

Attachment 1:

County Planning Commission Staff Report

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SANTA BARBARA COUNTY PLANNING COMMISSION
Staff Report for the 2015-2023 Housing Element Update Workshop

Hearing Date: May 28, 2014
Staff Report Date: May 14, 2014
Case No: 14GPA-00000-00008

Interim Deputy Director: David Lackie
Division: Long Range Planning
Supervising Planner: Allen Bell
Senior Planner: Bret McNulty
Staff Contact: 805-884-8060

1.0 REQUEST

Hearing on the request of the Planning and Development Department (P&D) that the County Planning Commission:

1. Provide comments to the Board of Supervisors on key issues and proposed programs as part of the initial steps to update the Housing Element of the County's Comprehensive Plan.

2.0 RECOMMENDATIONS AND PROCEDURES

That the County Planning Commission:

1. Receive and review this staff report, which includes an introduction, a summary of key issues, and a summary of key proposed programs for the 2015-2023 Housing Element.
2. Provide comments to the Board of Supervisors 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.

3.0 JURISDICTION

Staff requested this workshop as well as a prior workshop with the Montecito Planning Commission and an upcoming workshop with the Board of Supervisors to receive early input from County decision-makers and the public. These workshops are not required under State law to update the Housing Element.

A General Plan Amendment and environmental review (CEQA) will be required to adopt the 2015-2023 Housing Element. The Montecito and County Planning Commissions will hold public hearings on the 2015-2023 Housing Element in fall 2014. These hearings will reflect the following procedures:

1. Government Code sections 65580 to 65589.8 require the "legislative body" of each city and county to periodically update the housing element of its comprehensive plan.
2. Government Code section 65585 requires the "planning agency" of each city and county to submit a draft amendment to its housing element to HCD for review and written findings. The legislative body must consider HCD's written findings before adopting a final amendment to its housing element.

3. The Board of Supervisors is the legislative body for the County. For purposes of Government Code sections 65580 to 65589.8, Santa Barbara County Code section 2-25.1 establishes the County Planning Commission as the planning agency for the County. Specifically, County Code section 2-25.2(b)(2) states the County Planning Commission shall have jurisdiction over “[i]nitiation, consideration and recommendations regarding general plan amendments...unless the property affected by such initiation, consideration or recommendation is solely located within the Montecito planning area...” The 2015-2023 Housing Element will apply to the entire unincorporated county and, therefore, is not solely located within the Montecito planning area.
4. County Code section 2-25.2(b)(4) states “[t]he Montecito planning commission may provide recommendations to the county planning commission on projects...” As a result, the Montecito Planning Commission will make preliminary recommendations to the County Planning Commission on the draft 2015-2023 Housing Element. The County Planning Commission will consider these recommendations before making any recommendations to the Board of Supervisors on the draft 2015-2023 Housing Element.

4.0 INTRODUCTION AND BACKGROUND

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 eight-year 2015-2023 Housing Element planning period. Government Code section 65588(e)(2) requires the County to adopt and submit an updated Housing Element to HCD by February 15, 2015.¹ If the County does not adopt the updated Housing Element within 120 days of that deadline, Government Code section 65588(e)(4) imposes a significant penalty by postponing the County’s ability to use an eight year housing element update cycle and requiring that the County “...revise its housing element not less than every four years until [it]...has adopted at least two consecutive revisions by statutory deadlines.”

This workshop is part of a series of eight public outreach meetings that introduces the public, Planning Commissions, and Board of Supervisors to the 2015-2023 Housing Element Update. This staff report summarizes housing law, issues, and proposed programs. The Montecito Planning Commission will hold a workshop on May 21, 2014. Staff will report the Montecito Planning Commission’s comments on the update to the County Planning Commission on May 28, 2014.

The 2009-2014 Housing Element includes goals, policies, and programs for the development of affordable housing, such as the County Inclusionary Housing Ordinance (Program 1.2) and State Density Bonus Law (Program 1.10). Attachment A contains the existing goals, policies, and programs. The 2009-2014 Housing Element also includes tools that promote affordability through project design, such as mixed-use, infill, and adaptive reuse. 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 rezones as part of the 2015-2023 Housing Element, but

¹ Government Code section 65588(e)(2) (Senate Bill 375) requires that most local governments adopt the fifth revision of their housing elements no later than 18 months after their metropolitan planning organization (MPO) adopts the concurrent update to its regional transportation plan. The Santa Barbara County Association of Governments (SBCAG) is the MPO for Santa Barbara County. SBCAG adopted the *2040 Regional Transportation Plan and Sustainable Communities Strategy* on August 15, 2013 and, as a result, the County must adopt the 2015-2023 Housing Element by February 15, 2015.

rather is proposing to rely on the community plans in process for any rezones. This approach 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.

Update Review Process

The Board of Supervisors directed staff to begin the update of the existing Housing Element as part of P&D's 2013-2014 work program. Staff began the update process by reviewing the 2009-2014 Housing Element, conducting demographic and labor market research, and updating the residential land inventory. P&D also initiated a county-wide public participation process to identify issues and develop solutions. P&D kicked-off this process with a two-page flyer that summarizes existing conditions, key issues, and program options (Attachment B).

After workshops with the Montecito and County Planning Commissions and the Board of Supervisors, P&D will complete and submit the draft Housing Element to HCD for a 60-day preliminary review and findings. Staff will then prepare a revised draft Housing Element and environmental document (CEQA) for decision-maker review and adoption in fall 2014 and winter 2014/2015.

The adopted 2015-2023 Housing Element is due to HCD by February 15, 2015 for a 120-day final review. The amended and new goals, policies, programs would be funded, developed, and implemented through P&D's annual work program process during the 2015-2023 Housing Element planning period as directed by the Board of Supervisors.

Regulatory Setting

State law mandates that the County Comprehensive Plan include a Housing Element. The Housing Element contains housing data, goals, policies, and programs to help meet the current and projected housing needs of all economic segments of unincorporated Santa Barbara County. It also contains an assessment of housing needs, a land inventory identifying sites available for new housing, and an evaluation of market, governmental, and environmental factors which constrain housing production. State law also requires the Housing Element to demonstrate that the County can accommodate its share of regional housing needs. Specific attention must be given to the housing needs of farm workers, special needs groups, and households in all income categories.

Of the seven State-mandated elements of the Comprehensive Plan, the Housing Element is the only one that has a mandatory timeframe for update. This underscores local government's role in facilitating the legislature's state-wide goal of providing adequate housing opportunities for households at all income categories and needs.

Regional Housing Needs Allocation (RHNA) – Determination

HCD determines the housing needs for the entire county based on regional and state-wide population projections before each housing element update cycle. The housing needs are separated into four income categories (i.e., very low, low, moderate, above moderate). The Santa Barbara County Association of Governments (SBCAG) then allocates a share of the housing needs to each city (incorporated areas) and the County (unincorporated areas) as part of a Regional Housing Needs Allocation (RHNA) Plan that is submitted to HCD for approval.

RHNA – Allocation

On August 22, 2013, HCD approved SBCAG’s *Regional Housing Needs Allocation (RHNA) Plan 2014-2022* (SBCAG, July 2013). This plan addresses the State’s fifth housing element update cycle, which covers an 8.75-year RHNA projection period (January 1, 2014 to September 30, 2022) and an 8-year planning period (February 15, 2015 to February 15, 2023).²

The county-wide RHNA is 11,030 housing units for the 2015-2023 Housing Element planning period. Of the 11,030 units, 661 units were allocated to unincorporated Santa Barbara County (Table 1).

Table 1
2014-2022 RHNA Allocation and Preliminary Land Inventory
Unincorporated Santa Barbara County

| Income Category | 2014-2022 RHNA (units) | Preliminary Land Inventory (units) |
|------------------------|-----------------------------------|---|
| Very Low/Low | 265 | 1,405 |
| Moderate | 112 | 459 |
| Above Moderate | 284 | 1,419 |
| Total | 661 | 3,283 |

RHNA – Integration

As part of the update, the County must identify adequate sites to address its very low, low, moderate, and above moderate income housing needs based on the 2014-2022 RHNA. County staff has prepared a preliminary land inventory of sites in unincorporated Santa Barbara County that are currently zoned for residential use and available for the construction of new housing (Table 1). The preliminary inventory of 3,283 units exceeds the overall RHNA of 661 units. It also exceeds the specific RHNA for each income category. As a result, the County has adequate sites to accommodate its 2014-2022 RHNA and, therefore, does not need to rezone any sites concurrent with adoption of the 2015-2023 Housing Element.

Public Participation

Consistent with Government Code section 65583(c)(8), in April 2014, P&D conducted county-wide outreach that to date has included five public workshops and stakeholder meetings in Santa Maria and Santa Barbara, newspaper notices, emails to interested parties, and a housing survey. Participants included affordable housing providers, developers, business representatives, special needs service providers, and neighborhood advocacy groups. Comments received through outreach and the housing survey to date are summarized in Attachments C and D, respectively.

5.0 ISSUES SUMMARY

P&D conducted initial research to identify housing issues that affect the unincorporated County. In part, staff researched current housing market and employment conditions, conducted public outreach,

² The “projection period” is the time period for which HCD calculates regional housing needs. The “planning period” is the time period between the due dates for successive local government housing element updates.

and updated the residential land inventory contained in the 2009-2014 Housing Element. Staff is now revising the housing needs assessment demographic and employment profiles using the most recent data from the U.S. Census, California Department of Finance (DOF), SBCAG, HCD, and County departments.

Housing Affordability

A precipitous drop in housing prices occurred during the last recession. However, recent increases in housing prices have kept housing expensive for lower and moderate income families in portions of Santa Barbara County, especially in the South County and Santa Ynez Valley. The median sales price of a single family home on the South Coast was \$930,000 between March 2013 and March 2014. Cities and counties use the Area Median Income (AMI) annually issued by HCD to help determine what is affordable to households that fall within the RHNA income categories.³ The 2014 AMI for a family of four in Santa Barbara County is \$73,300. The estimated affordable monthly rent or mortgage by income category is shown in Table 2 below.

Table 2
Affordable Monthly Rent or Mortgage Payment by Income Category
Santa Barbara County⁴

| | |
|-------------------------------|-----------|
| Extremely Low (30% of AMI) | \$550 |
| Very Low (50% of AMI) | \$916 |
| Low (80% of AMI) | \$1,466 |
| Moderate (120% of AMI) | \$2,199 |
| Above Moderate (120+% of AMI) | \$2,199 + |

For-Sale Housing. P&D's 2015-2023 Housing Element Issues Summary (Attachment B, see bar graph titled "Median Single-Family Home Sales") compares the price of for-sale housing affordable to low and moderate income households to recent sales prices in communities throughout the county. Single family for-sale housing is not available at prices affordable to low or moderate income families in the South County or Santa Ynez Valley. A lack of housing supply is continuing to restrict affordability.

In addition to monthly payments, mortgage down payment requirements represent a barrier to entry into housing ownership for households that have limited savings. Table 3 compares the median home price in communities in Santa Barbara County to a 5% down payment.

Assuming available financing and the ability to make a down payment, for-sale housing priced at \$265,000 is affordable to low income households and is currently found only in the Lompoc area. Moderate income households find attainable housing at prices up to \$400,000 in the Orcutt, Santa Maria, and Lompoc areas.⁵

³ State Income Limits for 2014, Memorandum, California Department of Housing and Community Development, February 28, 2014.

⁴ The U.S. Department of Housing and Urban Development (HUD) considers low income families paying more than 30 percent of their income for housing to be cost burdened. These families may have difficulty affording necessities such as food, clothing, transportation, and medical care. http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/affordablehousing/

⁵ Santa Barbara County Assessor

Table 3
Median Single-Family Home Prices, Down Payment, and Mortgage Comparison
Santa Barbara County

| Housing Market Area | Median Single-Family Home Price* | 5% Down Payment | Monthly Payment** |
|----------------------------|---|------------------------|--------------------------|
| South Coast | \$930,000 | \$46,500 | \$5,080 |
| Santa Ynez | \$530,000 | \$26,500 | \$2,895 |
| Los Alamos | \$403,750 | \$20,188 | \$2,205 |
| Orcutt | \$334,250 | \$16,713 | \$1,825 |
| Santa Maria | \$277,500 | \$13,875 | \$1,272 |
| Lompoc | \$230,000 | \$11,500 | \$1,256 |

*Source: Santa Barbara County Assessor, March 2013-March 2014

**Assumptions: 30 year mortgage, 5% down payment, 4.27% interest rate, 1% annual property tax.

Rental Housing. Rental housing may be the only affordable housing option for low income households. P&D is compiling rental prices as part of the update. For example, a recent survey shows that the South County has the lowest rental vacancy rates in years at less than 1%, and rental costs are rising.⁶

Future Housing Needs

Government Code section 65583(a) requires that the County assess housing needs for existing and projected households at all income levels and update the residential land inventory for the unincorporated county. The housing needs assessment must include groups with special housing needs, such as farm workers, disabled persons, homeless persons, and the elderly. The land inventory must show if the RHNA can be accommodated under existing land use regulations and zoning.

In the unincorporated county, SBCAG’s *Regional Growth Forecast 2010-2040*, (RGF) (SBCAG, December 2012) projects that approximately 3,928 new households will be added during the eight year Housing Element planning period. This represents an average of 491 new households each year. The RGF also projects that the county’s population will increase by approximately 23,356 persons during the 2015-2023 Housing Element planning period. The 2015-2023 Housing Element Issues Summary (Attachment B. see graph titled “Future Housing Needs”) illustrates county-wide household growth through 2040, including the incorporated cities and unincorporated county.

The land inventory of sites zoned for affordable housing exceeds the County’s 2014-2022 RHNA. However, current and future housing needs and projected population growth show the demand for affordable housing will remain high in the coming decades, particularly in the South Coast. As a result, staff does not recommend down-zoning (reduce density) or otherwise reducing the number of affordable housing sites in the land inventory.

The Jobs-Housing Balance and Commuting

One of the issues in land use planning in Santa Barbara County is the jobs-housing balance. The purpose of the jobs-housing balance concept is to match the number of workers to the number of

⁶ Santa Barbara County - South Coast Apartment Market Survey, Dyer Sheehan Group, April 2013.

housing units in the same area. The closer the balance between jobs and housing in a community, the less time workers will generally spend commuting. In other words, if more jobs are located in a community than housing priced to accommodate the workforce, some members of the workforce will have to seek housing elsewhere and commute to work.

The *Draft State of the Commute Report* (SBCAG, March 6, 2014) concludes that the South County has more jobs than housing (Attachment B, see bar graph titled “Jobs-Housing Balance”). A summary of the one-way daily commute trips origins and destinations in the Santa Barbara County region shows more in-commutes to the South County than out-commutes (Table 4).

Table 4
Regional Commuting
Santa Barbara County⁷

| | | | |
|---------------------------|--------|---------------------------|-------|
| North to South County: | 7,978 | South to North County: | 2,128 |
| Ventura to Santa Barbara: | 11,360 | Santa Barbara to Ventura: | 1,865 |

A jobs-housing imbalance creates the need to commute, which leads to the following problems:

- Commuting leads to the creation of “bedroom communities,” called that because residents leave early in the morning to commute to jobs and return in the evenings to rest.
- Commuting creates a social cost for communities where a citizen’s time is primarily invested in commuting and work, and there is greatly reduced time for family, personal, and civic activities.
- Businesses are challenged to recruit and retain workers because of high housing and commuting costs.⁸
- Commuter traffic affects regional air quality and contributes to greenhouse gas emissions and public health issues.

The South County jobs-housing imbalance affects economic, social, and public health interests throughout the county. Additionally, median home prices and monthly rents in the South Coast are high and continue to increase. As a result, staff recommends seeking additional opportunities for affordable housing for the local workforce. For instance, the residential land inventory for the South Coast should be expanded to help meet current and future community housing needs.

6.0 PROPOSED PROGRAMS

Below are the programs P&D staff intends to include in the 2015-2023 Housing Element based on the preliminary analysis above. Attachment A contains the existing 2009-2014 Housing Element goals, policies, and programs.

⁷ Draft State of the Commute Report, Santa Barbara County Association of Governments, March 6, 2014.

⁸ Inter-Regional Partnership for Jobs, Housing and Mobility, July 2004.

Continuing Existing Programs

P&D recommends continuing the following existing programs from the 2009-2014 Housing Element. P&D may need to include additional recommendations in the draft 2015-2023 Housing Element based on input from County decision-makers and the public.

1. Isla Vista Master Plan Monitoring (Program 1.13)

HCD required the County to include Program 1.13 in the 2009-2014 Housing Element, which states County must “[a]nnually review the effectiveness of the IVMP to provide housing units which satisfy the County’s various housing needs...” Program 1.13 also requires the County to identify additional sites and strategies, including rezones, if the IVMP continually produces less housing or a predominance of one housing type than estimated in the 2009-2014 Housing Element.

In part, the County met its 2009-2014 RHNA through sites identified in the Isla Vista Master Plan (IVMP). Preliminary review of new projects in Isla Vista shows that the projects developed during the past five years have met or exceeded the projected affordable housing production on these sites (Table 5). These projects also produced various housing types in the very low/low, moderate, and above moderate income categories (Table 5).

Table 5
2009-2014 Housing Element
Isla Vista Estimated and Built Units Comparison

| Project Name | Estimated Units | | | Built Units | | |
|----------------------|-----------------|----------|----------------|--------------|----------|----------------|
| | Very Low/Low | Moderate | Above Moderate | Very Low/Low | Moderate | Above Moderate |
| Paradise Ivy | 6 | - | 18 | 6 | - | 18 |
| Trigo Loop | 5 | - | 20 | 5 | - | 20 |
| Icon | 3 | - | 19 | 3 | - | 19 |
| St. George | 10 | - | 46 | 10 | - | 46 |
| Icon Gardens | 14 | - | - | 4 | - | 20 |
| Pescadero Lofts | 10 | - | - | 32 | 1 | - |
| Student Housing | 10 | - | - | 12 | - | - |
| St George Del Playa* | - | - | - | 2 | - | 4 |
| Res. Second Unit | - | - | - | - | 1 | - |
| Subtotal | 58 | 0 | 103 | 74 | 2 | 127 |
| Total | 161 | | | 203 | | |

*Not included in the 2009-2014 Land Inventory

Proposal 1: P&D intends to retain Program 1.13 since the County continues to rely on the affordable housing sites in the IVMP, in part, to meet its past 2003-2008 RHNA, current 2014-2022 RHNA, and comply with HCD’s conditional approval of the 2009-2014 Housing Element.

2. Community Plan Rezones (Program 1.3)

Consistent with Government Code section 65583.2(e), unincorporated Santa Barbara County is considered a “suburban” jurisdiction because it is located in a Metropolitan Statistical Area (MSA) with a population of less than 2 million.⁹ Government Code section 65583.2(c)(3)(B) allows suburban jurisdictions like Santa Barbara County to utilize a default density of 20 units per acre to determine whether a zone district will accommodate housing for lower income households. The 2009-2014 Housing Element Program 1.3 calls for the County to implement mixed use, infill, and adaptive reuse and consider rezones of 20 units per acre for residential use on 20 to 30 acres as part of the community plan updates for Goleta, Los Alamos, Summerland, Mission Canyon, and Orcutt. HCD conditioned its finding that the 2009-2014 Housing Element was consistent with State law upon “...the implementation of Program 1.3 to rezone sites to higher densities as a part of community plan updates, including updating the Eastern Goleta Community Plan by July 2012.”¹⁰

The recently adopted community plan updates for Los Alamos (2011), Summerland (2014), Mission Canyon (2014), and Orcutt (2013) did not include rezoning land for residential use of 20 units per acre. As discussed below, HCD may continue to require the County to implement Program 1.3 through the Goleta Valley Community Plan Update and to rezone land for affordable housing to improve the job-housing balance in the South County.

Multifamily Residential – Orcutt. In 2009, HCD determined that the County had not met its RHNA for the 2003-2008 Housing Element and required the County to rezone land during the first year of the 2009-2014 Housing Element planning period. The rezones were required in addition to the RHNA for the 2009-2014 Housing Element planning period.¹¹ State law requires that rezones to address “unaccommodated” RNHA must have a minimum density of 20 units per acre.

In 2010, the County rezoned portions of Key Sites 3 and 30 in the Orcutt Community Plan area to a new Multi-Family Residential – Orcutt (MR-O). The MR-O rezones on Key Sites 3 and 30 established the potential for 372 affordable units of “by right” development at a minimum and maximum density of 20 units per acre.

The County’s relatively low RHNA for the 2015-2023 planning period may prompt questions regarding the need to retain the MR-O zone on Key Sites 3 and 30. However, HCD required the County to rezone these sites to satisfy an unaccommodated housing need and implement the 2003-2008 Housing Element. As a result, removing the MR-O zone may lead HCD to require the County to rezone other sites with equal capacity at a minimum density of at least 20 units per acre.

Community Mixed Use – Los Alamos. In February 2011, the County rezoned the Bell Street Downtown Commercial Corridor to the Community Mixed Use – Los Alamos (CM-LA) zone and established the potential for 288 additional multifamily units as part of the Los Alamos Community Plan. The CM-LA zone is consistent with Program 1.3, but does not address HCD’s condition requiring rezoning of sites to allow 20 units per acre.

⁹ Default Density Standard Option-2010 Census Update Memorandum from Glen A. Campora, Deputy Director, HCD, June 20, 2012.

¹⁰ Letter from Glen A. Campora, Assistant Deputy Director, HCD, February 9, 2011.

¹¹ Letter from Cathy Creswell, Deputy Director, HCD, January 6, 2009.

Housing Opportunity Sites – Eastern Goleta Valley. The Board of Supervisors initiated the draft *Goleta Valley Community Plan Update for the Eastern Goleta Valley* (Goleta Plan) for environmental review on February 21, 2012. To help implement Program 1.3, the initiated draft plan includes studying rezoning portions of six housing opportunity sites to Design Residential (DR-20) with densities up to 20 units per acre. The Goleta Plan includes two other important rezones. It proposes rezoning the Hollister Avenue and State Street Commercial Corridor to a new Mixed Use – Eastern Goleta Valley (MU-EGV) zone to revitalize the area with a mix of residential and retail commercial uses. It also proposes rezoning the Turnpike Shopping Center from Shopping Center (SC) to Retail Commercial (C-2), which would allow mixed residential and commercial development.

The six housing opportunity sites have the potential to accommodate 549 units on 28.4 acres. The MU-EGV zone would accommodate up to 177 multifamily units. The rezone from SC to C-2 would establish the potential for an additional 150 mixed use units. The draft EIR for the Goleta Plan is scheduled for public release in summer 2014. The County Planning Commission is expected to review the final EIR and plan in spring 2015 and the BOS is expected to consider certifying the final EIR and adopting the plan in summer 2015.

Consistency with Regional Goals. Program 1.3 addresses the shortage of affordable housing by rezoning sites near job centers in designated urban areas served by transportation, infrastructure, and services. This approach is consistent with the Comprehensive Plan Land Use Element Regional Goal 2 (Urbanization), which states “...encourage infill, prevent scattered urban development, and encourage a balance between housing and jobs.”

Proposal 2: P&D intends to retain the Orcutt MR-O and Los Alamos CM-LA and continue to study rezones as part of the Goleta Plan. At the same time, staff also plans to revise Program 1.3 to reflect the completion of recent community plan updates (i.e., Los Alamos, Mission Canyon, Summerland) and the County’s new track record of producing affordable housing in Isla Vista and Los Alamos. Since the preliminary residential land inventory demonstrates adequate residential land zoned to accommodate the RHNA, no rezones outside of the Goleta Plan are recommended for consideration to address the RHNA or jobs-housing imbalance during the 2015-2023 Housing Element planning period.

3. Relocate Inclusionary Housing Program to (Program 1.2)

On May 14, 2013, the County completed implementation of 2009-2014 Housing Element Program 1.2. Program 1.2 included a new Inclusionary Housing Ordinance (IHO) to replace the Inclusionary Housing Program in the 2009-2014 Housing Element. The IHO reduced inclusionary housing requirements in response to changes in the residential real estate market and overall economy.

The County Planning Commission recommended further review and consideration of additional revisions/restructuring of the housing requirements and in-lieu fees in the IHO. A key purpose of such amendments would be to make the IHO more competitive with State Density Bonus Law and, as a result, facilitate actual construction and/or generate funds to support public or non-profit construction of affordable housing for all income categories.

Proposal 3: Staff intends to update and amend Program 1.2 to reflect that the County adopted an IHO and may consider additional revisions and/or restructuring of the housing requirements and in-lieu fees in the IHO.

4. Land Use Tools to Promote Housing (Program 1.4)

Program 1.4 identifies land use tools that the County should consider during community planning and development review to help provide housing opportunities for all income levels. The tools include:

1. Affordable Housing Overlay (AHO).
2. Policies to encourage the development of unit types that are affordable by design, such as residential second units, farm employee dwellings, infill, and mixed-use development.
3. Permit streamlining efforts and priority permit processing for projects with affordable units built on site.
4. Incentives for special types of housing, as illustrated in the *Development Incentives for Special Needs and Affordable Housing Projects* in Appendix F of the 2009-2014 Housing Element.
5. Administrative zoning modifications for new development approved via Development Plans.
6. Board-approved discretionary reductions of development impact fees for projects with demonstrated public benefits, including the provision of on-site affordable housing.

Program 1.4 also identifies existing zoning regulations and potential modifications to facilitate affordable housing and Appendix F of the 2009-2014 Housing Element identifies design preferences and potential incentives for priority projects. Neither Program 1.4 nor Appendix F includes clear direction for implementation.

Proposal 4: P&D intends to retain and revise Program 1.4 to clarify mechanisms, timing, and responsibility for implementation. Program 1.4 prioritizes affordable housing during the planning and development review process, and will help ensure compliance with HCD's 2009-2014 Housing Element conditions of approval.

Proposed Programs

P&D identified the following potential programs during preliminary review. P&D may add additional programs to the draft 2015-2023 Housing Element based on input received throughout the update process.

5. Design Residential Zone Modifications

The Design Residential (DR) zone allows densities of up to 30 units per acre and allows one-family, two-family, and multifamily dwellings. This zone is intended to ensure comprehensively planned and well designed residential development that provides flexibility, encourages innovation, and diverse designs, while requiring substantial open space within new residential developments.

During preliminary outreach, several developers and affordable housing advocates said some standards in the DR zone create regulatory barriers to affordable housing production. These include the standards for parking, open space (40%), and paved walkways (not included in open space). Reducing or modifying these standards could provide additional flexibility to help facilitate affordable and senior housing projects.

Proposal 5: P&D intends to add a program to modify the opens space requirements and restrictions of the DR zone standards during the 2015-2023 Housing Element planning period to help remove regulatory barriers and facilitate affordable and special needs housing.

6. Mixed Use Zoning

Mixed use zoning combines commercial and residential uses within in a single development. Many communities apply this zoning to help increase affordable housing, revitalize commercial areas, and develop neighborhoods with ample pedestrian and bicycle access to jobs, services, and transit.

The Land Use and Development Code (35.26.050) includes a Mixed Use (MU) Overlay. This overlay is not available in the Coastal Zoning Ordinance (CZO). The MU Overlay has not been applied largely because the development standards reduce density and limit the area available for development, such as the standards requiring 40% open space (35.26.050.C.1) and traditional setbacks (50 feet to road centerline, 20 foot to property line) (35.26.050.B.1). In several cases, the County has adopted more flexible mixed use zoning to specific urban areas through the community planning process (e.g., Los Alamos, Goleta Valley, Orcutt, Santa Ynez). However, the community plan process can take five or more years to complete and P&D does not expect to initiate any new community plans in the next 18 to 24 months.

Revising the MU Overlay to increase the area available for development would encourage additional affordable housing opportunities in urban areas without mixed use zoning. MU Overlay revisions could include a variable residential density incentive that rewards appropriate design through the provision of additional units at higher densities and smaller unit sizes, similar to the City of Santa Barbara's Average Unit-Size Density Incentive Program. Revisions could also include form based building standards, such as zero lot lines and minimum mass requirements.

Proposal 6: P&D intends to recommend a program to review and revise, at a minimum, open space and setback standards of the MU zone. This would help remove regulatory barriers and facilitate affordable housing near job centers in urban areas.

7. Minimum Density Residential Zone

Except for the MR-O zone, the County currently does not have a residential zone with a minimum density requirement. Rather, residential zones have a maximum density, and projects may develop at a density below the maximum density. A residential zone with a minimum density would ensure land develops at a density deemed by Government Code section 65583.2 (c)(3)(B) to accommodate housing for lower income households. During preparation of the 2009-2014 Housing Element, HCD determined that the prior 2003-2008 Housing Element did not identify enough land to meet the RHNA for housing affordable to lower income households. As a result, HCD required the County to rezone land to address the unaccommodated RHNA during the first year of the 2009-2014 Housing Element planning period consistent with Government Code section 65584.09.

Specifically, the County developed and applied the Multifamily Residential-Orcutt (MR-O) zone to portions of Key Sites 3 and 30 in the Orcutt Community Plan area. These two MR-O sites are the only locations in the county that allow by right development at a minimum residential density.

Proposal 7: P&D intends to add a program to the 2015-2023 Housing Element to develop a minimum density residential zone prior to the end of the planning period. The purpose of the minimum density zone would be to ensure the County has the tools to readily address a future RHNA. A minimum density residential zone would provide decision-makers with a tool to ensure “by right” development of housing at densities deemed affordable by State law.

8. County Density Bonus

State Density Bonus Law requires all jurisdictions to provide development standard concessions and up to 35% additional density for affordable and senior housing projects in designated urban areas. Several housing advocates recommended that the County adopt a program to provide additional density for priority affordable housing projects. For example, San Diego County allows a density bonus for senior housing, mobile home parks, and housing for low income families up to 20 units per acre. Sonoma County and the City of Santa Barbara have programs that incentivize deed restricted affordable units by allowing additional density up to 100% in medium to high density housing zones to a maximum of 30 units per acre.

Proposal 8: P&D plans to add a program to the 2015-2023 Housing Element to develop a program to allow additional density beyond State Density Bonus Law for select low income, moderate income, and special needs housing.

9. Special Needs/Emergency Shelter/Single Room Occupancy Regulations

The existing LUDC and Coastal Zoning Ordinance (CZO) do not allow projects in any zone that include facilities that co-locate emergency shelters, single room occupancy projects (SRO), treatment facilities, and temporary housing.

Government Code section 65583 requires the County to identify adequate land for emergency shelters. An inventory of land available in the C-3 zone for the development of emergency shelters is included in the 2009-2014 Housing Element. The 2009-2014 Housing Element also identifies three zones that allow emergency shelters, but not with treatment facilities and/or temporary housing: General Commercial (C-3), Light Industry (M-1), and Industrial Research Park (M-RP).

Single room occupancy (SRO) is a form of housing in which one or two people are housed in individual rooms within a multiple-tenant building. SRO tenants typically share bathrooms and/or kitchens, while some SRO rooms may include kitchenettes, bathrooms, or half-baths. SRO projects are often a form of affordable housing for low-income and formerly homeless individuals and may be a component of facilities that co-locate emergency shelters, treatment facilities, and temporary housing.

The LUDC includes six zones that allow development of an SRO with a ministerial land use permit consistent with Government Code section 65583. SRO projects are currently allowed with approval of a Land Use Permit (LUP) approval in the Retail Commercial (C-2), General Commercial (C-3), Highway Commercial (CH), Mixed-use (MU) Overlay, Old Town Residential/Light Commercial (OT-R/LC) Overlay, and Old Town Residential/General Commercial (OT-R/GC) Overlay zones. In the Coastal Zone, SRO is allowed with approval of a Minor Conditional Use Permit (MCUP) in the Retail Commercial (C-2) zone. None of the zones that allow SRO allow them with treatment facilities and/or emergency shelters.

Proposal 9: P&D intends to add a program to the 2015-2023 Housing Element to allow combined emergency shelters, SRO projects, treatment facilities, and temporary housing in certain zones. This would serve to remove regulatory barriers to development and ensure compliance with State law. Revisions could also ensure that a mechanism is included to provide Director level exceptions to ensure special needs housing that meets “fair housing” requirements.

7.0 CONCLUSION

The purpose of this workshop is to receive comments from the County Planning Commission and the public on the key housing issues and proposed programs in this staff report. A similar workshop is scheduled with the Board of Supervisors on July 1, 2014. Staff will then prepare the draft 2015-2023 Housing Element and submit it 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 Commissions’ hearings are scheduled in fall 2014 and the Board of Supervisors hearing is scheduled in winter 2014/2015. The County will submit the final adopted 2015-2023 Housing Element to HCD for final review by February 15, 2015.

ATTACHMENTS

- A. 2009-2014 Housing Element Goals, Policies, and Programs
- B. Housing Element Issues Summary
- C. Public Outreach Summary
- D. Housing Survey Summary

Attachment A:

2009-2014 Housing Element Goals, Policies, and Programs

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Table 5.1 – Proposed Draft Housing Element 2009-2014 Goals, Policies and Programs

| Goal 1: Enhance the Diversity, Quantity, and Quality of the Housing Supply | |
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| <p>Policy 1.1: Promote new housing opportunities adjacent to employment centers, and the revitalization of existing housing to meet the needs of all economic segments of the community, including extremely low income households, while bolstering the County’s rural heritage and supporting each unincorporated community’s unique character.</p> | <p>Program 1.1: Promote housing opportunities adjacent to employment centers through regional and local planning efforts, including the development of a Sustainable Communities Strategy (SCS) and Regional Housing Needs Allocation (RHNA), as facilitated by the Santa Barbara County Association of Governments. This will help ensure that community values are preserved, commute pressures and vehicle trips are reduced, rural areas are protected, fiscal and economic interests are upheld, and adequate housing is provided for each jurisdictions’ workforce.</p> <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development, Redevelopment Agency</p> |
| | <p>Program 1.2: Increase the effectiveness of the Inclusionary Housing Program by establishing an IHP ordinance and relocating all IHP programmatic details from the Housing Element to the Land Use and Development Code (LUDC). This modification will improve the pre-existing program by: 1) allowing greater flexibility for the Board of Supervisors to modify the IHP when warranted, 2) eliminating the need for a General Plan update when changes to the IHP are required, and 3) allowing for sufficient detail to support a greater understanding of the program by the public and County staff. Based upon public feedback, best-practices, and third-party analysis, programmatic revisions of the IHP ordinance will then be considered. From the adoption of this Housing Element, until such time that the forthcoming IHP ordinance is approved by the Board of Supervisors, the existing IHP, as included in Appendix A – <i>IHP Background, Policy and Implementation</i> of this Housing Element shall apply.</p> <p>Funding Source: General Fund</p> <p>Timeline: Within Two Years of the Adoption of the Element</p> <p>Responsible Agency: Planning & Development, County HCD</p> |
| | <p>Program 1.3: Implement community enhancement and revitalization tools where warranted through the community planning process using strategies that promote affordability by design such as mixed-use, infill, and adaptive reuse. Currently,</p> |

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| | <p>five community plan updates are underway in the communities of Los Alamos, Eastern Goleta Valley, Summerland, Mission Canyon, and Orcutt. One community plan, for the Santa Ynez Valley, was recently completed. Through the update process, staff will continue to provide information, analysis, and recommendations regarding how such tools may contribute to achieving the community's expressed goals and vision for housing.</p> <p>The County shall utilize the community planning process to identify new potential housing sites. As part of the ongoing community planning process, the County shall explore options to address housing needs by considering the use of form-based codes, overlays, or rezones which are compatible with the surrounding community character. In the context of the community planning process, the County should consider rezones which would establish housing opportunities on 20-30 acres within the County. Within these housing opportunity areas the County should consider establishing sites which are approximately 2-10 acres in size and have an effective density of 20 units an acre or greater, if such rezones can be found compatible with surrounding development and serviceable by infrastructure capacity.</p> <p>Funding Source: General Fund</p> <p>Timeline: Schedules for projects as complex as Community Plans are subject to fluctuation, due to uncontrollable variables such as environmental review processes, hearing agendas, and funding limitations. However, the County will attempt to adopt updated community plans within the following estimated timelines, as fiscal and staffing resources allow: Los Alamos Community Plan- December 2010 Eastern Goleta Valley Community Plan- July 2012</p> <p>Responsible Agency: Planning & Development, Redevelopment Agency</p> |
| | <p>Program 1.4: The following land use tools shall continue to be considered and/or used through the community planning and development review processes, as well as the zoning ordinance, to provide housing opportunities for all economic segments of the population, including extremely low income households:</p> <ol style="list-style-type: none"> 1) The Affordable Housing Overlay (AHO) zone. 2) Policies to encourage the development of unit types that are affordable by design, such as Residential Second Units, Farm Employee Dwellings, infill, and Mixed-use Development. 4) Permit streamlining efforts overseen by Planning and |

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| | <p>Development, and priority permit processing for projects with affordable units built on site.</p> <p>5) Incentives for special types of housing, as illustrated in Appendix F – <i>Quality Housing Design and Development Incentives</i>.</p> <p>6) Administrative zoning modifications for new development approved via Development Plans.</p> <p>7) Board-approved discretionary reductions of development impact fees for projects with demonstrated public benefits, including the provision of on site affordable housing.</p> <p>Funding Source: General Fund and Permit Fees</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 1.5: Utilize community plan updates as opportunities to consider and develop solutions for infrastructure constraints, which can be a barrier to the development of housing throughout the unincorporated County. Specifically, when updating a community plan, the future residential development allowed by the plan should be supported by either existing service infrastructure, or the plan should anticipate how this infrastructure can be improved and/or expanded to foster future housing opportunities. Additionally, the County will consider the need for infrastructure expansion when reviewing the future use or sale of County-owned land. Prior to the sale of County-owned land, the subject property shall be evaluated for potential land use conflicts and other constraints that may make the property inappropriate for expansion of service infrastructure. If the property is determined to be appropriate for infrastructure facilities/improvements, the County shall contact applicable public and or private agencies and/or private to determine the level of interest and/or financial feasibility of developing the site with the appropriate level of service infrastructure.</p> <p>Funding Source: General Fund and Permit Fees</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 1.6: Ensure quality housing design and community</p> |

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| | <p>compatibility via the continued use of regional BAR and Community Plan Design Guidelines.</p> <p>Funding Source: General Fund and Permit Fees</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 1.7: Continue working with the Redevelopment Agency to support programs aimed at catalyzing community renewal through: 1) incentivizing investments in underutilized urban property (i.e., parking lots, church sites, commercial property, irregularly shaped lots), 2) infrastructure (i.e., streetscape improvements and parking), and 3) affordable housing, including homeless support infrastructure. Encourage cooperation between County HCD and Redevelopment Agency to provide funding and opportunities for redevelopment and economic enhancement. Continue to support the use of the Isla Vista Master Plan to contribute to the diversity and affordability of the housing stock in the County, adjacent to the County’s largest employer, University of California Santa Barbara.</p> <p>Funding Source: General Fund and Redevelopment Funds</p> <p>Timeline: Opportunities to be Reviewed on an Annual Basis</p> <p>Responsible Agency: Planning & Development, Redevelopment Agency</p> |
| | <p>Program 1.8: Continue to support and expand the use of the Innovative Building Review Program to streamline the permit process for projects meeting energy efficiency requirements. The existing IBRP supplies public information regarding energy efficient construction techniques and allows fast track permitting for projects with energy efficient designs. The program shall continue to be updated in response to changing development trends and technological progress regarding energy efficient building design.</p> <p>Funding Source: Permit Fees</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 1.9: Seek opportunities to finance and support energy</p> |

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| | <p>efficiency and renewable energy improvements for the market-rate and affordable housing stock in the County. Examples to be considered as part of this program include adoption of a Climate Action Strategy as directed by the Board in the Long Range Planning 2009-10 Work Program, implementation of a municipal energy efficiency financing district, and strategies to prioritize County affordable housing resources for projects that encourage energy efficiency improvements.</p> <p>Funding Source: General Fund</p> <p>Timeline: Within Three Years of the Adoption of the Element</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 1.10: Amend applicable County regulations to comply with the provisions of State Density Bonus Law, which is intended to increase the economic feasibility of affordable housing development for extremely low, very-low and low-income households. Specifically, amend Article II (Local Coastal Plan) to allow up to a 35% density bonus for applicable projects. The current Article II regulations only allow a 25% density bonus.</p> <p>Funding Source: General Fund</p> <p>Timeline: Within Three Years of the Adoption of the Element</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 1.11: Provide consultations for project applicants who want to incorporate the use of the State Density Bonus Law (SBDL) as part of their housing project. Staff will provide general knowledge on the use and applicability of the SBDL and assist project applicants in utilizing SBDL to enhance their housing project.</p> <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development</p> |

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| | <p>Program 1.12: The County shall continue, and where feasible expand, its partnership with nonprofit housing providers such as the Housing Authority and People’s Self-help Housing. This partnership should be specifically leveraged to provide additional housing opportunities which are affordable at extremely-low income levels. Opportunities such as the use of State Density Bonus Law and the County’s Development Incentives listed in Appendix F should be utilized to encourage the development of such affordable housing. The County shall also consider the use CDBG, Housing Trust Fund, or similar funding sources to support the development of housing which is affordable at extremely-low income levels.</p> <p>Funding Source: CDBG and Redevelopment Funds</p> <p>Timeline: Provide Opportunity for Annual Consultations upon Stakeholder Request</p> <p>Responsible Agency: County HCD and RDA</p> |
| | <p>Program 1.13: The County shall continue to utilize the Isla Vista Master Plan in combination with redevelopment funds and equivalent resources to promote the creation of additional housing stock within the South Coast housing market area. Specifically, the County shall encourage the development of varied housing types which assist in satisfying the full spectrum of the County’s housing needs, including housing for families (e.g. two-bedroom units or larger) and low income households.</p> <p>Funding Source: CDBG and Redevelopment Funds</p> <p>Timeline: Annually review the effectiveness of the IVMP to provide housing units which satisfy the County’s various housing needs. Specifically, the Annual Report process should evaluate the IVMP’s effectiveness in providing a variety of housing types including housing for families (e.g. two-bedroom units or larger) and multifamily developments suitable in size (at least 20-30 units) to facilitate an assisted housing project with 100% of the units affordable to lower-income households. If Annual Reports on housing indicate that the IVMP is continually producing less housing than anticipated in the County’s Land Inventory, or a predominance of a single housing type which fails to meet the housing needs of the community, then additional rezones, overlays, or similar actions for the purpose of creating additional housing opportunities should be considered as part of the community planning process.</p> <p>Responsible Agency: County HCD and RDA</p> |

| Goal 2: Expand Housing for Special Needs Groups | |
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| <p>Policy 2.1: Encourage housing that meets the requirements of special needs households, as identified per State law, and promotes housing diversity (i.e., size, type, tenure, location, and affordability levels).</p> | <p>Program 2.1: Provide housing consultation services to assist applicants understanding of the regulatory environment, applicable State laws and incentives, and local policies and incentives impacting the development of special needs housing, including the County reasonable accommodation procedure.</p> <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 2.2: Continue to facilitate ministerial permit opportunities for emergency shelters and supportive housing, consistent with the provisions of Chapter 633, Statutes of 2007 (SB 2) which amended Government Code Sections 65582, 65583, and 65589.5. Currently, emergency shelters and supportive housing are treated as residential uses, are allowed with a ministerial Land Use Permit, and are subject to the same permitting process as other housing within the C-3 zone. As discussed in Chapter 3 of this Housing Element, adequate sites exist within this zoning designation to accommodate new emergency shelters and permit procedures are in compliance with State housing law.</p> <p>Funding Source: General Fund and Permit Fees</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development, County HCD</p> |
| | <p>Program 2.3: Amend the County’s Land Use and Development Code (LUDC) to be consistent with Health and Safety Code Sections 17021.5 and 17021.6 regarding farmworker housing developed by <u>State-licensed</u> agricultural operators. Section 17021.5 requires that any employee housing providing accommodations for six or fewer employees be deemed a single-family structure, while Section 17021.6 requires that employee housing consisting of no more than 36 beds in a group quarters or 12 units or spaces designed for use by a single family or household be deemed an agricultural use. As such, no conditional use permit, zoning variance, or other zoning clearance or business taxes, local registration fees, use permit fees, or other fees shall be subject to these housing types which are not typically subject to uses of the same type in the same zone. The County will amend the necessary LUDC sections, with policy assistance provided</p> |

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| | <p>by the Office of Long Range Planning.</p> <p>Funding Source: General Fund</p> <p>Timeline: Within Four Years of Housing Element Adoption</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 2.4: The County shall provide increased opportunities for the development of farmworker housing. This should include the provision of funding sources such as the Joe Serna Jr Farmworker Housing Grant Program, where available. Additionally, the County should continue to consider actions which will further streamline the permit process for agricultural employee housing. The County shall also provide opportunities for stakeholder input from growers, ranch owners, and other agricultural operators regarding the need and opportunities for additional farmworker housing.</p> <p>Funding Source: General Fund & Federal and State Housing Funds</p> <p>Timeline: Provide Opportunity for Annual Consultations upon Stakeholder Request</p> <p>Responsible Agency: Planning & Development and County HCD</p> |
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2009-2014

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| | <p>Within Four Years of the Adoption of the Element Responsible Agency: Planning & Development</p> |
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| Goal 3: Provide Fair Access to Housing | |
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| <p>Policy 3.1: Promote equal housing opportunities for all persons in all housing types (ownership and rental, market-rate and assisted).</p> | <p>Program 3.1: Continue existing programs to provide a referral process and/or contracts with legal services for fair housing issues. The County currently contributes General Fund resources to the City of Santa Barbara for regional fair housing legal services. Additionally, the County will consider contributing additional funding to appropriate private legal service agencies to provide active fair housing legal services countywide.</p> <p>Funding Source: General Fund and CDBG</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: County HCD</p> |
| | <p>Program 3.2: Bolster support of the existing Fair Housing Public Outreach program by providing increased information via County websites, public pamphlets, informational handouts, and other means. In addition to public outreach conducted by the County, any contract for private fair housing legal services will require a public outreach component. This public outreach program shall be conducted in multiple languages and designed to provide information to community members from all special needs, ethnic, cultural, and economic spectrums.</p> <p>Funding Source: General Fund & CDBG</p> <p>Timeline: Within Three Years of Housing Element Adoption</p> <p>Responsible Agency: County HCD</p> |

| Goal 4: Preserve the Affordable Housing Stock and Cultivate Financial Resources | |
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| <p>Policy 4.1: Preserve the affordable housing stock, maintain its affordability, improve its condition, and prevent future deterioration and resident displacement. Participate in available Federal and State housing subsidy and assistance programs and use the County’s own resources in order to leverage maximum funding for the provision of affordable housing.</p> | <p>Program 4.1: Continue to access HOME, Community Development Block Grant, American Recovery and Reinvestment Act, and other resources provided by Federal, State, or regional entities to increase the efficiency of locally-generated IHP in-lieu fees collected for the express purpose of providing new and preserving existing affordable housing opportunities.</p> <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: County HCD</p> |
| | <p>Program 4.2: The County will consider the need for affordable housing when reviewing the future use or sale of County-owned land. Prior to the sale of County-owned land, the subject property shall be evaluated for potential land use conflicts and other constraints that may make the property inappropriate for residential development. If the property is determined to be appropriate for residential development, the County shall contact applicable departments (such as County HCD and the Redevelopment Agency) as well as private and non-profit affordable housing agencies to determine the level of interest and/or feasibility of developing the site with affordable housing.</p> <p>Funding Source: N/A</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: General Services</p> |
| | <p>Program 4.3: The County will continue to track affordable rental developments with expiring use restrictions and work with owners to ensure maintained affordability. County HCD will continue to manage a database which tracks the expiration dates of affordable housing covenants and restrictions. Prior to the expiration of these affordability restrictions, County HCD shall explore all opportunities to maintain this affordability. Such opportunities include but are not limited to: provision of rehabilitation funding to the property owner contingent upon an extension of the affordability restrictions, assistance to non-profit housing agencies or any other entities seeking to acquire and maintain government-assisted housing developments at risk of converting to market rate housing, or acquisition of the housing units with available local financing.</p> |

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| | <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: County HCD</p> |
| | <p>Program 4.4: The County will continue to work with non-profit organizations to implement a housing rehabilitation program for low-income homeowners. County HCD and Redevelopment Agency will continue their existing programs, as funding allows, and partner with local private and non-profit groups to acquire and/or rehabilitate rent-restricted or otherwise affordable housing. As previously discussed in this Housing Element, these programs will support projects similar to the Parkview project in Isla Vista, which rehabilitated 20 low income housing units.</p> <p>Funding Source: CDBG and Redevelopment Funds</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Redevelopment Agency, County HCD</p> |
| | <p>Program 4.5: Continue to support County and private non-profit programs which provide "soft" second mortgages or other financial tools to assist moderate-income, and in some cases, low-income home buyers. The County has already provided a letter of support to the Santa Barbara County Housing Authority enabling continued participation in its existing "soft" second mortgage program. The County shall continue to explore opportunities to support and secure additional funding for such programs.</p> <p>Funding Source: Various</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development, County HCD, Redevelopment Agency</p> |

| Goal 5: Foster Cooperative Relationships and Efficient Government | |
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| <p>Policy 5.1: Form collaborative professional working relationships with the public and providers of housing; and assist with the process of accessing and/or providing affordable housing opportunities. Identify and, where feasible, eliminate or reduce governmental constraints to the development of housing.</p> | <p>Program 5.1: Work cooperatively and form partnerships with Federal, State, and regional agencies, as well as private and non-profit entities to apply for public funding to support projects demonstrating creative strategies to address affordable housing needs.</p> <p>Funding Source: Various</p> <p>Timeline: Provide Opportunity for Annual Consultations upon Stakeholder Request</p> <p>Responsible Agency: Planning & Development, County HCD, Redevelopment Agency</p> |
| | <p>Program 5.2: Participate in regional planning and housing programs with incorporated cities, public and private housing agencies such as the Housing Authority, Habitat for Humanity, as well as other stakeholders as appropriate. As part of this effort the County shall pursue further partnership programs such as the 10-year Plan to End Chronic Homelessness.</p> <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development, County HCD, Redevelopment Agency</p> |
| | <p>Program 5.3: Facilitate public outreach regarding housing opportunities such as Residential Second Units, Farm Employee Dwellings, and permit streamlining. In addition, the County shall provide information on its website and provide literature detailing the opportunities to develop housing which is affordable by design or with price restrictions.</p> <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development</p> |

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| | <p>Program 5.4: Continue to utilize Planning and Development’s process improvement efforts to streamline the County’s permit process and remove regulatory barriers to the development of new housing. Planning and Development will continue to meet, and incorporate input from, community stakeholders and housing developers regarding appropriate streamlining efforts to encourage the permitting of additional housing.</p> <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development</p> |
| | <p>Program 5.5: Continue to utilize new technology and data to monitor and assess housing development and the affordability of housing. The County shall continue to develop more efficient housing tracking options in its Accela permit tracking system. The County will also provide support to Federal, State, and regional authorities to successfully implement the 2010 Census which will provide valuable information regarding population and housing.</p> <p>Funding Source: General Fund</p> <p>Timeline: Ongoing</p> <p>Responsible Agency: Planning & Development, County HCD</p> |

Attachment B:

Housing Element Issues Summary

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Santa Barbara County 2015-2023 Housing Element Issues Summary



April 9, 2014

The County of Santa Barbara Planning and Development Department (P&D) is updating the County Housing Element to plan for future housing needs in the unincorporated areas of Santa Barbara County. This summary sheet provides an overview of the current Housing Element programs and issues. It also identifies new trends and policy options. P&D encourages the community to be engaged throughout the update process and offers various opportunities to provide input through our public outreach process. More information is available online at <http://longrange.sbcountyplanning.org/> (click on *Comprehensive Plan*, then *Housing Element*). Comments or questions may be submitted to Bret McNulty, Senior Planner, (805) 884-8060, bmcnulty@countyofsb.org

2009-2014 Housing Element Implementation

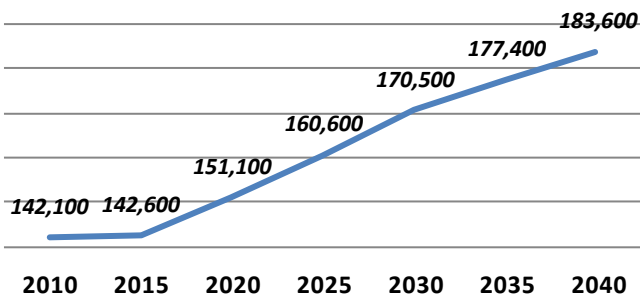
- Program 1.2: Inclusionary Housing Ordinance – Adopted.
- Program 1.3: Los Alamos Community Plan mixed-use zone – Adopted.
- Program 1.3: P&D is studying potential rezones and a new mixed-use zone for possible affordable housing sites as part of the Eastern Goleta Valley EIR.
- Housing: Units Permitted 2009-2013:

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| <i>Very Low Income Units:</i> 50 | <i>Low Income Units:</i> 286 |
| <i>Moderate Income Units:</i> 332 | <i>Above Moderate Income Units:</i> 213 |

Source: County of Santa Barbara Planning and Development

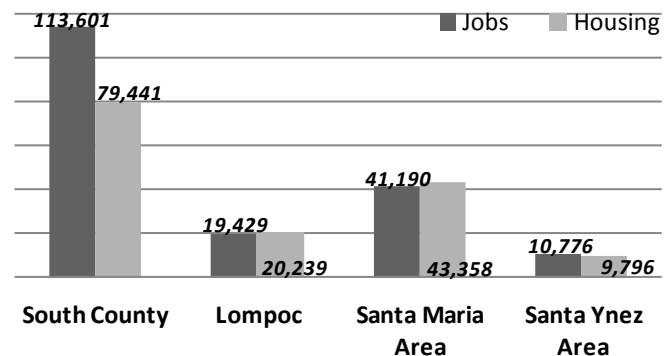
Existing Conditions Overview

Future Housing Needs
Increase in Number of Households
Santa Barbara County
2010-2040



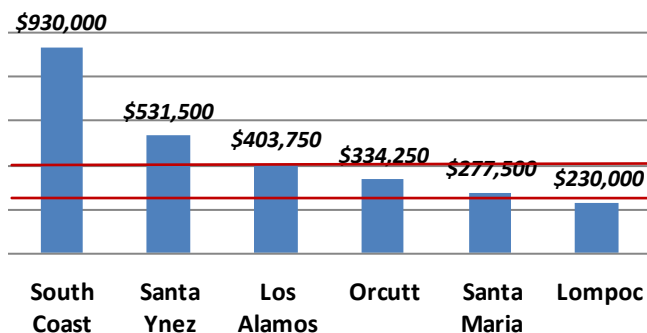
Source: *Regional Growth Forecast, 2010-2040* (Santa Barbara County Association of Governments, December 2012).

Jobs-Housing Balance
Santa Barbara County
2010



Source: *Draft State of the Commute Report* (Santa Barbara County Association of Governments, March 6, 2014).

Median Single-Family Home Sales Prices
Santa Barbara County
March 2013-March 2014



Source: County of Santa Barbara Assessor.

Area Median Household Income
Santa Barbara County
2014

- \$73,300 Area Median Income (AMI)¹
 - \$87,960 Moderate Income (120% of AMI)
 - \$58,640 Low Income (80% of AMI)
- **\$400,000 Affordable to Moderate-Income Households²**
- **\$265,000 Affordable to Low-Income Households²**

¹ Source: California Department of Housing and Community Development.

² Assumptions: Affordability level based on 30% of income available for mortgage, 30-year loan term, 4.17% interest rate, 1% annual tax, and 5% down payment.

Key Issues

- South County has the strongest economy in the County but lacks affordable housing for low and moderate income households, resulting in a jobs-housing imbalance and long distance commutes (one-way trips):¹
North to South County: 7,978 South to North County: 2,128
Ventura to Santa Barbara: 11,360 Santa Barbara to Ventura: 1,865
- South County's population is aging, living longer, and staying longer in homes. Older populations generally have smaller household sizes, leading to an underutilization of owner-occupied housing units.²
- South County has the lowest rental vacancy rates in years (2%), and the rental costs are rising.²
- Businesses are challenged to recruit/retain workers because of high housing costs in South County.³
- Younger and older age groups are increasing, triggering a demand on non-suburban types of housing.³
- Land is limited for special needs housing, such as disabled, elderly, farm workers, single parents, and homeless.⁴
- State Housing and Community Development (HCD) may continue to seek affordable housing units in the South County.

¹ Source: *Draft State of the Commute Report* (Santa Barbara County Association of Governments, March 6, 2014).

² Source: California Economic Forecast (June 1, 2012).

³ Source: Inter-Regional Partnership for Jobs, Housing and Mobility (July 2004).

⁴ Source: Santa Barbara County Planning and Development.

2015-2023 Regional Housing Needs Allocation (RHNA) – Unincorporated Santa Barbara

| <i>Total RHNA: 661 Units</i> | <i>Total Inventory: 3,283 Units¹</i> |
|--|--|
| Very Low/Low Income RHNA: 265 County Inventory: 1,405² | 70% of units are in North County, specifically in Orcutt, Los Alamos, and Vandenberg Village. 30% of units are in South County, specifically in Isla Vista and Eastern Goleta Valley. |
| Moderate Income RHNA: 112 County Inventory: 459³ | 100% of units are in North County, specifically in Orcutt. |
| Above Moderate Income RHNA: 284 County Inventory: 1,419⁴ | 55% of sites are in South County. 45% of sites are in North County. |

¹ Based on preliminary inventory, subject to change; includes very low/low, moderate, and above moderate units.

² Vacant lots zoned 20+ units/acre accommodate very low/low income units; per affordability analysis, units below \$265,000 are affordable to very low/ low income households.

³ Per affordability analysis, units below \$400,000 are affordable to moderate income households.

⁴ Vacant lots within urban areas and not included in the inventory as very low/low or moderate income accommodate above moderate units.

2015-2023 Housing Element Policy Options

- Consider rezoning to provide affordable housing and help address jobs-housing imbalance in the South County.
- Identify existing policies and programs that should be continued to help maintain, preserve, improve, and develop existing and new housing, such as the following:
 - Program 1.1: Promote new housing in urban areas, near employment centers and public transit.
 - Program 1.2: Provide incentives for the development of affordable housing through the County's Inclusionary Housing Ordinance.
 - Program 1.3: Implement tools that promote affordability by design such as mixed-use, infill, and adaptive reuse.
 - Program 1.10: Provide incentives for the development of affordable housing through the State Density Bonus Law.
 - Policy 2.1: Encourage housing that meets requirements of special housing needs, including senior, disabled, homeless, and farm worker households.
- Develop new policies and programs to help address unmet housing needs, such as the following:
 - Develop programs to facilitate affordable and special needs housing in urban areas.
 - Update the mixed-use zone to increase housing opportunities near jobs and public transit.
 - Update land use regulations to allow combined special needs housing and treatment facilities.
 - Consider reducing the 40% open space and parking requirements within the Design Residential (DR) zone.
 - Explore using a minimum density residential zone to facilitate new affordable housing projects.

Attachment C:

Public Outreach Summary

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**Attachment C:
Santa Barbara County
2015-2023 HOUSING ELEMENT UPDATE
PUBLIC OUTREACH SUMMARY**

The Montecito Planning Commission workshop (May 21, 2014) is part of a series of eight public outreach meetings and workshops that introduce the public, the Montecito and County Planning Commissions, and the Board of Supervisors to the 2015-2023 Housing Element Update. Public outreach also includes a housing survey. This document summarizes the comments and housing survey results (Attachment D) received as of May 5, 2014. The public meeting and workshop schedule is shown below.

| Public Workshops | Stakeholder Meetings |
|---|---|
| <u>Upcoming</u> May 21, 2014, Montecito Planning Commission May 28, 2014, County Planning Commission July 1, 2014, Board of Supervisors | <u>Completed</u> April 4, 2014, <i>Builder's Industry Advisory Group</i> April 16, 2014, <i>Housing Stakeholders</i> April 22, 2014, <i>Neighborhood and Environmental Groups</i> |
| <u>Completed</u> April 10, 2014, Santa Maria April 17, 2014, Santa Barbara | |

The workshops and meetings provide a preliminary overview of the housing issues, demographic data, and existing and potential programs being considered during the 2015-2023 Housing Element Update. Comments, questions, and housing surveys may be submitted to Bret McNulty, Project Manager, 123 East Anapamu Street, Santa Barbara, CA 93101.

Email: bmcnulty@countyofsb.org Phone: (805) 844-8060 Fax: (805) 568-2030

PUBLIC COMMENTS SUMMARY

Housing Needs

- Lower population growth, smaller family sizes, and an increase in the average age of the population are factors that increase the demand for higher density single-family dwellings, and other housing types.
- Promote infill and grow upward to avoid sprawl.
- The housing market is not serving the needs of residents.
- The proportion of income that renters pay for housing has steadily increased.
- The County has a high proportion (55%, or higher) of single-family homes, yet only 12-15% of the population can afford to buy a single-family home.
- Single-family homes do not pay their fair share of public costs associated with flood control, streets, sidewalks, intersections, utilities, or water and sewer expansion, maintenance, and replacement.
- Continued over-zoning for single-family homes perpetuates a class and race based imbalance to benefit a small proportion of the population at a cost to the majority of residents.
- The County is devoid of land with general plan designations and zoning at densities needed for multi-family condos and apartments.
- The County doesn't need housing development on agricultural land or to convert any open space or agricultural land to single-family uses. Just increase the density of a small part of the

urban areas that exist, including vacant and under-utilized sites, and you can easily accommodate the new RHNA numbers.

- The State has recently interpreted the requirements of planning law as effective actions to potentially site the Regional Housing Needs Allocation (RHNA) by zoning classification for each jurisdiction, but court cases actually have established that the County needs to analyze base unmet housing needs at the beginning of the period, as well as projected incremental demand (as determined by RHNA). If we ignore base unmet demand, our goal is simply to be in the same place at the end of the planning period, having not made it worse. Doesn't really sound like success, does it?

Seniors/Special Needs Housing

- The County needs housing to accommodate active senior groups.
- Senior housing needs to be located in close proximity to services to reduce car trips.
- Currently, there is a lack of small, quality homes in the \$250,000s for a variety of age groups, including seniors or residents without kids.
- Residential development for the elderly and disabled should have fewer restrictions and allow for residential second units.
- Parking is a major cost issue affecting the development of senior housing.
- There is a high cost for services in special needs housing.
- Replacing supportive housing with non-supportive housing and case workers increases costs in the long run for the elderly or disabled.
- There is a challenge in moving people from supportive to non-supportive housing.
- There is a constant need for supportive housing.
- The Independent Living Center encounters 4-5 homeless seniors each week. Homeless seniors have to have shelter and services, and their situation is desperate.
- The County should work with SBCAG to focus on providing new housing for disabled and seniors.
- Available government funding for disabled and special needs groups is not being maximized.

Farm Worker Housing

- Large agricultural lots should be allowed more than one house to include additional cottages for farm worker housing.
- The County needs to provide more opportunities for farm worker housing, including housing for transient farm workers in rural areas, and more residential second units.
- The County and Regional Water Quality Control Board does not permit multi-family development on septic systems or small community sewer systems, so, what would we be talking about with the survey idea of "farm worker housing" except more scattered "single-family" homes (mobile homes) dispersed around the countryside.

Density and Regulatory Constraints

- Consider annexation to allow for expansion in North County.
- Higher density housing is strongly opposed (NIMBY).
- Higher density is associated by some with low income families, examples with photos can be used to illustrate that high density does not result in undesirable neighborhoods.

- By increasing density within urban areas, we can begin to make progress on the backlog of unmet housing needs of the existing population.
- Most affordable housing in the South Coast is rental housing, which is at high densities of 20 units per acre.
- The County must have the courage to say that affordable housing requires higher density zoning at a minimum of 20 units per acre.
- Consider one parking space per unit to reduce the number of cars, resulting in smaller scale and fewer traffic impacts.
- The County needs to clarify the methodology for calculating the density of projects that provide various housing types (self-contained units, board and care, hospital/convalescent rooms) for elderly, Alzheimer's patients, and transitional housing.
- Establish minimum density requirements in the updated housing element and use pictures to illustrate density levels.
- Density requirement options for transitional housing should be explored.
- The County needs a meaningful Density Bonus Program. The State requires 35%, but the County can raise that percentage.
- Upper State Street and Hollister Avenue are areas where density can be raised.
- Decrease 40% open space and incentivize higher density affordable housing [Design Residential and Planned Residential Development zones].
- Hardscape, such as walkways, should be counted towards open space requirement [Design Residential and Planned Residential Development zones].
- Open space requirements of 20%-30% would still offer space for quality amenities for families, while reducing HOA fees and potentially encouraging greater utilization of city parks and beaches.
- Incentives for rental housing could include a priority housing overlay similar to the City of Santa Barbara Average Unit Size Density Incentive Program that encourage higher density housing (like co-ops) and more units, but smaller housing overall. This stimulates apartment development, and also raises a question whether apartments of 800 sq. ft. are big enough for families.

Transportation

- Having most affordable housing located in the North County means a long commute to South County jobs.
- Expand the transit system between affordable housing sites and urban areas to decrease emissions and congestion.
- Affordable/high density housing increases congestion.
- Promote and increase ridership on clean air buses from Santa Barbara to Ventura to reduce long commute impacts.
- There is no available public transportation for the disabled in Santa Maria to travel to other parts of the County.

Constraints to Housing Development

- Environmental [resources], such as water, are finite and must also accommodate new housing.
- Lack of developable land is a constraint to affordable housing/higher density zoning.

- Fees are too high to construct second dwelling units, over \$30,000. This discourages development of greatly needed legal rental units and contributes to the proliferation of illegal second units.

Housing Costs

- The cost of housing was unaffordable to the same segments of the population even during the housing market downturn in 2007-2010.
- Area median income households encounter great financial burden in order to purchase a house.
- Housing must be able to accommodate a wide range of the population and different income levels.
- Consider very-low and low income units, however do not overlook the need for workforce housing.
- 20 units per acre provides moderate and above moderate income units in Santa Barbara, not very low and low income units.

Isla Vista

- Affordable housing in Isla Vista may be undesirable to families due to the student environment.
- While the pressure may have been reduced to produce affordable housing elsewhere in the South Coast, it is possible that there is an over-capacity demonstrated in Isla Vista. This discourages development in South Coast if the RHNA appears met, but in fact it is too concentrated in an area that won't provide housing.

Vandenberg Village

- In Vandenberg Village, available land is limited by the surrounding VAFB and Burton Mesa Preserve.
- There are limited opportunities for new housing with only two undeveloped parcels and a need for more housing types than only single-family dwellings on large lots.

Eastern Goleta Valley

- The Tatum property, an underutilized lot in the Eastern Goleta Valley next to El Camino School, could be an appropriate site for affordable housing.

Additional Comments

- Outreach should have greater focus on environmental groups.
- When we face a housing crisis of such enormous proportions (not the incremental RHNA numbers) even focusing the Housing Survey on the relatively trivial question of whether single-family and multi-family should be mixed (on a site? in a zone?).
- The updated Housing Element should be consistent with resources such as the *Regional Transportation Plan and Sustainable Communities Strategy*.
- The draft Programs in the Housing Issues Summary require re-wording.
- The County should form a technical committee comprised of housing experts to inform their decisions on this Housing Element Update.
- The Coastal Housing Coalition is conducting a Housing Survey, which will be complete in August 2014.
- The Palmer Ruling against the City of Los Angeles makes it more difficult for the City to pass a traditional mixed income housing ordinance that applies to rental developments. If the

Affordable Housing Mandate is a violation of State Law, then this will impact Santa Barbara as well.

Staff Responses to Housing Issues Summary Questions

Question: Is the RHNA allocation separated into housing market areas?

Answer: The RHNA assigned to the unincorporated area of Santa Barbara County and is not specific to housing market areas.

Question: What happened with Isla Vista in regards to the prior RHNA [2009-2014]?

Answer: The Santa Barbara County Planning and Development Department is evaluating the development in Isla Vista as part of the update. The evaluation will include a comparison of the development projected in the 2009-2014 Housing Element with actual development and its affordability.

Question: What is the RHNA, a housing quota?

Answer: In order to satisfy the RHNA, housing element law requires Santa Barbara County to demonstrate to the California Department of Housing and Community Development (HCD) that it has the residential zoning capacity to accommodate potential development for households at all the income levels identified in the RHNA. It is not required to build the units, nor require that they be built.

Question: The growth you are projecting is too high, how did you get those numbers?

Answer: The Santa Barbara County Association of Governments (SBCAG) Regional Growth Forecast 2010-2040 (RGF) is the source of the County household projections. The RGF is regularly updated and approved by the member city and County agencies. The purpose of the RGF is to provide a consistent forecast based on current local, regional, state and federal data for use by the member cities and the County in long-range comprehensive planning, including the housing needs estimates in Housing Elements. The SBCAG RGF can be accessed on the web at:

<http://www.sbcag.org/PDFs/publications/Final%202040%20Regional%20Growth%20Forecast.pdf>

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Attachment D

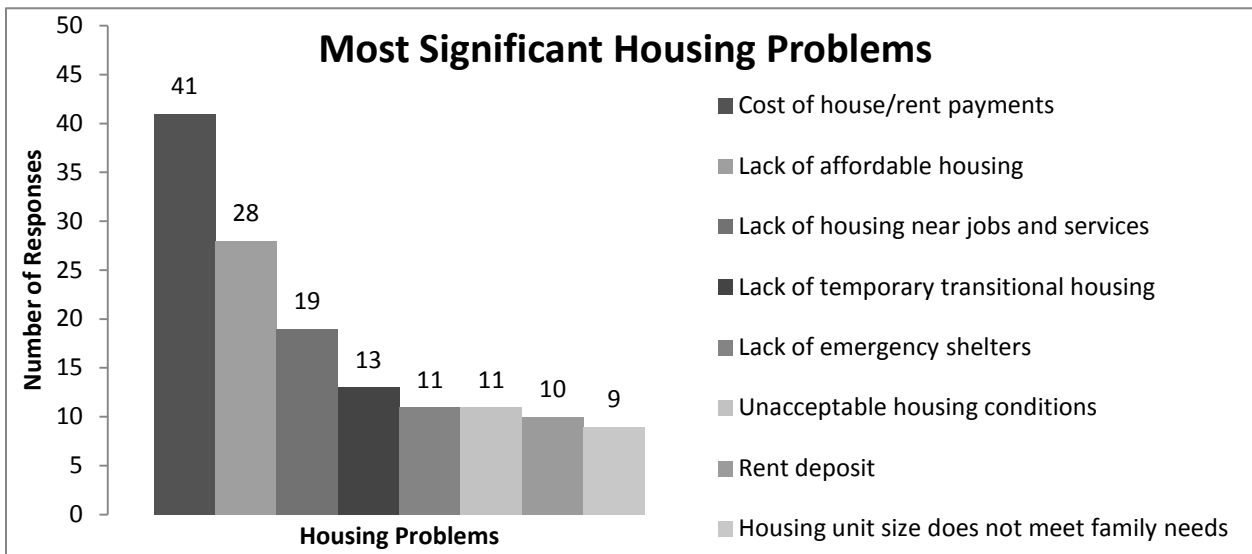
Housing Survey Summary

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Attachment D: HOUSING SURVEY SUMMARY

The attached Housing Survey consists of eight questions identifying where the respondents live and work and their perception regarding housing needs and issues in the unincorporated County. The survey is available online and was distributed at the public workshops, stakeholder meetings, and the Planning and Development Department booth during the 2014 Earth Day Festival in the City of Santa Barbara. The following tables and graphs summarize the survey results through May 5, 2014.

| 51 Surveys Completed | | |
|---|--|---|
| 9 Live in North County | 38 Live in South County | 4 Live Outside of County |
| 7 Home Owners 2 Renters | 21 Home Owners 17 Renters | 1 Home Owner 3 Renters |
| 5 Work in North County 3 Commute to South County 1 Commutes to Other Area | 37 Work in South County 0 Commute to North County 1 Commutes to Other Area | 2 Commute to South County 1 Commutes to North County 1 Commutes to Other Area |
| 47 of 51 Responded that housing costs make it difficult for residents to stay within their budgets. | | |
| 47 of 51 Responded that housing costs make it difficult for businesses to hire and retain workers. | | |

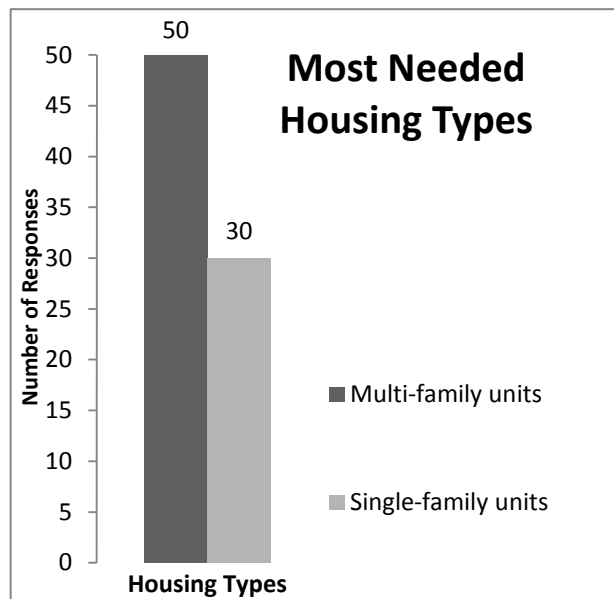


Where should new single family units be located?

- Urban areas – 36 responses
- Rural areas – 3 responses

Where should new multi-family units be located?

- Urban areas, near jobs and services – 32 responses
- Urban areas, in new developments that contain single family and multi-family units – 18 responses
- Rural areas, in new developments that contain single family and multi-family units – 3 responses



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