

SANTA BARBARA COUNTY PLANNING COMMISSION

Staff Report for

2023-2031 Housing Element Update

Hearing Date: November 8, 2023

Staff Report Date: November 1, 2023

Case No.: 22GPA-00000-00002

Environmental Document: Notice of Exemption, California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3)

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1.0 REQUEST

Hearing on the request of the County of Santa Barbara (County) Planning and Development Department (P&D) that the County Planning Commission recommend that the Board of Supervisors (Board) approve a general plan amendment, Case No. 22GPA-00000-00002, to adopt the 2023-2031 Housing Element Update (HEU), dated September 2023, of the County Comprehensive Plan as required by State housing element law (Government Code (GC) Sections 65580 through 65589.11).

2.0 RECOMMENDATIONS AND PROCEDURES

The County Planning Commission's motion should include the following:

1. Make the required findings for approval and recommend that the Board make the required findings for approval of the proposed general plan amendment specified in Attachment A, including CEQA findings.
2. Recommend that the Board determine the HEU, dated September 2023, is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061(b)(3), included as Attachment B.
3. Adopt a resolution recommending that the Board approve the proposed general plan amendment, Case No. 22GPA-00000-00002, to adopt the HEU, included as Attachment C and Exhibit 1 of Attachment C, respectively.

3.0 JURISDICTION

The County Planning Commission has jurisdiction to make a recommendation on the adoption of the HEU to the Board. 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 HEU will apply to the entire unincorporated county and, therefore, is not solely located within the Montecito planning area. Additionally, GC Sections 65353 and 65354 require that the County Planning Commission hold at least one public hearing before approving and sending a written recommendation on the adoption of the HEU to the Board.

4.0 ISSUE SUMMARY

Santa Barbara County is experiencing one of the nation's most severe housing crises, including high costs, inadequate supply, and overcrowding. The county's housing issues were once confined largely to the South Coast. They now exist in the Santa Maria region and other portions of the North County. To comply with State housing element law, the HEU proposes some of the most significant housing-related land-use policies and changes seen in decades.

Scope of County Planning Commission Hearing

As discussed further below, the HEU identifies potential rezone sites necessary to accommodate the County's 2023-2031 regional housing needs allocation (RHNA). However, the County Planning Commission on November 8, 2023, will only consider recommending that the Board adopt the HEU on December 5, 2023. The County Planning Commission and Board will not consider or take any action on the rezones during hearings to adopt the HEU on November 8 and December 5, 2023, respectively. Rather, they will consider and select final rezone sites as part of a separate and subsequent process and hearings in early 2024.

Overview and RHNA

The Housing Element is a mandatory component of the County's Comprehensive Plan. GC Section 65588 requires that the County update its Housing Element every eight years. The current update is for the 2023-2031 planning period, or 6th cycle (February 15, 2023 to February 15, 2031). The HEU identifies goals, policies, and programs to help meet existing and projected housing needs for all residents in the unincorporated county. One important step in the update process is to identify and, if necessary, rezone sites to accommodate the County's 2023-2031 regional housing needs allocation (RHNA), which totals 5,664 units divided into four income levels (i.e., very low, low, moderate, and above moderate). This allocation is nearly 10 times greater than the County's 2015-2023 RHNA, which totaled 661 units. For the first time, the California Department of Housing and Community Development (State HCD) 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.

No Net Loss Law and RHNA Buffer

In 2019, the State legislature passed the "No Net Loss Law" (GC Section 65863). This law requires that jurisdictions identify and rezone additional sites (i.e., change the allowed land use and/or increase density) within 180 days if they lack sufficient sites at any time during the 2023-2031 planning period to meet their RHNA for any income level. Per State HCD's recommendation, the County added a 15 percent "buffer" to its 2023-2031 RHNA for the lower- and moderate-income levels. This buffer reduces the likelihood that the County will need to identify and rezone additional sites during the planning period in the event that sites develop with fewer affordable units than anticipated.

Rezoning

The County's current land inventory and associated zoning will not allow sufficient housing units to accommodate its 2023-2031 RHNA for the lower- and moderate-income levels. Excluding the 15 percent buffer, the shortfalls total 1,403 lower- and 703 moderate-income units in the South Coast and

357 lower-income units in the North County. (State HCD and the County use the term “lower-income” to refer to the combined very low- and low-income levels.) Therefore, State housing element law requires that the County rezone sites and take other actions to increase the housing supply in the unincorporated county. Staff identified more potential rezone sites than necessary to accommodate the RHNA plus the 15 percent buffer in order to give County decision-makers options. As part of a separate project following the Board’s adoption of the HEU, the County Planning Commission will provide recommendations to the Board and the Board will ultimately eliminate some sites and adopt final rezone sites that will match the number of units necessary to accommodate the RHNA plus 15 percent buffer. County decision-maker hearings on the rezones will occur in early 2024.

Programs and Actions

Chapter 5, Housing Plan and Resources, of the HEU includes 25 programs and 99 actions to implement the HEU. Most of these programs and actions are necessary to comply with State housing element law and State HCD’s findings and revisions to draft versions of the HEU. As a result, the County has little to no opportunity to change these programs and actions.

HEU Revisions

On October 17, 2023, the Board reviewed the unit affordability assumptions for North County vacant, residentially-zoned sites with a density of 20 units or more per acre. Currently, the HEU assumes that, on average, the development of these sites would result in 50 percent lower-income units countywide. Supervisor Nelson (4th District) raised concerns that housing in the North County is less expensive than the South Coast and, therefore, the unit affordability assumptions should be adjusted to project a higher percentage of lower-income units from future housing development in the North County. The Board agreed and directed staff to increase the unit affordability assumptions for these select sites from 50 percent to between 65 and 75 percent lower-income units depending on the density. This change reduces the number of rezone sites needed to meet the North County RHNA. State HCD indicated that the County could make this change but cautioned that No Net Loss Law requires that the County ensure adequate sites are available to meet its RHNA at all times during the 2023-2031 planning period for all income levels. As discussed above, if at any point during the planning period the County’s available sites are insufficient to meet its RHNA, the County must rezone additional sites within 180 days. If the County fails to meet this deadline, State HCD could find the HEU to be out of compliance with State housing element law. To offset these changed affordability assumptions, staff is proposing to add an action item to Program 1 that will initiate the rezone process to identify additional sites once the buffer is reduced to 5 percent or below. This will give staff additional time to complete the rezone process and comply with the No Net Loss Law.

The HEU currently lists nine County-owned sites in the South Coast that contribute 320 units to the County’s current housing capacity and RHNA. However, the Board may not select all County-owned sites for future residential development. Therefore, staff will amend the HEU to shift County-owned sites from current housing capacity to a new category of sites that the Board may select from to help meet the RHNA, similar to potential rezone sites. This change will decrease the County’s current housing capacity and increase the County’s shortfall of lower- and moderate-income units in the South Coast. Table 5, below, reflects this change.

These revisions are reflected in this staff report, but not reflected in the attached HEU (Exhibit 1, Attachment C). Staff will revise the HEU to incorporate these revisions before the Board considers adopting the HEU on December 5, 2023.

State HCD Review

State HCD reviewed two formal draft HEUs and two sets of minor technical edits to specific sections of the draft HEU. On October 16, 2023, State HCD notified the County that the final draft HEU substantially complies with State housing element law (Attachment D). The County will submit the final adopted HEU to State HCD for a final determination of compliance with State housing element law.

5.0 PROJECT INFORMATION

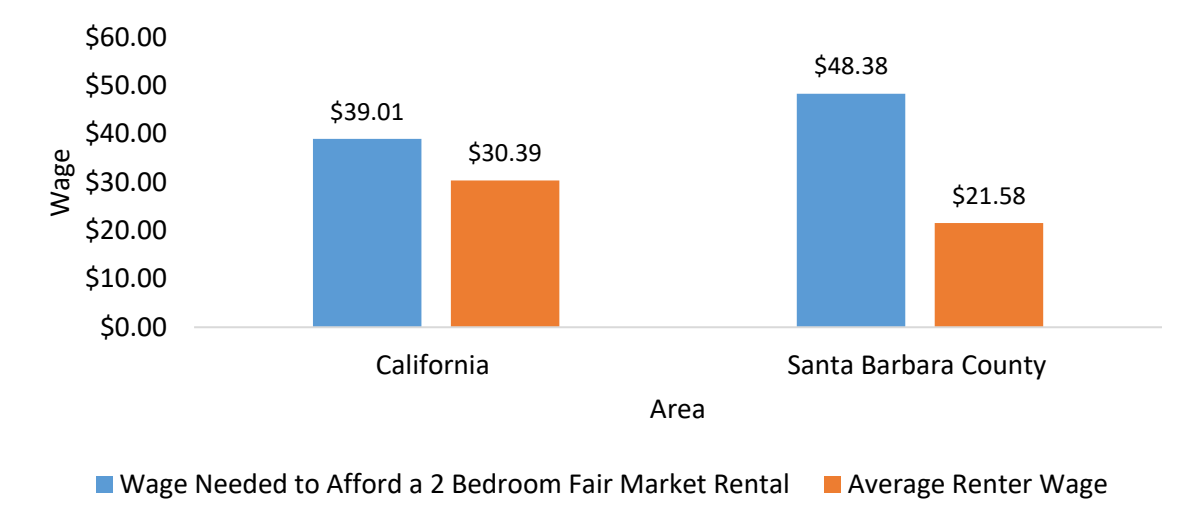
5.1 Background

The State legislature has identified the availability of decent and suitable housing for every Californian as a “matter of vital statewide importance and a priority of the highest order” (GC Section 65580). This objective has become increasingly urgent in recent years as communities across the state, including Santa Barbara County, struggle to meet the housing needs of all of their residents. In the past two decades, the annual average permitting of new housing in the county decreased by 37.5 percent.¹ This decline in housing production was particularly severe on the South Coast. The lack of housing production relative to job and population growth has contributed to high housing costs, cost burden (i.e., paying more than 30 percent of household income on housing), overcrowding, and lengthy commutes for workers.

The median home prices in the North County (\$565,000) and South Coast (\$1,581,000) exceed the statewide median (\$547,400).² In 2022, the county also had the sixth highest average cost for rental housing in the United States (U.S.).³ A market rate two-bedroom rental unit averages approximately \$2,516 in the county, which requires an annual income of at least \$100,640 (\$48.38 per hour) to afford without a cost burden (Figure 1, below).⁴ However, in 2021, the average wage in the county was \$29.82 per hour and the average annual salary was \$62,020.⁵ As a result, the majority of the workforce in critical services (e.g., agriculture, healthcare, public safety, and education) are cost-burdened and/or live long distances from their job sites.

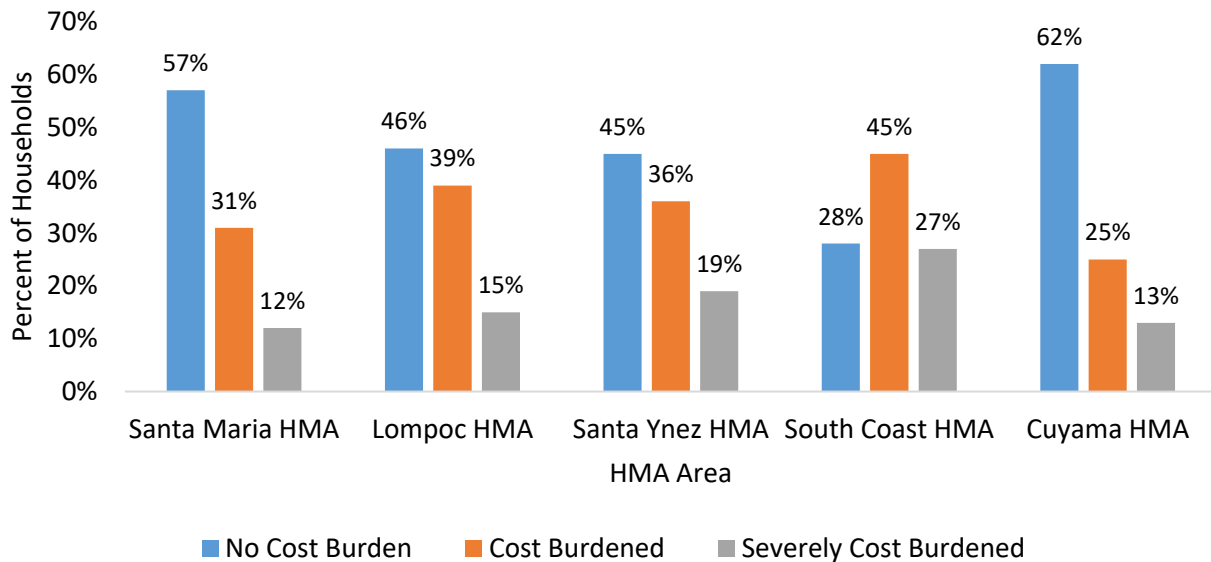
A household is considered cost-burdened if it pays more than 30 percent of its adjusted gross income on housing expenses. Households paying more than 50 percent of their adjusted gross income on housing expenses are considered to be severely cost-burdened. Approximately 39 percent of households in the unincorporated county meet the criteria for cost burden and an additional 20 percent of households are severely cost-burdened (Figure 2).⁶ The South Coast Housing Market Area (HMA) is the most significantly impacted due to the higher cost of housing in this region, while the Cuyama HMA is the least impacted.

Figure 1 – Wage Required to Afford a Two-Bedroom Market Rental Unit (2022)



Source: National Low Income Housing Coalition 2022

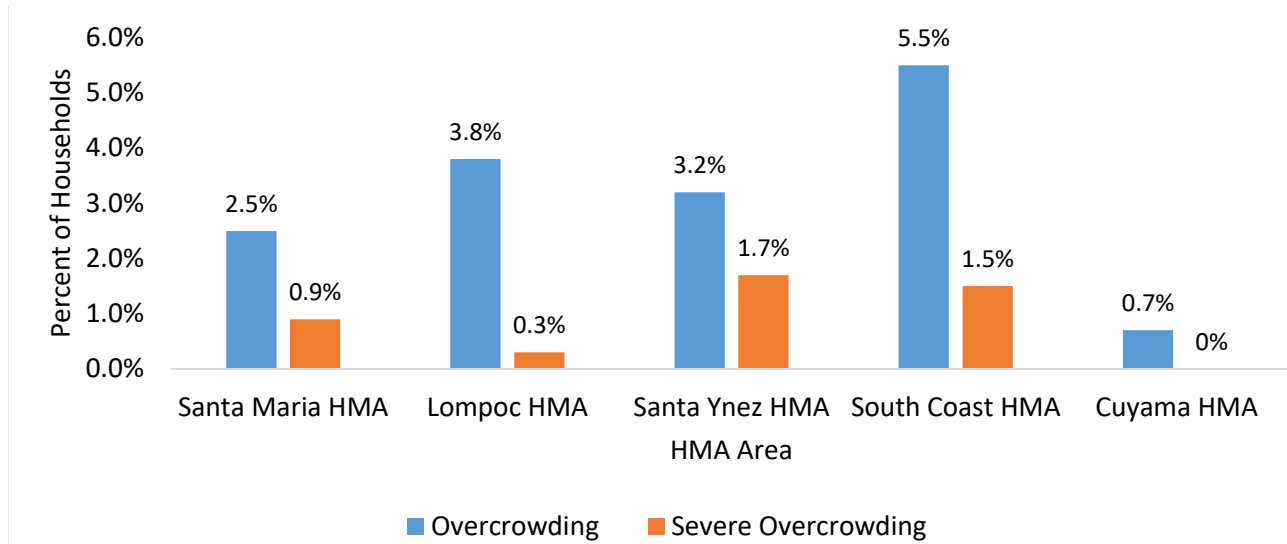
Figure 2 – Cost Burden by Unincorporated HMA



Source: U.S. Census Bureau 2019

Many households are also overcrowded, meaning the unit has more than one inhabitant per room, excluding kitchens and bathrooms.⁷ Units with more than 1.5 inhabitants per room are considered severely overcrowded. The South Coast HMA has the highest overall rate of overcrowding (5.5 percent) while the Santa Ynez HMA has the highest rate of severe overcrowding (1.7 percent) (Figure 3).

Figure 3 – Level of Overcrowding in the Unincorporated County by HMA



Source: U.S. Census Bureau 2019

Population growth also increases the need for new housing. According to SBCAG’s *Connected 2050 Regional Transportation Plan – Sustainable Communities Strategy* projections, the County’s population is projected to increase by approximately 13 percent over the next 30 years, resulting in a total population of 490,000 by 2030 and 522,000 by 2050 (see Table 1, below).⁸

Table 1 – Santa Barbara County Population Growth Forecast

	2020	2030	2040	2050
Total County Population	461,000	490,000	513,000	522,000

Source: SBCAG 2021a

5.1 HEU Contents

GC Sections 65583 through 65583.2 specify the minimum content of housing elements. The State legislature recently passed several bills that expanded the content of current housing elements compared to the past housing elements. For example, Assembly Bill 686 (2018) requires that local governments affirmatively further fair housing (AFFH) by identifying and addressing racial and economic disparities through HEU policies and programs. In summary, the HEU includes a principal document (Chapters 1 through 5) and nine appendices (Appendix A through I):

- Housing Element overview (*Chapter 1, Vision, Purpose, and Community Input*)
- Existing and projected housing needs (*Chapter 2, Community Housing Needs Summary and Appendix C, Community Housing Assessment and Needs*)

- Governmental and non-governmental constraints to housing (*Chapter 3, Housing Constraints Assessment; Appendix G, Governmental Constraints Data and Analysis; and Appendix H, Non-Governmental Constraints Data and Analysis*)
- Sites inventory and analysis (*Chapter 4, Housing Sites Inventory and Appendix D, Housing Sites Inventory and Methodology*)
- Housing goals, policies, and programs (*Chapter 5, Housing Plan and Resources*)
- Public outreach efforts and input (*Appendix A, Public Participation Materials and Appendix B, Housing Conditions and Needs Survey and Results*)
- Accomplishments of the previous Housing Element (*Appendix E, 2015-2023 Housing Element Analysis*)
- Fair housing issues and access to opportunity (*Appendix F, AFFH Data – Assessment of Fair Housing*)

5.2 RHNA

State housing element law requires that the County prepare a housing sites inventory and take other steps to demonstrate that it can accommodate its RHNA throughout the 2023-2031 planning period. The County is not responsible for constructing housing units. Rather, the County must ensure that it has adequate sites zoned to meet its RHNA at the required income levels.

The County’s 2023-2031 RHNA totals 5,664 new units for the unincorporated county pursuant to the *Regional Housing Needs Allocation Plan 6th Cycle 2023-2031*.⁹ These units fall into four income levels (i.e., very low, low, moderate, and above moderate) and two sub-regions – South Coast and North County. State HCD defines each income level as a percentage of the county area median income (AMI). Table 2, below, shows the percentage of AMI for each income level for Santa Barbara County. Table 3, below, displays the County’s RHNA by income level and sub-region.

Table 2 – Housing Income Levels for Santa Barbara County, 2022

Income Level	Percent of AMI	Income
Very Low	0 – 70%	Up to \$70,070
Low	71 – 112%	Up to \$112,112
Moderate	113 – 120%	Up to \$120,120
Above Moderate	Above 120%	Above \$120,120

Source: State Income Limits for 2022; HCD; May 13, 2022

Table 3 – 2023-2031 RHNA for Unincorporated Santa Barbara County

Sub-Region	RHNA by Income Level			Total RHNA
	Lower	Moderate	Above Moderate	Total
South Coast	1,766	1,051	1,325	4,142
North County	807	229	486	1,522
Total	2,573	1,280	1,811	5,664

As highlighted above, No Net Loss Law requires that cities and counties maintain adequate sites to accommodate their remaining unmet RHNA throughout the 2023-2031 planning period. A jurisdiction must immediately (within 180 days) identify and rezone new sites if it lacks sufficient sites at any time to accommodate its RHNA for any income level. For example, if housing projects are built with fewer lower-income units than what was assumed based on acreage and zoning, the County may need to identify additional sites to make up the shortfall. For this reason, State HCD recommends that jurisdictions add a buffer ranging from 15 to 30 percent. Consistent with this recommendation and other jurisdictions’ practices, the County added a 15 percent buffer to its lower- and moderate-income RHNA to reduce the chance that it will need to rezone additional sites to accommodate any unmet RHNA throughout the planning period. Combining the RHNA and the 15 percent buffer for the lower- and moderate-income categories means that the County’s zoning should accommodate 6,240 units in the 2023-2031 planning period.

5.3 Sites Inventory

The County’s current housing capacity includes (1) vacant sites under existing zoning, (2) projected accessory dwelling units (ADUs), and (3) pending projects. The HEU currently includes County-owned sites as part of the County’s housing capacity. However, as discussed in Section 4.0, above, staff will modify the HEU to exclude County-owned sites from the current housing capacity. This change is reflected in Table 5, below. Staff will revise the HEU before the Board hearing on December 5, 2023.

Vacant Sites: The vacant sites inventory includes parcels zoned for residential uses and commercial uses that allow limited residential uses. Staff used the following selection criteria to identify vacant sites under existing zoning that could contribute units toward the RHNA:

- Vacant;
- Located within or adjacent to the unincorporated Urban Area;
- Existing or potential access to water and sewer services;
- Few or no site constraints (e.g., environmentally sensitive habitat areas, steep slopes, floodways, riparian corridors, parks or recreation areas);

- Outside airport safety zones that restrict residential development (i.e., Safety Zones 1 through 5); and,
- Not zoned for agriculture.

GC Section 65583.2(c) requires that the County calculate “the projected residential development capacity ... that can be realistically achieved.” As such, the County used residential development trends from the 2015-2023 planning period and realistic commercial buildout assumptions to calculate the realistic capacity of vacant sites. Where vacant, residentially-zoned parcels have the capacity to subdivide, the County calculated potential units on all potential parcels. The County also developed assumptions for unit affordability of future projects built on vacant sites. The HEU currently assumes that all vacant, residentially-zoned sites with a proposed density of 20 units or more per acre will buildout with 50 percent lower-income units, 25 percent moderate-income units, and 25 percent above moderate-income units. However, on October 17, 2023, the Board directed staff to adjust the unit affordability assumptions for vacant, residentially-zoned sites with a density of 20 units or more per acre in the North County. The new assumptions presume that the percentage of lower-income units increases as density increases – 65 to 75 percent lower-income units, 25 percent moderate-income units, and 0 to 10 percent above moderate-income units. These changes are reflected in Table 4, below, but are not yet reflected in the HEU. Staff will revise the HEU before the Board hearing to adopt the HEU on December 5, 2023. The Board did not change the unit affordability assumptions for the South Coast. Under current zoning, vacant sites could contribute 1,800 units toward the County’s RHNA. Please see Chapter 4 and Appendix D of the HEU (Exhibit 1, Attachment C) for more information.

Table 4 – Unit Affordability Assumptions by Region/Sub-Region for Vacant Sites

Region/Sub-Region	Zoning	Density	Income Level Percentages		
			Lower	Moderate	Above Moderate
South Coast	Residential	20 units per acre or more	50%	25%	25%
North County	Residential	20 to 25 units per acre ¹	65%	25%	10%
North County	Residential	25 to 30 units per acre ¹	70%	25%	5%
North County	Residential	30 units per acre or more ¹	75%	25%	0%
Countywide	Residential	6-18 units per acre	0%	100%	0%
Countywide	Residential	Up to 5 units per acre	0%	0%	100%
Countywide	Commercial	N/A	0%	100%	0%

Note: 1. The vacant sites inventory does not include any vacant sites in the North County zoned for 20 units per acre or more.

ADUs: State HCD allows the County to count future ADUs towards its RHNA. Staff projected the number of future ADUs based on development trends (i.e., the number of approved building permits for ADUs) in the 2015-2023 planning period. Staff considered online rental data and “no-rent” ADUs (i.e., ADUs in which the owner does not charge monthly rental costs to the tenant) when assigning an income level to these units. Future ADUs are anticipated to contribute 800 units toward the County’s 2023-2031 RHNA (Exhibit 1, Attachment C).

Pending Projects: The County may also apply units from pending residential projects toward its RHNA. The County counted units from two categories of pending projects: (1) County-permitted pending projects, and (2) University of California, Santa Barbara (UCSB) pending projects. County-permitted pending projects total 2,171 units. UCSB representatives identified three on-campus pending projects that will be constructed and occupied by faculty and staff within the 2023-2031 planning period (Exhibit 1, Attachment C). UCSB’s pending projects total 735 units. Staff based unit affordability levels for pending projects on applicants’ project descriptions.

Current Capacity and RHNA Shortfall and Surplus: Table 5, below, shows the total number of potential units from the County’s current capacity in each sub-region. The County lacks sufficient capacity to accommodate its RHNA for lower- and moderate-income households on the South Coast and lower-income households in the North County.

Table 5 – Shortfall and Surplus of RHNA Units by Income Level and Sub-Region

Sub-Region/Method of Meeting the RHNA	Units by Income Level		
	Lower	Moderate	Above Moderate
South Coast			
RHNA	1,766	1,051	1,325
RHNA + 15% Buffer	2,030	1,208	1,325
Current Capacity (Vacant Sites, ADUs, and Pending Projects)	363	348	2,102
Surplus (+)/Shortfall (-) ¹	-1,667	-860	+777
North County			
RHNA	807	229	486
RHNA + 15% Buffer	928	263	486
Current Capacity (Vacant Sites, ADUs, and Pending Projects)	450	611	1,632
Surplus (+)/Shortfall (-) ¹	-478	+348	+1,146

Note: 1. Surpluses and shortfalls reflect RHNA plus a 15 percent buffer. Cells in red indicate a unit shortfall. Cells in green indicate a unit surplus.

5.4 Actions to Accommodate RHNA

GC Section 65583(c)(1) requires that the County rezone sites and/or take other actions to accommodate 100 percent of the shortfall of sites for lower- and moderate-income households. The County will accommodate its shortfall through a combination of potential rezone sites and County-owned sites.

Potential Rezone Sites

The County examined more than 1,000 vacant and non-vacant sites in a wide variety of zones and geographic areas to identify an initial list of potential rezone sites. The County narrowed down this initial list by applying the selection criteria, above, used for vacant sites. Additionally, the County prioritized vacant infill development sites in designated Urban Areas. These sites are nearer to public transit, water, sewer, utilities, and other services and infrastructure. However, some of the selected sites do not meet all of the site selection criteria due to the limited availability of optimal sites. For example, 21 sites are larger than 10 acres and 15 sites are currently zoned and/or used for agriculture (13 are within the urban/rural boundary and two are outside the boundary). The County identified more sites than needed to meet the RHNA plus the 15 percent buffer in order to provide the Board flexibility in adopting a list of final rezone sites.

Minimum and Maximum Density Requirements: GC Section 65583.2(c)(3) requires that the County apply a minimum residential density of at least 20 units per acre to all rezone sites that would accommodate units for lower-income households. The County applied a maximum residential density to these rezone sites as well to give some flexibility for developing the sites. For example, the County may rezone a site as Design Residential (DR) with a minimum density of 20 units per acre and a maximum density of 25 units per acre (DR-20/25). The County calculated the projected buildout capacity of potential rezone sites in residential zones using the minimum density rather than the maximum density. This approach helps reduce the chance that housing projects will develop fewer units than projected and, thereby, helps the County avoid No Net Loss Law and mid-cycle rezoning. The County applied the C-2 zone to potential rezone sites that are planned for mixed commercial and multifamily development (e.g., Blue Sky Center).

Affordability Methodology: In addition to specifying the zone, density, and number of potential units for each rezone site, the County also specified the income level of potential units for each potential rezone site. Staff initially applied the same unit affordability assumptions to potential rezone sites that it applied to vacant, residentially-zoned sites with a density of 20 units or more per acre; that is, 50 percent lower-income units, 25 percent moderate-income units, and 25 percent above moderate-income units. However, on October 17, 2023, the Board directed staff to adjust the unit affordability assumptions for potential rezone sites in the North County using the same assumptions that it applied to vacant, residentially-zoned sites with a density of 20 units or more per acre in the North County. Table 5, above, includes these unit affordability assumptions. The Board did not change the unit affordability assumptions for rezone sites in the South Coast. As with vacant sites currently zoned for commercial use, the County categorized units on sites rezoned to C-2 as affordable to moderate-

income households countywide. In several instances, the County used a different ratio based on project descriptions from property owners or developers.

South Coast Sites: The County identified 18 potential rezone sites in the South Coast with a total unit potential of 5,848 units. These sites fall within the Eastern Goleta Valley, Goleta, and Carpinteria Valley. Attachment E lists each potential rezone site in the South Coast and the potential number of units by income level.

North County Sites: The County identified 18 potential rezone sites in the North County with a total unit potential of 2,300 units. These sites fall within the following general locations: (1) Orcutt, (2) New Cuyama, (3) Mission Hills, and (4) Santa Ynez Valley. Attachment F lists each potential rezone site in the North County and the potential number of units by income level. Attachment F also reflects the new unit affordability assumptions for the North County rezone sites, as discussed in Section 4.0, above.

County-Owned Sites

The County owns nearly 500 sites within the unincorporated and incorporated county. It has the authority to approve, permit, and certify the occupancy of residential and other types of development on these sites. Therefore, the County can identify land for future housing and count the units toward its RHNA. Staff evaluated all County-owned sites using the vacant sites selection criteria listed above and identified nine sites on the South Coast suitable for future housing development. Based on conceptual plans and proposed densities, future development of all of these sites could result in 320 units on the South Coast by 2031 (Exhibit 1, Attachment C). As discussed above, the HEU currently includes County-owned sites as part of the County's current housing capacity. However, staff is shifting County-owned sites from current housing capacity to a new category of potential sites that could help meet the RHNA, similar to potential rezone sites. Staff will make this change to the HEU before the Board hearing on December 5, 2023. Attachment G provides a list of the County-owned sites and potential number of units by income level.

5.5 Goals, Policies, and Programs

Pursuant to GC Section 65583(b), the HEU must contain goals, policies, and programs to address the preservation, improvement, and development of housing. The goals, policies, and programs must also address the needs of all economic segments of the community and individuals and/or families with special housing needs. In addition, GC Section 65583(c) requires the HEU to include a schedule of actions the County is undertaking or intends to undertake to achieve these goals and policies.

Using the goals, policies, and programs from the 2015-2023 Housing Element Update as a starting point, the County amended outdated and/or added new goals, policies, and programs for the 2023-2031 planning period. These updates address new State laws and current and projected housing needs identified by the housing needs assessment and constraints analysis in the HEU. Chapter 5 of the HEU includes a list of goals and associated policies (Exhibit 1, Attachment C).

Chapter 5 of the HEU contains 25 programs and 99 actions to help implement the HEU throughout the eight-year planning period. It describes each action and identifies the County department(s)

responsible for implementing the action by a specific deadline. The following table lists each of the programs. Key programs are described further below.

Table 6 – HEU Program Summaries

Program	Summary	Responsible Department(s)
Program 1: Adequate Sites for RHNA and Monitoring of No Net Loss	Rezone sites to meet the RHNA plus 15 percent buffer and apply standards that require use-by-right ministerial processing for qualifying housing projects.	P&D
Program 2: Use-By-Right Approval	Update the zoning ordinances to address the zoning and use-by-right approval requirements, which provides that qualifying housing projects are not subject to discretionary review or CEQA.	P&D
Program 3: Replacement Housing	Update the zoning ordinances to include the replacement requirements for units that were rented in the past five years and occupied by low- or very low-income households.	P&D
Program 4: Inclusionary Housing	Amend the Inclusionary Housing Ordinance to ensure compliance with State law and increase the required term of affordability.	P&D and Community Services Department (CSD)
Program 5: Tools and Incentives for High-Quality Affordable Housing	Add administrative and financial incentives and tools to facilitate the development of affordable housing.	CSD
Program 6: Housing for Farmworkers and Other Employees	Evaluate and revise permit procedures to streamline the permit process for farmworker housing and housing for other employees.	P&D and CSD
Program 7: Project Homekey	Continue to support and expand Project Homekey sites.	CSD
Program 8: Housing for the Homeless	Implement the County’s Community Action Plan to Address Homelessness.	CSD
Program 9: Sites for Emergency Shelters	Amend the zoning ordinances to ensure there are sufficient sites zoned for emergency shelters to house the unincorporated county’s unsheltered homeless population.	P&D
Program 10: Accessory Dwelling Units (ADUs)	Update online resources, provide financial assistance to property owners, and amend the zoning ordinances to comply with State ADU law.	P&D and CSD
Program 11: Senate Bill 9 Implementation	Adopt an ordinance to implement SB 9.	P&D

Program 12: Priorities for Disposal of County Land	Dispose of County sites in accordance with the Surplus Land Act and develop housing on County-owned sites.	P&D and General Services
Program 13: Density Bonus Provisions	Create a County density bonus program for 100 percent moderate-income projects.	P&D
Program 14: Water and Sewer Services	Support the expansion of water and sewer facilities to accommodate RHNA units.	P&D, CSD, and Public Works
Program 15: Water and Sewer Service Priority for Affordable Housing	Deliver the adopted HEU and any subsequent amendments to all water and sewer providers.	P&D
Program 16: Reduction of Governmental Constraints	Update the zoning ordinances to comply with recent State laws that remove governmental barriers to housing development.	P&D
Program 17: Tenant Protection and Fair Housing Services	Continue to provide fair housing education and services by partnering with local providers.	P&D and CSD
Program 18: Preservation of Affordable Housing at Risk of Conversion to Market Rate and Mobile Home Parks	Monitor the status of and pursue funding to preserve affordable units at risk of conversion to market rate and mobile home parks.	P&D and CSD
Program 19: Short-Term Rentals	Develop a short-term rental program for the coastal zone.	P&D
Program 20: Housing Rehabilitation	Support affordable housing providers in conserving, improving, and rehabilitating existing affordable housing.	P&D and CSD
Program 21: Local Preference	Study the feasibility of developing a local preference housing program.	P&D and CSD
Program 22: Recreational Amenities for Housing Projects	Consider a tiered reduced Parks development impact fee for affordable housing projects.	P&D, CSD, and County Executive Office
Program 23: Workforce Housing Study	Complete a workforce housing study.	CSD and General Services
Program 24: Rental Housing Incentive Program	Create a program to incentivize rental housing development that includes an increase in density for smaller-sized units.	P&D
Program 25: Lower-Income Community Revitalization	Conduct outreach and prioritize funding for infrastructure projects in environmental justice communities.	P&D, CSD, and Public Works

Key programs that facilitate housing development for all segments of the community are described further below.

- **Program 1: Adequate Sites for RHNA and Monitoring of No Net Loss.** To meet the RHNA and comply with No Net Loss Law, the County will rezone enough sites to accommodate the RHNA plus a 15 percent buffer for the lower- and moderate-income levels. The County will also implement a formal, ongoing, project-by-project evaluation procedure to ensure an adequate number of sites remain available to meet the County’s RHNA and the buffer throughout the 2023-2031 planning period. Staff recently added an action to this program which requires the County to begin rezoning additional sites if the RHNA buffer falls below five percent. This will help ensure the County can rezone additional sites within 180 days as required by No Net Loss Law, if necessary. In addition, the County will require that sites identified for lower-income units comply with the use-by-right provisions of GC Sections 65583.2(h) and (i).
- **Program 2: Use by Right Approval.** Pursuant to GC Section 65583.2(c), housing projects with 20 percent lower-income units and zoned or rezoned at a residential density allowing at least 20 units per acre on certain sites are subject to use by right. “Use by right” means the housing project is not subject to a development plan, conditional use permit, or other discretionary review or approval or environmental review under CEQA. Program 2 directs the County to update its zoning ordinances to address the zoning and use-by-right approval requirements.
- **Program 5: Tools and Incentives for High-Quality Affordable Housing.** The County will offer tools and incentives that facilitate the development of housing, including housing for lower- and moderate-income households. The tools and incentives will include identifying and prioritizing funding for affordable housing, partnering with private and non-profit housing developers to build housing, and creating incentives for affordable housing on large lots.
- **Program 12: Priorities for Disposal of County Land.** The County is considering developing housing on nine of its properties. Program 12 provides a timeline and milestones for site selection, housing developer selection, permitting, and tracking the progress of these County-owned sites.
- **Program 16: Reduction of Governmental Constraints.** Program 16 directs the County to update its zoning ordinances to address the governmental constraints identified in Chapter 3 and Appendix G of the HEU.
- **Program 21: Local Preference.** Program 21 directs the County to study the feasibility of developing a Local Preference Housing program that prioritizes people who live and/or work within Santa Barbara County regions to rent or purchase affordable and upper moderate-income housing units.

5.6 Public Outreach

State housing element law mandates that cities and counties conduct robust public participation programs throughout the planning process. As summarized below, the County’s programs over the past

two years targeted all segments of the community, including residents, employers, and the public and private sectors.

Website and Mailing List

P&D has maintained a project webpage throughout the HEU planning process. The webpage includes background information and videos, frequently asked questions (FAQs), event and meeting notices, and links to key documents. It also allows interested persons to join a mailing list to receive notices and information regarding upcoming activities. The mailing list includes approximately 900 contacts.

Stakeholder Outreach

Since December 2021, the County has held dozens of public workshops, hearings, community forums, focus group meetings, stakeholder meetings, and pop-up events, and has sent regular email updates and invitations for comment to our 900 contacts. It provided presentation materials on the project website, the County's "One Climate" website, and P&D's YouTube page. The Promotores Network, a grassroots advocacy group, also promoted HEU activities at other in-person community events. These efforts informed the public of the HEU's purpose, the update process, and the context for the County's housing needs, and allowed County staff to gather input on housing goals and policies and hear community concerns. Appendix A of the HEU (Exhibit 1, Attachment C) provides a detailed list of outreach efforts.

Workshops

The County held three public workshops to explain and solicit feedback on the HEU. On June 22, 2022, the County participated in the South Coast Housing Workshop, a joint housing element forum with the cities of Carpinteria, Santa Barbara, and Goleta. On November 16 and 17, 2022, the County hosted workshops in Santa Maria and Santa Barbara, respectively, to share information about the housing element process, discuss community housing survey results, and receive feedback on potential rezone sites. All workshops had options for in-person or remote attendance via Zoom to maximize participation for people of all abilities, and all had live Spanish-language interpretation for in-person and remote attendees.

Public Review Period

According to GC Section 65585(b), the County released the first draft of the HEU on January 30, 2023, for a 30-day public review period ending on March 1, 2023. The County continued to accept comments on the draft through March 9, 2023. The County received [436 written comment letters and emails](#) through March 9 and made them available online. The County prepared responses to each of the general topics raised in the written comments and addressed them in Appendix A of the HEU. The County then submitted the HEU to State HCD on March 31, 2023 for the first round of review. Please see Appendix A (Exhibit 1, Attachment C) for more information.

Interactive Map

In November 2022, staff released an [interactive map](#) that shows potential rezone sites and County-owned sites. The interactive map also shows pending housing projects that count toward the RHNA

and other sites throughout the county that were examined but ultimately not identified as potential rezone sites.

Housing Simulations

In addition to the interactive map, the County worked with a consultant, Balancing Act, to create two virtual housing simulations that allow the public and County decision-makers to select different combinations of sites to meet the RHNA for the South Coast and North County. The simulations were made available on [P&D’s HEU webpage](#) in October 2023 and will be live until the County conducts rezone hearings in 2024.

5.7 Next Steps and State HCD Review

GC Section 65585 establishes requirements and timeframes for County submittal and State HCD review of the draft and final adopted HEU. In summary, the County must submit the draft HEU to State HCD prior to adoption of the final HEU (GC Section 65585(b)(1)). State HCD, within 90 days, must review and determine whether the first draft HEU substantially compiles with State housing element law (GC Sections 65585(b)(3) and(d)). Once State HCD makes this determination, the County can move forward with adoption of the final HEU (GC Section 65585(f)). The County must submit the final adopted HEU to State HCD (GC Section 65585(g)). State HCD, within 90 days, must determine whether the adopted HEU substantially complies with State housing element law (GC Section 65585(h)).

Table 7, below, provides a timeline of the County’s submittals of the Draft HEU to State HCD and State HCD’s review of those submittals. In part, the County submitted and State HCD reviewed two formal draft HEUs and two sets of revisions to specific sections with minor technical edits.

Table 7 – Timeline of County HEU Submittals and State HCD Review

Date	Action
January 30 – March 1, 2023	County released Draft HEU for public comment (30-day period)
March 31, 2023	County submitted revised Draft HEU to State HCD (90-day review period)
June 6, 2023	State HCD provided preliminary comments on the Draft HEU
June 22-29, 2023	County posted revised Draft HEU online (seven-day period)
June 30, 2023	State HCD provided formal comments on the HEU
September 14 – 21, 2023	County posted revised Draft HEU online (seven-day period)
September 22, 2023	County submitted revised Draft HEU to State HCD (60-day review period)
October 16, 2023	State HCD determines the Draft HEU substantially complies with State housing element law

In a letter dated October 16, 2023, State HCD found “The revised draft element meets the statutory requirements ... The housing element will substantially comply with State Housing Element Law (Gov. Code, § 65580 et seq) when it is adopted, submitted to and approved by HCD ...” (Attachment D). Any substantial revisions to the HEU may jeopardize State HCD’s finding that the HEU substantially complies with State housing element law.

The Board will consider adopting the HEU on December 5, 2023. It will immediately submit the adopted HEU to State HCD for final 90-day review. County decision-makers will then select and adopt the final rezone sites as part of a separate process and hearings in early 2024.

5.8 Native American Consultation (Senate Bill 18)

GC Sections 65352.3 and 65352.4 (Senate Bill 18) require cities and counties to contact and, if requested, consult with Native American tribes before adopting or amending a general plan (comprehensive plan). Native American tribes have 90 days to request formal consultation. The Native American Heritage Commission (NAHC) maintains tribal consultation lists with the names and addresses of tribes that have expressed interest in preserving cultural places, features, and objects located within specific cities and counties.

In March 2022, the County contacted the NAHC and received a tribal consultation list for Santa Barbara County. The list includes 17 tribal contacts representing 12 tribes. In April 2022, the County sent each tribal contact a letter offering to conduct formal consultation regarding the HEU. To date, the County has not received any requests for formal consultation.

6.0 ENVIRONMENTAL REVIEW

The HEU is exempt from CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), the “common sense exemption,” because it can be seen with certainty that there is no possibility that the HEU may have a significant effect on the environment. The HEU does not, in and of itself, approve any development project or other physical change to the environment. Rather, the HEU analyzes existing and projected housing needs, identifies governmental and nongovernmental constraints to housing development, and sets forth goals, policies, and programs for future housing development within the unincorporated county. Approval of any housing or other projects to implement the HEU will be subject to environmental review. For example, the County and an environmental consultant, WSP, are preparing a Program Environmental Impact Report that includes an analysis of the potential rezones and County-owned sites necessary to accommodate the County’s RHNA plus the 15 percent buffer. Please see the Notice of Exemption (Attachment B) for more information.

7.0 COMPREHENSIVE PLAN CONSISTENCY

Chapter 5 of the HEU contains goals, policies, and programs to help meet the housing needs of all segments of the community and comply with State housing element law. The goals and policies establish principles and set the foundation for future decisions and actions. Examples include “Promote new housing opportunities throughout the unincorporated county” (Policy 1.1), “Preserve the

affordable housing stock” (Policy 4.1), and “Promote the inclusion of affordable housing units as part of residential land use and development (Policy 6.2). The goals and policies address housing and, where they relate to provisions in other elements of the Comprehensive Plan, were written to be consistent with these provisions. Examples include “Promote housing opportunities near employment centers through regional and local planning efforts, including updates to the Comprehensive Plan and County Code [e.g., zoning ordinances]” (Policy 1.3) and “Identify and, where feasible, eliminate or reduce governmental constraints to the development of housing” (Policy 5.2). As a result, the HEU’s goals and policies are in the public interest and consistent with the Comprehensive Plan, including the Coastal Land Use Plan (CLUP), community plans, and zoning ordinances.

The HEU’s programs contain specific actions to implement the goals and policies. As with the goals and policies, the programs and their accompanying actions are limited to housing-specific topics and complement or have little or no effect on provisions in other elements of the Comprehensive Plan. Examples include “Annually, meet with housing developers and large employers to explore opportunities for affordable housing for the workforce” (Program 6), “Annually, permit approximately 100 ADUs” (Program 10), and “By the end of 2025, amend the County’s zoning ordinances to comply with current changes to SDBL” (Program 13).

Most programs are in-and-of-themselves consistent with the Comprehensive Plan. For example, Program 1 may require the County to rezone some sites within the Urban Areas of Eastern Goleta Valley from agricultural use to high-density residential use. The Eastern Goleta Valley Community Plan (EGVCP) includes a policy that calls for the preservation of urban agricultural lands to the extent feasible (i.e., EGVCP Policy LUA-EGV-1.5). Another related policy lists circumstances when County decision-makers may allow the conversion of urban agricultural lands to another use, such as, in part, when decision-makers find that there is an overriding public need for conversion to other uses (i.e., EGVCP Policy LUA-EGV-1.6). County decision-makers could therefore make this finding consistent with this policy based on the current housing crisis and State housing element law that requires the County to rezone sufficient land to accommodate its RHNA.

Some programs may conflict with the Comprehensive Plan depending on how they are implemented but are nonetheless mandatory under State housing element law. For example, some of the potential rezones in the North County would allow more residential development than permitted in the Orcutt Community Plan’s Key Site policies and development standards. In these instances, the County would need to amend the existing provisions of the Comprehensive Plan to achieve consistency with the HEU’s programs and State housing element law. Implementation of the programs will be separate projects subject to separate decision-maker review and approvals, at which time decision-makers will need to make findings that the programs are consistent with the Comprehensive Plan. As a result, the HEU’s programs and actions would ultimately be consistent with the Comprehensive Plan, including the CLUP, community plans, and zoning ordinances.

8.0 APPEALS PROCEDURE

Comprehensive Plan amendments recommended for approval or denial are automatically forwarded to the Board for final action; therefore, no appeal is required.

ATTACHMENTS

- A. Findings of Approval
- B. Notice of Exemption
- C. County Planning Commission Resolution
Exhibit 1: Draft 2023-2031 Housing Element Update (links), dated September 2023
- D. State HCD Substantial Compliance Letter, dated October 16, 2023
- E. South Coast Potential Rezone Sites
- F. North County Potential Rezone Sites
- G. County-Owned Sites

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 - ⁵ U.S. Bureau of Labor Statistics. 2021 (May). "Occupational Employment and Wage Statistics- Santa Barbara County". https://www.bls.gov/oes/current/oes_42200.htm.
 - ⁶ U.S. Census Bureau. 2019. "American Community Survey, 2015-2019 5-year Estimates". <https://data.census.gov/table?q=Santa+Barbara+County,+california+&g=0500000US06083>.
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