



BOARD OF SUPERVISORS
AGENDA LETTER

Clerk of the Board of
Supervisors
105 E. Anapamu Street,
Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Department Name: Planning and
Development
Department No.: 053
For Agenda Of: June 17, 2014
Placement: Set Hearing on
6/17/2014
(Administrative) for
7/1/2014 (Departmental)
Estimated Tme: 45 minutes on 7/1/2014
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Glenn S. Russell, Ph. D., Director, Planning and Development,
Director(s) 568-2085
Contact Info: David Lackie, Acting Deputy Director, Long Range Planning,
568-2023
SUBJECT: 2015-2023 Housing Element Update Workshop

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

Recommended Actions:

- A. On June 17, 2014, set a hearing for July 1, 2014 for 2015-2023 Housing Element Update Workshop.
- B. On July 1, 2014, your Board should consider the following actions:
1. Receive and file this board letter on the 2015-2023 Housing Element Update Workshop.
 2. Provide comments to staff on key issues and proposed programs before staff completes and submits the draft 2015-2023 Housing Element to the California Department of Housing and Community Development (HCD) for preliminary review pursuant to Government Code sections 65580 to 65589.8.
 3. Determine that receiving and filing this board letter are exempt from California Environmental Quality Act (CEQA) review under CEQA Guidelines section 15378(b)(5), as it is an administrative government activity that will not result in direct or indirect physical changes in the environment (Attachment 4).

Auditor-Controller Concurrence

As to form: Yes

Summary

The purpose of this project is to update the 2009-2014 Housing Element of the County's Comprehensive Plan. The update will focus on amending existing goals, policies, and programs for the new eight-year 2015-2023 Housing Element. The update will build on what has been effective in the past with amendments to the 2009-2014 Housing Element. In large part, the update will (1) delete completed goals, policies, and programs, and, as necessary, (2) amend outdated and/or add new goals, policies, and programs. Staff is not proposing any rezones as part of the 2015-2023 Housing Element, but rather is proposing to rely on the community plans in process for any rezones required to implement existing programs (i.e., Program 1.3) in the 2009-2014 Housing Element. This approach addresses existing programs and reflects the County's relatively low Regional Housing Needs Allocation (RHNA) and adequate supply of housing for all income categories for the 2015-2023 Housing Element planning period. Government Code section 65588(e)(2) requires the County to adopt and submit the 2015-2023 Housing Element to HCD for final review by the statutory deadline of February 15, 2015.

The County received a relatively low Regional Housing Needs Allocation (RHNA) of 661 units for the 2015-2023 Housing Element planning period. Staff's preliminary land inventory shows that land zoned and available for residential use in the unincorporated county totals 3,283 units and exceeds the County's 2015-2023 RHNA for each of the income categories (i.e., very low/low, moderate, above moderate). As a result, rezones are not necessary to meet the County's 2015-2023 RHNA. (The Planning Commission staff report (Attachment 1) provides additional details on this and other topics summarized in this board letter.)

Program 1.3 of the 2009-2014 Housing Element requires the County to consider rezones that would establish housing opportunities on 20 to 30 acres as part of the ongoing community planning process. The Eastern Goleta Valley Community Plan (EGVCP) Update is underway and includes studying six sites that range from approximately 1 to 14 acres in size for rezone to a density of 20 units/acre. The 2009-2014 Housing Element programs are included in Attachment A of the attached Planning Commission staff report (Attachment 1).

HCD required the County to include several new programs as a condition of certifying the County's 2009-2014 Housing Element. Some of these programs have been completed, others are ongoing. Completed programs will be removed and ongoing programs will be retained and, if necessary, updated to reflect existing and future housing needs in the unincorporated county.

Past RHNA and Orcutt Key Sites

In February 2014, the Board of Supervisors approved an application to rezone Key Site 17 in the Orcutt Community Plan area from Small Lot Planned Development (SLP) to Design Residential - 20 (DR-20) (maximum 20 units/acre). The rezone increased the development potential of the site from 77 units to 191 senior housing units. During the hearing, the Board of Supervisors also approved a motion stating "That, when staff looks at the inventory of sites in their next RHNA evaluation, they look at whether those sites [portions of Key Sites 3 and 30 zoned MR-O] are still needed in Orcutt, particularly with respect to Key Site 3."

HCD required the County to rezone land for affordable housing as a condition of certifying the County's 2003-2008 Housing Element. The rezone was necessary for the County to meet its "unaccommodated" 2003-2008 RHNA. HCD and the County discussed various rezone options during the next few years. HCD eventually required the County to rezone land within first year of the 2009-2014 Housing Element

planning period. In February 2009, the County rezoned portions of Key Sites 3 and 30 in the Orcutt Community Plan area to Multifamily Residential – Orcutt (MR-O) (minimum 20 units/acre). The rezones established “by right” development potential of 372 units.

State law requires that rezones to address “unaccommodated” RHNA must allow “by right” affordable housing at a minimum density of 20 units/acre. Key Sites 3 and 30 are the only two sites in the preliminary land inventory that meet this requirement. Key Site 3 includes 8 acres zoned MR-O with a development potential of 160 units. Key Site 30 includes 10.2 acres zoned MR-O with a development potential of 212 units. Combined, these two sites guarantee 372 very low/low income housing units. In contrast, Key Site 17 has a maximum density of 20 units/acre, but could be developed at a lower density and priced to a higher income category which would not be equivalent to the requirements of the MR-O zone. As a result, staff proposes to retain the MR-O zone on Key Sites 3 and 30.

2015-2023 Housing Element - Proposed Programs

State housing element law requires that the 2015-2023 Housing Element identify existing housing needs for all economic segments and address future population growth in the region. Staff intends to include the following existing and proposed programs in the 2015-2023 Housing Element based on current and projected housing needs, comments from the public and Planning Commissions, and State housing element law. These programs are summarized below and detailed in the attached Planning Commission staff report (Attachment 1, pages 7-14).

Staff is seeking comments on these programs as well as the issues that are discussed in the (1) Planning Commission staff report (Attachment 1, pages 4-7) and (2) Housing Element Issues Summary (Attachment B to the Planning Commission staff report).

A. Existing Programs

Program 1: Isla Vista Master Plan Monitoring. The existing Isla Vista Master Plan (IVMP) Monitoring Program 1.13 is proposed to be retained since the County continues to rely on the affordable housing sites in the IVMP, in part, to meet its past (2003-2008 and 2009-2014) and current (2015-2023) RHNA.

Program 2: Community Plan Rezones. Staff recommends continuing existing Program 1.3, which requires the County to study and consider rezones for affordable housing as part of the ongoing EGVCP community planning process. (See page 2 of this board letter for more information.) The Board of Supervisors is expected to consider adopting the EGVCP Update in summer 2015.

Program 3: Relocate Inclusionary Housing Program. This program would update and amend existing Program 1.2 to reflect that the County adopted an Inclusionary Housing Ordinance (IHO) in May 2013. It would also allow the County to consider additional reductions to the in-lieu fees and other housing requirements in the IHO.

Program 4: Land Use Tools to Promote Housing. This program would retain, revise, and clarify existing Program 1.4 land use programs which incentivize affordable housing, such as the Affordable Housing Overlay, residential second units, farm employee dwellings, permit streamlining, zoning modifications, and impact fee reductions. Improving and implementing this program would help ensure compliance with HCD’s existing conditions for certification of the 2009-2014 Housing Element.

B. New Programs

Program 5: Design Residential (DR) Zone Modifications. To encourage affordable housing, P&D intends to add a program to modify the open space, parking, and perhaps other standards in the existing DR zone during the 2015-2023 Housing Element planning period.

Program 6: Mixed Use Zoning. P&D intends to review and reduce, at a minimum, open space and setback standards of the existing MU Overlay to encourage a balance of uses and additional affordable housing opportunities in urban areas without mixed use zoning.

Program 7: Minimum Density Residential Zone. This program would develop a minimum density residential zone prior to the end of the planning period. The minimum density zone would help ensure that the County has the tools to readily address a future RHNA through zoning that would allow “by right” development of low-income housing at densities deemed affordable by State housing element law.

Program 8: County Density Bonus. This program would create a County density bonus program that incentivizes development of affordable housing by allowing additional density beyond State Density Bonus Law for select housing projects (e.g., special needs and low income housing).

Program 9: Special Needs/Emergency Shelter/Single Room Occupancy (SRO) Regulations. This program would revise county zoning ordinances to allow combined emergency shelters, SRO projects, treatment facilities, and temporary housing in certain zones. This program would remove regulatory barriers to development and ensure compliance with State housing element law.

Public Participation

In April 2014, P&D initiated a county-wide outreach program that to date has included one workshop with the Montecito Planning Commission and one workshop with the County Planning Commission, five public workshops and stakeholder meetings in Santa Maria and Santa Barbara, and a housing survey. Participants included affordable housing providers, developers, business representatives, special needs service providers, and neighborhood advocacy groups. Comments received to date are summarized in Attachments C and D to the attached Planning Commission staff report (Attachment 1).

Montecito and County Planning Commissions

The Montecito and County Planning Commissions held workshops on the 2015-2023 Housing Element Update on May 21, 2014 and May 28, 2014, respectively, to review key issues and proposed programs. The County Planning Commission staff report in Attachment 1 is identical to the Montecito Planning Commission staff report except for the titles and minor text changes.

The County Planning Commission voted 5-0 to receive and file the staff report and forward the following recommendations to the Board of Supervisors (Action Letter, Attachment 2):

- Expand Proposal #9 to include multi-level care senior housing facilities (e.g., independent living, assisted living, skilled nursing) that are not clearly allowed under existing residential zones.
- Consider adding a policy or other provision to encourage employee housing for institutions, schools, and other large employers.

- Ensure that any reductions in open space, parking, or other standards only apply to projects that provide affordable, senior, or special needs housing.
- Apply mechanisms that ensure any changes to open space standards balance existing and proposed uses and otherwise complement the neighborhood context.
- Consider reducing the Development Impact Mitigation Fees (DIMF) for residential second units.

The Montecito Planning Commission voted 5-0 to receive and file the staff report (Action Letter, Attachment 3). One commissioner made a recommendation similar to the second bullet statement above. There were no other recommendations on the proposed programs.

Schedule

After receiving comments from the Board of Supervisors, staff will prepare and submit the draft 2015-2023 Housing Element to HCD for a 60-day preliminary review for consistency with State housing element law. Staff will consider HCD's comments and conduct environmental review pursuant to CEQA before submitting the 2015-2023 Housing Element to the Montecito and County Planning Commissions and the Board of Supervisors for adoption. Planning Commission hearings are scheduled in fall 2014 and the Board of Supervisors hearing is scheduled in early 2015. The County must submit the adopted 2015-2023 Housing Element to HCD for final review by February 15, 2015.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

The update of the Housing Element is a State mandate and is budgeted on page D-168 of the adopted Planning and Development Department's budget for Fiscal Year (FY) 2013-2014. Funds budgeted for the update in FY 2013-2014 total approximately \$150,000. Funds expended on the project to date total approximately \$85,000. The update will continue into FY 2014-2015 and is budgeted on page D-212 of the Planning and Development Department's recommended budget for FY 2014-15. There are no facilities impacts.

Special Instructions:

The Clerk of the Board shall publish a legal notice at least 10 days prior to the hearing scheduled for July 1, 2014. The notice shall appear in the Santa Barbara News Press, Santa Ynez Valley News, Lompoc Record, and Santa Maria Times. A minute order of the hearing and a copy of the public notice and proof of publication shall be returned to the Planning and Development Department, attention: David Villalobos.

Attachments:

1. County Planning Commission Staff Report
2. County Planning Commission Action Letter
3. Montecito Planning Commission Action Letter
4. Notice of Exemption

Authored by:

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