

- HEU identified 9 County-owned sites on South Coast for housing = up to 320 units by 2031
- Workforce Housing Study identified 19 County-owned sites for potential workforce housing (120-200% AMI)
- County partnered with non-profits to use 4 County-owned sites for emergency shelters and supportive housing
 - Santa Barbara Street Village (Santa Barbara, 34 beds)
 - Hope Village (Santa Maria, 97 beds)
 - Hedges House of Hope (Isla Vista, 45 beds)
 - La Posada (Goleta Valley, 80 beds)

Recommendation 1b

Recommendation 1a: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria invite public and private developers to work with them to build affordable housing on the publicly owned land identified as available.*

Has been implemented.

- Steps have been taken to build affordable housing on County-owned sites identified in the HEU and the Workforce Housing Study
- Assessed redevelopment potential of selected County-owned sites for affordable housing
- RFP to consider a public-private partnership for development of affordable housing
 - Option: County contributes land sale or long-term lease and private entity responsible for project funding, construction, and management
- Engaged developer community to pursue funding/financing opportunities for which the County is not eligible

Finding 2

Finding 2: *The process for issuance of a permit for affordable housing development projects in the County and the cities of Santa Barbara, Goleta and Carpinteria is costly, time consuming, and complicated.*

Disagree partially, with explanation.

- Implemented state laws to streamline permit processes and boost affordable housing production
- HEU rezone sites: Ministerial permitting if 20% low-income units and 20 u/a or greater
- SB 35/SB 423: Ministerial process for multifamily housing in jurisdictions that do not meet lower-income RHNA
- AB 2162: Ministerial process for supportive housing in zones where multifamily and mixed uses permitted
- AB 2011: Ministerial process for 100% rental multifamily housing in zones where office, retail, or parking are principally permitted use
- AB 130: Exempts "infill" housing projects from CEQA – 30 days to approve/disapprove
- AB 2234: New review time limits for post-entitlement (building) permits

Recommendation 2a

Recommendation 2a: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria each create a position to be staffed by a qualified person who can coordinate and facilitate the application and approval processes for affordable housing projects, with the authority to bring together all interested parties to arrive at an expeditious resolution of any issue.*

Will not be implemented.

- Recommended position would duplicate existing County services and processes
- At application submittal, County assigns planner to process the application. Planners work closely with applicants to facilitate process. Supervising planners and deputy director resolve issues.
- SDRC (P&D, Public Works, Fire, and Community Services) review projects
- Work with affordable housing providers to obtain building permits within the shortened time limits to meet financing terms

Recommendation 2b

Recommendation 2b: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria review their processes for development approvals to prioritize affordable housing projects.*

Will not be implemented.

- State and local laws impose statutory timelines for processing permits (Permit Streamlining Act), making it difficult to prioritize affordable housing projects over other projects
- County works closely with applicants to move projects quickly through the process
- State laws further expedite approval process for certain housing projects

Recommendation 2c

Recommendation 2c: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria apply the ministerial approval process to all development projects comprising seventy five percent or more of low income housing.*

Will not be implemented.

- Implementation would have little to no added benefit. Existing state laws require ministerial or streamlined process for housing projects with 75% or more low-income units.
- SB 35/SB 423: Ministerial process for multifamily housing with at least 50% very low- or low-income units. Applies only to jurisdictions not meeting their lower-income RHNA.
- Use By Right: Ministerial process for multifamily housing on HEU rezone sites with 20% very low- or low-income units and 20 u/a
- AB 2011: Ministerial process for multifamily housing with 100% lower-income units or mixed income rental units in commercial zones
- Housing Accountability Act: Streamlined process for eligible housing projects. Only objective standards and policies can be applied (Objective Design Standards).

Recommendation 2d

Recommendation 2d: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria conduct a review of all development and impact fees and find ways to waive, reduce or amortize fees for affordable housing projects.*

Has been implemented.

- County reduces some fees for affordable housing projects
- HEU includes 3 programs to further review fees for affordable housing
- SB 937 allows delayed payment of fees until issuance of the certificate of occupancy, a current County practice

Finding 3

Finding 3: *There are insufficient funds available to develop needed affordable housing.*

Agree.

- Federal, state, and local governments recognize housing crisis; additional funding needed to address it
- Grants help bridge financial gap between costs of affordable housing development and availability of state and federal funding
- Workforce Housing Study analyzed available funding sources and financing mechanisms that can be leveraged to support new affordable housing

Recommendation 3b

Recommendation 3b: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors increase funding to the Housing Trust Fund of Santa Barbara County (HTF) to facilitate the building of affordable housing.*

Will not be implemented.

- HTF is a non-profit financing agency and Community Development Financial Institution. It is not a developer and is a separate entity from the County.
- County does not operate a Local Housing Trust Fund Program
- Inclusionary Housing Ordinance (IHO) allows developers to satisfy local inclusionary housing requirements by paying in-lieu fees instead of building affordable units on site
- In-lieu fees deposited into the County's Housing Trust Fund used for development, rehabilitation, and preservation of affordable housing
- In 2025, IHO expanded to apply to rental developments; may yield more fees

Recommendation 3b

Recommendation 3b: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and the City Councils of Santa Barbara, Goleta and Carpinteria promote contributions to their housing trust funds by other non-governmental organizations, the philanthropic community, and the public.*

Has not yet been implemented, but will be implemented in the future.

- County's Housing Trust Fund is internal fund; not structured to receive outside contributions
- Workforce Housing Study recommendations:
 - Pursue opportunities/strategies for which County is eligible, including private equity, grant funding opportunities, Join Powers Authority, and Certificates of Participation
 - Engage developers to pursue opportunities for which County is not eligible
- Implement by 2031

Recommended Actions

- a) Consider and adopt the responses in Attachment A as the Board of Supervisors' response to the 2024-25 Grand Jury report entitled "Santa Barbara County South Coast Housing Crisis – A Call to Action;"
- b) Authorize the Chair to sign the letter included in Attachment A, and forward the letter and responses to the Presiding Judge of Santa Barbara County Superior Court; and
- c) Determine pursuant to CEQA Guidelines 15378(b)(5) that the above actions are not a project subject to CEQA review, because they are government administrative activities that do not result in direct or indirect physical changes to the environment.



Questions?