

MONTECITO PLANNING COMMISSION

Staff Report Regarding the 2020 Comprehensive Plan Annual Progress Report

Hearing Date: February 17, 2021

Staff Report Date: January 28, 2021

Case No.: N/A

Environmental Document: Notice of Exemption, California Environmental Quality Act (CEQA) Guidelines Sections 15060(c)(3) and 15378(b)(5)

Deputy Director: Dan Klemann

Division: Long Range Planning

Supervising Planner: David Lackie

Supervising Planner Phone #: 805-568-2023

Staff Contact: Corina Venegas

Staff Contact Phone #: 805-884-6836

1.0 REQUEST, RECOMMENDATION, AND PROCEDURES

Staff is requesting on February 17, 2021, that the Montecito Planning Commission receive and file the *2020 Comprehensive Plan Annual Progress Report*. Staff recommends that the Montecito Planning Commission follow the procedures outlined below in order to provide by April 1, 2021, the *2020 Comprehensive Plan Annual Progress Report* to the Board of Supervisors (Board), Governor's Office of Planning and Research (OPR), California Department of Housing and Community Development (HCD), and City of Santa Barbara. Your Commission's motion should include the following:

1. Receive and file a staff report regarding the *2020 Comprehensive Plan Annual Progress Report* (Attachment A);
2. Provide any comments regarding the *2020 Comprehensive Plan Annual Progress Report* to the County Planning Commission, for consideration of recommendation to the Board, OPR, and HCD; and
3. Determine that the Montecito Planning Commission's actions regarding the *2020 Comprehensive Plan Annual Progress Report* are not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(b)(5) (Attachment B).

2.0 JURISDICTION

Pursuant to Government Code Section 65400(a) each city and county planning agency shall:

... [p]rovide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

(A) The status of the plan and progress in its implementation.

(B) The progress in meeting its share of regional housing needs ... and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing ...

(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.

For purposes of Government Code Section 65400(a), Santa Barbara County Code Section 2-25.69 establishes the Board as the legislative body for the County of Santa Barbara (County), and Section 2-25.1 establishes the County Planning Commission as the planning agency for the unincorporated portions of the county located outside of Montecito, and for regional issues that may affect Montecito in addition to other unincorporated areas of the county. As a result, the County Planning Commission must review, file, and provide by April 1 of each year the annual progress report to the Board, OPR, and HCD.

Santa Barbara County Code Section 2-25.1(b) states that the Montecito Planning Commission may provide recommendations to the County Planning Commission on countywide matters over which the County Planning Commission has jurisdiction, including affordable housing. Therefore, the Montecito Planning Commission may provide comments on the *2020 Comprehensive Plan Annual Progress Report* to the County Planning Commission, for consideration of recommendation to the Board, OPR, and HCD by April 1, 2021.

3.0 SUMMARY

The *2020 Comprehensive Plan Annual Progress Report* serves two key functions. First, it summarizes the projects that Planning and Development (P&D) undertook in 2020 to maintain and implement the Comprehensive Plan, including the 2015-2023 Housing Element Update. The 2015-2023 Housing Element Update contains 37 programs to help meet the housing goals and needs of the unincorporated county. The County made significant progress implementing several of these programs in 2020. The County also initiated comprehensive updates to the Circulation Element and Seismic Safety and Safety Element.

Second, the *2020 Comprehensive Plan Annual Progress Report* discusses the County's progress in meeting its Regional Housing Needs Allocation (RHNA) in the first seven years of the current 8.75-year (January 1, 2014, to September 30, 2022) RHNA projection period. For example, the table in Section 4.3, below, shows that the County exceeded its RHNA for the moderate- and above moderate-income categories. However, it has only met approximately 67 percent of its RHNA for the very low- and low-income categories.

On January 1, 2018, Government Code Section 65913.4, Senate Bill (SB) 35 went into effect. In part, Government Code Section 65913.4 established a streamlined, ministerial approval process for qualifying housing projects in jurisdictions that are behind on meeting their RHNA targets. The County has not met its pro-rata share of very low- and low-income housing thus far in its 2014-2022 RHNA projection period and, therefore, is currently subject to the streamlining provisions. Please see Section 4.4, below, for additional information regarding Government Code Section 65913.4.

4.0 PROJECT INFORMATION

4.1 Housing Element Program Implementation

The *2020 Comprehensive Plan Annual Progress Report* shows that the County continues to make progress toward maintaining and implementing the Comprehensive Plan. In particular, the following summarizes three programs listed in Chapter 5 of the 2015-2023 Housing Element Update that P&D implemented in 2020.

- Program 1.4 Tools to Incentivize High-Quality Affordable Housing. *Ongoing.* Program 1.4 directs the County to "... adopt/apply ... land-use tools ... to encourage the development of unit types that are affordable by design ..." including accessory dwelling units (ADUs) and farm employee dwellings. In 2020, the County continued the implementation of this program through the Housing Bill Implementation Project. This project includes zoning ordinance amendments to comply with the Housing Accountability Act (HAA), State Density Bonus Law (SDBL), and Government Code Section 65913.4 to streamline the permitting process for ADUs and farm employee dwellings.

On January 1, 2020, new State ADU and junior ADU (JADU) laws went into effect and caused the County's Inland Area ADU ordinances to become null and void. In early 2020, staff established interim ADU and JADU permit processes and procedures and began drafting zoning ordinance amendments to comply with the new State laws. Staff will take the ADU and JADU amendments to decision makers for approval in early 2021 and submit them to the California Coastal Commission (CCC) for review and certification in spring 2021.

- Program 1.13 Isla Vista Monitoring. *Ongoing.* Program 1.13 directs the County to monitor housing permit activity within Isla Vista from 2009 through 2020.
- Program 2.4 Farmworker Housing. *Ongoing.* Program 2.4 directs the County to consider actions that further streamline the permit process for agricultural employee dwellings (AEDs) in the Agricultural I (AG-I) and Agricultural II (AG-II) zones. On February 20, 2020, the CCC conditionally certified the AED CZO amendment (i.e., the AED Local Coastal Program Amendment, or LCPA) with five suggested modifications. P&D staff presented the CCC's conditionally certified AED LCPA to the Board for approval on April 7, 2020. The Board requested that staff return with options for amending the AED employment location requirements. Staff returned to the Board on June 2, 2020, with a revised AED LCPA, which the Board of Supervisors approved and staff resubmitted to the CCC. In fall 2020, CCC and P&D staff identified minor errors and omissions in the submitted AED LCPA. Staff will return to the Board with a revised AED LCPA in February 2021 and resubmit to the CCC shortly thereafter.

In addition, the Community Services Department Sustainability Division and Housing and Community Development Division continue to coordinate with P&D to maintain and implement Housing Element programs. In 2020, these two divisions helped implement 13 programs. Table D of Attachment 1 of the Annual Progress Report provides information on this progress. Finally, P&D staff continues to participate in the County Executive Office's Homeless Inter-Agency Policy Council (HIAPC), which consists of a working group of County departmental representatives who strategize and advise on County programs to reduce homelessness.

4.2 Reporting Requirements and HCD Data Tables

Government Code Section 65400(a)(2)(B) requires that annual progress reports use HCD’s tables and forms to summarize housing activities throughout the reporting period. These tables set forth the following planning and building permit information:

- Housing development applications received;
- Units included in all development applications;
- Units approved and disapproved;
- Sites rezoned to accommodate that portion of the city’s or county’s share of their RHNA for each income category that could not be accommodated on sites identified in the housing element site inventory;
- New units that have been issued a completed entitlement, building permit, or certificate of occupancy thus far in the housing element cycle, and the income category of each unit; and
- Information on all housing development applications submitted, including the location and income category of developments approved, building permits issued, and units constructed pursuant to Government Code Section 65913.4.

4.3 RHNA Progress

Annual progress reports track annual housing production to show the County’s progress in meeting its RHNA. The table below lists the number of building permits that the County issued for new residential units (organized by income category) within the unincorporated areas of the county from calendar year 2014 through 2020. The final row of the table lists the County’s 2014-2022 RHNA.

Housing production decreased in 2020. The County issued building permits for 205 units in 2020 compared to 242 units in 2019. Of those units, 22 were located in Montecito, including two single-family dwellings and 20 ADUs. All of the Montecito units were affordable to above moderate-income households.

2014 to 2022 RHNA Projection Period Residential Units by Income Category (Issued Building Permits)					
Year	Very Low	Low	Moderate	Above Moderate	Total
2014	0	0	59	80	139
2015	49	41	44	94	228
2016	0	7	13	31	51
2017	8	1	54	145	208
2018	1	14	82	231	328
2019	0	26	21	195	242
2020	0	30	60	115	205
Total	177 (58 Very Low + 119 Low)		333	891	1,401
RHNA	265		112	284	661

Consistent with past annual progress reports, the data in this table (above) and the HCD data tables (Attachment 1) do not include building permits issued for reconstructed housing units, including those lost and rebuilt due to natural disasters. These replacement units do not add net new units to the County's housing stock and, therefore, do not count toward the County's RHNA.

In 2020, the County issued six building permits for reconstructed housing units lost in the Thomas Fire and resulting debris flow event in January, 2018.

4.4 Government Code Section 65913.4 Streamlined Ministerial Approval Process

Government Code Section 65913.4 sets forth a streamlined, ministerial approval process for qualifying housing developments in jurisdictions that have not met their pro-rata share of regional housing needs. In part, qualifying developments must be located on an urban infill site zoned for residential or mixed uses and provide at least 10 or 50 percent of the units for lower-income households. In addition, all projects over 10 units must pay prevailing wages and larger projects must provide skilled and trained labor.

On June 25, 2019, HCD determined that, based upon data from the *2018 Comprehensive Plan Annual Progress Report*, the County had not met its pro-rata share of very low- and low-income housing thus far in its 2014 to 2022 RHNA projection period. As a result, the County became subject to the streamlining provisions for proposed developments with at least 50 percent affordability [Government Code Section 65913.4(a)(4)(B)(ii)]. As of January 15, 2021, HCD had not completed its annual update of the Statewide Determination Summary to include data from the *2019 Comprehensive Plan Annual Progress Report*. In 2020, the County received two new applications for very low- and low-income housing projects. One project is currently in review, and the other received approval in August 2020. However, the County remained subject to the streamlining provisions throughout 2020 and will likely remain so through 2021.

In order to plan for qualifying housing developments and facilitate increased housing production for very low- and low income categories, staff applied for and received grant funding in order to process zoning ordinance amendments to create objective design standards for qualifying projects during Fiscal Year 2021-2022.

4.5 Local and Regional Action Planning Grants

On July 1, 2020, the County submitted a Local Early Action Planning (LEAP) Grant application to HCD, which requests \$423,500 to help cover the cost of the 2024-2032 Housing Element Update tasks in FY 2020-2021 through 2022-2023. The County anticipates HCD will approve the application in early 2021.

The County sought additional grant funding and submitted a Regional Early Action Planning (REAP) Grant application to the Association of Monterey Bay Area Governments (AMBAG) on November 30, 2020. The County was awarded \$164,403 in December 2020. The additional grant funds will be used to cover costs with preparing the Housing Element Update.

5.0 ENVIRONMENTAL REVIEW

CEQA Guidelines Section 15060(c)(3) states that an activity is not subject to CEQA if the activity is not a project as defined in CEQA Guidelines Section 15378. Section 15378(b)(5) specifies that projects do not

include organizational or administrative activities of governments that will not result in direct or indirect physical changes to the environment. Preparation of the *2020 Comprehensive Plan Annual Progress Report* is an administrative activity that does not authorize new development or otherwise result in direct or indirect physical changes to the environment. Therefore, the report is not a project as defined by CEQA Guidelines Section 15378(b)(5) and is not subject to environmental review per CEQA Guidelines Section 15060(c)(3).

6.0 NEXT STEPS

The County Planning Commission is scheduled to receive and file the *2020 Comprehensive Plan Annual Progress Report* on February 24, 2021. Staff will submit the report to the Board, OPR, and HCD by April 1, 2021.

Upon adoption of the Mission Canyon Community Plan in April 2014, the Board directed the Planning and Development Department "... to provide an annual report to the City of Santa Barbara detailing the major housing units that were approved or completed in the Mission Canyon Community Plan Area during the reporting year." Therefore, staff will also provide a copy of the *2020 Comprehensive Plan Annual Progress Report* to the City of Santa Barbara by April 1, 2021.

ATTACHMENTS

A. *2020 Comprehensive Plan Annual Progress Report*

<G:\GROUP\COMP\Division Admin\CompPlanAnnualReport\2020\Hearings\MPC 2.17.21\Final 2020 APR MPC Staff Report.doc>