

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
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## Agenda Number:

**Prepared on:** March 19, 2004  
**Department Name:** Planning & Development  
**Department No.:** 053  
**Agenda Date:** March 23, 2004  
March 29, 2004  
**Placement:** Departmental  
**Estimate Time:** 2 hours on 3/23/04  
4 hours on 3/29/04  
**Continued Item:** NO  
**If Yes, date from:**  
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Board letter 3-19-04.DOC

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**TO:** Board of Supervisors

**FROM:** Val Alexeeff, Director  
Planning and Development

**STAFF CONTACT:** Alicia Harrison  
Comprehensive Planning Division (884-8060)

**SUBJECT:** Consideration of proposed final 2003-08 Santa Barbara County Housing Element for adoption

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## Recommendation(s):

That the Board of Supervisors

- a. Receive a presentation, including recommendations from the Planning Commission, and public comment on the proposed final 2003-08 Housing Element;
- b. Set a special hearing for Monday, March 29, 2004 at 4:00 PM and continue the 2003-08 Housing Element hearing to consider the following: (EST. TIME: 4 HRS.)
  - i. Adopt the proposed final Negative Declaration addressing the possible environmental effects of adoption of the proposed final 2003-08 Housing Element;
  - ii. Adopt the proposed final 2003-08 Housing Element with any additional changes directed by the Board and adopt a Resolution approving Findings supporting the Board's final action in adopting the proposed final 2003-08 Housing Element;
- c. Cancel the special hearing set for Thursday, March 25, 2004.

**Alignment with Board Strategic Plan:** The recommendation(s) are primarily aligned with Goal No. 1, *An Efficient Government Able to Respond Effectively to the Needs of the Community*, Goal No. 4, *A Community that is Economically Vital and Sustainable*, and Goal No. 5, *A High*

*Quality of Life for All Residents*, and with actions required by law or by routine business necessity.

## **Executive Summary and Discussion:**

### **1.0 INTRODUCTION**

All cities and counties in California are required by state law to update the Housing Element every five years. Over the last two years Planning and Development has worked with the community to develop new and revised policies and programs to replace the County's 1993 Housing Element. This updated Housing Element is presently before your Board for consideration and adoption.

The proposed final Housing Element has been reviewed and recommended for adoption by both the Montecito and County Planning Commissions. The Montecito Planning Commission's recommendations were forwarded to the County Planning Commission for consideration. The County Planning Commission's recommendation to the Board supports the Montecito Planning Commission's recommendations and proposes additional policy revisions for your Board's consideration. A summary of Planning Commission recommendations and proposed revisions are provided in Section 5.0.

#### **A. Phasing**

As presented to your Board on February 3, 2004, the Housing Element has been divided into two phases: Adoption and Action. The Adoption Phase document includes all that is required by state law to be in the Housing Element and identifies policies, programs and actions to meet housing goals. Several of these proposed policies and programs are from the 1993 Housing Element. The Adoption Phase includes minor text and policy revisions to these existing programs, as well as new policies to meet housing goals. These amendments provide language to encourage certain types of housing and establish a policy framework for how to address housing needs in the county. The overall framework is to encourage smart growth development through programs such as mixed use and infill, as opposed to sprawl development and focus development within existing urban boundaries to protect rural agricultural lands. The Adoption Phase amendments do not result in rezones or amendments to permit requirements. Proposed Adoption Phase amendments are summarized in Section 3.0-C, and a table summarizing the proposed amendments compared to the 1993 Housing Element is provided in Attachment A.

The proposed final Housing Element also proposes action items to implement policy for future consideration as part of the Action Phase of the Housing Element. These action items include all amendments that would change the use, intensity or permitting requirements (i.e. rezones, ordinance amendments). Environmental documentation will be prepared assessing any impacts associated with the future action items and the decision-makers will consider the items for adoption. It is anticipated that these items will be before the Planning Commissions and Board of Supervisors in Fall/Winter 2004. Together the adopted Housing Element and the Action Phase that follows will facilitate meeting the county's housing goals for the next five years. Proposed Action Phase policies and programs are summarized in Section 3.0-C.

## **2.0 BACKGROUND**

### **A. State Housing Law**

A housing element is one of seven mandated components of a local jurisdiction's General Plan. Housing element law, enacted in 1969, mandates that local governments plan to meet the existing and projected housing needs of all economic segments of the community and that this plan be updated every five years. State law specifies that a Housing Element must address the following:

- Review the previous Housing Element's effectiveness;
- Identify and analyze the existing and projected housing needs;
- Identify constraints to providing housing and mitigating opportunities for those constraints;
- List goals, policies, resources, and programs for the preservation, improvement and development of housing;
- Inventory lands available to meet housing needs; and
- Quantify the objectives for unit production of the Housing Element programs.

State law further specifies that every updated Housing Element be submitted to the State Department of Housing and Community Development (HCD) to ensure compliance with the state's minimum requirements. An initial review is required prior to local decision-makers consideration and action on the Element. The Draft Housing Element Update was sent to State HCD for the required initial 60-day review in August 2003. During this time, the document was also circulated for a 60-day public review. Modifications to the draft document based on comments received from HCD and the public are captured in the attached proposed final 2003-08 Housing Element.

### **B. Regional Housing Needs Assessment**

Each jurisdiction is required to plan to meet existing and projected housing needs for all economic segments of the community. As a basis for this plan, State HCD provides each region with its projected increase in housing need for a seven and a half year period. The current planning period is January 2001 to July 2008. This projection is based on state population growth and represents a portion of the state's housing goal for the same period. The projection is articulated in the Regional Housing Needs Assessment (RHNA) prepared by the Santa Barbara County Association of Governments (SBCAG).

SBCAG divides HCD's estimated housing need among the incorporated cities and the unincorporated areas of Santa Barbara County using information on population, employment and commute patterns. The RHNA allocation for Santa Barbara County, including incorporated cities, for January 2001 to July 2008 is 17,531 new housing units, with 6,064 of those units apportioned to the unincorporated area. The state originally planned to allocate over 21,000 homes to the county but reduced the number after the county and other jurisdictions protested.

State HCD further analyzed county residents by income category and determined that 58 percent of the 6,064 housing units should be provided at a range of affordability levels, including very low (below 50 percent of area median income (AMI)<sup>1</sup>), low (51 to 80 percent of AMI) and moderate income (81 to 120 percent of AMI). Given the projected county growth forecasts and projected need for affordable units, the RHNA allocation for the unincorporated area of Santa Barbara County is as follows:

## RHNA ALLOCATION, JANUARY 2001- JULY 2008

### Unincorporated Santa Barbara County

Housing Market Areas	Total Units Allocated	Percent of Total	Number of Units at Each Affordability Level			
			Very Low	Low	Moderate	Above-Moderate
South Coast	1,182	19.5%	284	201	130	567
Santa Maria	3,014	49.7%	723	512	576	1,203
Santa Ynez	724	11.9%	174	123	65	362
Lompoc	1,122	18.5%	269	191	236	426
Cuyama	22	0.4%	5	4	6	7
<b>Unincorporated Area Total</b>	<b>6,064</b>	<b>100.0%</b>	<b>1,455</b>	<b>1,031</b>	<b>1,013</b>	<b>2,565</b>

*Source: SBCAG, Adopted December 19, 2002*

In addition to the income categories designated by State HCD, the county recognizes the need for “workforce” housing - that is housing affordable to those households earning 121 to 200 percent of area median income. This Housing Element describes specific policies and programs the county will consider to meet the housing need for this and other economic segments of the population.

### 3.0 2003-08 HOUSING ELEMENT COMPONENTS

State law specifies that a Housing Element must include specific components. To meet these requirements, the Housing Element is arranged in six sections:

- Section I: Introduction
- Section II: Housing Needs and Inventory
- Section III: Housing Constraints and Mitigating Opportunities
- Section IV: Previous Housing Element Review
- Section V: Goals, Programs, and Policies
- Section VI: Land Inventory and Quantified Objectives

Significant findings from these sections are summarized below.

#### A. Section II: Housing Needs and Inventory

This section describes housing demand in the county, based on population and household characteristics, the RHNA allocation described above, as well as an inventory of existing

<sup>1</sup> Santa Barbara County’s area median income (AMI) in February 2003 was \$60,600 for a family of four. The AMI is updated annually by the U.S. Department of Housing and Urban Development (HUD).

housing stock. This section also identifies the needs of special need groups in the county including the elderly, persons with disabilities, large households, female-headed single-parent households, the homeless, farm workers, military personnel, and college/university students. Some key findings include the following:

- **Population:** Between 1990 and 2000, net migration accounted for a 13% *loss* in population, however natural increase made up for this loss and added to the population, resulting in an 8.0% overall population growth for the decade;
- **Shortage of Affordable Housing:** In 1999, nearly 40 percent of unincorporated county households overpaid for housing. Overpayment is defined as paying 30 percent or more of income for housing;
- **Rising House Prices:** Between 1995 and 2001, incomes in the county rose 19 percent while home prices rose 58 percent. More than 95% of South County residents cannot afford the South Coast median home price of \$900,000, and more than 88% of North County residents cannot afford the median home price of \$310,870.

#### **B. Section IV: Previous Housing Element Review**

State law requires that jurisdictions evaluate the effectiveness of the existing Housing Element's programs for the previous planning period. The 1993 Housing Element estimated 3,999 housing units would be built over the life of the element, 1,640 of which were projected to be affordable units. From 1993 to 2000, 4,124 units were built and conserved in the county, 125 units over the county's overall objective. Of this amount, 1,385 were affordable units, 255 short of the county's affordable objective. While the county failed to meet the quantified objectives for affordable units, several programs showed successes such as:

- The Inclusionary Housing Program produced 263 affordable units.
- 36 percent of the units built under the Affordable Housing Overlay (AHO) program were affordable units.
- 1.2 million dollars of in-lieu housing mitigation fees leveraged 15.7 million dollars from other funding sources to produce 164 affordable units.
- Non-profit housing groups produced 148 affordable units in the unincorporated area.
- Rural agricultural land has remained significantly undeveloped as a result of policies focusing residential development in the urban areas.
- The county conserved 733 units, exceeding objectives by over 70%.

The county's proposed programs and policies are intended to build on these successes in order to address the unmet need that remains.

#### **C. Section V: Goals, Programs and Policies**

As previously discussed, the Housing Element has been divided into two phases: Adoption and Action. The Adoption Phase includes all that is required by state law to be in the Housing Element and identifies policies, programs and actions to meet housing goals. The proposed policies establish a framework to encourage smart growth development, through programs such as mixed use and infill, as opposed to sprawl development, and focus development within

existing urban boundaries to protect rural agricultural lands. The Adoption Phase amendments do not result in rezones or amendments to permit requirements.

The proposed final Housing Element also proposes action items to implement policy for future consideration as part of the Action Phase of the Housing Element. These action items include all amendments that would change the use, intensity or permit requirements (i.e. rezones, ordinance amendments). Each of these phases and their components are summarized below.

### **Adoption Phase of the Housing Element**

As stated in Section 1.0, several of the policies and programs proposed as part of the Adoption Phase are from the 1993 Housing Element. The Adoption Phase includes text and policy revisions to these existing programs, as well as new policies to meet housing goals. Attachment A provides a summary of the proposed amendments compared to the 1993 Housing Element.

The amendments proposed as part of the Adoption Phase do not result in rezones or amendments to permit requirements. These types of amendments are identified as action items in the Housing Element and are proposed for future consideration as part of the Action Phase.

The Adoption Phase includes decision-maker consideration of the following items:

All factual disclosures required by state law including a housing needs assessment, an inventory of available land, and an analysis of constraints to housing development.

#### *Programs & Policies*

#### GOAL 1: ENHANCE DIVERSITY AND QUANTITY OF HOUSING SUPPLY

- **State Density Bonus Program:** policy revisions of existing policy that allows a density bonus for projects of five or more units if a specific percentage of very low, low or senior units are provided. Recent changes in state law now provide a density bonus of at least 10% to condominium projects that provide at least 20% of units for moderate income. Policy revisions are proposed to be consistent with this change in state law.
- **Mixed Use Development:** policy revisions of existing policy encouraging medium to higher density residential uses on commercial sites.
- **In-fill Development:** policy revisions of existing policy encouraging medium to higher density residential uses on urban in-fill.
- **Residential Second Units:** policy revisions encouraging the development and legalization of residential second units, including working with water and sewer providers to reduce connection fees to make second units more feasible.
- **Rental Housing:** new policy encouraging development of multi-family rental housing, including discretionary incentives for projects that are 100% rental.

## GOAL 2: EXPAND HOUSING FOR SPECIAL NEEDS GROUPS

- New policy and revisions of existing policy to encourage the expansion of a housing supply that meets the needs of identified special needs households and that offers diversity in size, type, tenure, location, and affordability levels. Special Needs Groups include homeless facilities, farm employee housing, other employee housing and mobile homes.

## GOAL 3: EXPAND HOUSING FOR PERSONS WITH DISABILITIES

- Revisions of existing policy to encourage the expansion of a housing supply that meets the needs of persons with disabilities and their families and that offers diversity in size, type, tenure, location and affordability levels.

## GOAL 4: OPEN AND FAIR HOUSING OPPORTUNITIES

- New policy to clarify the county's commitment to fair housing laws including equal opportunity in all housing types and for all persons.

## GOAL 5: QUALITY HOUSING DESIGN

- New policies to promote efficient use of land and well-designed, energy efficient housing units in keeping with the character of surrounding neighborhoods.
- New neighborhood compatibility guidelines to encourage compatibility of new construction, rehabilitation or renovation of existing housing units with surrounding structures and their setting.
- New policies encouraging development within existing urban boundaries of the county and the preservation and/or protection of rural land uses outside the urban boundaries and that maximize public benefit (e.g. affordable housing, public services, or recreation) when urban lands zoned for agriculture are considered for conversion to a non-agricultural use.

## GOAL 6: PRESERVED AFFORDABLE HOUSING STOCK

- Extend the 30-year affordability requirement to a 45-year period which would restart upon each resale for a maximum period of 90 years. If the first owner does not sell the unit for 45 years the affordability restriction will expire after the 45-year time frame.
- New policy regarding retention of housing for people with disabilities.

## GOAL 7: COOPERATIVE RELATIONSHIPS

- Revisions to existing policy directing county to form strong collaborative working relationships with all providers of and advocates for housing; and assist these collaborators in all feasible ways with the process of developing affordable housing.

- Revisions to existing policy directing the county to continue community outreach efforts on affordable housing programs, including updates to the county's website, brochures and public workshops.
- New policy to work with local service districts to determine whether capital improvements are necessary to eliminate service constraints to housing development.

#### GOAL 8: EFFICIENT GOVERNMENT

- Revisions to existing policy to identify and, where feasible, eliminate or reduce governmental constraints to development of affordable and/or special needs housing.
- Revisions to existing marketing periods and lotteries policy to add development standard regarding giving preference to local workforce when marketing price restricted units.
- Revisions to existing policies regarding incentives for projects participating in housing programs such as reduced setbacks, parking requirement reductions and reduced open space requirements.

#### GOAL 9: CULTIVATED FINANCIAL RESOURCES

- Revisions to existing policy and new policy directing the county to actively pursue funds and use various sources of revenue to assist the development, acquisition, and rehabilitation of affordable housing and provide financing assistance for first time homebuyers.
- Revisions to existing policy to prioritize the provision of affordable and/or special needs housing when considering the future use of county-owned lands.

#### **Action Phase of the Housing Element**

The following items are identified as action items in the 2003-08 Housing Element document and will continue to be shaped throughout the Action Phase. Most of these items will be brought before decision-makers for consideration within one year following adoption of the Housing Element. Environmental documentation will be prepared that assesses the impacts associated with these proposals.

#### GOAL 1: ENHANCE DIVERSITY AND QUANTITY OF HOUSING SUPPLY

- **Revised Inclusionary Housing Program and In-lieu Fee:** the proposed revisions to the existing Inclusionary Program are identified as an action item in the Housing Element and will be brought before decision-makers within four months of adoption of the Housing Element along with a revised in-lieu affordable housing fee. Additional time is required to complete the in-lieu fee study.



The proposed revisions to the program include applying the program to most residential projects, increasing the number of affordable units that must be provided and requiring the inclusion of units available to the middle income workforce. Please refer to Appendix E of the Housing Element for more information about the proposed revisions.

**Timing:** Within four months

- **Potential Rezones:** an action requiring that the county consider rezoning land to allow for a variety of housing types and affordability levels. Specific sites are not identified at this time. The county considered approved and pending projects as well as proposed program changes, including residential second units, farm employee housing and mixed use units, to determine the amount of land that may need to be rezoned. The county will consider rezoning up to the following acreages, adjusting as appropriate for the number of pending projects:
  - 54 acres rezoned to 14 to 20 Dwelling Units/Acre (DU/A)
  - 32 acres rezoned to 10 to 16 DU/A
  - 32 acres rezoned to 8 to 12 DU/A

**109 Total Acres**

As part of the Action Phase, rezones needed to meet affordable housing objectives will be proposed. Staff will continue to work with the community to identify appropriate sites and densities countywide to meet the county's housing needs.

**Timing:** Within one year

- **Affordable Housing Overlay:** proposed minimum density requirements on specified residential sites to increase certainty in level of development.  
**Timing:** Within one year
- **Service Worker Housing Policy:** a proposed ordinance that requires the payment of a housing fee for new construction of primary single dwelling units over 5,000 square feet and additions of 500 square feet or more that increase the total square footage of a house to over 5,000 square feet, in the South Coast and Santa Ynez HMAs. The fee will offset the disproportionate demand for low wage service workers that dwelling units this size are likely to create. In addition, an on-site service worker housing unit in-lieu of paying the service worker housing fee may be considered.  
**Timing:** Within one year
- **Mixed Use Development:** proposed amendment to the zoning ordinance to allow residential development to be permitted as a primary use in Limited Commercial (C-1), Retail Commercial (C-2), Neighborhood Commercial (CN) and Shopping Center (SC) Zone Districts with the requirement that street level frontage development be a commercial use.  
**Timing:** Within one year
- **Residential Second Units:** proposed amendment to allow residential second units with a ministerial permit on parcels not under an agricultural preserve contract in all agricultural zone districts.  
**Timing:** Within one year

- **Variable Density Program:** proposed zoning ordinance amendments to implement a variable density program to encourage the construction of greater numbers of smaller units. This would allow for “density equivalents” to count smaller units as less than one full unit when applying maximum density limits for a site.  
**Timing:** Within one year

#### GOAL 2: EXPAND HOUSING FOR SPECIAL NEEDS GROUPS

- **Farm Employee Housing:** reduce permit requirements to require only a ministerial permit for up to four farm employee units and a minor conditional use permit for five or more farm employee units in the Agriculture I and II Zone Districts, except where preempted by state code.  
**Timing:** Within one year

#### GOAL 3: EXPAND HOUSING FOR PERSONS WITH DISABILITIES

- Proposed revisions to the Zoning Ordinance requirements for Single Room Occupancy developments to mitigate constraints of the development of housing for persons with disabilities and groups with special housing needs.  
**Timing:** Within one year

#### GOAL 5: QUALITY HOUSING DESIGN

- Create residential design standards to guide future housing development countywide.  
**Timing:** Within one year
- Amend Goleta Community Plan to extend A-I land use designation to the South Patterson Agricultural Area for an additional 10 years.  
**Timing:** Within one year

Other proposed actions include:

- Update Housing Element web page and public information materials;
- Update Housing Element Implementation Guidelines;
- Revise maximum sales price calculation formula;
- Amend DR Zone District to reduce barriers to well-designed housing;
- Modify development standards including but not limited to setbacks, open space and parking;
- Fee reductions for certain types of development in the Orcutt Planning Area as part of beneficial project development impact fee reduction program.

#### F. Section VI: Land Inventory and Quantified Objectives

State Planning and Zoning law require that the county complete an inventory of land suitable for residential development, including vacant sites and sites having potential for redevelopment, and

an analysis of the relationship of zoning and public facilities and services to these sites. The inventory is required to ensure that adequate suitable land exists to meet the county's fair share of needed state housing as determined by the RHNA (6,064 homes at various affordability levels). In addition, state law requires that the county estimate housing production over the period of the Housing Element. Government code requires that the county quantify objectives for the maintenance, preservation, improvement, and development of housing.

### 1. Vacant Land Inventory

Estimates based on vacant land data indicate that the county has sufficient land at build out to accommodate 6,064 units. However, the county cannot meet the state's requirement for affordable housing under current zoning. Almost all of the vacant and underdeveloped residentially zoned land is at low densities which only meets the market rate demand. Low density affordable housing requires high levels of subsidy that are not possible to achieve. This Housing Element includes action items that will result in rezones to provide adequate sites for affordable housing in all categories.

### 2. Quantified Objectives

The county based the quantified objectives for the 2003-2008 housing cycle on past housing production and the expected impact of new programs and policies included in this Housing Element. The table below shows the quantified objectives for each income category by method of production for the unincorporated area between January 2001 and July 2008. The county further considered existing water and sewer constraints in each HMA. The county does not have authority over area water and sanitation districts but will continue to work with the districts to resolve infrastructure and capacity constraints (see Policy 4.4).

#### Quantified Objectives, January 2001 – July 2008 Unincorporated Santa Barbara County

Housing Type	Income Categories				Totals without Service Constraints	Totals with Service Constraints
	Very Low	Low	Moderate	Above Moderate		
Unincorporated Santa Barbara County						
New Construction	548	626	614	2,491	4,279	3,937
Conserved Housing	210	315	100	0	625	625
Rehabilitated Housing	28	28	0	0	56	56
<b>Totals</b>	<b>786</b>	<b>969</b>	<b>714</b>	<b>2,491</b>	<b>4,960</b>	<b>4,618</b>

Source: Planning and Development Department

## 4.0 PUBLIC PARTICIPATION

Staff has hosted a number of public meetings and workshops to inform the community on state housing requirements and proposed programs and policies. Through these workshops and the

early circulation of draft programs and proposals, staff has sought feedback from a variety of community organizations, interest groups and neighborhood associations. This effort began in 2002 with a public outreach program that included establishing a broad-based housing task force, outreach to neighborhood and homeowner organizations and special needs groups, and public information presentations or “road shows” conducted throughout the county to highlight affordability gaps and show examples of well-designed higher-density housing. The county will continue this public outreach effort, starting with the planned designer-led Land Use and Design Workshops, and the county has identified many other public outreach action items in the Housing Element. A more detailed summary of public outreach efforts to date is summarized in Appendix C: Public Participation of the 2003-08 Housing Element, including a table that identifies public meetings related to the 2003-08 Housing Element public outreach effort over the last two years.

As mentioned previously in Section 2.0, the county asked neighborhood groups, not-for-profit and for-profit housing developers, housing advocacy groups, interested and affected agencies, the State Housing and Community Development Department and other interested parties for comments on the draft Housing Element (August 2003). Staff has collected input from interested parties in the form of letters and emails. Staff read all correspondence, investigated suggestions received and made many modifications to the Housing Element text or proposed programs based on this input. Comments received are provided in Appendix G of the Draft Housing Element (August 2003) and Appendix H of the proposed final 2003-08 Housing Element.

In each Housing Market Area, concerns have been expressed regarding the state’s housing allocation. In sum, communities are concerned about the impact the specified number of new housing units will have on existing communities, particularly in terms of infrastructure, environment, compatibility, and overall quality of life. The phased approach to Housing Element adoption will provide more time and opportunity to work with the community to identify acceptable location and design of affordable housing compatible with existing neighborhoods.

## **5.0 PLANNING COMMISSION RECOMMENDATIONS**

The proposed final Housing Element has been reviewed and recommended for adoption by both the Montecito and County Planning Commissions. The Montecito Planning Commission’s recommendations were forwarded to the County Planning Commission for consideration. The County Planning Commission’s recommendation to the Board supports the Montecito Planning Commission’s recommendations and proposes additional policy revisions for your Board’s consideration. A summary of recommendations and proposed revisions is provided below.

### **County Planning Commission Recommendation**

The Planning Commission adopted a Resolution recommending that your Board consider adoption of the proposed final Housing Element, as amended by the Planning Commission on March 3<sup>rd</sup>, 2004 (proposed revisions provided below). The motion was carried by a vote of 4-1. The dissenting vote was based on a concern that the policies and programs are followed by

action items that may have environmental implications, and that these action items should be evaluated in an environmental impact report prior to proceeding with the Adoption Phase of the Housing Element. In response, County Counsel reiterated that the action items are contingent on future discretionary action and too speculative at this time to require further environmental analysis prior to proceeding with the Action Phase.

### **Montecito Planning Commission Recommendation**

The County Planning Commission also voted 5-0 to include the Montecito Planning Commission's recommendation in the final recommendation to the Board of Supervisors. The following is a summary of the Montecito Planning Commission's recommendation and comments.

1. Compatibility standards should allow for variation in the size of affordable units as compared to the size of market rate units in a project, while maintaining overall architectural compatibility. The Commission requested staff to provide alternative language for Development Standards 5.1.1 and 5.1.4 to capture this comment. *Proposed revisions for Board consideration are provided below.*
2. The Commission endorsed the smart growth and anti-sprawl policies proposed to focus housing in the urban areas of the county and preserve rural agricultural lands.
3. The Commission encouraged the inclusion of housing for the critical workforce as a primary motivation in affordability policies. Discussion included the need and interest in promoting housing for critical service workers in the county close to their places of work, including public service workers such as firefighters, police and nurses.
4. The Commission also encourages policies that recognize that there is a jobs housing imbalance and that the demand side is also important in rectifying that imbalance.

Under a separate motion, the Montecito Planning Commission voted 3-0 to encourage the county to pursue a concerted effort to work with other counties and interested parties to see that recipients of state mandates have early participation in the formation of mandates (housing and in general) so that lawmakers are sensitive to the impacts on recipients prior to the formulation of the mandates.

### **Proposed Revisions to the Housing Element**

Several policy revisions were recommended by the County Planning Commission for your Board's consideration including:

*Goal 5, Quality Housing Design, Policy 5.1, Neighborhood Compatibility and Improvement, Development Standard 5.1.1, language is revised:*

To the maximum extent feasible, affordable units shall be architecturally compatible in bulk and scale with ~~any~~ market rate units in the same development and blend in as

effectively as possible to be in harmony with any surrounding residential development. Projects should integrate and disperse affordable units throughout the development.

*Goal 5, Quality Housing Design, Policy 5.1, Neighborhood Compatibility and Improvement, Development Standard 5.1.4, language is revised:*

To the maximum extent feasible, the bulk and scale of new structures ~~should~~ shall blend in as effectively as possible to be compatible with adjoining properties with transition between established neighborhoods and newer ones, recognizing that in certain instances bulk and scale of development may be different but should be designed to be as compatible as possible. Design features should reduce visual prominence.

*Goal 7, Cooperative Relationships, Policy 7.2, Cooperation with Other Jurisdictions, Action 3 is added:*

**Action 3:** During the next Regional Housing Needs Assessment (RHNA) allocation process, the county shall work with other jurisdictions in the county and the Santa Barbara County Association of Governments (SBCAG) to strongly encourage the allocation of units near employment centers to promote a jobs/housing balance within the regions of Santa Barbara County.

### **Other proposed revisions for Board Consideration**

The Commission requested staff to include more active language in the *Community Outreach* section under *Goal 7: Cooperative Relationships* to more effectively communicate that the county will actively seek out public participation to refine and implement policies, programs and actions proposed in the Housing Element. In addition, the Commission requested staff to change the *Cooperation with Other Jurisdictions* section also under *Goal 7* to something that better represents the variety of groups listed in this section and to also include the public. Staff proposes the following revisions for your Board's consideration:

### **COMMUNITY OUTREACH**

**Policy 7.1:** The county shall continue to engage the community in discussions about ~~conduct community outreach efforts that encourage support for~~ affordable and special needs housing projects and compact development, as well as provide opportunities for the community to express concerns and ideas and address public concerns. These public participation opportunities ~~efforts~~ may include, but are not limited to, community workshops, forums and small group meetings of various community organizations. The county will also continue to outreach by producing public information materials, developing and distributing bilingual materials, updating the county's housing web page, ~~participating in meetings of various community organizations~~ and otherwise promoting housing policies and programs.

### **COOPERATION WITH OTHER JURISDICTIONS INTERESTED PARTIES**

**Policy 7.2:** In order to accommodate its regional share of affordable and special needs housing, the county shall work with the public, private developers, the County Housing

Authority, non-profit housing sponsors, affordable housing advocacy organizations, and incorporated cities.

It was also requested that staff include language in the Housing Element under *Residential Second Units, Policy 1.6, Action 1* that explains why agricultural properties under preserve contract are excluded from proposed actions that would amend the Residential Second Unit program. The following language is proposed for your Board's consideration:

**Action 1:** Within one year of the adoption of this Element, the county shall consider amending the Zoning Ordinance to allow residential second units with a ministerial permit on parcels not under an agricultural preserve contract in all agricultural zone districts. Parcels under agricultural preserve contract are offered the opportunity to construct a second unit through the Residential Agricultural Units (RAU) program.

## **6.0 PROJECT ANALYSIS**

### **A. Policy Consistency**

California law requires that General Plans contain an integrated and internally consistent set of policies. Santa Barbara County compared the programs and policies in this Housing Element with regional planning goals, all other Comprehensive Plan elements, county zoning ordinances and sub-division regulations, and the Congestion Management Plan. This Housing Element recommends actions that may result in amendments to existing policies and ordinances to ensure consistency and to support the programs of the Housing Element. Those amendments will be completed after Housing Element adoption, during the action phase. The Housing Element does not eliminate the requirement that future development projects be consistent with all applicable policies and development standards in the Comprehensive Plan. A discussion of policy consistency is provided in *Appendix B of the 2003-08 Housing Element: Housing Element Consistency with Plans and Policies*.

### **B. Environmental Analysis**

A Draft Negative Declaration has been prepared. The public comment period closed on March 12, 2004. All Adoption Phase policy amendments proposed in the Housing Element are evaluated in the ND. The ND found that the Adoption Phase of the Housing Element did not result in any impacts on the environment.

All major policy amendments (i.e. rezones, ordinance amendments) are action items in the Housing Element proposed for future consideration. These action items are discussed in the Housing Element, however they are not evaluated in the Negative Declaration at this time due to their speculative nature and lack of sufficient detail to perform meaningful analysis. The action items will continue to be shaped throughout the Action Phase. Once the action items are refined an environmental impact report will be prepared assessing any associated impacts and the decision-makers will consider the items for adoption. It is anticipated that these items will be before the Planning Commissions and Board of Supervisors in Fall/Winter 2004.

**Mandates and Service Levels:** The Housing Element is mandated by state law to be updated every five years. Adoption of the Housing Element and follow through on the action items will satisfy this requirement. Service levels will not be impacted by this action.

**Fiscal and Facilities Impacts:** Funding for the Housing Element Adoption Phase work effort is from Planning and Development's adopted Fiscal Year 03/04 budget, in the Comprehensive Planning Division, General Plan Elements program on page D-284 of the County FY 03/04 budget. Remaining Action Phase work efforts, such as adoption of rezones and ordinance amendments, are accounted for in the proposed FY 04-05 budget for Comprehensive Planning. Phasing of the Housing Element results in increased costs because environmental reviews, noticing efforts, and hearings are duplicated. The Action phase will result in delays in beginning new work efforts in FY04/05.

Adoption of the County's Housing Element by April 2, 2004 will preserve the county's eligibility for Community Development Block Grant (CDBG) funds. In addition, depending on how long State Housing and Community Development takes to certify the county's Housing Element may allow us to maintain eligibility for additional affordable housing funds, including CalHOME, BEGIN and HELP funds. The County has historically been successful in obtaining grant funds from these resources to provide affordable housing and other homebuyer assistance programs.

There would be no facilities impacts.

**Special Instructions:** N/A

**Concurrence:** N/A

## **ATTACHMENTS**

- A. Adoption Phase Policy Changes Compared to 1993 Housing Element Policies
- B. County Planning Commission Action Letter and Resolution of the Planning Commission in the matter of adopting a revised Santa Barbara County Housing Element, an Element of the Santa Barbara County Comprehensive Plan, March 3, 2004
- C. Montecito Planning Commission Action Letter, February 25, 2004
- D. Resolution of the Board of Supervisors in the matter of adopting a revised Santa Barbara County Housing Element, an Element of the Santa Barbara County Comprehensive Plan
- E. State Housing and Community Development Department Comment Letter on Draft Housing Element (August 2003), October 31, 2003
- F. Comment letters received for February 25, 2004 and March 3, 2004 Public Hearings



- G. Proposed Final Negative Declaration for 2003-08 Housing Element, March 2004
- H. Proposed Final Santa Barbara County 2003-08 Housing Element  
(Under separate cover)