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**COUNTY OF SANTA BARBARA**

September 9, 2025

Honorable Patricia Kelly  
Presiding Judge  
Santa Barbara County Superior Court  
County Courthouse  
1100 Anacapa Street  
Santa Barbara, CA 93101

Reference: Response to Santa Barbara Civil Grand Jury report titled, "Santa Barbara County South Coast Housing Crisis - A Call to Action"

Honorable Judge Kelly:

Please find attached the Santa Barbara County Board of Supervisors (Board) response to the above referenced Civil Grand Jury Report. As directed by the Grand Jury, all responses are provided in accordance with Section 933.05 of the California Penal Code (PC). Pursuant to PC Section 933 (c) and (d), responses are provided on behalf of the Board of Supervisors.

Sincerely,

Laura Capps, Chair  
Santa Barbara County Board of Supervisors

cc: Santa Barbara County Board of Supervisors

**Santa Barbara County Board of Supervisors  
Response to the Santa Barbara County Grand Jury 2024-25 Report  
“Santa Barbara County South Coast Housing Crisis - A Call to Action”**

**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.**

**The Board of Supervisors agrees.**

The County owns multiple properties in unincorporated and incorporated Santa Barbara County. Some sites may be suitable for affordable housing while others are constrained or committed to other essential government-related uses. In part, the 2023-2031 Housing Element Update (HEU) states that the County will select and prioritize County-owned sites to help meet its 2023-2031 Regional Housing Needs Allocation (RHNA). As explained below, the County recently identified 30 County-owned sites for future housing projects as part of the recently prepared 2023-2031 HEU and Workforce Housing Study.

**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.**

**This recommendation has been implemented.**

The County recently completed two actions that identify and rank sites that could be used for affordable housing projects.

2023-2031 HEU. As part of the County of Santa Barbara 2023-2031 HEU, County staff prepared a sites inventory that evaluated all County-owned sites and classified them as suitable or unsuitable for high-density housing projects.

Subsequently, the Board of Supervisors (Board) selected nine County-owned sites on the South Coast for future housing development, focusing on sites that have a reasonable likelihood of being developed within the current 2023-2031 housing element cycle. As the property owner, the County is in a position to determine the number and affordability level of future units on each site. It is estimated these sites may result in up to 320 units on the South Coast by 2031. Please see Section D in Chapter 4 (Housing Sites Inventory) of the 2023-2031 HEU and Section D.3 in Appendix D (Housing Sites Inventory and Methodology) of the 2023-2031 HEU for a list and details on the nine County-owned sites ([Housing Element Update - English | Santa Barbara County, CA - Official Website](#)).

Workforce Housing Study. In April 2025, the Board held a public hearing and received and reviewed the results of the County-commissioned Workforce Housing Study. The study identifies implementation actions to increase affordable workforce housing in Santa Barbara County. The study analyzed 47 sites, including the nine County-owned sites identified in the 2023-2031 HEU, for potential housing

development to serve the workforce population ranging from 30 percent (very low-income workforce) to 200 percent (“missing middle”) of area median income. An initial filtration process focused on flood hazard, fire hazard, environmental sensitivity, landslide susceptibility, and coastal zone status, and narrowed the list to 21 potential sites, including 19 County-owned sites, one state-owned site, and one privately-owned site. An accompanying site-by-site analysis ranked each of the 21 sites based on its redevelopment potential. Please see Appendix 7 for the results of the analysis ([Microsoft Word - 057\\_2025.04.08 BL-WFH Study final](#)). Appendix 7 also includes a site profile for each site, including site attributes, constraints, and recommended next steps.

Interim Use of County-Owned Sites. Developers may require years to complete pre-construction tasks for multifamily housing projects, such as preparing plans, obtaining permits, and securing financing. In the interim, housing sites may remain vacant or used for non-residential purposes. To help address all current housing needs, the County has partnered with several non-profit organizations to use four County-owned sites identified in the 2023-2031 HEU and Workforce Housing Study for interim housing (e.g., emergency shelters and supportive housing). These sites include 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:**

**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.**

**This recommendation has been implemented.**

The County has initiated steps to build affordable housing on the County-owned sites identified in the 2023-2031 HEU sites inventory and Workforce Housing Study, including:

- Assessed the redevelopment potential of selected County-owned sites for affordable workforce housing, during which developers provided insights on the viability of specific sites and suggested initial steps to garner developer interest in these sites.
- Received Board authorization to prepare Request for Proposals to consider a private-public partnership, to realize a timely development of low-to-moderate workforce housing developments, beginning with the current site of the Probation building in downtown Santa Barbara. The expectation is that in such a partnership, the County’s contribution would take the form of a sale or long-term land lease, while the private entity would be responsible for securing project funding, construction, and management.
- Engaged the developer community to pursue funding/financing opportunities for which the County is not an eligible applicant, as many funding opportunities and financing strategies are only available to developers.

## **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.**

### **The Board of Supervisors disagree partially with an explanation.**

The state legislature passed numerous laws in the past few years that address streamlining local permit approval processes and boosting the production of affordable housing projects, including supportive housing, transitional housing, accessory dwelling units (ADUs), single-family dwellings, and multifamily dwellings. The County has implemented these laws and, as a result, has significantly simplified, accelerated, and reduced the cost of its permit approval processes for eligible affordable housing projects. In part, these laws provide some or all of the following benefits:

- Require ministerial approval process (e.g., ADUs, SB 35 projects, AB 2162 project, HEU rezone sites that meet specific criteria);
- Limiting the application of discretionary review and only subjecting projects to compliance with objective standards;
- Eliminate or limit the number of public hearings;
- Eliminate design review by the Board of Architectural Review (BAR);
- Set time limits on permit process;
- Limit the basis for denying or reducing the density of a project; and
- Exempt eligible projects from the California Environmental Quality Act (CEQA).

These affordable housing laws include the following:

- Senate Bill (SB) 35/SB 423: Created a streamlined, ministerial approval process for qualifying multifamily housing projects in unincorporated Santa Barbara County and other jurisdictions not meeting their RHNA. SB 423 extends SB 35 to 2026 and expands the law to certain projects in the Coastal Zone and high fire hazard zones. Since 2022 the County has approved 145 affordable units under SB 35.
- Assembly Bill (AB) 2162: Requires that cities and counties allow supportive housing as a “use by right” (ministerial approval) in zones where multifamily and mixed uses are permitted. Eligible projects are exempt from CEQA. Since 2020 the County has approved 154 supportive housing units.

- AB 2011: Created a ministerial approval process for multifamily housing developments within a zone where office, retail, or parking are the principally permitted use. Eligible projects are exempt from CEQA.
- AB 130: Exempts (statutory exemption) qualifying "infill" housing projects from CEQA and imposes a new 30-day deadline for agencies to approve or disapprove qualifying projects following the conclusion of the new CEQA process; Took effect on June 30, 2025.
- AB 2234: Sets new review time limits for post-entitlement permit applications (e.g., building permit). For example, jurisdictions must review applications to determine application completeness within 30 days for projects up to 25 units and 60 days for projects 26 units or more.

**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.**

**This recommendation will not be implemented.**

Creating and funding a new position to coordinate and facilitate the application and approval processes for affordable housing projects may be appropriate for some jurisdictions. However, such a position would largely duplicate existing County services and processes and thus will not be implemented.

Once a permit application is submitted, the County assigns a single planner to assist the applicant and process the permit application throughout the permit approval process. The County selects and assigns planners based on the planner's expertise and the complexity of the project. The assigned planners work closely with the project applicants throughout the permit process to resolve issues and facilitate approval. Supervising planners and the deputy director are actively involved in all of these cases to help resolve new or complex issues.

The County Subdivision/Development Review Committee (SDRC) brings together staff from County departments and divisions with the authority to review and, if necessary, condition some aspects of proposed affordable housing projects, subdivision maps, and other large-scale projects. The members include staff from the Planning and Development Department, including the Development Review Division and Building and Safety Division; Public Works Department, including the Flood Control District, Transportation Division, and Surveyor Division; Air Pollution Control District; County Fire Department; and Community Services Department, including the Parks Division.

The County has also successfully worked with affordable housing providers to ensure they obtained their building permits within the shortened time limits to meet their financing terms.

**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.**

**This recommendation will not be implemented.**

Various state laws (e.g., Permit Streamlining Act) and County regulations impose statutory timelines for processing permit applications, whether or not the application is for an affordable housing project. That makes it difficult to specifically prioritize affordable housing projects over other permit applications. That said, the County recognizes the value of affordable housing projects and works closely with project applicants to move their projects quickly through the process. Additionally, recent state laws have made further attempts at expediting the approval process for certain housing projects.

**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.**

**This recommendation will not be implemented.**

Implementing Recommendation 2c would have little to no added benefit. Existing state laws generally already require that cities and counties approve or deny housing projects with 75 percent or more low-income units through a ministerial or streamlined approval process. In fact, some of the thresholds are significantly lower than 75 percent. For example, developers in unincorporated Santa Barbara County proposing to develop an affordable housing project typically use the following state laws to qualify their housing projects for ministerial approval:

- SB 35/SB 423 (Government Code Section 65913.4): In a city or county with insufficient progress toward meeting its lower-income RHNA, multifamily housing developments may qualify for a ministerial review process under SB 35/SB 423 if at least 50 percent of the proposed units are affordable to very low- or low-income households.
- Use-by-Right (Government Code Section 65583.2(h)): A multifamily housing project on one of the 28 sites that the County rezoned to accommodate its 2023-2031 RHNA may qualify for use-by-right (i.e., ministerial approval process, exempt from CEQA) if at least 20 percent of the proposed units are affordable to very low- or low-income households and the density is 20 units/acre or greater.
- AB 2011 (Government Code Sections 65912.100 through 65912.140) - Residential Development in Commercial Zones: Allows 100 percent affordable housing for lower incomes with a ministerial approval process in commercial zones. In addition, mixed income rental projects are only required to provide 13 percent extremely low/very low-income units or 15 percent low-income units to qualify for the ministerial permit process.

Additionally, the Housing Accountability Act (Government Code Section 65589.5) streamlines the decision making process and limits the amount of discretion that jurisdictions have over eligible discretionary or ministerial housing projects by only allowing cities and counties to apply “objective, quantifiable, written development standards, conditions, and policies” to housing development projects if at least 20 percent of the proposed units are affordable to lower-income households, or 100 percent of the proposed units are affordable to moderate-income households.

**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.**

**This recommendation has been implemented.**

Development impact mitigation fees are required by various agencies to address impacts to infrastructure that will serve the development, ensuring that developers pay their fair share toward necessary infrastructure and public services. Additional costs include school fees, service district fees (e.g., connect to water and sewer services), and other on-site and off-site improvement fees, where required. These fees may be a constraint to some affordable housing projects. However, some of these fees are reduced for affordable housing projects. Developers have noted fees as a roadblock; the County offers incentives such as reduced development impact fees that encourage affordable housing development.

The 2023-2031 HEU identified three programs to review fees for affordable housing projects:

1. Tools and Incentives for High-Quality Affordable Housing (Program 5): acknowledges incentives include providing Board-approved discretionary reductions of development impact fees for projects with demonstrated public benefits, including the provision of on-site affordable and/or special needs housing.
2. Reduction of Governmental Constraints (Program 16): directs staff (upon completion of the County’s AB 1600 fee study), to assess options to reduce or defer development impact mitigation fees for housing development projects.
3. Recreational Amenities for Housing Projects (Program 22): notes recreational facilities and in-lieu dedications should be designed to further the County’s recreational goals, policies, and/or programs set forth in various guiding documents, including Development Impact Mitigation Fee Program; and specifies the development impact fees for parks shall be updated on an annual basis. Development impact fees may pose a barrier to the development of affordable housing. Ensuring continued development of recreational facilities for residents of new housing development is a priority. The County will review and update, as necessary, the in-lieu development impact fees for parks, and will consider a tiered reduced fee for affordable housing projects (e.g., offer greater fee reductions for a higher percentage of affordable units).

In addition, 2024 state legislature approved SB 937 allows home builders to delay payment of development impact fees until issuance of the certificate of occupancy. This was the County’s practice prior to the new law. To help implement the 2023-2031 HEU, the Board rezoned 28 properties in May 2024 to accommodate high density housing. One such property is Tatum; Red Tail Multifamily Land Development, LLC (Red Tail) submitted a development application for 517 units, including 106 affordable, 25 moderate, and 386 market-rate units. The affordable units, intended for households with incomes between 30 percent and 70 percent of the area median income, are proposed to be developed in partnership with the Housing Authority of the County of Santa Barbara. Red Tail requested financial assistance from the County to help finance the construction of the affordable housing project by deferring direct payment of certain development impact fees. On May 6, 2025, the Board conditionally approved a loan to Red Tail for \$1.1 million, to be repaid with residual receipts, with staff to return to the Board for consideration of loan documents at a later date.

**Finding 3:**

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

**The Board of Supervisors agrees.**

The federal, state, and local governments recognize the current housing crisis; additional funding is needed to address the crisis. 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. In addition, the Workforce Housing Study provided an in-depth look at available funding sources and financing mechanisms that can be leveraged by the County to support the development of new affordable housing projects.

**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 to facilitate the building of affordable housing.**

**This recommendation will not be implemented.**

The Housing Trust Fund of Santa Barbara County (HTF) is a non-profit financing agency and Community Development Financial Institution (CDFI). Its mission is to expand affordable housing opportunities for low-to-middle income residents and workers of Santa Barbara County. The HTF is not a developer and is a separate entity from the County. However, the County has historically funded some HTF programs and projects (e.g., federal, state, and local funds are awarded through the County to non-profit organizations, for-profit entities, and public agencies to support a variety of activities that align with the County’s goals).

Local Housing Trust Fund programs are typically used to provide construction loans and/or permanent financing loans for payment of predevelopment costs, acquisition, construction, or rehabilitation as well

as to construct, convert, reconstruct, rehabilitate, and/or repair affordable housing inventory. In order to be eligible for federal or state funding, a jurisdiction must have created, funded, and operated a local housing trust fund in compliance with specific guidelines. The County does not currently operate such a fund.

However, the County's Inclusionary Housing Ordinance (IHO) allows developers to satisfy the County's inclusionary housing requirements by paying in-lieu fees instead of providing affordable housing units on site. In-lieu fees are deposited into the County-designated Housing Trust Fund (Fund) and used to fund the development or rehabilitation of very low- and low-income housing, special needs housing, housing for seniors and veterans, and to assist non-profit organizations and other governmental agencies in providing or preserving affordable housing in the county. From August 1, 2023, through August 31, 2024, no developer requested, and the County did not process any planning permits for housing projects under the IHO. In contrast, the County approved planning permits for four multifamily housing projects with 149 units under State Density Bonus Law. During this same timeframe, the County did not award in-lieu funds toward any housing project. A growing trend is that most developers aim to satisfy their inclusionary housing requirements by providing price-restricted, affordable housing units within projects that qualify under the provisions of State Density Bonus Law. In 2025, the IHO was expanded to include applicability to rental developments in addition to ownership developments, which may yield more in-lieu fees in future years.

**Recommendation 3d:**

**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.**

**This recommendation has not yet been implemented, but will be implemented in the future.**

It should be noted, the County Housing Trust Fund is the depository for in lieu fees paid by developers who elect to pay fees in lieu of constructing the required affordable units. Presently, it is not organized as a means by which to receive external contributions from interested organizations or individuals.

The Workforce Housing Study identified a core group of implementation actions, which included opportunities to partner with other non-governmental organizations, the philanthropic community, and the public to fund affordable housing development. The study also made recommendations based on analysis of public and private funding opportunities and financing strategies for workforce housing development:

- Santa Barbara County should pursue opportunities/strategies in which the County is an eligible applicant. Recommendations for different funding methods include private equity, grant funding opportunities, Joint Powers Authority, and Certificates of Participation.

- The County should engage the developer community to pursue opportunities for which the County is not an eligible applicant, as many funding opportunities and financing strategies are only available to developers.

Consistent with County protocols and procedures, County staff plans to implement these actions by 2031.