



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:** November 5, 2019  
**Placement:** Administrative  
**Estimated Time:** N/A  
**Continued Item:** No  
**If Yes, date from:**  
**Vote Required:** Majority

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**TO:** Board of Supervisors  
**FROM:** Department Lisa Plowman, Director, Planning and Development Department,  
Director(s) (805) 568-2086  
Contact Info: Dan Klemann, Deputy Director, Long Range Planning Division,  
(805) 568-2072  
**SUBJECT:** Senate Bill 2 Planning Grants Program Application

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**County Counsel Concurrence:**

As to form: Yes

**Auditor-Controller Concurrence:**

As to form: N/A

**Other Concurrence:**

As to form: N/A

**Recommended Actions:**

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

- a) Adopt a resolution (Attachment 1) authorizing the Director of the Planning and Development Department (P&D), or her designee, to:
  - 1) Execute and submit to the California Department of Housing and Community Development (HCD) a grant application (Attachment A to Attachment 1) and Government Agency Taxpayer ID Form (Attachment B to Attachment 1) for the Senate Bill (SB) 2 Planning Grants Program (PGP) to cover the full cost of the accessory dwelling unit (ADU) zoning ordinance amendments and the Housing Bill Implementation Project for Fiscal Years (FY) 2018-2019 through 2021-2022 in the amount of \$307,000;
  - 2) Execute and submit to HCD a State Standard Agreement (Standard Agreement), upon review and concurrence of County Counsel, the Auditor-Controller, and Risk Manager, or his or her designee, if the project is awarded grant funding;
  - 3) Execute and submit to HCD all required grant documents and amendments, including, but not limited to, payment requests, deliverables, and reports, if the project is awarded grant funding; and

- b) Determine that the submittal of the PGP application and required grant documents (Attachment 1) to HCD is not a project and, therefore, is not subject to environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Sections 15378(b)(5) and 15060(c)(3) (Attachment 2).

**Summary Text:**

P&D is seeking PGP funding in the amount of \$307,000 from HCD. If awarded funding, P&D will use \$89,000 to cover future costs of zoning ordinance amendments to comply with new State ADU legislation. The County will also use \$218,000 to cover past and future costs of the Housing Bill Implementation Project, which includes zoning ordinance amendments to comply with State mandates from recent housing legislation.

**Background:**

**1.0 Purpose**

In September 2017, Governor Brown signed a 15-bill housing package aimed at addressing the State's housing shortage and high housing costs. This package included SB 2, which established a \$75 recording fee on all real estate documents. The PGP is funded by 50 percent of the first-year revenue from SB 2. The purpose of the PGP is to provide one-time funding and technical assistance to help local governments prepare, adopt, and implement plans and process improvements which streamline housing approvals and accelerate housing production.

**2.0 Program Administration and Eligibility Requirements**

HCD is administering the PGP. The program provides a non-competitive, over-the-counter application process for eligible applicants proposing activities to accelerate housing production. The PGP Guidelines Section 300(b) lists activities eligible for funding, which include zoning ordinance updates and improvements to expedite local planning and permitting processes.

**3.0 Proposed Zoning Ordinance Amendments**

From 2016 to 2019, the State adopted multiple housing bills related to planning and land use. Most of these bills are now in effect and supersede portions of the County's zoning ordinances. Consequently, the Board included the Housing Bill Implementation Project in the adopted *Long Range Planning Division FY 2019-2020 Work Program*. This project includes the following zoning ordinance amendments to comply with recent housing legislation and accelerate housing production:

- Add appropriate findings for housing development projects and emergency shelters in accordance with the Housing Accountability Act;
- Update the County's density bonus provisions to expand the types of projects eligible for a density bonus under State Density Bonus Law (SDBL);
- Permit qualifying supportive housing developments by-right in zones where multifamily and mixed uses are permitted in compliance with Assembly Bill (AB) 2162;
- Permit qualifying low barrier navigation centers (LBNCs) by-right in areas zoned for mixed use and non-residential zones permitting multifamily uses in compliance with AB 101. LBNCs are Housing First, low-barrier, service-enriched shelters focused on moving people into permanent housing that provides temporary living facilities while case managers connect individuals to services and housing [Government Code Section 65560(a)];

- Add objective design and planning standards for qualifying multifamily housing developments, supportive housing developments, and LBNCs consistent with SB 35, AB 2162, and AB 101, respectively; and
- Create a ministerial permit path that conforms to the State’s permit processing requirements for qualifying housing developments.

The Housing Bill Implementation Project will also effectuate Programs 1.4 and 1.10 of the Santa Barbara County 2015-2023 Housing Element, which direct the County to incentivize the development of affordable housing and amend its zoning ordinances to comply with SDBL, respectively.

In October 2019, the State adopted AB 68, AB 881, and SB 13, which collectively amended State ADU law (Government Code Section 65852.2). At a minimum, these bills will make portions of the County’s ADU ordinances null and void when they become effective on January 1, 2020. As a result, staff added ADU zoning ordinance amendments to the County’s PGP application. This project will amend the County’s ADU ordinances to comply with State law by reducing the development standards, fees, and permit processing time for ADUs.

#### **4.0 Program Timeline**

The PGP application deadline is November 30, 2019. HCD intends to notify the County regarding the status of its application within 30 to 60 days of receipt. If awarded grant funding, the County and HCD must execute a Standard Agreement to start the grant term and distribute funds on a reimbursement basis. The County must expend the grant funds by the end of the grant term, June 30, 2022.

If awarded grant funding, staff will prioritize the ADU zoning ordinance amendments. Staff expects to complete the draft amendments in early 2020 and will present them to the Montecito Planning Commission (MPC) and County Planning Commission (CPC) in spring 2020. Staff will then present the amendments to the Board for adoption in summer 2020. The Article II Coastal Zoning Ordinance (CZO) amendment must be certified by the California Coastal Commission (CCC) before it can go into effect in the Coastal Zone. Accordingly, staff plans to submit the CZO amendment to the CCC in fall 2020. This certification process may take a year or more and, therefore, staff anticipates the CCC will certify the amendment in fall 2021, at which time staff will complete the project. Please see the Project Timeline and Budget in Section F of the PGP application (Attachment A to Attachment 1) for additional details.

Staff initiated the draft zoning ordinance amendments for the Housing Bill Implementation Project in spring 2019. Staff will conduct public outreach starting in summer 2020 and present the project to the MPC and CPC in early 2021. Staff expects to present the project to the Board for adoption and submit to the CCC for certification in spring/summer 2021. Staff anticipates the project will be certified and completed by summer 2022, thus ending the grant term. Please see the Project Timeline and Budget in Appendix A of the PGP application (Attachment A to Attachment 1) for additional details.

#### **Environmental Review**

The approval and submittal of the PGP application is an administrative government activity that will not result in direct or indirect physical changes to the environment. Thus, this activity is not a “project” per CEQA Guidelines Section 15378(b)(5) and is not subject to environmental review pursuant to CEQA Guidelines Section 15060(c)(3). Please see the Notice of Exemption (Attachment 2) for details.

**Fiscal Analysis:** The County is requesting a total grant amount of \$307,000 to cover the full cost of the ADU zoning ordinance amendments and the Housing Bill Implementation Project across FY 2018-2019 to 2021-2022. Matching funds are not required. The County's request includes the following:

- Approximately \$6,600 for reimbursement of Housing Bill Implementation Project costs incurred from the Notice of Funding Availability release date (March 28, 2019) to the end of FY 2018-2019 (June 30, 2019), consistent with PGP Guidelines Section 601(c);
- \$93,400 for Housing Bill Implementation Project costs included in P&D's Permitting Budget Program on page D-269 of the *County of Santa Barbara FY 2019-20 Recommended Budget*;
- Approximately \$118,000 for additional costs to address newly-adopted housing bills, including AB 101, which was adopted in September 2019 and became effective immediately; and
- Approximately \$89,000 for costs to prepare and implement ADU zoning ordinance amendments.

For additional information regarding the budgets for the ADU zoning ordinance amendments and the Housing Bill Implementation Project, please see Section F and Appendix A of the PGP application (Attachment A to Attachment 1), respectively.

**Special Instructions:**

The Clerk of the Board will provide one copy of the Minute Order and two signed, original resolutions to P&D, attention Jessi Steele, Planner.

**Attachments:**

1. Resolution Authorizing the Submittal of the SB 2 PGP Application
  - A. SB 2 PGP Application
  - B. Government Agency Taxpayer ID Form
2. Notice of Exemption

**Authored by:**

Jessi Steele, Planner, (805) 884-8082