

**MONTECITO PLANNING COMMISSION**  
**Staff Report**  
**2019 Comprehensive Plan Annual Progress Report**

**Hearing Date:** February 19, 2020  
**Staff Report Date:** January 30, 2020  
**Case No.:** N/A  
**Environmental Document:** Notice of Exemption, CEQA Guidelines Sections 15060(c)(3) and 15378(b)(5)

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## 1.0 REQUEST, RECOMMENDATION, AND PROCEDURES

Staff is requesting on February 19, 2020, that the Montecito Planning Commission receive and file the *2019 Comprehensive Plan Annual Progress Report*. Staff recommends that the Montecito Planning Commission follow the procedures outlined below in order to provide by April 1, 2020, the *2019 Comprehensive Plan Annual Progress Report* to the Board of Supervisors (Board), Governor's Office of Planning and Research (OPR), California Department of Housing and Community Development (HCD), and City of Santa Barbara. Your Commission's motion should include the following:

1. Receive and file the *2019 Comprehensive Plan Annual Progress Report* (Attachment A);
2. Determine that the Montecito Planning Commission's actions regarding the *2019 Comprehensive Plan Annual Progress Report* are not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(b)(5) (Attachment B); and
3. Recommend that the County Planning Commission authorize staff to provide the *2019 Comprehensive Plan Annual Progress Report* to the Board, OPR, and HCD, pursuant to Government Code Section 65400, and to the City of Santa Barbara, pursuant to the Board's action to adopt the *Mission Canyon Community Plan* (April 1, 2014).

Please refer the matter to staff if your Commission takes other than the recommended actions for the development of appropriate materials.

## 2.0 JURISDICTION

The Montecito Planning Commission is considering the *2019 Comprehensive Plan Annual Progress Report* pursuant to Government Code Section 65400(a) and Santa Barbara County Code Section 2-25.1. In pertinent part, Government Code Section 65400(a) states that each city and county planning agency shall:

... [p]rovide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:

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

*(B) The progress in meeting its share of regional housing needs ... and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing ...*

*(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.*

For purposes of Government Code Section 65400(a), Santa Barbara County Code Section 2-25.69 establishes the Board as the legislative body for the County of Santa Barbara (County), and Section 2-25.1 establishes the County Planning Commission as the planning agency for the unincorporated portions of the county located outside of Montecito, and for regional issues that may affect Montecito in addition to other unincorporated areas of the county. As a result, the County Planning Commission must review, file, and provide by April 1 of each year the annual progress report to the Board, OPR, and HCD.

Santa Barbara County Code Section 2-25.1(b) states that the Montecito Planning Commission may provide recommendations to the County Planning Commission on countywide matters over which the County Planning Commission has jurisdiction, including affordable housing. Therefore, the Montecito Planning Commission may recommend that the County Planning Commission provide the *2019 Comprehensive Plan Annual Progress Report* to the Board, OPR, and HCD by April 1, 2020.

### **3.0 SUMMARY**

The *2019 Comprehensive Plan Annual Progress Report* serves two key functions. First, it summarizes the projects that Planning and Development (P&D) undertook in 2019 to maintain and implement the Comprehensive Plan, including the 2015-2023 Housing Element Update. The 2015-2023 Housing Element Update contains 37 programs to help meet the housing goals and needs of the unincorporated county. The County made significant progress implementing several of these programs in 2019. The County also initiated comprehensive updates to the Circulation Element and Seismic Safety and Safety Element.

Second, the *2019 Comprehensive Plan Annual Progress Report* discusses the County's progress in meeting its Regional Housing Needs Allocation (RHNA) in the first six years of the current 8.75-year (January 1, 2014 to September 30, 2022) RHNA projection period. For example, the table in Section 4.3, below, shows that the County exceeded its RHNA for the moderate- and above moderate-income categories. However, it has only met approximately 55 percent of its RHNA for the very low- and low-income categories.

On January 1, 2018, Senate Bill (SB) 35 went into effect. In part, SB 35 established a streamlined, ministerial approval process for qualifying housing projects in jurisdictions that are behind on meeting their RHNA targets. The County has not met its pro-rata share of very low- and low-income housing thus far in its 2014-2022 RHNA projection period and, therefore, is currently subject to SB 35 streamlining. Please see Section 4.4, below, for additional information regarding SB 35.

## **4.0 PROJECT INFORMATION**

### **4.1 Housing Element Program Implementation**

The *2019 Comprehensive Plan Annual Progress Report* shows that the County continues to make progress toward maintaining and implementing the Comprehensive Plan. In particular, the following summarizes three programs listed in Chapter 5 of the 2015-2023 Housing Element Update that P&D implemented in 2019.

- Program 1.4 Tools to Incentivize High-Quality Affordable Housing. *Ongoing*. Program 1.4 directs the County to “... adopt/apply ... land-use tools ... to encourage the development of unit types that are affordable by design ...” including accessory dwelling units (ADUs) and farm employee dwellings. In 2019, the County initiated the implementation of this program through the Housing Bill Implementation Project. This project includes zoning ordinance amendments to comply with the Housing Accountability Act (HAA), State Density Bonus Law (SDBL), and Senate Bill (SB) 35 to streamline the permitting process for ADUs and farm employee dwellings.
- Program 1.13 Isla Vista Monitoring. *Ongoing*. Program 1.13 directs the County to monitor housing permit activity within Isla Vista from 2009 through 2019.
- Program 2.4 Farmworker Housing. *Ongoing*. Program 2.4 directs the County to consider actions that further streamline the permit process for agricultural employee dwellings (AEDs). In November 2019, the California Coastal Commission (CCC) staff provided suggested modifications to zoning ordinance amendments to the Coastal Zoning Ordinance (CZO). The CCC will consider certification of the CZO amendments at the CCC public hearing that is scheduled for February 12-14, 2020.<sup>1</sup>

In addition, the Community Services Department Sustainability Division and Housing and Community Development Division continue to coordinate with P&D to maintain and implement Housing Element programs. In 2019, these two divisions helped implement seven programs. Table D of Attachment 1 of the Annual Progress Report provides information on this progress. Finally, P&D staff continues to participate in the County Executive Office’s Homeless Inter-Agency Policy Council (HIAPC), which consists of a working group of County departmental representatives who strategize and advise on County programs to reduce homelessness.

## **4.2 Reporting Requirements and HCD Data Tables**

Government Code Section 65400(a)(2)(B) requires that annual progress reports use tables and forms adopted by HCD to summarize housing activities throughout the reporting period. These tables set forth the following planning and building permit information:

- Housing development applications received;
- Units included in all development applications;

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<sup>1</sup> Staff can provide an update on the outcome of the CCC public hearing, at the Montecito Planning Commission hearing on February 19, 2020.

- Units approved and disapproved;
- Sites rezoned to accommodate that portion of the city’s or county’s share of their RHNA for each income category that could not be accommodated on sites identified in the housing element site inventory;
- New units that have been issued a completed entitlement, building permit, or certificate of occupancy thus far in the housing element cycle, and the income category of each unit; and
- Information on all housing development applications submitted, including the location and income category of developments approved, building permits issued, and units constructed pursuant to Government Code Section 65913.4 (SB 35 streamlining).

### 4.3 RHNA Progress

Annual progress reports track annual housing production to show the County’s progress in meeting its RHNA. The table below lists the number of building permits that the County issued for new residential units (organized by income category) within the unincorporated areas of the county from calendar year 2014 through 2019. The final row of the table lists the County’s 2014-2022 RHNA.

Housing production decreased in 2019. The County issued building permits for 242 units in 2019 compared to 328 units in 2018. Of those units, 40 were located in Montecito, including seven one-family dwellings, 22 ADUs, and 11 multi-family units. All of the Montecito units were affordable to above moderate-income households.

<b>2014 to 2022 RHNA Projection Period Residential Units by Income Category (Issued Building Permits)</b>					
<b>Year</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
2014 <sup>2</sup>	0	0	59	80	139
2015	49	41	44	94	228
2016	0	7	13	31	51
2017	8	1	54	145	208
2018	1	14	82	231	328
2019	0	26	21	195	242
<b>Total</b>	<b>147 (58 Very Low + 89 Low)</b>		<b>273</b>	<b>776</b>	<b>1,196</b>
<b>RHNA</b>	<b>265</b>		<b>112</b>	<b>284</b>	<b>661</b>

Consistent with past annual progress reports, the data in this table (above) and the HCD data tables (Attachment 1) do not include building permits issued for reconstructed housing units, including those lost and rebuilt due to natural disasters. These replacement units do not add net new units to the County’s housing stock and, therefore, do not count toward the County’s RHNA.

<sup>2</sup> The 2018 Annual Progress Report omitted the number of issued building permits in 2014 from this table. The County and HCD use this permit data to track pro-rated progress toward the County’s RHNA. Staff revised the table to include the 2014 Annual Progress Report permit data to correct this omission.

In 2019, the County issued three building permits for replacement housing units lost in the Thomas Fire and resulting debris flow event in January, 2018.

#### **4.4 SB 35 Streamlined Ministerial Approval Process**

In addition to amending annual progress report requirements, SB 35 establishes a streamlined, ministerial approval process for qualifying housing developments in jurisdictions that have not met their pro-rata share of regional housing needs (Government Code Section 65913.4). In part, qualifying developments must be located on an urban infill site zoned for residential or mixed uses and provide at least 10 or 50 percent of the units for lower-income households. In addition, all projects over 10 units must pay prevailing wages and larger projects must provide skilled and trained labor.

On June 25, 2019, HCD determined that, based upon data from the *2018 Comprehensive Plan Annual Progress Report*, the County had not met its pro-rata share of very low- and low-income housing thus far in its 2014 to 2022 RHNA projection period. As a result, the County became subject to SB 35 streamlining for proposed developments with at least 50 percent affordability [Government Code Section 65913.4(a)(4)(B)(ii)]. As of January 15, 2020, the County was still subject to the SB 35 streamlining. HCD updates SB 35 determinations annually and expects to release the next update in June, 2020, which will include data from the *2019 Comprehensive Plan Annual Progress Report*. The County has not received any recent applications for very low- and low-income housing projects. Thus, it will remain subject to SB 35 streamlining throughout 2020.

To plan for qualifying housing developments, staff is processing zoning ordinance amendments to create objective design standards for SB 35 projects as part of the current Fiscal Year 2019-2020 and the forthcoming Fiscal Year 2020-2021 work programs.

### **5.0 ENVIRONMENTAL REVIEW**

CEQA Guidelines Section 15060(c)(3) states that an activity is not subject to CEQA if the activity is not a project as defined in CEQA Guidelines Section 15378. Section 15378(b)(5) specifies that projects do not include organizational or administrative activities of governments that will not result in direct or indirect physical changes to the environment. Preparation of the *2019 Comprehensive Plan Annual Progress Report* is an administrative activity that does not authorize new development or otherwise result in direct or indirect physical changes to the environment. Therefore, the report is not a project as defined by CEQA Guidelines Section 15378(b)(5) and is not subject to environmental review per CEQA Guidelines Section 15060(c)(3). Please see the Notice of Exemption (Attachment B) for additional details.

### **6.0 NEXT STEPS**

The County Planning Commission is scheduled to receive and file the *2019 Comprehensive Plan Annual Progress Report* on February 26, 2020. Staff will submit the report to the Board, OPR, and HCD by April 1, 2020.

Upon adoption of the Mission Canyon Community Plan in April 2014, the Board directed the Planning and Development Department "... to provide an annual report to the City of Santa Barbara detailing the major housing units that were approved or completed in the Mission Canyon Community Plan Area

during the reporting year.” Therefore, staff will also provide a copy of the *2019 Comprehensive Plan Annual Progress Report* to the City of Santa Barbara by April 1, 2020.

## **ATTACHMENTS**

- A. *2019 Comprehensive Plan Annual Progress Report*
- B. Notice of Exemption

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