



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

Submitted on:  
(COB Stamp)

Department Name: Planning & Development  
Department No.: 053  
For Agenda Of: 10/21/08  
Placement: Set Hearing  
Estimate Time: 1 hour on 11/4/08  
Continued Item: NO  
If Yes, date from:  
Vote Required: Majority

**TO:** Board of Supervisors  
**FROM:** Department Director: John Baker, Assistant CEO and Planning & Development Director  
Contact Info: John McInnes, Long Range Planning Director  
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**SUBJECT: 2003-2008 Housing Element Focused Rezone Program**

**County Counsel Concurrence:**

As to form/legality:  Yes  No  N/A

**Auditor-Controller Concurrence:**

As to form:  Yes  No  N/A

**Recommended Action(s):**

Set a hearing for November 4, 2008 for the Board of Supervisors to consider approval of the 2003-2008 General Plan Housing Element Focused Rezone Program, and associated amendments to the 2003-2008 Housing Element, the Orcutt Community Plan, and the Land Use Development Code reflecting an action to rezone two sites, designated as Key Site 3 and Key Site 30 in the Orcutt Community Plan area to the Multi-Family Residential Orcutt (MR-0) zone designation.

**Summary:**

This staff report provides the Board of Supervisors with an overview of the proposed General Plan 2003-2008 Housing Element (Housing Element) Focused Rezone Program. The Focused Rezone Program is the second of two tasks that the California Department of Housing and Community Development (State HCD), in their June 16, 2008 letter, directed Santa Barbara County (County) to complete in order to maintain a State-certified Housing Element (Attachment D). The deadline for completion of both tasks is January 2009.

The first of these two tasks was completed on September 9, 2008, when the Board of Supervisors (Board) adopted an amendment to the Housing Element analyzing and documenting the realistic number of new housing units that could be built in Isla Vista, following the Board's adoption of the Isla Vista Master Plan (IVMP) in August 2007. This amendment reduced the County's Regional Housing Needs Allocation (RHNA) shortfall from 1,235 units to 370 units; it also reduced the scope of the corresponding State-mandated rezone program needed to address the County's RHNA shortfall and comply with State HCD's directed second task. Should the County fail to approve and implement the proposed Focused Rezone Program, State HCD has indicated that they intend to decertify the Housing Element.

On October 17, 2008, the County Planning Commission is scheduled to hold a hearing to review the Focused Rezone Program, including the associated Environmental Impact Report (08-EIR-00005), CEQA Findings, and the proposed amendments to the Housing Element, Orcutt Community Plan, and Land Use Development Code (LUDC). Staff will provide a summary to the Board of Supervisors of any related action taken by the Planning Commission, following their October 17, 2008 hearing.

Pursuant to Government Code section 65356, the authority to amend the County General Plan rests with the Board of Supervisors. In addition, Government Code section 65358 provides that the General Plan, including the Housing Element and the Land Use Element (Orcutt Community Plan), may be amended no more than four times in a calendar year. Subject to that limitation, the amendments may be made at any time during the year as determined by the Board of Supervisors. On February 12, 2008, the Board by Minute Order set the four "window dates" for amending the General Plan as April 8, June 17, August 19 and December 9, 2008, noting that these proposed dates may be changed due to unexpected events and circumstances. To comply with the timeline set by State HCD, the County must process the proposed amendment to the Housing Element and the Land Use Element before the next window date of December 9, 2008. Therefore, the Board may properly amend the Housing Element and Land Use Element on November 4, 2008 and still be in compliance with Government Code section 65358 because the Housing Element and Land Use Element will not be amended more than four times this calendar year.

**Background:**

**1. HOUSING ELEMENT CHRONOLOGY**

The Housing Element was first adopted in March 2004, at which time County staff determined that existing zoning and development standards could not accommodate all of the 6,064-unit RHNA assignment for the 2001-2009 Housing Planning Period. This meant that the County would be required by State law to rezone land to accommodate any RHNA shortfall. Upon review of the adopted Housing Element, State HCD found that inadequate information had been provided to accurately quantify the magnitude of this shortfall. In July 2004, State HCD directed the County to include this information via an amendment to the Housing Element, thereby providing increased specificity on the scope of the required rezone program. Given State HCD's comments, the public process of identifying potential rezone sites began.

On November 8, 2005, the Board of Supervisors Ad-Hoc Housing Subcommittee, comprised of 3rd and 2nd District Supervisors Firestone and Rose, and Planning Commissioners Montgomery and McGinnes, recommended to the Board that the County continue with implementation of the Housing Element Action Phase Programs, including any needed rezones, and to continue seeking final certification of the Housing Element from State HCD. This recommendation was followed by the November 30, 2005 Planning Commission hearing, where ten potential rezone sites were selected for environmental analysis, pending the outcome of the forthcoming hearings by the Board to address this initial set of State HCD's comments.

On May 9, 2006, the Board adopted a revised Housing Element quantifying a RHNA shortfall of 1,235 units, out of the total 6,064-unit RHNA assignment. The identification and selection of rezone sites was reaffirmed at the May 24, 2006 Planning Commission hearing. Responding to the May 9, 2006

amendments, and the County's commitment to move forward with a rezone program, State HCD issued certification of the Housing Element on August 2, 2006. Certification, however, was conditioned upon the County's implementation of Housing Element Policy 1.10: Action 1, which recognized that a rezone program was necessary to reconcile the RHNA shortfall.<sup>1</sup>

Environmental review of the rezone program commenced soon thereafter in November 2006, but was halted in August 2007, when the Board adopted the IVMP. At the time, the IVMP, which rezoned 256 acres of land and produced the potential for 1,417 additional units in the unincorporated south coast community of Isla Vista, appeared to satisfy the State's requirements to address the RHNA shortfall. This outcome was reported to the Planning Commission in September 2007 and subsequently to State HCD.

On September 9, 2008, following nine months of dialogue and direction from State HCD regarding the IVMP, the Board adopted a technical amendment to the Housing Element documenting that 865 of the 1,417 additional units could realistically be built in Isla Vista. With this new 865 units added to the County's base land inventory, the County's RHNA shortfall was effectively reduced from 1,235 units to 370 units. In accordance with State HCD's direction, the Focused Rezone Program will now need to address the remaining 370-unit shortfall.<sup>2</sup>

During the course of scoping the Environmental Impact Report (EIR) for the Focused Rezone Program, three of the ten potential sites initially identified by the Planning Commission were removed from consideration due to health and public safety issues associated with wastewater capacity that arose during the Los Alamos Community Plan update process. The remaining seven sites then formed the basis for analysis in the Focused Rezone Program EIR.

## **2. PROJECT DESCRIPTION: FOCUSED REZONE PROGRAM**

Deriving from the need to address the remaining RHNA shortfall of 370 units, the proposed Focused Rezone Program consists of amendments to policy, zoning, and development standards for *portions* of two sites identified in the Orcutt Community Plan known as Key Site 3 and Key Site 30. When combined, these rezones create the capacity for 372 units, thereby adequately addressing the County's RHNA shortfall.

Prior to initiation of the Focused Rezone Program, the owners of both sites submitted development proposals to the County. These proposals included multifamily housing components that were consistent with State standards for rezones needed to address the RHNA shortfall. Since State law requires that the Focused Rezone Program provide the opportunity to build new housing before the end of the planning period, the identified portions of these sites have been selected to form the Focused Rezone Program EIR project description, as they are among the most likely sites to be developed.

The Focused Rezone Program represents a separate County-initiated action on portions of Key Site 3 and 30, and is specifically intended to provide the capacity for housing needed to address the RHNA shortfall. The components of both development proposals that are not included in this action will be analyzed under a separate decision-making process, and follow the standard course of the County's discretionary review.

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<sup>1</sup> Consistent with GC § 65583(c)(A); GC § 65583.2 (h) and (i).

<sup>2</sup> Pursuant to GC § 65583(c)(1)

### **New Multifamily Residential-Orcutt (MR-O) Zone District for Rezone Sites**

State law requires that sites rezoned for the purposes of meeting a RHNA shortfall meet specific zone district standards, including a residential density of at least 20 units per acre and the ability to facilitate at least 16 new units per site.<sup>3</sup> In addition, rezoned sites are required to permit both owner-occupied and rental residential use “by right,” meaning that the County may not require discretionary project approval, once the rezones have been completed. State law allows for design review, so long as this review does not constitute a “project” requiring additional environmental review under CEQA.

Currently, the County does not have a zone district that meets these standards. Therefore, the proposed new MR-O zone district has been developed to mirror the requirements of State law, while ensuring that new housing will provide compatibility with existing neighborhoods in the Orcutt community through self-mitigating components such as quality design, the provision of open space, energy conservation, and recreational opportunities for residents and families. The MR-O zone district is only applicable to the portions of the two Focused Rezone Program sites selected to address the existing RHNA shortfall. For further reference, the text of the proposed MR-O zone district is included as Attachment C-3.

### **3. PROJECT ENVIRONMENTAL ANALYSIS**

An Environmental Impact Report (08-EIR-00005, Attachment A-1) was prepared for the proposed Focused Rezone Program, pursuant to Public Resources Code §§ 21000 et seq. and the County of Santa Barbara Guidelines for the implementation of the California Environmental Quality Act of 1970. The conclusions of the EIR and a summary of all proposed mitigation measures needed to minimize impacts to the physical environment are contained in the Executive Summary Chapter of the EIR. Key components are highlighted below.

#### **Impacts and Mitigation**

The Focused Rezone Program EIR considered all significant and unavoidable (Class I) impacts, as well as all significant impacts that can be mitigated (Class II). Based on this analysis, the EIR proposed a number of mitigation measures that aim to reduce, avoid, minimize, rectify, eliminate, or compensate for the impacts identified in the EIR to the extent feasible.<sup>4</sup>

Class I impacts have been identified, which cannot be mitigated to less-than-significant levels. As a result, the Board must adopt a Statement of Overriding Considerations, if the project is approved.<sup>5</sup> These impacts include:

1. Land Use: Airport-Related Compatibility Conflicts – Key Site 30
2. Air Quality: Cumulative Air Quality
3. Utilities: Solid Waste and Disposal – Both Key Sites
4. Utilities: Cumulative Wastewater
5. Utilities: Cumulative Solid Waste
6. Visual and Aesthetic Resources: Visual Character Changes – Both Key Sites
7. Visual and Aesthetic Resources: Alteration of Scenic Views – Key Site 3
8. Visual and Aesthetic Resources: Cumulative Visual Character
9. Visual and Aesthetic Resources: Cumulative Scenic Views

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<sup>3</sup> Consistent with GC § 65583.2 (h)

<sup>4</sup> CEQA Guidelines §§ 15126.4; 15364; 15370

<sup>5</sup> Pursuant to §15093 of the State CEQA Guidelines

Class II impacts have been identified; however, mitigation measures proposed in the EIR will reduce these to less than significant levels. Impacts include:

1. Land Use: Other Long-Term Compatibility Conflicts – Key Site 30
2. Traffic and Circulation: Local Circulation System Impacts – Key Site 30
3. Traffic and Circulation: Cumulative Traffic and Circulation Impacts – Key Site 3
4. Biological Resources: Sensitive Habitats – Both Key Sites
5. Biological Resources: Special Status Wildlife Species – Both Key Sites
6. Biological Resources: Cumulative Impacts to Biological Resources
7. Fire Hazards: Introduction of Residences to Wildland Fire Hazards – Key Site 3
8. Air Quality: Temporary Construction Emissions – Both Key Sites
9. Air Quality: Long-Term Regional Emissions – Both Key Sites
10. Air Quality: Hazardous Air Pollutants – Key Site 3
11. Noise: Temporary Construction Noise – Both Key Sites
12. Noise: Exposure to Noise Exceeding County Standards – Both Key Sites
13. Seismic, Soil and Landslide Hazards: Erosive Soils – Both Key Sites
14. Hydrology and Water Quality: Long-Term Hydrological Impacts – Both Key Sites
15. Hazards and Hazardous Materials: Hazardous Materials – Key Site 3
16. Cultural Resources: Unknown Historic/Archeological Resources – Both Key Sites
17. Visual and Aesthetic Resources: Increased Light and Glare – Both Key Sites

All Class I and Class II impacts and mitigations are discussed in Table ES-1 of the EIR Executive Summary (Attachment A-1). Further discussion of Class III impacts, which are considered less than significant, can be found in the technical appendices of the EIR.

### **Project Alternatives**

As required by CEQA, the Focused Rezone Program EIR examined five alternatives to the proposed project, including the No Project Alternative.<sup>6</sup> Table 1 below summarizes these alternatives, which are discussed in the Focused Rezone Program EIR Section 6.0 Alternatives.

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<sup>6</sup> CEQA Guidelines 15126.6

<b>Table 1 Housing Rezone Sites Identified for Environmental Analysis<sup>7</sup></b>					
<b>Site</b>	<b>Community</b>	<b>Current Zone</b>	<b>New Zoning</b>	<b>Acres to be Rezoned to 20 units per acre</b>	<b>Potential Units</b>
<b>Proposed Project Sites</b>					
Orcutt Key Site 3	Orcutt	RR-10	MR-O	8.0	160
Orcutt Key Site 30	Orcutt	AG-I-40	MR-O	9.3	212
<b>Total Units</b>					<b>372</b>
<b>Alternative #1 CalTrans and Ebbert</b>					
Cal Trans	Mission Hills	None	MR-O	9.3	186
Ebbert	Vandenberg Village	DR-12, C-2	MR-O (only C-2 portion)	9.2	184
<b>Total Units</b>					<b>370</b>
<b>Alternative #2 Key Sites #15 and #23</b>					
Orcutt Key Site 15	Orcutt	SC/M-RP, PRD	MR-O (only PRD portion)	5.0	100
Orcutt Key Site 23 Foster Road County Campus	Orcutt	City of Santa Maria	MR-O	13.5	270
<b>Total Units</b>					<b>370</b>
<b>Alternative #3 Key Sites #3 and #16</b>					
Orcutt Key Site 3	Orcutt	RR-10	MR	8.0	160
Orcutt Key Site 16	Orcutt	SC	MR-O	10.5	210
<b>Total Units</b>					<b>370</b>
<b>Alternative #4 (Environmentally Superior Alternative) Key Site #30 and Alternative Rezone Site on Key Site #3</b>					
Alternative Rezone Site Location on Key Site 3	Orcutt	RR-10	MR-O	8.0	160
Orcutt Key Site 30	Orcutt	AG-I-40	MR-O	9.3	212
<b>Total Units</b>					<b>372</b>
<b>Alternative #5 (No Project)</b>					
<b>Total Units</b>					<b>2</b>

<sup>7</sup> For the purposes of this EIR, the build-out density at each of these sites is assumed to be 20 du/acre, the minimum density allowed under the proposed Multi-Family Residential - Orcutt (MR-O) Zoning District.

**The Environmentally Superior Alternative**

The Focused Rezone Program EIR identified Alternative 4 as the Environmentally Superior Alternative among the development alternatives. This determination is primarily due to a greater setback from Highway 101 on Key Site 3 in this alternative, which would avoid the Class I impact related to scenic view alteration for travelers along Highway 101. In addition, the increased setback for Key Site 3 would incrementally reduce impacts related to noise and hazardous vehicle emissions exposure to future residents.

The alternative rezone site location on Key Site 3, however, presents a greater degree of land use compatibility conflicts due to proximity to the mobile home park to the north. Additionally, the alternate location presents inconsistencies with Orcutt Community Plan development standards requiring single-story structures adjacent to existing residential development. Therefore, although implementation of this alternative is physically feasible, it would be less desirable than the proposed project, since it would have greater effects on existing Key Site 3 neighbors.

**County Staff EIR Conclusions**

The proposed project, and all alternatives except for the “no project” alternative, would provide a pathway for the County to comply with State HCD’s direction to address the remaining RHNA shortfall of 370 units through a Focused Rezone Program. Based on the analysis provided in the Focused Rezone Program EIR as well as State HCD’s requirement that housing opportunities be made available prior to the end of the planning period, the proposed project is recommended.

**4. GENERAL PLAN CONSISTENCY**

The Focused Rezone Program includes detailed text, map, and development standard amendments to ensure that the Orcutt Community Plan, the Santa Barbara County LUDC, and the County of Santa Barbara Land Use Maps are consistent with the 2003-2008 General Plan Housing Element Update and State law.<sup>8</sup> Section 5, Policy Consistency of the EIR provides a full discussion of policy consistency related to the Focused Rezone Program.

**Fiscal and Facilities Impacts:**

Budgeted:  Yes  No

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Current FY Cost:</b>	<b>Annualized Cost:</b>	<b>Total Project Cost</b>
General Fund	\$ 78,276.00		\$ 3,163,372.00
State			
Federal			
Fees			
Other:			
Total	\$ 78,276.00	\$ -	\$ 3,163,372.00

<sup>8</sup> Pursuant to GC § 65300.5

Narrative:

**Staffing Impact(s):**

**Legal Positions:**  
NA

**FTEs:**  
NA

**Special Instructions:**

NA

**Attachments: (list all)**

- Attachment A-1: Focused Rezone Program Environmental Impact Report including Mitigation, Monitoring, and Reporting Program
- Attachment A-2: Focused Rezone Program Findings and Statement of Overriding Consideration
- Attachment B: Planning Commission Action Letter and Resolution
- Attachment C-1: Board of Supervisors Resolution
  - Exhibit 1: Housing Element Policy 1.10: Action 1*
  - Exhibit 2: Housing Element Appendix E2*
- Attachment C-2: Orcutt Community Plan Amendment
  - Exhibit 1: Key Site 3 Text and Land Use Designation Map*
  - Exhibit 2: Key Site 30 Text and Land Use Designation Map*
- Attachment C-3: Land Use Development Code Amendment to include MR-O Zone District
  - Exhibit 1: Key Site 3 County Zoning Map*
  - Exhibit 2: Key Site 30 County Zoning Map*
- Attachment D: California Department of Housing and Community Development Letter dated June 16, 2008.

**Authored by:**

David Matson, Deputy Director, Long Range Planning

**cc:**

OLRP Chron File