

**ATTACHMENT 1**  
**PLANNING AND DEVELOPMENT DIRECTOR'S ANNUAL REPORT FOR 2021**  
**ON THE MONTECITO GROWTH MANAGEMENT ORDINANCE**

**1.0 Conclusion**

Under the Montecito Growth Management Ordinance No. 4763 (MGMO), the County may approve up to 19 new dwelling units in the Montecito Planning Area per year. Out of the 19 allocations that may be issued in a single year, one allocation was issued in 2018, five allocations were issued in 2019, nine allocations were issued in 2020, and 10 allocations were issued in 2021. Based upon the considerations discussed in this report, the public health and safety continue to be jeopardized by residential construction regulated by the MGMO. The ordinance criteria for expiration of the MGMO are not satisfied in the areas of water resources, fire protection, wastewater disposal, or traffic and circulation and therefore the MGMO remains necessary due to resource and service constraints and to protect public health and safety in the Montecito Planning Area.

**2.0 Background**

On March 12, 1991, the Board of Supervisors adopted the MGMO to pace development within the available services and resources in the Montecito Planning Area. The ordinance allows the issuance of a maximum of 19 land use permits for new residential market-rate units per year. This represents an annual growth rate of approximately one-half of one percent of the existing housing stock in Montecito in 1989. On October 5, 2010, the ordinance was renewed and extended through adoption of Ordinance 4763, with revisions to health and safety criteria based on an updated analysis of environmental resources and constraints.

The status of available services and resources in the Montecito Planning Area was analyzed in 1992 in the Montecito Community Plan EIR (92-EIR-03) and again in 2010 in a Supplemental EIR (SEIR) that was prepared as the environmental document for the 2010 MGMO extension. The Montecito Community Plan EIR was prepared in 1992 shortly after the 1991 adoption of the MGMO and provided information pertaining to the available services and resources at that time. The 2010 SEIR was prepared specifically to support the 2010 MGMO extension and includes environmental analysis of the issue areas (Water Resources, Fire Protection, Wastewater, and Traffic and Circulation) that supported the extension of the MGMO through 2030.

Section 35B-11 of the MGMO requires the Director of Planning & Development and Public Works to forward a report to the Board of Supervisors annually on the status of the health and safety criteria considerations that provide the basis for continuing the growth management ordinance. These considerations include water resources, transportation/circulation, wastewater infrastructure, and fire protection services. The ordinance requires that the Board receive the report and provides that the Board may schedule a hearing to determine whether the public health and safety are no longer jeopardized by the residential construction that is regulated by the MGMO.

**3.0 Discussion**

The ordinance specifies that public health and safety are no longer jeopardized if all criteria regarding water resources, fire protection, wastewater disposal, and traffic and circulation discussed in the following sections are met (Section 35B-11.4). These criteria, and analyses of their satisfaction, are discussed below.

Water Resources Criterion:

*Long and short term water demand is within reliable long- and short-term supply and is consistent with the 10 percent buffer as required by the Montecito Community Plan Policy WAT-M-1.5. If water demand approaches or exceeds water supply, the bi-annual allocation may be reduced until the situation is alleviated.*

While the Montecito Water District (MWD) has a diverse water supply provided from a combination of sources, the MGMO remains necessary due to the continued uncertainty of water demand and supply during drought conditions. The water resources information contained herein has been reviewed and verified by Nick Turner, MWD General Manager, as of July 2021.

MWD is the primary water purveyor for the Montecito Community Plan area, serving the majority of properties. Approximately eleven private water companies and individual water systems serve the remaining properties not served by MWD. MWD collects water from a combination of sources, including local surface water such as Jameson Reservoir and the Cachuma Project, local groundwater supplies and the State Water Project. In 1991, local water supplies totaled approximately 5,080 acre-feet/year (AFY). At the time of adoption of the MGMO, State Water was not available and a MWD water meter moratorium was in effect. In 1997, the MWD, then a participant in the State Water Project, lifted the water shortage emergency condition enacted in 1973 and began permitting the issuance of new water meters. Water resources were fully analyzed in the Supplemental EIR certified by the Board of Supervisors on October 5, 2010. The following discussion includes information summarized from the SEIR as well as additional updated information.

In 2008, MWD recognized that water shortages were again an issue when it identified that total demand for water in 2007 exceeded the district's reliable supply by several hundred acre-feet. In response, MWD adopted Ordinances 89 and 90, which established specific water limitations and redefined customer classifications, effectively reducing water use. In February 2014, MWD instituted customer water use allocations and penalties for water use in excess of those allocations in response to total demand exceeding the available water supply. This action successfully aligned water use with available water supplies, reducing customer demand by nearly 50%. In 2017, following a partial reprieve from historic drought conditions, MWD repealed water use allocation and penalties including the prohibition on issuance of new water meters, though Ordinances 89 and 90 remain in effect. Since then, reduced customer water use remains at approximately 65% of pre-drought demands.

The reliability of MWD's water supply has improved significantly since 2016. In late 2017, MWD acquired the right to store water in the Semitropic Groundwater Banking and Exchange Program. Each year, surplus State Water Project water is placed in the groundwater bank for use during a future period of below normal rainfall or drought. In 2019, MWD formed a Groundwater Sustainability Agency in accordance with the State's Sustainable Groundwater Management Act to ensure the sustainable management of local groundwater supplies. In 2020, the MWD effectuated a 50-year water supply agreement with the City of Santa Barbara in connection with its desalination facility, which will supply approximately one third of MWD's annual water supply needs with this new, near drought-proof supply. Desalination deliveries begin in January 2022 and will continue irrespective of hydrologic conditions. MWD is also in ongoing discussions with the Montecito Sanitary District concerning the feasibility of a recycled water project that will further increase the short and long term reliability of MWD's water supply.

A Certificate of Water Service Availability (CWSA) stating the amount of water to be allocated to a property remains a requirement for all new development. In June 2021, MWD certified, through adoption of its 2020 Urban Water Management Plan, that it fully complied with State of California Senate Bill X7-7 mandating a 20% reduction in water use by 2020. In June 2020, MWD adopted Resolution 2200, establishing a new five-year schedule of tiered water rates and charges designed to encourage customer water conservation.

The availability of State Water Project supplies remains a challenge for MWD as State Water is not as abundant as anticipated under the original MCP EIR. MWD does not anticipate that the outlook for State Water resources will improve in the future and is instead achieving improved water supply reliability through alternative actions, as described above. MWD's short-term (three year) water supply planning outlook projects water supply availability through mid-2023 under drought conditions with customer conservation continuing at or above 30%. Should customer conservation fall below 30% or customer demands increase above projections, MWD will rely on banked and/or purchase supplemental water to fill the projected shortfall or will implement additional demand management measures to ensure water availability is aligned with customer demands.

Despite MWD's actions to improve the reliability of water supplies, ongoing uncertainty regarding conditions and supplies continues to exist. As previously described, MWD developed a new, local, rainfall-independent water supply through a 50-year water supply agreement with the City of Santa Barbara supported by its desalination facility. MWD now has the ability to store surplus water in a regional groundwater bank for future use. In addition, MWD instituted permanent water conservation measures consistent with State requirements through adoption of Ordinance 96 and developed a water shortage contingency plan that outlines voluntary and mandatory water use restrictions necessary to reduce water use if needed. MWD is in ongoing discussions with the Montecito Sanitary District to develop a feasible recycled water project to further enhance the reliability of the District's water supplies. Notwithstanding these efforts, while the reliability of its water supply has improved over the last several years, ongoing uncertainty associated with supply and demand during extended drought conditions indicates that the MGMO remains necessary and the criterion for its expiration have not been met with respect to water resources.

#### Fire Protection Criteria:

*The ratio of firefighters per population served has reached and has been maintained at one per 2,000 or better, response times to all areas within Urban Boundary Area of Montecito is five minutes or better, and/or a third fire station is operational.*

While the Montecito Fire Protection District (MFPD) maintains a ratio of one firefighter per 2,000 residents, the MGMO remains necessary since a MFPD response time of five minutes or better has not yet been met for the entire community, nor is a third fire station operational. The following fire protection information has been reviewed and verified by Aaron Briner, Battalion Chief, Montecito Fire Protection District, as of June 2021.

Fire Protection was fully analyzed in the Supplemental EIR certified by the Board of Supervisors on October 5, 2010. With the adoption of the Montecito Community Plan in 1992, the potential for fire danger resulting from new residential units and population, particularly in the foothill areas, was

significantly decreased due to the reduction in zoning densities. This reduction in the number of potential residential units allows the MFPD to maintain a ratio of firefighters per population at approximately one per 2,000 or better.

In January 2014, MFPD contracted with Citygate & Associates, LLC (Citygate) to conduct an updated community risk assessment, evaluate the District's fire station placement plan, and assess the District's headquarters and support functions to provide a comprehensive analysis of the District's operations and capacity to meet the fire and emergency medical risks in the community. The Citygate report identified that the District is difficult to serve with a small number of fire stations due to the mix of suburban areas at lower elevations and mountainous areas. Additionally, based on an analysis of geographic coverage and response time measures, Citygate determined that East Montecito has a longer response time than what is considered a "best practice" for suburban fire and emergency medical service (EMS) incidents. The 2010 Supplemental EIR for the MGMO extension also identified that while the criterion pertaining to the ratio of firefighters per population served had been met, the criterion related to the response time of five minutes or better had not been met for Montecito as a whole.

The Thomas Fire that burned through portions of Montecito on December 16, 2017, and the subsequent Debris Flow on January 9, 2018, significantly altered the landscape of the District and increased the risk of wildfire for the following decades. After the Thomas Fire, MFPD performed a retrospective study of the District's wildland fire program and amended the District's Community Wildfire Protection Plan to address post-Thomas Fire and Debris Flow conditions. Portions of Montecito contain unburned fuel that have the potential to support smaller, more localized wildfires. The District continues to use the area burned by the Thomas Fire to expand and improve upon the existing fuel treatment network. Measures include treating vegetation as it regrows, leveraging community partnerships, improving the use of technology to support fire operations, modifying defensible space fire codes, and continuing the wildland fire safety education initiatives.

The Montecito Fire Protection District currently operates two fire stations, effectively satisfying the National Fire Protection Association standard of one fire engine company (station) per 10,000 people. In an effort to shorten response times and upgrade capabilities, the Board of Directors is studying the addition of a third fire station that would be located in the Eastern part of the community or would be operated as a joint station with the Carpinteria-Summerland Fire District in the Summerland area. When the MGMO was adopted, the ratio of firefighters to population was also well within National Fire Protection Association Standards. Due to the limited number of undeveloped parcels, the expected increase in population in the District is less than one percent. Potential development in the foothill areas of Montecito presents significant potential impacts to fire protection due to the lack of access, the inadequacy of gravity-pressurized water mains in the areas of higher elevation, long response times and the high danger historically posed by the chaparral prevalent in the foothills.

In summary, while strides have been made to improve the level of protection of the community from the threat of wildfire and other hazards, the criteria have not been fully met and the MGMO remains necessary from a fire protection standpoint.

Wastewater Disposal Criterion:

*Montecito Sanitary District infrastructure is sufficient to serve urban areas of the Montecito Planning Area at build-out under the land uses established as part of the Montecito Community Plan.*

While the Montecito Sanitary District (MSD) continues to make infrastructure improvements, none of these improvements increase the capacity of the collection system infrastructure or treatment plant. The following wastewater disposal information has been reviewed and verified by Bradley Rahrer, General Manager, MSD, as of January 2022.

Wastewater collection, treatment, and disposal were fully analyzed in the Supplemental EIR certified by the Board of Supervisors on October 5, 2010. The SEIR concluded that due to aging infrastructure, upgrades and/or replacements are necessary to continue to provide acceptable levels of service to the urban areas of Montecito as build-out continues under the land uses established by the Montecito Community Plan. While the MSD continues to make infrastructure improvements including lining of old pipes and replacing pumps, motors, generators, and maintenance equipment, such improvements do not increase the capacity of the collection system infrastructure or treatment plant. Furthermore, the impacts of policies supporting the construction of Accessory Dwelling Units on the District's collection and treatment systems has not been analyzed. While incremental development does not necessitate immediate capacity improvements to District facilities, analysis of the impact of full build-out weather impacts is needed before the MGMO criteria can be satisfied. Therefore, the criterion has not been met and the MGMO remains necessary from a wastewater collection, treatment, and disposal standpoint.

Traffic and Circulation Criterion:

*Completion of improvements to the following identified roadways, intersections and interchanges identified in the Montecito Growth Management Ordinance Amendments and Extension Supplemental EIR, or completion of any equivalent or more effective measures:*

- Roadways:
  - North Jameson Lane*
  - Sheffield Drive between Jelinda Drive and Birnam Wood Drive*
  - East Valley Road between Cota Lane and Picacho Lane*
  - Olive Mill Road between Olive Mill Lane and Hot Springs Road*
  
- Intersections:
  - Sycamore Canyon Road/Barker Pass Road*
  - Olive Mill Road/Spring Road*
  - San Ysidro Road/East Valley Road*
  
- U.S. 101 Interchanges:
  - Olive Mill Road*
  - San Ysidro Road*
  - Sheffield Drive*

An updated traffic and circulation analysis was prepared in 2010 for the Montecito Growth Management Ordinance Amendments and Extension Supplemental EIR (SEIR) and the traffic and circulation criterion above was identified as a mitigation measure. The following sections describe progress towards implementation of applicable mitigation measures identified in the SEIR with respect to roadways, intersections, and the Highway 101 interchange. The information contained herein has been reviewed and verified by Mark Friedlander, Public Works, Transportation Division, as of June 2021.

### *Roadways*

In 2010, the MGMO Extension SEIR identified the current Levels of Service (LOS) for the four identified roadways listed in the criterion above (LOS A for the first three and LOS B for the fourth). Roadway LOS is a qualitative measure which varies according to traffic volumes, speed, travel time, delay and freedom to maneuver; Level A represents free-flowing conditions, while F is severe congestion with stop-and-go conditions. The Montecito Community Plan identifies LOS B as the acceptable minimum LOS. The SEIR forecasts future LOS at build-out of the planning area to be LOS F, D, C and C for these four roadway segments, respectively. The SEIR identified road widening of these segments to mitigate the decrease in LOS at build-out. To date, the roadways have not been widened and no other functionally equivalent measures have been implemented. Therefore, the ordinance criterion for roadway improvements has not been met and the continuation of the MGMO is necessary.

### *Intersections*

All three intersections identified above currently operate at LOS B, but are anticipated to operate at LOS C at buildout according to the 2010 SEIR. The acceptable level of service for intersections in the Montecito Planning Area is Level of Service B, with the exception of the Hot Springs Road and East Valley Road intersection, where LOS C is acceptable.

The SEIR identified several intersection improvements as mitigation measures; including converting the Sycamore Canyon Road/Barker Pass Road and the Olive Mill Road/Hot Spring Road intersections to all way stop controls, and restriping the eastbound approach to San Ysidro Road/East Valley Road. To date, none of these improvements have occurred, nor have any other functionally equivalent improvements been implemented. Therefore, the ordinance criterion for intersection improvements has not been met and the continuation of the MGMO is necessary.

### *Highway 101 Interchanges*

Several operational improvements to the Highway 101 corridor through Montecito are in various stages of planning, construction or completion by local and State agencies. In summary, these improvements include a plan to widen Highway 101 from Milpas in the City of Santa Barbara to Mussel Shoals in the City of Carpinteria and include several interchange upgrades (collectively known as the South Coast 101 High Occupancy Vehicle project). The County recently completed preliminary design, permitting and environmental review for roundabouts proposed for the interchanges at Olive Mill/N. Jameson/U.S. 101 and San Ysidro/N. Jameson/U.S. 101 (the proposed Olive Mill roundabout has shared jurisdiction between the City of Santa Barbara and the County of Santa Barbara; the roundabout at San Ysidro is solely within the jurisdiction of the County of Santa Barbara.) Construction of the roundabouts are

intended to address existing and future traffic congestion at these locations. Both projects are fully funded and construction is anticipated to begin in early 2023. In addition, improvements to the Sheffield Drive interchange are currently underway and are anticipated to be completed by the end of 2023. Completion of this project is expected to improve circulation around the Sheffield interchange and associated surface streets.

Although local and regional agencies are actively improving transportation system deficiencies, roadway volumes continue to increase within the Montecito Planning Area. Traffic and circulation in Montecito will not substantially improve until all planned and funded transportation projects are completed and additional improvements are implemented. Given the scope and cost of these projects, achieving a balance between transportation services and residential growth is not expected to occur within the next several years. The 2010 SEIR includes a mitigation measure requiring a new traffic study once the Highway 101 improvements have been constructed to reassess traffic conditions in the Montecito area.

Therefore, as none of the identified improvements have occurred, the ordinance criterion for traffic and circulation has not been met and the continuation of the MGMO is necessary to preserve the public health and safety on the roadways of Montecito.

#### **4.0 Ordinance Implementation**

Since the effective date of the MGMO in July 1991, 361 allocations for the development of new residential units have been granted. Of these allocations, construction has been completed on 132 residences, 202 allocations have expired without being utilized, and the remaining 27 allocations are in the permitting approval process. Under the terms of the existing ordinance, if an allocation expires, property owners may re-apply and compete for a new allocation.