



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 &  
Development  
**Department No.:** 053  
**For Agenda Of:** April 14, 2015  
**Placement:** Departmental  
**Estimated Time:** 0.5 hrs.  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
Board of Directors, Flood Control and Water Conservation District  
Board of Directors, Santa Barbara County Water Agency  
Board of Directors, Laguna County Sanitation District

**FROM:** Department Glenn Russell, Ph. D., Director, Planning & Development  
(805) 568-2085  
Contact Info: Alice McCurdy, Deputy Director, Development Review  
(805) 568-2518

**SUBJECT:** Hearing to Consider the Rice Ranch Specific Plan and Development Agreement Amendments and Recorded Map Modification (Case Nos. 14RMM-00000-00007, 14ORD-00000-00012, 15GPA-00000-00001, 15ORD-00000-00001, and 14SPP-00000-00002), Fourth Supervisorial District

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: N/A

**Other Concurrence:** N/A

**Recommended Actions:**

Consider the Planning Commission's recommendation for approval of the Rice Ranch Specific Plan and Development Agreement Amendments and Recorded Map Modification (Case Nos. 14RMM-00000-00007, 14ORD-00000-00012, 15GPA-00000-00001, 15ORD-00000-00001, and 14SPP-00000-00002).

At the hearing of April 14, 2015, staff recommends your Board take the following actions:

- a) Approve the introduction (first reading) of the Ordinances amending the Rice Ranch Specific Plan and Rice Ranch Development Agreement.
- b) Read the title of the Ordinances into the record and waive full reading of the Ordinances (Attachments 4 and 5); and

- c) Continue the item to the Administrative Agenda of April 21, 2015 for the second reading and final action on the project.

At the hearing of April 21, 2015 staff recommends your Board take the following actions:

1. Make the required findings for the project, specified in Attachment 2 of this Board Letter, including CEQA findings.
2. After considering the previously adopted EIR (03-EIR-05) prepared for the Rice Ranch project, (Attachment I and K of the Planning Commission Staff Report dated March 3, 2015, included as Attachment 1 to this Board Letter) determine that no subsequent Environmental Impact Report or Negative Declaration shall be prepared for this project pursuant to CEQA Guidelines Section 15162.
3. Approve and adopt a resolution included as Attachment 3 of this Board Letter amending Subsections 4.3.1 Affordable Housing, Program Requirements and 4.3.2, Affordable Housing, Implementation and Monitoring of the approved Rice Ranch Specific Plan (14SPP-00000-00002) (Attachment J of the Planning Commission Staff Report dated March 3, 2015, included as Attachment 1 to this Board Letter).
4. Approve and adopt an Ordinance (second reading) (15ORD-00000-00001) included as Attachment 4 of this Board Letter amending Subsection 4.4 of the Rice Ranch Development Agreement (Attachment H of the Planning Commission Staff Report dated March 3, 2015, included as Attachment 1 to this Board Letter).
5. Approve and adopt an Ordinance (second reading) (14ORD-00000-00012) included as Attachment 5 of this Board Letter amending Subsections 4.3.1 Affordable Housing, Program Requirements and 4.3.2, Affordable Housing, Implementation and Monitoring of the approved Rice Ranch Specific Plan (Attachment J of the Planning Commission Staff Report dated March 3, 2015, included as Attachment 1 to this Board Letter).
6. Approve Case No. 14RMM-00000-00007 to modify Condition No. 50 of TM 14,430 subject to the conditions of approval as shown in Attachment B of Attachment 6 (Planning Commission Action Letter dated March 12, 2015).

Alternatively, refer back to staff if your Board takes other than the recommended action for appropriate findings and, if necessary, conditions of approval.

**Summary Text:**

The applicant is requesting modifications to condition no. 50 of TM 14,430 and Section 4.3.2 of the approved Specific Plan to allow for 27% of the market rate units, up to 195 units, to be issued zoning clearance prior to implementation of the Affordable Housing Provisions. Postponing the requirement to construct onsite affordable units until the time that 27% of the market rate units (195 units) have been issued zoning clearance would allow the applicant to continue to complete the construction and sale of homes in the two approved and recorded neighborhoods at the market rate. Furthermore, neither of the currently recorded Oaks and Pine Creek single family residential subdivisions that are currently under construction were ever planned to include the low income affordable units.

Subsection 4.3.1, entitled "Program Requirements", of the approved Rice Ranch Specific Plan specifies that a portion of the workforce housing units would be dispersed throughout the Meadows and Pine Creek neighborhoods. The applicant is requesting that this discussion be amended to clarify that workforce housing units would not be constructed in the Pine Creek neighborhood. The applicant is also proposing to amend Subsection 4.3.2, Affordable Housing – Implementation and Monitoring, of the approved Rice Ranch Specific Plan (97-SP-001) to allow for 27% of the market rate units, up to 195 units, to be issued zoning clearance prior to implementation of the Affordable Housing Provisions.

Additionally, the project includes proposed amendments to the Rice Ranch Development Agreement to clarify that construction of the affordable units would follow the 195<sup>th</sup> zoning clearance of the market rate units at which time three (3) affordable units shall be constructed concurrent with the construction of every eight (8) market rate units in each phase of development until a total of 146 affordable units have been constructed. At the Planning Commission hearing of March 11, 2015, the Commission voted 4-1 to recommend that your Board approve the proposed project.

The proposed amendments to: 1) Condition no. 50 of Tract Map 14,430; 2) Section 4.3 of the Rice Ranch Specific Plan; and Section 4.4 of the Development Agreement are as follows (revisions are indicated in ~~strikethrough~~ and underline format):

Tract Map 14,430 Condition No. 50

50. Construction of the affordable units shall commence with the construction of the ~~182<sup>nd</sup>~~ 196<sup>th</sup> market rate units. Following zoning clearance of the ~~181<sup>st</sup>~~ 195<sup>th</sup> market rate unit, three (3) affordable units shall be constructed concurrent with the construction of every eight (8) market rate units in each phase of development until a total of 146 affordable units have been constructed. PLAN REQUIREMENTS & TIMING: Prior to recordation of the map modification, this requirement shall be included in an amended "Agreement to Provide Affordable housing units" and shall be printed on all grading and building plans. Prior to issuance of a zoning clearance for each market rate or affordable unit, P&D staff shall obtain a sign-off from the Housing & Community Development Department. MONITORING: Permit Compliance staff shall ensure compliance during construction.

Rice Ranch Specific Plan (approved December 9, 2003), Section 4.3-Affordable Housing.

4.3.1 Program Requirements (fourth paragraph)

In addition, the applicant for Rice Ranch will voluntarily price restrict an additional 10% of the units approved, for work-force housing buyers who currently earn less than 150% of the median area income. These units would be dispersed throughout the Meadows ~~and Pine Creek~~ neighborhoods.

4.3.2 Implementation and Monitoring

Construction of the affordable units shall commence with the construction of the ~~182<sup>nd</sup>~~ 196<sup>th</sup> market rate unit. Following zoning clearance of the ~~181<sup>st</sup>~~ 195<sup>th</sup> market rate unit, three (3) affordable units shall be constructed concurrent with the construction of every eight (8) market rate units in each phase of development until a total of 146 affordable units have been constructed.

Rice Ranch Specific Plan Development Agreement (approved December 9, 2003) Section 4.4- Timing of Development.

Because of California Supreme Court held in *Pardee Construction Co. v. City County of Camarillo* (1984), 37 Cal.3d 465, that failure of the parties therein to provide for the timing of development resulted in a later –adopted initiative restricting the timing of development to prevail over such parties’ agreement, it is the parties’ intent to cure that deficiency by acknowledging and providing that Owner shall have the right (without obligation) to develop portions of the Rice Ranch Project in such order and at such rate and at such times as Owner deems appropriate within the exercise of its subjective business judgment provided that following zoning clearance of the 195<sup>th</sup> market rate unit, three (3) affordable units shall be constructed concurrent with the construction of every eight (8) market rate units in each phase of development until a total of 146 affordable units have been constructed ~~affordable housing shall always constitute at least 10% of the the units built~~ throughout the Rice Ranch Property. The community park and adjoining trails shall be constructed with the first phase of development as conditioned in the Project Approvals.

**Background:**

The Rice Ranch project received final approval by the Board of Supervisors on December 9, 2003. The project is approved to allow for the construction of 725 homes, a 26-acre community park, and preservation of land for a future elementary school, numerous pocket parks and open space areas. The master tract map recorded as a Large Lot Conveyance Map in September, 2005 (TM 14,636). This process has allowed the individual “neighborhood” tract maps to move forward, ultimately resulting in development of the site. Phase I of TM 14,430, which includes the Oaks and Pine Creek neighborhoods, recorded on September 20, 2007. Phase II of TM 14,430, which consists of the 26-acre community park, recorded on November 28, 2007. In January 2009, the community park was completed and opened for public use.

Condition no. 49 of TM 14,430 and the recorded “Agreements to Provide Affordable Housing Units” require 73 dwelling units to be provided at sale prices affordable to low income buyers with an affordability target of 75% of the area median income. An additional 73 units are required to be approved for “workforce” housing (for a total of 146 total units). These units would be available only to first-time homebuyers whose earnings place them above qualification for moderate income units as defined in the County’s existing Affordable Housing Program, but who earn less than 150% of the area median income. Of these 73 additional units, 50 would be priced to be affordable to individuals and families that earn up to 120% of the area median income and 23 units would be price restricted to be affordable to individuals and families that earn up to 150% of the area median income.

Condition no. 50 of TM 14,430, and Section 4.3.2, Affordable Housing – Implementation and Monitoring, of the approved Rice Ranch Specific Plan (97-SP-001) and Section 4.4 Timing of Development of the approved Rice Ranch Development Agreement originally required the applicant to construct the onsite affordable units concurrently with the market rate units at a rate of 10% (i.e., of every 10 market rate units, 1 shall be an affordable unit). On July 10, 2012 the Board of Supervisors approved a revision to the Rice Ranch Specific Plan and a Recorded Map Modification to condition no. 50 of TM14,430 that allowed the developer to construct up to 25% (181) market rate units before fulfilling its obligation to construct onsite affordable units.

The Orcutt Community Plan Key Site 12 Policy KS12-2 requires all affordable units to be constructed on-site. The proposed project would not change the requirement that 146 affordable units be provided on-site. The payment of in-lieu fees is not proposed as a part of this project, and could not occur unless and until policy KS12-2, and the recorded “Agreements to Provide Affordable Housing Units” are revised. The applicant has submitted other applications to P&D which include a request to amend the Orcutt Community Plan to allow for the payment of affordable housing in-lieu fees instead of construction of affordable homes onsite. This application is currently in process and includes other amendments to the Rice Ranch project such as a proposal to reconfigure the previously approved residential lots and roads and a request to privatize the neighborhood parks.

To date, 168 building permits have been issued for units located within the Oaks and Pine Creek neighborhoods and 150 of these units have received final occupancy clearance. The Department of Community Services, Housing & Community Development division is separately agendizing an amendment to the Agreements to Provide Affordable Housing Units, which your Board is scheduled to also consider at the April 14, 2015 hearing.

**Performance Measure:**

N/A

**Fiscal and Facilities Impacts:**

Budgeted: Yes

**Fiscal Analysis:**

County costs to process the project are fully reimbursed by the applicant pursuant to the current Board-approved fee resolution. Permit revenues are budgeted for the Development Review North Division on page D-212 of the adopted 2014-2016 fiscal year budget. Estimated costs for processing the project, including preparation of this Board Letter, are approximately \$18,000.

**Special Instructions:**

The Clerk of the Board shall publish a legal notice at least 10 days prior to the hearing on April 14, 2015. The Clerk of the Board shall fulfill noticing requirements and publish the action of the Board pursuant to Government Code Section 25124. A minute order of the hearing and copy of the notice and proof of publication shall be returned to Planning and Development, attention David Villalobos.

**Attachments:**

1. Planning Commission Staff Report dated March 3, 2015.
2. Findings
3. Resolution Amending the Approved Specific Plan
4. Ordinance Amending the Approved Development Agreement
5. Ordinance Amending the Approved Specific Plan
6. Planning Commission Action Letter dated March 12, 2015

**Authored by:**

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