DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT DIVISION OF HOUSING POLICY DEVELOPMENT

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October 3, 2014

Mr. Glenn S. Russel, Director Planning and Development Department County of Santa Barbara 123 Anapantu Street Santa Barbara, CA 93101 RECEIVED

OCT 0 6 2014 S.B. COUNTY PLANNING & DEVELOPMENT

Dear Mr. Russel:

RE: County of Santa Barbara's 5th Cycle (2015-2023) Draft Housing Element

Thank you for submitting the County of Santa Barbara's draft housing element received for review on August 4, 2014. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by a telephone conversation on September 16, 2014 with Mr. Allen Bell, Supervising Planner, and Ms. Oksana Buck, Planner. In addition, the Department considered comments from California Rural Legal Assistance, Inc. pursuant to GC Section 65585(c).

The draft element addresses many statutory requirements; however, revisions will be necessary to comply with State housing element law (GC, Article 10.6). The enclosed Appendix describes revisions needed to comply with State housing element law.

To remain on an eight year planning cycle, pursuant to Senate Bill 375 (Chapter 728, Statutes of 2008) the County must adopt its housing element within 120 calendar days from the statutory due date of February 15, 2015 for SBCAG localities. If adopted after this date, GC Section 65588(e)(4) requires the housing element be revised every four years until adopting at least two consecutive revisions by the statutory deadline. For more information on housing element adoption requirements, please visit our website at: http://www.hcd.ca.gov/hpd/hrc/plan/he/he review adoptionsteps110812.pdf.

The Department appreciates the efforts of Mr. Bell and Ms. Oksana during the course of our review. We are committed to assist Santa Barbara County in addressing all statutory requirements of housing element law. If you have any questions or need additional technical assistance, please contact Jess Negrete, of our staff, at (916) 263-7437.

Sincerely,

HINA, Cangoro Glen A. Campora

Assistant Deputy Director

Enclosure

APPENDIX COUNTY OF SANTA BARBARA

The following changes would bring Santa Barbara County's housing element into compliance with Article 10.6 of the Government Code. Accompanying each recommended change, we cite the supporting section of the Government Code.

Housing element technical assistance information is available on the Department's website at www.hcd.ca.gov/hpd. Among other resources, the Housing Element section contains the Department's latest technical assistance tool, *Building Blocks for Effective Housing Elements (Building Blocks)*, available at www.hcd.ca.gov/hpd/housing-element2/index.php and includes the Government Code addressing State housing element law and other resources.

A. Housing Needs, Resources, and Constraints

 Include an analysis of population and employment trends and documentation of projections and a quantification of the locality's existing and projected needs for all income levels, including extremely low-income households (Section 65583(a)(1)).

The element quantifies the number of existing extremely low-income (ELI) households (Table 2-15, page 2-19) but needs to include an estimate of the projected number of ELI households and analyze the existing housing needs to comply with Chapter 891, Statutes of 2006 (AB 2634). The analysis of needs should consider tenure and rates of overpayment and overcrowding. This analysis will assist in formulating policies and programs for ELI households. The housing element may either use available Census Data to calculate the number of ELI households, or presume 50 percent of the very low-income households qualify as ELI households. To assist the analysis, see the *Building Blocks'* website at http://www.hcd.ca.gov/hpd/housing-element2/EHN extremelylowincome.php.

2. Include an inventory of land suitable for residential development, including vacant sites and sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3)). The inventory of land suitable for residential development shall be used to identify sites that can be developed for housing within the planning period (Section 65583.2).

<u>Sites Inventory</u>: The element should clarify whether the zoning indicated in the Sites Inventory for the Isle Vista sites, 3, 14-22 (pages B-7:8), identifies the current zoning or the proposed zoning under the pending Isle Vista Master Plan. The sites inventory must identify the current zoning and general plan designations of the identified sites and the sites' realistic capacity should reflect the allowed density of the current zoning.

The element must include a general map of identified sites. For additional information, see the sites inventory analysis section of the *Building Blocks* at http://www.hcd.ca.gov/hpd/housing-element2/SIA home.php.

Realistic Capacity: The element indicates that the realistic capacity of each site was determined by "multiplying the size of the site by the maximum number of units allowed by the applicable zone District" (page 6-4). However, the element

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must also include analysis demonstrating the validity of the realistic capacity determination (Section 65583.2(c)). The analysis must consider adjustments to reflect land use controls and site improvement requirements and could reflect recently built densities. For information, see the *Building Blocks* at http://www.hcd.ca.gov/hpd/housing_element2/SIA_zoning.php.

Sites with Zoning for a Variety of Housing Types:

Emergency Shelters. The element indicates emergency shelters are allowed in the SR-H, MU, C-3, CS, and M-1 zones with a ministerial permit (page 3:53) and identifies 13 vacant sites with such zoning (page 3:53 and Appendix B). The element must demonstrate the 13 identified SR-H, MU, C-3, CS, and M-1 zoned sites have sufficient capacity to accommodate the identified 1,855 housing need (page 3:52) for emergency shelters (Section 65583(a)(4)) or it must include a program to amend its zoning ordinance to identify additional zones or sites that allow emergency shelters as a permitted use without a conditional use or other discretionary permit within one year of the adoption of the element. The element should clarify that the ministerial permit process is not a discretionary process and that the ministerial use permit requirement is required for other uses in the zones requiring a ministerial permit for as emergency shelters (Section 65583(a)(4)). For additional information and a sample analysis, see the Building Blocks at http://www.hcd.ca.gov/hpd/housing_element2/SIA variety.php#Emergency.

Transitional Housing and Supportive Housing. The element indicates definitions for transitional housing and supportive housing have been adopted (page 4:21) and supportive housing is subject "to the same permitting uses as other housing within the C-3 zone" (page 4:20). However, transitional housing and supportive housing must be permitted as a residential use in all zones allowing residential uses and only be subject to those restrictions that apply to other residential dwellings of the same type in the same zone (Section 65583(a)(5)). In addition, SB 745 updated the definitions of transitional and supportive housing; the current definitions should be reviewed to ensure compliance with SB 745. The housing element must demonstrate consistency with these statutory requirements or include a program to do so. For additional information, please see the Building Blocks at http://www.hcd.ca.gov/hpd/housing_element2/SIA_variety.php#Transitional.

Employee Housing. The housing element identifies some zones which allow agricultural employee housing as a permitted use or with a minor conditional use permit (CUP) or CUP for 4 persons or less, as well as for 5 persons or more (page 3:41-42). It also indicates the Land Use and Development Code (LUDC) complies with Health and Safety Code (HSC) Sections 17021.5 and 17021.6 whereas the Coastal Zone Ordinance (CZO) zone does not (page 3:33) and that the Employee Housing Act (EHA) requirements "prevail when local regulations applicable to Agricultural Employee Housing conflict with State employee housing law" (page 4:21). The housing element must demonstrate the County's zoning is consistent with the EHA (HSC Section 17000 et seq.), specifically, Sections 17021.5 and 17021.6. Section 17021.5 requires employee

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housing for six or fewer employees to be treated as a single family structure and permitted in the same manner as other dwellings of the same type in the same zone. Section 17021.6 requires employee housing consisting of no more than 12 units or 36 beds to be permitted in the same manner as other agricultural uses in the same zone. For information and sample analysis, see the *Building Blocks* at http://www.hcd.ca.gov/hpd/housing-element2/SIA variety.php#Farmworker.

Manufactured Housing. While the element indicates that the County has zoning in place for mobile home parks, planned developments, and subdivisions throughout the County (page 3-9), it must demonstrate that the zoning code allows the siting and permit process for manufactured housing in the same manner as a conventional or stick-built structure (GC Section 65852.3). Specifically, manufactured homes (mobilehomes) should only be subject to the same development standards which a conventional single-family residential dwelling on the same lot would be subject to, including, but not limited to, building setback standards, side and rear yard requirements, standards for enclosures, access, and vehicle parking, aesthetic requirements, and minimum square footage requirements, with the exception of architectural requirements (GC Section 65852.3(a)).

3. Analyze potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls, building codes and their enforcement, site improvements, fees and other exactions required of developers, and local processing and permit procedures. The analysis shall also demonstrate local efforts to remove governmental constraints that hinder the locality from meeting its share of the regional housing need in accordance with Section 65584 and from meeting the need for housing for persons with disabilities, supportive housing, transitional housing, and emergency shelters identified pursuant to paragraph (7) (Section 65583(a)(5)).

Land-Use Controls: While the element includes a general discussion of developments standards, it must identify and analyze all relevant land use controls impacts as potential constraints on a variety of housing types (e.g., multifamily rental housing, mobilehomes, transitional housing). Development standards to be identified and analyzed include, but are not limited to, the following: open space, minimum setbacks, height limits, parking requirements, structure coverage, floor area ratios, minimum unit sizes, and the Affordable Housing Overlay Zone. The analysis must also evaluate the cumulative impacts of land use controls, including the ability to achieve maximum densities and cost and supply of housing. The analysis should describe past or current efforts to remove identified governmental constraints and include programs to address or remove the identified constraints.

The element seems to indicate that certain zoning designations, development standards, parking requirements, permit processing requirements, and overlay zones may act as a constraint on housing, including housing for special needs groups (page 3:29). The housing element should include analysis that describes

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past or current efforts to remove the identified governmental constraints and include programs to address or remove the identified constraints.

Program 1.10 proposes to amend the CZO to comply with state density bonus law (page 5-7). The element should clarify whether the County's zoning ordinance (non-coastal zone) complies with state density bonus law. The element must also demonstrate that the County's local density bonus ordinance that provides a density bonus for workforce housing (120%-200% of Area Median Income) does not undermine state density bonus law's intent of providing housing opportunities for lower and moderate income households (GC Section 65917).

The element should describe the status of amending the CZO in regard to the Isle Vista Master Plan, state density bonus law, SB 2, SB 745, Employee Housing Act, reasonable accommodation procedure. For example in regard to employee housing the LUDC was amended on June 1, 2010 (page 4-21), however the timeline to amend the CZO is "within 2 years of the adoption" of the current element (page 5-12). The element could describe the process and timeline for amending the CZO and a timeline for submittal to the Coastal Commission.

Fees and Exaction: The element should clarify whether Tables 3-23 and 3-24, pages 3-57:58, include all the required fees for single family and multifamily housing development, including impact fees, and analyze their impact as potential constraints on housing supply and affordability. If not, the housing element should be revised to do so. The analysis of fees could identify the total amount of fees and their proportion to the development costs for both single family and multifamily housing. For additional information and a sample analysis and tables, see the Building Blocks at http://www.hcd.ca.gov/hpd/housing-element2/CON fees.php.

<u>Codes and Enforcement</u>: The housing element must describe the County's building code, including any local amendments to the building code, and analyze their impact as potential constraints on housing supply and affordability. For additional information and a sample analysis, see the <u>Building Blocks</u> at http://www.hcd.ca.gov/hpd/housing_element2/CON_offsite.php.

Constraints on Persons with Disabilities: It appears the County's definition of family excludes persons living in a dwelling "for group use" (page 3-50). If so, the housing element must include a program to revise the definition of family. In addition, the County's reasonable accommodation procedure (Appendix A), does not appear to comply with fair housing laws. For example, rather than focus on whether the requested accommodation is necessary to make housing available to an individual with disabilities protected under the fair housing laws the County's reasonable accommodation procedure focuses on whether the proposed project will be detrimental to the general welfare, health, and safety of the neighborhood or incompatible with the surrounding areas. The element must include a program to revise the reasonable accommodation procedure. For a sample program, see the Building Blocks at http://www.hcd.ca.gov/hpd/housing_element2/CON_disabilities.php.

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 Analyze any special housing needs such as elderly; persons with disabilities, including a developmental disability; large families; farmworkers; families with female heads of households; and families and persons in need of emergency shelter (Section 65583(a)(7)).

While the housing element, page 2-29, describes the housing needs and resources for persons with developmental disabilities, it must also quantify the total number of persons with developmental disabilities. Information for this analysis may be obtained from the area's local regional center for developmental services at http://www.dds.ca.gov/RC/RCList.cfm.

5. Analyze existing assisted housing developments that are eligible to change to non-low-income housing uses during the next 10 years due to termination of subsidy contracts, mortgage prepayment, or expiration of use restrictions (Sections 65583(a)(8) through 65583(a)(9)(D)).

The element identifies two affordable housing developments, totaling 113 units, as at-risk of converting to market-rate uses in the planning period (page 2-42) and includes Program 4.2 – Avoid Conversion of Affordable Housing to Market Rate (page 5-15) to address the at-risk units. However, the element should identify the likelihood of the units converting to market rent in order to identify specific actions to undertake in Program 4.2 to preserve the affordability of the units. You may wish to contact the California Housing Partnership Corporation assistance at http://www.chpc.net and refer to the Building Blocks at http://www.hcd.ca.gov/hpd/housing_element2/PRO_atrisk.php.

B. Housing Programs

1. Include a program which sets forth a schedule of actions during the planning period, each with a timeline for implementation, which may recognize that certain programs are ongoing, such that there will be beneficial impacts of the programs within the planning period, that the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, the provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions (Section 65583(c)).

For each specific program action there should be a definitive timeline for implementation or completion to achieve a beneficial impact within the planning period (GC Section 65583)(c)(1-6)). Programs to be revised include, but are not limited to, the following: Program 1.3 – Community Plan Rezones, 1.4 – Land Use Tools, Program 1.9 – Energy Efficiency Policy and Financing, 1.12 – Affordable and Quality Housing Development Incentives, and 1.17 – Minimum Density Residential Zone. Also, since several programs are continued from the prior planning period, the programs should be revised to identify which actions have been completed in the prior planning period.

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Several programs propose to "consider" a variety of issues. However, in order to have a beneficial impact within the planning period, the programs must describe subsequent specific actions that will be taken. For example, Program 1.16 – Design Residential Zone Modifications, page 5-9, proposes to "consider modification"

of open space requirements and Design Residential zone standards. However the program does not commit to further actions such as "adopt revisions." Programs

to be reviewed and revised include, but are not limited to, the following:

1.12 – Affordable and Quality Housing Development Incentives, 1.13 – Isla Vista
Monitoring, 1.14 - Supplemental Density Bonus, 1.15 - Mixed Use Zone,

1.16 – Design Residential Zone Modifications, 2.2 – Special Needs Housing
Regulations, 2.4 - Farmworker Housing, and 2.6 – Senior Housing and Support
Uses.

2. Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, and emergency shelters and transitional housing. Where the inventory of sites, pursuant to paragraph (3) of subdivision (a), does not identify adequate sites to accommodate the need for groups of all household income levels pursuant to Section 65584, the program shall provide for sufficient sites with zoning that permits owner-occupied and rental multifamily residential use by right, including density and development standards that could accommodate and facilitate the feasibility of housing for very low- and low-income households (Section 65583(c)(1)).

As noted in Finding A2, the element does not include a complete site analysis and therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the County may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element should be revised as follows:

3. The housing element shall contain programs which address, and where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing (Section 65583(c)(3)).

As noted in Finding A3, the element requires a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the County may need to revise or add programs and address and remove or mitigate any identified constraints.

4. The housing element shall include programs to conserve and improve the condition of the existing affordable housing stock (Section 65583(c)(4)).

The element must include a program(s) to conserve or improve the condition of the existing stock. A program could provide grants for substantial rehabilitation, provide

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matching grants for homeowner improvements, or implement proactive code enforcement program. For information and a sample program, see the *Building Blocks*' at http://www.hcd.ca.gov/hpd/housing element2/PRO conserve.php

C. Quantified Objectives

Establish the number of housing units, by income level, that can be constructed, rehabilitated, and conserved over a five-year time frame (Section 65583(b)(1 & 2)).

The housing element should be expanded to include an estimate of the number of new, rehabilitated, and conserved units during the planning period by income category, including extremely low-income. These objectives should include both private and County planned activities.

D. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)(8)).

While the element generally describes participants in the County's public outreach programs, it must demonstrate diligent efforts were made to involve all economic segments of the community in the development of the element. The element could describe the efforts to circulate the element among low- and moderate-income households and organizations that represent them and to involve such groups and persons in the development of the element. For example, the element could include a list of stakeholders, e.g. a mailing list, the County contacted during the public participation process. While Appendix E summarizes the public comments received, the housing element should also describe how they were considered and incorporated into the housing element. For additional information, see the *Building Blocks* at http://www.hcd.ca.gov/hpd/housing-element2/GS-publicparticipation.php.

E. Consistency with General Plan

The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals (Section 65583(c)(7)).

While the element indicates it is consistent with other elements of the General Plan and other County policies and programs, it must also describe how consistency will be maintained during the planning period. For example, the element could include a program to conduct an internal consistency review of the General Plan as part of the annual General Plan implementation report required by Section 65400. The annual report can also assist future updates of the element. For information and a sample program, see the *Building Blocks* at http://www.hcd.ca.gov/hpd/housing_element2/OR_costal.php.

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F. Coastal Zone Localities

Coastal localities shall document the number of low- and moderate-income units converted or demolished, and the number of replacement units provided (Section 65588(d)).

While the element indicates the number of low and moderate income units constructed or demolished during the last planning period, 2009-2013, it must include information since 1982. The element must be revised to include the following:

- 1. The number of new housing units approved for construction within the coastal zone since January 1982.
- 2. The number of housing units for persons and families of low- and moderate-income required to be provided in new housing developments either within the coastal zone or within three miles.
- The number of existing residential dwelling units occupied by low- and moderateincome households required either within the coastal zone or three miles of the coastal zone that have been authorized to be demolished or converted since January 1982.
- 4. The number of residential dwelling units for low- and moderate-income households that have been required for replacement.