



**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

Department Name: Planning and Development (P&D)
Department No.: 053
For Agenda Of: December 3, 2024
Placement: Departmental
Estimated Time: 20 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Lisa Plowman, Director, Planning and Development Department
Director(s) (805) 568-2068
Contact Info: Alex Tuttle, Deputy Director, Long Range Planning, (805) 568-2072

SUBJECT: **SB 35 Coastal Zone Ordinance Amendment and Submittal of a Local Coastal Program Amendment to the California Coastal Commission**

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

Planning & Development Department staff recommend that the Board of Supervisors (Board) consider the recommendations of the County Planning Commission (CPC) and Montecito Planning Commission (MPC) and adopt the ordinance amendment to Article II, Coastal Zoning Ordinance (CZO), to comply with recent changes in state housing law. The proposed ordinance amendment creates new development standards and permit procedures regarding streamlined permit processing for qualifying housing projects in certain areas of the Coastal Zone.

Staff recommends that the Board of Supervisors take the following actions:

- a) Make the required findings for approval of the zoning code amendment, including California Environmental Quality Act (CEQA) findings, included as Attachment 1 to this Board letter;
- b) Determine that the adoption of the CZO (Case No. 24ORD-00010) amendment and the submittal of the resolution to the Santa Barbara County LCP to the California Coastal Commission (CCC)

is exempt from environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15061(b)(3) and 15265 included as Attachment 2 to this Board Letter;

- c) Adopt an ordinance implementing SB 35 to amend the CZO (Attachment 3, Case No. 24ORD-00010);
- d) Adopt a resolution (Attachment 4) authorizing the Planning & Development Department to submit the amendment (Attachment 3, Case No. 24ORD-00010) implementing SB 35 to the Santa Barbara County Local Coastal Program (LCP) to the CCC for review and certification; and
- e) Direct the Planning & Development Department to transmit the adopted resolution to the Executive Director of the CCC.

Summary Text:

Ordinance Summary

This Board item recommends amendments to the County's Article II, Coastal Zoning Ordinance (CZO), to implement new regulations and development standards consistent with State housing laws regarding the streamlined permitting of qualifying housing projects in certain areas of the Coastal Zone. This ordinance amendment is required to comply with State law. This item also requests authority to submit the amendment to the Santa Barbara County Local Coastal Program (LCP) to the California Coastal Commission (CCC) for review and certification.

Over the past several years, the State Legislature has recognized the importance of increasing housing production and has adopted legislation to reduce barriers and streamline permit processing for housing development. The State passed several Senate Bills (SB) and Assembly Bills (AB) to streamline permit processing and to increase the production of housing with a particular focus on affordable housing, including SB 35 (2017), SB 423 (2023), and AB 3122 (2024). Highly summarized below:

SB 35 (2017)

- Requires qualifying housing development projects to be reviewed in compliance with objective design standards and processed under streamlined provisions.
- Applicability of the streamlined review process is determined by the County's progress toward meeting their allocation of the regional housing need as recorded in the housing element annual progress report.

SB 423 (2023)

- Implements SB 35 in the Coastal Zone effective January 1, 2025.
- Extends the provisions of SB 35 to expire on January 1, 2036 in place of the original expiration date of January 1, 2026; among other updates.

AB 3122 (2024)

- Adds a 30-day timeline for staff review of resubmitted housing development proposals addressing staff comments.

The adoption of these legislative bills resulted in certain provisions of the County’s zoning ordinances becoming inconsistent with State law. The Board adopted amendments to the County Land Use and Development Code and Montecito Land Use and Development Code on February 13, 2024, bringing those codes into alignment with State law. The proposed ordinance amendment adds Qualifying Housing Streamlined Review to the CZO, which, upon adoption, will update the third and final zoning code to be consistent with these State laws. Note that the proposed ordinance amendment includes minor edits to comply with AB 3122, signed into law on September 27, 2024 (and effective January 1, 2025), after the planning commissions’ review. Specifically, Section 35-144X.5.D, Consistency Determination, was edited to remove the details on required timelines for consistency determinations and to instead refer to the Government Code Section that contains those details. Additionally, Section 35-144X.5.F, Project Approval, was edited to include the statement “unless a different timeframe is established under State law.” These changes will help keep the zoning code from becoming out of alignment with State law if additional changes are made to mandated review and approval timeframes.

During a meeting with CCC staff on October 28, 2024, County staff received feedback to add minor language to the draft ordinance to further clarify that objective standards in effect to avoid adverse impacts to coastal resources shall continue to apply. Staff added additional language on the protection of coastal resources to Section 35-144X.2, Objective Zoning and Design Standards. These minor edits were also added after the proposed amendment was reviewed by the planning commissions, but were generally considered by the commissions, and facilitate more efficient review and certification of the LCPA by the CCC.

Submittal and Certification Process

The attached resolution (Attachment 4) authorizes submittal of the aforementioned amendments to the CCC for review and certification pursuant to the procedural requirements for LCPAs set forth in the CCC administrative regulations [California Code of Regulations, Title 14, Division 5.5, Section 13551(b)(2)]. The CCC will either review and certify the amendment as submitted, at which time the amendment would become effective, or the CCC may suggest modifications. If the CCC suggests modifications, the Board will have six months from the date of the CCC’s action to evaluate suggested modifications to the LCPA approved by the CCC and decide whether to accept the modifications [California Code of Regulations, Title 14, Division 5.5, Section 13537(b)].

If the Board decides to accept the modifications, then the Board must adopt a resolution agreeing to implement the LCPA as modified. This resolution will be transmitted to the Executive Director of the CCC for review, who will then provide a recommendation to the CCC as to whether the Board’s action complies with the Coastal Act and the California Code of Regulations. If the Executive Director recommends that the County’s action is in compliance, and the CCC agrees with that recommendation, then the ordinances will become effective as of the date of that final action by the CCC.

Local governments may submit a maximum of three major LCPAs per calendar year to the CCC for review and certification. However, there are no limitations on the number of amendments included in each of the

three submittals. The attached resolution (Attachment 4) will be included in the County’s second submittal for 2024.

Background:

From 2017 to 2024, the State passed several bills that introduced new requirements related to the creation of a streamlined ministerial review process for housing development. To comply with updated legislation and the Goals and Programs of the County’s 2023-2031 Housing Element Update, staff prepared updates to the Santa Barbara County Land Use and Development Code (LUDC), the Montecito Land Use and Development Code (MLUDC), and the CZO. Specifically, staff brought ordinance amendments to the Montecito Planning Commission (MPC), County Planning Commission (CPC), and Board of Supervisors between December 2023 and February 2024 related to the following zoning codes’ chapters and sections.

Ordinance Section	LUDC	MLUDC	CZO
Low Barrier Navigation Centers	Section 35.42.198	Section 35.442.138	Section 35-144I
State Density Bonus Law	Chapter 35.32	Chapter 35.432	Section 35-144C
Transitional and Supportive Housing	Section 35.42.265	Section 35.442.185	Section 35-144V
Multi-Unit and Mixed Use Housing Objective Design Standards	Chapter 35.33	Chapter 35.433	Section 35-144B
Qualifying Housing Streamlined Review	Chapter 35.31	Chapter 35.431	N/A

At the time of these recent amendments, Qualifying Housing Streamlined Review did not apply in the Coastal Zone under State law and was therefore not added to the CZO. However, beginning on January 1, 2025, Qualifying Housing Streamlined Review will apply in certain areas of the Coastal Zone under SB 423, and staff are therefore now proposing this ordinance amendment in order to come into conformance with State law.

On September 13, 2023, the State Legislature passed SB 423 which implements SB 35 (codified in Government Code Sections 65582.1 and 65913.4) in certain areas of the Coastal Zone beginning on January 1, 2025, amongst other changes to the Government Code. The Qualifying Housing Streamlined Review does not apply in areas of the Coastal Zone that are generally considered as being in the “geographic appeals jurisdiction” of the Coastal Commission: between the sea and the first public road paralleling the sea, within 300 feet of the inland extent of any beach or of the mean high tide line of the sea where there is no beach (whichever is the greater distance), on tidelands, submerged lands, public trust lands, within 100 feet of any wetland, estuary or stream, within 300 feet of the top of the seaward face of any coastal bluff, or in an area of the Coastal Zone vulnerable to five feet of sea level rise, amongst other excluded areas as defined in Government Code Section 65913.4(a)(6). Staff is proposing the creation of a new Section in the CZO, Section 35-144X, Qualifying Housing Streamlined Review, to coincide with Chapter 35.31 in the LUDC and Chapter 35.431 in the MLUDC. The proposed amendment consists of:

- Creation of a new CZO Section, Section 35-144X, Qualifying Housing Streamlined Review.
- Establishment of the required permit to be a Coastal Development Permit for qualifying multi-unit and mixed-use projects.

- Establishment of the timeframe for applicability of this streamlined review process.
- Establishment that qualifying projects are ministerially approved and statutorily exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15268.
- Establishment of the requirement and procedures for a scoping consultation with any applicable California Native American tribe.
- Establishment of the requirement of a public meeting in the review process for qualifying projects.
- Establishment of timelines for review of project application submittals and resubmittals.

To qualify for the streamlined review process under this section, the development must be a multifamily housing development that contains two or more residential units, and the site must be zoned for residential use or residential mixed-use. The development must also have at least 75 percent of the parcel perimeter adjoining urban uses. In the County, the development is subject to a 50 percent minimum of the total number of units dedicated to lower income households making at or below 80 percent of the area median income.

The complete text of the proposed amendment is included in Attachment 3.

Planning Commission Recommendations

On September 18, 2024, the MPC voted 4-0 to recommend the CPC to recommend that the Board adopt the CZO amendment (Attachment 3).

Staff presented the MPC-recommended CZO amendment to the CPC on September 25, 2024. The CPC voted 4-0 to recommend the Board adopt the CZO amendment, (Attachment 3).

Fiscal and Facilities Impacts:

Funding for this project is budgeted in the Planning & Development Department's Long Range Planning Budget Program on pages 321-322 of the County of Santa Barbara Fiscal Year (FY) 2024-25 Adopted Budget. This project was included in Long Range Planning's annual work program, as it helps implement Program 16 of the Housing Element Update. There are no facilities impacts.

Special Instructions:

Planning & Development will fulfill noticing requirements.

The Clerk of the Board shall provide a copy of the signed ordinance and resolution, and minute order, to Planning & Development, attention: David Villalobos and Lila Spring.

Attachments:

1. Findings for Approval
2. CEQA Notice of Exemption
3. CZO Amendment for Adoption (Case No. 24ORD-00010)
 - 3-1. CZO Amendment with Changes Shown
4. Resolution of the Board of Supervisors to Submit Amendment to the CCC
5. Montecito Planning Commission Action Letter and Resolutions (Case No. 24ORD-00010), Hearing of September 18, 2024
6. Montecito Planning Commission Staff Report, dated September 10, 2024

7. County Planning Commission Action Letter and Resolutions (Case No. 24ORD-00010), Hearing of September 25, 2024
8. County Planning Commission Staff Report, dated September 17, 2024

Authored by:

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