



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: February 13, 2024
Placement: Departmental
Estimated Time: 35 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: Housing Bill Implementation Project Ordinance Amendments

County Counsel Concurrence

As to form: Yes

Other Concurrence:

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 amendments to the County Land Use and Development Code (LUDC), Montecito Land Use and Development Code (MLUDC), and Article II, Coastal Zoning Ordinance (CZO) to comply with recent changes in state housing law. These changes include new regulations and development standards regarding the streamlined permitting of supportive housing and low barrier navigation centers, the establishment or modification of objective design standards for applicable multiple-unit and mixed use housing projects, revisions to the standards and criteria related to State Density Bonus Law provisions, and establishment or modification of standards for streamlined housing review.

The Board's actions should include the following:

- a) Make the required findings for approval of the zoning code amendments, including California Environmental Quality Act (CEQA) findings, included as Attachment 1 to this Board Letter;
- b) Determine that adoption of the LUDC (Case No. 21ORD-00000-00001), MLUDC (Case No. 21ORD-00000-00002), and CZO (Case No. 21ORD-00000-00003) amendments are exempt

from CEQA pursuant to CEQA Guidelines Sections 15061(b)(3) and 15265, included as Attachment 2 to this Board Letter; and

- c) Adopt the ordinances to amend the LUDC (Attachment 3, Case No. 21ORD-00000-00001), MLUDC (Attachment 4, Case No. 21ORD-00000-00002), and CZO (Attachment 5, Case No. 21ORD-00000-00003).

Summary Text:

This Board item recommends amendments to the County's zoning ordinances, comprising the Land Use and Development Code (LUDC), Montecito Land Use and Development Code (MLUDC), and Article II, Coastal Zoning Ordinance (CZO), to implement new regulations and development standards consistent with state housing laws regarding the streamlined permitting of various qualifying housing projects, and revisions to the standards and criteria related to State Density Bonus Law provisions. This item also recommends amendments to the MLUDC and CZO to establish objective design standards for applicable multiple-unit and mixed use housing projects and to modify the existing objective design standards for applicable multiple-unit and mixed use housing projects in the LUDC.

Over the past several years, the State Legislature has recognized the importance of increasing housing production and has continuously adopted legislation to reduce barriers and streamline permit processing with the goal of encouraging housing development. In 2019, the Board directed staff to initiate amendments to the County's zoning ordinances in order to comply with the recent state housing legislation. Staff subsequently initiated the Housing Bill Implementation Project to amend County ordinances related to:

- By-Right Supportive Housing (AB 2162);
- Low Barrier Navigation Centers (AB 101);
- State Density Bonus Law (AB 1763, AB 2345, AB 634, SB 728, SB 290, AB 682, AB 1287, AB 2334, AB 323);
- Multiple-Unit and Mixed-Use Housing Objective Design Standards (applicable to housing developed under various state laws including AB 2162, SB 35, and Housing Accountability Act (HAA)); and
- Qualifying Housing Streamlined Review (SB 35, AB 831, and AB 168).

The County applied for and was awarded a California Department of Housing and Community Development SB 2 Planning Grant totaling \$307,000 with a term start date of March 27, 2020. Of that total, \$114,960 was for implementation of ADU ordinance amendments and \$192,040 was allocated for the Housing Bill Implementation Project. The project was placed on hold while staff focused time on the 2023-2031 Housing Element Update. Staff recommenced work on the project in May of 2023. Accordingly, staff has drafted ordinance amendments to the three zoning codes (LUDC, MLUDC, and CZO, Attachments 3, 4, and 5, respectively). The proposed inland zoning code amendments (MLUDC and LUDC) contain identical development standards; the Coastal Zoning Ordinance (CZO) retains some differences to ensure consistency with the California Coastal Act and the County's certified Local Coastal Program.

Consistent with state laws, the proposed amendments include updated development standards for the different project types. Some of the changes include the following:

1. Amendments to all three zoning codes to incorporate changes related to the following:

- By-Right Supportive Housing (AB 2162) to permit qualifying supportive housing developments by-right in zones where multifamily and mixed uses are permitted;
 - Low Barrier Navigation Centers (AB 101) to permit qualifying low barrier navigation centers by-right in areas zoned for mixed use and non-residential zones permitting multifamily uses;
 - State Density Bonus Law (AB 1763, AB 2345, AB 634, SB 728, SB 290, AB 682, AB 1287, AB 2334, AB 323) to expand the types of projects eligible for a density bonus and the number of bonuses and concessions; and
 - Multiple-Unit and Mixed-Use Housing Objective Design Standards applicable to qualifying housing developments.
2. Amendments to the two inland zoning codes (LUDC and MLUDC) to incorporate changes made related to the following:
- Qualifying Housing Streamlined Review (SB 35, AB 831, and AB 168) creating a ministerial permit path that conforms to the State’s permit processing requirements for qualifying housing developments.

The complete text of the ordinance amendments are included in Attachment 3-1 (LUDC), Attachment 4-1 (MLUDC), and Attachment 5-1 (CZO). Deleted text is shown in strikethrough and new text is shown underlined.

The Background sections below, along with Section 5 of the Planning Commission staff report (Attachment 9) discuss these and other changes in more detail.

Background:

From 2017 to 2023, the State passed several bills that introduced new requirements related to Low Barrier Navigation Centers, State Density Bonus Law, the creation of a streamlined ministerial review process, by-right supportive housing, and objective design standards for multiple-unit and mixed-use housing. To comply with updated state legislation and the Goals and Programs of the County’s 2023-2031 Housing Element Update, specifically Program 16: Reduction of Governmental Constraints, staff began preparing zoning ordinance amendments to conform to these changes in state housing law. As an initial effort, staff added Chapter 35.33 – Multiple-Unit And Mixed-Use Housing Objective Design Standards and Chapter 35.31 – Affordable Housing Streamlined review to the County’s LUDC, which was adopted by the Board in January 2023 and became effective on February 23, 2023. In the spring of 2023, staff continued to draft amendments to all three zoning codes to comply with state housing law. Additional information on the adopted amendments to state housing law and the changes that apply to the County’s zoning codes are provided below.

1.1 Low Barrier Navigation Center (LBNC)

On July 31, 2019, Governor Newsom approved Assembly Bill (AB) 101, which established qualifying LBNCs as a use by right in areas zoned for mixed use and nonresidential zones permitting multifamily uses. AB 101 established that as a use by right, LBNCs shall only be subject to ministerial review and objective standards. The intent of the state law is to promote LBNCs, which help reduce barriers for the County’s homeless population by using best practices to provide residents with shelter and access to the services necessary for them to obtain permanent housing.

Proposed Amendments

The proposed amendments to the three zoning codes incorporate state LBNC requirements into County code by identifying the requirements for a project to qualify as a LBNC, and establishing streamlined permit procedures (no discretionary review or hearings) and objective development standards for LBNCs as prescribed by state law. The provisions of this bill and proposed sections related to LBNCs are in effect until January 1, 2027, at which time they will be repealed, unless the date is extended by the State.

1.2 State Density Bonus Law

State Density Bonus Law (SDBL; Government Code Sections 65915-65918) provides housing developers with tools to encourage the development of much-needed affordable and senior housing. Specifically, SDBL allows local agencies to grant bonus densities to a qualifying project that would result in a greater number of total units in a project than would otherwise be allowed by the zoning and land use densities, and provides for incentives and concessions and reductions in standards in exchange for a specified number of units designated for lower or moderate income households, senior citizens, or special needs groups. When a developer meets the requirements of SDBL, the County is obligated to permit increased building density, grant incentives, and waive any conflicting local development standards unless certain exceptions apply.

The County last updated its density bonus provisions in 2019. The State adopted numerous bills regarding SDBL since 2019, including: AB 1763 (2019), AB 2345 (2020), AB 634 (2021), SB 728 (2021), SB 290 (2021), AB 682 (2022), AB 1287 (2023), and AB 323 (2023). Given the subsequent changes to state law and to implement Program 13: Density Bonus Provisions of the County's 2023-2031 Housing Element Update, County staff prepared revisions to the three zoning ordinances to conform to state requirements.

Proposed Amendments

To comply with recent changes to SDBL, the proposed amendments modify the provisions of eligibility, density bonus criteria, incentives and concessions, waivers and reductions in development standards, parking ratios, additional density bonuses, condominium projects, and processing procedures.

The entirety of the text in the three zoning codes is required by state laws, with one optional provision proposed by AB 634 (2021). AB 634 allows jurisdictions the discretion to extend affordability periods beyond 55 years for affordable rental and for sale units not financed with low-income housing tax credits. The County is proposing to extend the affordability period from 55 years to 90 years to promote the continued availability of affordable housing units and to align with the County's 2023-2031 Housing Element Update's Goals and Policies.

1.3 By-Right Supportive Housing

On September 26, 2018, Governor Newsom approved AB 2162, which requires supportive housing to be allowed as a ministerial use by right in zones where multifamily and mixed-uses are permitted if the project meets specified criteria. The State Legislature intended the law to promote the development of transitional and supportive housing, which are housing types designed to help individuals with low incomes and one or more disabilities find stable housing and live fuller lives.

Proposed Amendments

To comply with the updated state law, staff is proposing amendments to the three zoning codes to identify the requirements for a project to qualify as a by-right supportive housing project, and establish streamlined

permit procedures and objective development standards for qualifying supportive housing projects as prescribed by state law.

The entirety of the text in the proposed zoning codes are required by state law. However, the law does provide the County with an option to increase the limit on the number of units eligible for by-right supportive housing projects beyond the state-designated 50 units. Provided this discretion, the County is proposing to increase the limit from 50 units to 75 units or fewer for ministerial supportive housing projects. The County is proposing this increase from 50 units to 75 units to promote the development of available housing for special needs groups within the County, which complies with the goals of the 2023-2031 Housing Element Update.

1.4 Qualifying Housing Streamlined Review

On September 29, 2017, Governor Newsom approved SB 35 (codified in GC Sections 65582.1 and 65913.4) to implement a streamlined application review process for qualifying multiple-unit and mixed-use housing projects. The provisions of this law apply only if the State has determined that the County is subject to this streamlined ministerial approval process due to insufficient progress towards meeting its regional housing needs allocation as described in the County's 2023-2031 Housing Element and reported on annually as part of the Annual Progress Report. SB 35 applies to the County at this time. The intent of SB 35 is to facilitate and expedite the construction of housing. Qualifying SB 35 projects must satisfy an extensive list of criteria, such as location requirements, affordability levels (currently 50 percent of units must be affordable to lower income households), labor standards, and conformance with objective zoning standards. The provisions of this bill were set to expire on January 1, 2026. On September 13, 2023, the State Legislature passed SB 423 to extend the expiration date to January 1, 2036.

Proposed Amendments

The Board of Supervisors adopted an ordinance adding Chapter 35.31 Affordable Housing Streamlined Review to the LUDC on January 24, 2023. Staff is proposing revisions to the zoning code to further comply with state law and clarify requirements. The revisions also incorporate changes to state law with the recent passage of SB 423. These revisions will be carried over to the Montecito zoning code as well. At this time, the requirements of SB 35 do not apply to the Coastal Zone and are not being proposed for adoption in the CZO. SB 35 will become effective in the Coastal Zone on January 1, 2025. Once the law goes into effect, the CZO will be amended to extend the provisions of Qualifying Housing Streamlined Review into the Coastal Zone.

1.5 Objective Design Standards for Multiple-Unit and Mixed-Use Housing

Various state housing laws require that qualifying housing projects be subject only to established objective design standards. Objective design standards are intended to provide clear design direction that respects existing neighborhood compatibility and privacy and can be implemented without subjective decision making. The objective design standard provisions apply to qualifying multiple-unit and mixed-use residential development in all zones including such development that constitutes a "housing development project" under the Housing Accountability Act, qualifying multifamily housing development under SB 35, supportive housing under AB 2162, and low barrier navigation centers under AB 101, as well as any other multiple-unit residential or mixed-use development project for which the Department may require compliance with "objective" standards under applicable state housing law.

Proposed Amendments

To comply with state law, staff prepared a zoning ordinance amendment for the Objective Design Standards for Multiple-Unit and Mixed-Use Housing in the inland zoning code (LUDC), which the Board adopted on January 24, 2023, and became effective on February 23, 2023. Subsequent to the Board's adoption, staff has prepared minor revisions to this ordinance in collaboration with an advisory group made up of members from the County's four Boards of Architectural Review. The revised standards are proposed to be carried over to the other two zoning codes to establish a single set of objective design standards that apply countywide.

Planning Commission Recommendations

On December 20, 2023, the MPC voted 3-0 to recommend the Board adopt the MLUDC amendments (Attachment 4) and recommended to the CPC to recommend that the Board adopt the CZO amendments (Attachment 5).

Staff presented the LUDC amendments and the MPC recommended CZO amendments to the CPC on January 10, 2024. The CPC voted 5-0 to recommend the Board adopt the LUDC ordinance amendments and CZO amendments, (Attachments 3 and 5).

Subsequent to the MPC and CPC hearings, staff made some additional minor edits to the CZO (Attachment 5) in response to comments and feedback received by Coastal Commission staff in order to further clarify and harmonize the regulations with the Coastal Act. These changes are all non-substantive and consistent with the intent of the amendment language considered by the Montecito and County Planning Commissions.

Assuming the Board adopts the ordinances, the amendments to the inland zoning codes (LUDC and MLUDC) will take effect 30 days following Board action. Because the amendments to the CZO constitute an amendment to the County's certified Local Coastal Program, the amendments will take effect following Coastal Commission certification of the CZO amendments. Coastal Commission staff have indicated the possibility of an expedited certification process, which would normally be estimated to take up to 12 months following Board adoption of the ordinance, if their concerns are addressed up front and no further modifications are identified.

Fiscal and Facilities Impacts:

The County received a total funding of \$307,000 from the California Department of Housing and Community Development's SB 2 Planning Grant. Of that, \$192,040 was allocated for the Housing Bill Implementation Project. The County has billed for \$190,040 of those funds and the remaining \$2,000 of that funding will be released by the State after Board adoption. Funding for this project is budgeted in the Planning & Development Department's Long Range Planning Budget Program on page 310 of the County of Santa Barbara Fiscal Year (FY) 2023-24 Adopted Budget. 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 ordinances and resolution, and minute order, to Planning & Development, attention: Lila Spring.

Attachments:

1. Findings for Approval
2. CEQA Notice of Exemption
3. LUDC Amendment for Adoption (Case No. 21ORD-00000-00001)
 - 3-1. LUDC Amendment with Changes Shown
4. MLUDC Amendment for Adoption (Case No. 21ORD-00000-00002)
 - 4-1. MLUDC Amendment with Changes Shown
5. CZO Amendment for Adoption (Case No. 21ORD-00000-00003)
 - 5-1. CZO Amendment with Changes Shown
6. Montecito Planning Commission Action Letter and Resolutions (Case No. 21ORD-00000-00002 and 21ORD-00000-00003) Hearing of December 20, 2023
7. Montecito Planning Commission Staff Report, dated December 12, 2023
8. County Planning Commission Action Letter and Resolutions (Case No. 21ORD-00000-00001 and 21ORD-00000-00003) Hearing of January 10, 2024
9. County Planning Commission Staff Report, dated January 2, 2024

List of Acronyms:

LUDC	Land Use and Development Code
MLUDC	Montecito Land Use and Development Code
CZO	Coastal Zoning Ordinance
CEQA	California Environmental Quality Act
LBNC	Low Barrier Navigation Center
SDBL	State Density Bonus Law
MPC	Montecito Planning Commission
CPC	County Planning Commission
AB	Assembly Bill
SB	Senate Bill

Authored by:

Lila Spring, Planner, Long Range Planning Division, and Breanna Alamilla, Planner, Long Range Planning Division