

COUNTY PLANNING COMMISSION

Staff Report Regarding the 2023 Comprehensive Plan Annual Progress Report

Hearing Date: February 28, 2024

Staff Report Date: February 20, 2024

Case No.: N/A

Environmental Document: Notice of Exemption, California Environmental Quality Act (CEQA) Guidelines Sections 15060(c)(3) and 15378(b)(5)

Deputy Director: Alex Tuttle

Division: Long Range Planning

Supervising Planner: David Lackie

Supervising Planner Phone #: 805-568-2023

Staff Contact: Breanna Alamilla

Staff Contact Phone #: 805-568-2042

1.0 REQUEST, RECOMMENDATION, AND PROCEDURES

Staff is requesting that the County Planning Commission receive and file the *2023 Comprehensive Plan Annual Progress Report*. Staff recommends that the County Planning Commission follow the procedures outlined below in order to provide by April 1, 2024, the *2023 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 a staff report regarding the *2023 Comprehensive Plan Annual Progress Report* (Attachment A);
2. Determine that the County Planning Commission's actions regarding the *2023 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); and
3. Direct staff to provide the *2023 Comprehensive Plan Annual Progress Report* to the Board of Supervisors (Board), Governor's Office of Planning and Research (OPR), and California Department of Housing and Community Development (HCD), pursuant to Government Code 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

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 on matters that affect the entirety of the unincorporated 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.

3.0 SUMMARY

The *2023 Comprehensive Plan Annual Progress Report* serves two key functions. First, it summarizes the projects that the Planning and Development Department (P&D) undertook in 2023 to maintain and implement the Comprehensive Plan, including the 2015-2023 Housing Element Update and recently adopted 2023-2031 Housing Element Update, which was adopted by the Board of Supervisors on December 5, 2023 and received its final compliance determination from State HCD on January 22, 2024. Given the 2023-2031 Housing Element Update was not adopted until December 5, 2023, this report focuses on the 2015-2023 Housing Element Update for the purposes of reporting progress towards implementing the Comprehensive Plan. 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 2023. The County also prepared significant updates to the Housing Element, Seismic Safety and Safety Element, and the new Environmental Justice Element. The County also initiated and completed accessory dwelling unit ordinance amendments and made significant progress towards completing various housing bill ordinance amendments in 2023.

Second, the *2023 Comprehensive Plan Annual Progress Report* discusses the County's progress in meeting its Regional Housing Needs Allocation (RHNA) in the first year of the current 8.75-year (June 30, 2022 to February 15, 2031) RHNA projection period. The allocation for the unincorporated areas of Santa Barbara County for the 2023-2031 RHNA projection period is 5,664 housing units. For the first time, the Santa Barbara County Association of Governments (SBCAG) apportioned the County's RHNA into two sub-regions – South Coast and North County. The County must accommodate 74 percent (4,152 units) of its RHNA in the South Coast and 26 percent (1,522 units) of its RHNA in the North County. Section 4.3, below, further discusses the County's RHNA progress by income level.

4.0 PROJECT INFORMATION

4.1 Housing Element Program Implementation

The *2023 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 two programs listed in Chapter 5 of the 2015-2023 Housing Element Update that P&D implemented in 2023:

- Program 1.4 Tools to Incentivize High-Quality Affordable Housing. *Ongoing*. Program 1.4 directs the County to "... adopt/apply ... land-use tools ... to encourage the development of unit

types that are affordable by design ...” The unit types include accessory dwelling units (ADUs) and agricultural employee dwellings (AEDs). In 2023, the County worked on two projects aligned with this program, the Housing Bill Implementation Project and ADU ordinance amendments. .

In early 2021, the County was awarded grant funding totaling \$307,000 through the SB 2 Planning Grants Program. The grant funding covered a portion of the costs for preparing and implementing the Housing Bill Implementation Project and the ADU ordinance amendments in FY 2022-2023 and FY 2023-2024.

In spring 2023, staff continued the Housing Bill Implementation Project with drafting zoning ordinance amendments to comply with changes related to By Right Supportive Housing (AB 2162); Low Barrier Navigation Centers (AB 101); State Density Bonus Law (AB 1763, AB 2345, AB 634, SB 728, SB 290, AB 682, AB 1287, AB 2334, AB 323); Multiple-Unit and Mixed-Use Housing Objective Design Standards (applicable to housing developed under various state laws); and Qualifying Housing Streamlined Review (SB 35, AB 831, and AB 168). Staff presented the zoning ordinance amendments to the MPC on December 20, 2023, the CPC on January 10, 2024, and to the Board for adoption on February 13, 2024.

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

Since that time, new State ADU and JADU laws were adopted and became effective on January 1, 2023. To comply with legislation, staff initiated and presented amendments to the MPC on September 15, 2023, and the CPC on October 4, 2023. On November 7, 2023, the Board considered and voted unanimously to adopt the LUDC, MLUDC, and CZO ordinance amendments. The amendments took effect within the Inland Area on December 7, 2023. In accordance with Government Code Section 65852.2(h)(1), P&D staff submitted the ADU ordinance amendments to HCD for review on November 27, 2023.

On December 21, 2023, P&D staff submitted the Board-adopted CZO amendments to the California Coastal Commission (CCC) to begin the certification process. Staff anticipates the CCC certification to be completed in February 2024.

P&D staff completed additional ordinance amendments to comply with recent changes in state housing law. On January 11, 2023, ordinance amendments to the County Land Use and Development Code (LUDC) were presented to the CPC to implement a State-mandated streamlined, ministerial permit review process for certain affordable housing projects; and provide objective design standards for multiple-unit and mixed use housing projects to be consistent with the requirements of the Housing Accountability Act, SB 330, SB 35, and AB 2162. The recommended ordinance amendments were adopted by the Board on January 24, 2023.

- Program 1.13 Isla Vista Monitoring. *Ongoing*. Program 1.13 directs the County to monitor housing permit activity within the unincorporated community of Isla Vista. Housing permit activity in Isla Vista is collected and reported in the Comprehensive Plan Annual Progress Report. Table 6 of the Comprehensive Plan Annual Progress Report summarizes housing production by household income category in Isla Vista from 2009 through 2023. Of the 215 new units:
 - 79 units, or 37 percent, were affordable to very low- and low-income households;
 - 88 units, or 41 percent, were affordable to moderate-income households; and
 - 48 units, or 22 percent, were affordable to above moderate-income households.

In 2023, the County issued four building permits for new housing units in Isla Vista.

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 2023, these two divisions took steps to implement 12 programs. For example, these programs include providing incentives for energy-efficient and green building techniques, educating first-time homebuyers, and promoting affordable housing opportunities. Table D of Attachment 1 of the Annual Progress Report provides information on this progress. Finally, P&D staff continues to participate in the County Executive Office's Homelessness Inter-Agency Policy Council (HIAPC), which consists of a working group of County departmental representatives who strategize and advise on County programs to reduce homelessness.

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;
- Units approved and disapproved;
- Sites rezoned to accommodate that portion of the Cities' 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.

See Attachment A, *2023 Comprehensive Plan Annual Progress Report*, for this reporting data.

4.3 RHNA Progress

Annual progress reports track annual housing production to show the County’s progress in meeting its RHNA. Table 1 and Table 2 below list the number of building permits the County issued in 2023 for new residential units (organized by income category) within the unincorporated areas of the South Coast and North County. The final row of the table lists the County’s 2023-2031 RHNA.

The County issued building permits for 242 units in 2023. Of the 242 units, 85 were located in the South Coast and 157 were in North County.

Table 1					
South Coast 2023 to 2031 RHNA Projection Period					
Residential Units by Income Category					
(Issued Building Permits)					
Year	Very Low	Low	Moderate	Above Moderate	Total
2023	0	0	0	85	85
RHNA	809	957	1,051	1,321	4,142

Table 2					
North County 2023 to 2031 RHNA Projection Period					
Residential Units by Income Category					
(Issued Building Permits)					
Year	Very Low	Low	Moderate	Above Moderate	Total
2023	0	68	9	80	157
RHNA	564	243	229	486	1,522

As of 2022, annual progress reports now require a report on all units, not just net-new units. Demolished units that are associated with or replaced by a new housing development are now included and reported to State HCD.

In 2023, the County issued one building permit for a reconstructed two unit duplex in the South Coast lost during the debris flow event of January, 2018. The County issued an additional five building permits in the South Coast and one building permit in the North County to replace demolished single-family dwellings. The County issued one building permit to replace a demolished ADU in the South Coast. Four mobile homes in the South Coast and three mobile homes in the North County were also replaced. These

12 issued building permits in the South Coast and four issued building permits in the North County for reconstructed or replaced housing units are included in the totals reflected in Table 1 and Table 2 above.

4.4 Government Code Section 65913.4 Streamlined Ministerial Approval Process

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

As of June 2023, HCD determined that, based upon data from the *2022 Comprehensive Plan Annual Progress Report*, the County had not met its pro-rata share of very low- and low-income housing. As a result, the County is subject to the streamlining provisions for proposed developments with at least 50 percent affordability [Government Code Section 65913.4(a)(4)(B)(ii)]. In 2023, the County approved a planning application for a 61-unit 100 percent affordable housing project subject to SB 35. The County also granted a final building inspection clearance for a 60-unit senior housing facility subject to SB 35. The County remained subject to the streamlining provisions throughout 2023 and will likely remain so through 2024.

4.5 Local and Regional Planning Grants

In early 2021, HCD awarded the County a Local Early Action Planning (LEAP) grant in the amount of \$423,500 to help cover the cost of the 2023-2031 Housing Element Update tasks in FY 2020-2021 through 2022-2023. The LEAP grant is in addition to a Regional Early Action Planning (REAP) grant that the Association of Monterey Bay Area Governments (AMBAG) awarded the County in December 2020, in the amount of \$164,403. The REAP grant covers certain costs associated with preparing the Housing Element Update through FY 2022-2023.

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 *2023 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 pursuant to CEQA Guidelines Section 15060(c)(3).

6.0 NEXT STEPS

Staff will submit the *2023 Annual Progress Report* to the Board, OPR, and HCD by April 1, 2024.

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 *2023 Comprehensive Plan Annual Progress Report* to the City of Santa Barbara by April 1, 2024.

ATTACHMENTS

A. *2023 Comprehensive Plan Annual Progress Report*

G:\GROUP\COMP\Division Admin\CompPlanAnnualReport\2023\Hearings\CPC\CPC Staff Report 2.20.24.doc