



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
Department No.: 053
For Agenda Of: March 14, 2023
Placement: Administrative
Estimated Time: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Lisa Plowman, Director, Planning and Development Department
Director(s) (P&D) (805) 568-2086

Contact Info: Dan Klemann, Deputy Director, Long Range Planning Division
(805) 453-4803

SUBJECT: 2022 Comprehensive Plan Annual Progress Report

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

Staff recommends that the Board of Supervisors (Board) take the following actions:

- a) Receive and file the *2022 Comprehensive Plan Annual Progress Report* (Attachment A), and
- b) Determine that the annual progress report is exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(b)(5).

Summary Text:

Government Code Section 65400(a)(2) requires that the County Planning Commission provide by April 1 of each year an annual progress report to the Board, Governor's Office of Planning and Research (OPR), and the California Department of Housing and Community Development (HCD) which includes the following:

(A) The status of the plan and progress in its implementation.

- (B) *The progress in meeting its share of regional housing needs ... and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing*
...
(F) *The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.*

The County also submits the annual progress report to the City of Santa Barbara in accordance with policies in the Mission Canyon Community Plan.

The *2022 Comprehensive Plan Annual Progress Report* serves two key functions. First, it summarizes the projects that P&D undertook in 2022 to maintain and implement the Comprehensive Plan, including the 2015-2023 Housing Element Update. As discussed in detail below, the County made substantial progress on Housing Element implementation, and initiated updates to the Circulation Element, Seismic Safety and Safety Element, Land Use Element, the 2023-2031 Housing Element, and the new Environmental Justice Element. The County also initiated and completed Cannabis Ordinance Amendments and Childcare Facilities Zoning Ordinances Amendments in 2022.

Second, the *2022 Comprehensive Plan Annual Progress Report* discusses the County's progress in meeting its Regional Housing Needs Allocation (RHNA) in the 8.75-year (January 1, 2014, to September 30, 2022) RHNA projection period. As discussed further below, the County exceeded its RHNA for the low, moderate, and above moderate-income categories. However, it has only met approximately 46 percent of its RHNA for the very low-income category.

On January 1, 2018, Government Code Section 65913.4 [Senate Bill (SB) 35] went into effect. As discussed further below, Government Code Section 65913.4 established a streamlined, ministerial approval process for qualifying housing projects in jurisdictions that are behind on meeting their RHNA targets. In 2022, the County has not met its pro-rata share of very low-income housing in its 2014-2022 RHNA projection period; therefore, it is currently subject to the streamlining provisions. Please see below for additional information regarding Government Code Section 65913.4.

Background:

Housing Element Implementation

The 2015-2023 Housing Element Update contains 37 programs to help meet the housing goals and needs of the unincorporated county. The following summarizes the two programs listed in Chapter 5 of the 2015-2023 Housing Element Update that the County implemented in 2022. The Annual Progress Report provides information on the status of other ongoing and completed programs.

- Program 1.4 Tools to Incentivize High-Quality Affordable Housing. *Ongoing*. Program 1.4 directs the County to "... adopt/apply ... land-use tools ... to encourage the development of unit types that are affordable by design" The unit types include accessory dwelling units (ADUs) and agricultural employee dwellings (AED). In 2019, the County initiated the implementation of this program through the Housing Bill Implementation Project and ADU ordinance amendments.

From 2016 to 2022, the State amended certain sections of the Government Code related to planning and housing. In spring 2019, the County began analyzing the bills and drafting zoning ordinance amendments for the Housing Bill Implementation Project. Phase I of the project includes zoning ordinance amendments to comply with the Housing Accountability Act (HAA) (housing development project protections), State Density Bonus Law (SDBL) (density bonuses for affordable housing), and Assembly Bill (AB) 101 (streamlined low barrier navigation centers approvals). Staff plans to finish drafting the amendments and conduct public hearings starting in fall 2023.

On January 24, 2023, the Board adopted ordinance amendments to the County Land Use and Development Code (LUDC) to implement a State-mandated streamlined, ministerial permit review process for certain affordable housing projects; and objective design standards for multiple-unit and mixed use housing projects to be consistent with the requirements of the Housing Accountability Act, SB 330, SB 35, and AB 2162. The objective design standards apply within the Inland Area, outside the Montecito Community Plan Area and Coastal Zone; the Board may consider additional zoning ordinance amendments in order to apply the objective design standards to projects located within the Montecito Community Plan Area and Coastal Zone.

On January 1, 2021, new State ADU and junior ADU (JADU) laws went into effect and caused the County's Inland Area ADU ordinances to become null and void. From early 2020 to early 2021, staff drafted zoning ordinance amendments to comply with the new State laws. On May 18, 2021, the Board adopted the ADU and JADU amendments, which went into effect in the Inland Area of the unincorporated county on June 16, 2021. Staff submitted the Local Coastal Program Amendment (LCPA) for the ADU and JADU Coastal Zoning Ordinance (CZO) amendment to the California Coastal Commission (CCC) for review and certification in August 2021. CCC staff has presented questions and requested additional information in order to continue processing the LCPA—particularly with regard to parking requirements for ADUs.

Since that time, new State ADU and JADU laws were adopted and became effective on January 1, 2023. Program 10 of the County's Draft 2023-2031 Housing Element Update requires that the County amend its ADU and JADU ordinances to comply with these new laws.

In early 2021, the County was awarded grant funding totaling \$307,000 through the SB 2 Planning Grants Program. LRP will use this grant funding to cover a portion of the costs for preparing and implementing the Housing Bill Implementation Project in FY 2022-2023 and 2023-2024. In addition, the Santa Barbara County Association of Governments (SBCAG) awarded the City of Lompoc a grant totaling \$450,000 to expedite the permitting process and reduce pre-construction fees for housing ("Permit Ready Accessory Dwelling Unit

Program”). The State must review and ultimately approve SBCAG’s grant award; provided that the State approves SBCAG’s grant award, the City of Lompoc will be inviting the County and other cities to participate in, and capitalize on, the program. Staff will be presenting this potential ADU and JADU ordinance amendment work to the Board for consideration of incorporation in the FY 2023-2024 Long Range Planning Division Work Program.

- Program 1.13 Isla Vista Monitoring. *Ongoing*. Program 1.13 directs the County to monitor housing development within the unincorporated community of Isla Vista. Accordingly, the annual progress report (Attachment A to this Board letter, page 16) includes housing permit activity within Isla Vista from 2009 through 2022.

In addition, the Community Services Department Sustainability Division and Housing and Community Development Division continue to coordinate with P&D to maintain and implement Housing Element programs. In 2022, these two divisions took steps to implement 12 programs. For example, these programs include providing incentives for energy-efficient and green building techniques, educating first-time homebuyers, and promoting affordable housing opportunities. Table D of Attachment 1 to the Annual Progress Report provides information on this progress. Finally, P&D staff continues to participate in the County Executive Office’s Homelessness Inter-Agency Policy Council (HIAPC), which consists of a working group of County departmental representatives who strategize and advise on County programs to reduce homelessness.

RHNA Progress

Table 1 below lists the number of building permits that the County issued for new housing units (organized by income category) within the unincorporated areas of the county from calendar year 2014 through 2022. The final row of the table lists the County’s 2014-2022 RHNA.

Housing production decreased in 2022. The County issued building permits for 272 units in 2022 compared to 390 units in 2021. Of the 272 units, 152 were located in North County and 120 in South County.

Table 1 2014 to 2022 RHNA Projection Period Residential Units by Income Category (Building Permits)					
Year	Very Low	Low	Moderate	Above Moderate	Total
2014	0	0	59	80	139
2015	49	41	44	94	228
2016	0	7	13	31	51
2017	8	1	54	145	208
2018	1	14	82	231	328

Table 1					
2014 to 2022 RHNA Projection Period					
Residential Units by Income Category					
(Building Permits)					
Year	Very Low	Low	Moderate	Above Moderate	Total
2019	0	26	21	195	242
2020	0	30	60	115	205
2021	10	79	72	229	390
2022	5	68	8	191	272
Total	339 (73 Very Low + 266 Low)	413	413	1,311	2,063
RHNA	265 (159 Very Low + 106 Low)	112	112	284	661

Government Code Section 65913.4 Streamlined Ministerial Approval Process

In addition to amending annual progress report requirements, Government Code Section 65913.4 established a streamlined, ministerial approval process for qualifying housing developments in jurisdictions that have not met their pro-rata share of regional housing needs. In part, qualifying developments must be located on an urban infill site zoned for residential or mixed uses and provide at least 10 or 50 percent of the units for lower-income households. In addition, all projects over 10 units must pay prevailing wages and larger projects must provide skilled and trained labor.

On June 25, 2019, HCD determined that, based upon data from the *2018 Comprehensive Plan Annual Progress Report*, the County had not met its pro-rata share of very low- and low-income housing thus far in its 2014 to 2022 RHNA projection period. As a result, the County became subject to the streamlining provisions for proposed developments with at least 50 percent affordability [Government Code Section 65913.4(a)(4)(B)(ii)]. As of June 2022, the County remained subject to the streamlining provisions based upon data from the *2021 Comprehensive Plan Annual Progress Report*. In 2022, the County received two new applications and approved one for very low- and low-income housing projects. However, the County remained subject to the streamlining provisions throughout 2022 and will likely remain so through 2023.

As part of Housing Program 1.4 (discussed above), staff applied for and was awarded grant funding in order to process zoning ordinance amendments to create objective design standards for qualifying projects during Fiscal Years 2021-2023. The purpose of these efforts is to plan for qualifying housing developments and facilitate increased housing production for very low- and low-income categories.

Planning Commission Hearings

On February 15 and 22, 2023, respectively, the Montecito and County Planning Commissions voted 4-0 and 5-0 to receive, file, and recommend that the County Planning Commission provide the annual progress report to the Board, OPR, HCD, and City of Santa Barbara by April 1, 2023. The Montecito and County Planning Commission staff reports (Attachments B and D) and action letters (Attachments C and E) are enclosed.

Environmental Review:

CEQA Guidelines Section 15060(c)(3) states that an activity is not subject to CEQA if the activity is not a “project.” Section 15378(b)(5) states that a project does not include “... administrative activities of governments that will not result in direct or indirect physical changes to the environment.” The preparation and submittal of the annual progress report is an administrative activity that does not authorize new development or otherwise result in physical changes to the environment. Therefore, the annual progress report is not a project that is subject to environmental review pursuant to CEQA.

Fiscal Analysis:

Funding for the *2022 Comprehensive Plan Annual Progress Report* is budgeted in P&D’s Long Range Planning Budget Program on page 387 of the County of Santa Barbara Adopted Budget, Fiscal Year 2022–2023. There are no facilities impacts.

Special Instructions:

The Clerk of the Board shall forward a copy of the minute order to P&D, attention: Breanna Alamilla, Long Range Planning Division.

Attachments:

- A. *2022 Comprehensive Plan Annual Progress Report*
- B. Montecito Planning Commission Staff Report (dated February 7, 2023)
- C. Montecito Planning Commission Action Letter (dated February 15, 2023)
- D. County Planning Commission Staff Report (dated February 14, 2023)
- E. County Planning Commission Action Letter (dated February 22, 2023)
- F. Notice of Exemption

Authored by:

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