



BOARD OF SUPERVISORS  
AGENDA LETTER

Agenda Number:

**Clerk of the Board of Supervisors**  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Submitted on:**  
**(COB Stamp)**

**Department Name:** Community Services  
**Department No.:** 057  
**Agenda Date:** April 8, 2025  
**Placement:** Departmental Agenda  
**Estimated Time:** 60 minutes  
**Continued Item:** No  
**If Yes, date from:** N/A  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Director(s):  
Jesús Armas, Director, Community Services Department (CSD), (805) 568-2467  
Contact Info:  
Joe Dzvonik, Deputy Director, Housing and Community Development (HCD),  
(805) 568-3523  
Lucille Boss, HCD Housing Programs Manager, (805) 568-3533  
**SUBJECT:** Workforce Housing Study

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**County Counsel Concurrence**

As to form: Yes

**Other Concurrence:** Planning & Development

General Services

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Recommended Actions:**

That the Board of Supervisors:

- a) Receive a presentation on the Workforce Housing Study ("Study"), which identifies implementation actions to increase the availability of affordable workforce housing in Santa Barbara County;
- b) Direct staff to prepare a Request for Proposals (RFP) for a lower- to moderate-income workforce affordable housing development at the current site of the Probation building (123 East Carrillo Street, in Santa Barbara), and return to the Board for authorization to issue the RFP;
- c) Provide direction to staff whether to focus on development of housing or installation of solar panels in the downtown campus parking lot; if housing is selected, direct staff to examine the feasibility of utilizing the current site of the Engineering building (123 East Anapamu Street, Santa Barbara), Human Resources building (1226 Anacapa Street, Santa Barbara) and the Administrative building parking lot (105 East Anapamu Street, Santa Barbara) for housing; and
- d) Determine that the proposed action does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA), pursuant to Section 15378(b)(5) of the CEQA

Guidelines, because it consists of an organizational or administrative activity of government which will not result in direct or indirect physical changes in the environment.

### **Summary Text:**

In March 2024, the Board authorized retaining Harris & Associates, Inc. to prepare a workforce housing and preservation study that is specific to the County of Santa Barbara. This study, completed in the fall of 2024, contains a core group of implementation actions identified by the consultant.

### **Background:**

The County of Santa Barbara is committed to addressing the critical need for workforce housing through a comprehensive and strategic implementation plan. In March 2024, the Board accepted staff's recommendation to execute an Agreement with Harris & Associates, Inc. (Harris) for delivery of a workforce housing and preservation study (Study) utilizing American Rescue Plan Act (ARPA) funding. Harris delivered a Study that informs and describes future land use, housing projects, and programs which may be used to guide the County's response to the insufficient supply of workforce housing. This Study included the following tasks:

- Workforce Housing Affordability Gap Assessment
- Evaluation of Existing County Programs and Analysis of Model Programs
- Report on Successful Employer Sponsored Housing in the County
- Identify Funding Opportunities and Methods to Build Strong Housing Development Financing
- Expand County Homeownership Rehabilitation and Inclusionary Program
- Analyze County-owned Sites for Feasibility of Conversion to Housing or New Housing Construction

The Study and its recommended implementation actions align with other County strategic planning documents, such as the 2023-2031 Housing Element Update, Calle Real Master Plan, and the Community Action Plan to Address Homelessness.

The Study represents the culmination of extensive stakeholder engagement involving key community members, developers, local businesses, and housing experts, combined with a deep analysis of the community's workforce housing needs. This thorough examination has informed the development of specific recommended implementation actions designed to enhance workforce housing initiatives and address unique challenges and opportunities within the County. By leveraging these insights and fostering continued stakeholder collaboration, the County will create sustainable housing solutions that support the economic vitality and well-being of the community. The Study (Attachment A) provides an in-depth discussion of the key areas of analysis that may be used to help inform a strategic implementation plan.

### **Study Observations**

Within the Study, Harris recommends a core group of implementation measures, and staff further groups these recommendations into two broad categories. The first group includes measures staff recommends pursuing forthwith. The second group includes measures staff recommends be deferred until available resources are identified and secured to pursue them. Specifically, the consultant recommendations in the Study were grouped by staff as follows:

### Group 1: Consultant Recommendations to be Pursued Forthwith

- *Update Inclusionary Housing Ordinance (IHO) to Enhance the Stock of Workforce and Affordable Housing:* The Housing Element Update recommended several actions to update the IHO, some of which were adopted by the Board on March 18. The Study recommends further ordinance updates to make the IHO more aligned with current market and economic conditions, with a particular focus on increasing the production of workforce and affordable housing.
- *Pursue Prohousing Designation:* The Prohousing Designation Program, established by the California Department of Housing and Community Development (HCD), encourages local governments to implement housing-focused policies and offers incentives such as prioritized access to state funding and technical assistance. Grant funding, in conjunction with other resources, can help the County bridge the financial gap between the costs of affordable housing development and the availability of state and federal funding. Communities holding such designation are awarded special incentive funding by the state. Additionally, Prohousing-designated jurisdictions are automatically awarded extra points in competitive funding programs, and these extra points are always advantageous in such opportunities. Finally, there are other funding opportunities made available only to communities who hold such designations. Staff will present a full report on this issue to the Board in May 2025, and will seek Board authorization to submit an application to the State for the County to receive Prohousing Designation.
- *Revise the Short-Term Rental Ordinance:* Currently, short-term rentals are unregulated in the coastal areas and permitted only in commercial and special purpose zones in the inland areas of the County. The County's 6th Cycle Housing Element includes Program 19 (Short-Term Rentals), which outlines a plan to amend zoning ordinances to introduce a Short-Term Rental Program for the Coastal Zone. This program aims to balance affordable recreational lodging with the preservation of local workforce housing. The Study recommends expanding upon the efforts of Program 19 through specified action.

### Group 2: Consultant Recommendations to be Deferred

- *Pursue Partnerships with Private Equity Firms:* Following the impacts of the COVID-19 pandemic (e.g., eviction protections, decline in use of office space), affordable housing has become a focus for the private investment community. Specifically, private investors, funds, and lenders have become interested in funding affordable housing projects and acquiring/upgrading aging market rate rental properties. This presents our community with an opportunity to increase the supply of affordable housing in an environment with scarce public subsidies. The Study details steps to pursue private equity in the development of affordable workforce housing projects.
- *Consider Establishing a Community Land Trust (CLT):* A CLT is a nonprofit organization that acquires and manages land to ensure long-term housing affordability; establishing a CLT can be a strategic solution to address the lack of workforce housing currently available in the County. The Study details further specific benefits and steps to establishing a CLT.
- *Expedite Implementation of 6th Cycle Housing Element Programs:* Annually, staff prepares and presents to the Planning Commission and the Board a report on progress in implementing the various programs outlined in the Housing Element. This report describes the County's progress in meeting its Regional Housing Needs Allocation (RHNA). To the extent the Board is interested expediting implementation of some programs more quickly than the schedule identified in the Housing Element, staff suggests the annual progress report or the Long Range Work Program would be the appropriate time to determine which programs, if any, should be considered for expedited action, and provide direction to staff accordingly.

### **Housing Development Opportunities**

With regard to the recommended action “b” of this board letter, staff recommends the Board authorize staff to immediately initiate the processes required to identify a contractor to repurpose the current site of the Probation building (123 East Carrillo Street in the City of Santa Barbara) to housing. This will likely involve a two-year timeframe, which largely coincides with the construction timeframe for the replace Probation building. Assuming this time frame, construction of new housing could commence shortly after the new building is completed and staff relocated. Based on city zoning, staff estimates that development of this site may yield at least 60 units, more than originally estimated in the Housing Element.

Release of an RFP to develop the site affords the County an opportunity to partner with the private sector, a classic private-public partnership, and to realize timely development of a project. The expectation is that in such a partnership, the County’s contribution would take the form of the land while the private entity would be responsible for securing project funding, construction, and ownership.

With regard to recommended action “c” of this board letter, which addresses taking action to determine the feasibility of repurposing the parking areas behind the Administration and Engineering buildings (including Human Resources), there are a number of logistical and financial issues that need to be carefully studied and evaluated. While the property is ideal for housing, given its location downtown, proximity to shopping, and an array of mobility options, it does come with some challenges. For example, among a list of issues needing careful consideration is finding replacement offices for staff currently working in these buildings, understanding existing and new infrastructure requirements, mitigating the loss of parking, and above all how such a venture might be financed. This list is not intended to be all inclusive, but an illustration of a few of the many issues that will need to be addressed. Preliminarily, staff estimates the site may be suitable for construction of at least 50 units.

If approved as recommended, staff will return to the Board in the first quarter of FY 2025-26 with a Request for Proposal (RFP) for a lower- to moderate-income workforce affordable housing development at the current site of the Probation building, and a scope of work to examine the feasibility of utilizing the current site of the Engineering building, Human Resources building, and the Administrative building parking lot for housing.

As the Board will recall, at its March 4 meeting, the Board considered a recommendation to move forward with the preparation of power purchase agreements for the installation of solar panels at eight sites, one of which is the downtown campus.

At the meeting staff noted the consideration of the Workforce Housing Study would prompt the need to reconcile the conflict between two important county initiatives: The prospect of developing housing at this location as compared to the prospect of installing solar panels in essentially the same location. Proceeding with solar means it is unlikely that housing could be considered for at least twenty years. And of course, proceeding with housing makes the solar project presented to the Board infeasible in the near term. (It is possible some form of solar could be incorporated into a housing project.)

Still, it is possible that once the due diligence work is completed, the Board could elect to not proceed with a housing project, at which point solar could be reconsidered. The risk here is that the financial benefits associated with net energy metering 2.0 will no longer be available. Staff seeks Board direction on whether to focus on either the development of housing or the solar project presented on March 4.

**Performance Measure:**

The Study outlines key implementation actions to advance workforce housing goals, as well as a proposed timeline.

**Special Instructions:**

Please return a Minute Order via email to Lucille Boss at [lboss@countyofsb.org](mailto:lboss@countyofsb.org)

**Attachments:**

**Attachment A** – Workforce Housing Study

**Attachment B** – Workforce Housing Study Appendices

**Attachment C** – Presentation

**Authored by:**

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