

## Global Responses to Public Comments

The following section provides “Global Responses” to questions or concerns regarding the Draft Housing Element that were included in multiple public comment letters. Where appropriate, the responses to individual comments refer to the respective Global Response, where a particular issue is addressed more comprehensively.

### **GR-1 Funding Sources for Affordable Housing**

Many comments offered suggestions for funding affordable housing. Housing Element Goal 8 and Program HE-25 Affordable Housing Funding will study various options (e.g., using a portion of or raising the Transient Occupancy Tax (TOT), creating a Vacancy Tax, bond measures) and adopt permanent source(s) of funding for affordable housing.

### **GR-2 Use of City Owned Land for Housing**

Multiple comments stated that City owned land should be used for housing, including the Municipal Golf Course, parking lots, and the existing police station site (once the new one is occupied). City owned lands require a parcel-by-parcel analysis before a change in use can be approved.

Land designated and zoned for Parks and Recreation, like the Municipal Golf Course, require a General Plan and Zoning Ordinance amendment to convert it to residential use. Furthermore, per City Charter Section Section 520, land dedicated to public park or recreation purposes cannot be converted to other purposes except by voter approval. Parks are highly valued by City residents and not considered suitable sites for housing.

Regarding parking lots and other City owned sites, Housing Element program HE -9 will evaluate City owned sites for housing on a parcel-by-parcel basis. This program provides an opportunity to evaluate all suitable City owned sites in a comprehensive manner to determine if the current use of the site can be discontinued and converted to residential. Furthermore, excluding a site from the inventory does not preclude it from being developed with housing in the future.

### **GR-3 Short-Term Vacation Rentals, Fractional Housing, Hotels**

Many comments were received about short-term vacation rentals (STRs), fractional housings (e.g., Pacaso), and hotels and their impact on the City’s housing stock. Also mentioned were issues with enforcement of illegal short-term rentals (STRs). Housing Element Program HE-15 Short-term Vacation Rental/Hotel Ordinance includes monitoring STRs, initiation of a Zoning Ordinance amendment to clarify regulations for legal STRs (which will strengthen enforcement efforts), investigation of fractional ownership issues and potential regulations, and a review of land zoned to allow both residential and hotel use to determine if some areas should be rezoned or uses modified within a zone to allow only residential use.

Regarding short-term vacation rental enforcement, STRs in compliance with certain requirements are allowed in areas of the City that allows hotels. The City’s code compliance

program enforces land use violations <https://santabarbaraca.gov/services/construction-land-development/code-compliance>.

#### **GR-4 Affordable Housing Incentives**

Several comments suggested incentives should be developed or provided for affordable housing developers and for senior housing. Housing Element Program HE-7 Affordable Housing Overlay will evaluate and adopt appropriate incentives for deed-restricted affordable housing projects, including affordable senior housing. The details of this program will be determined when the work effort is initiated.

#### **GR-5 Public Outreach and Input**

Several comments suggested additional public input is needed and expressed concerns about timing and method of public outreach. Staff reached out to a significant number of stakeholders and residents and remain available to engage with more throughout the review process (see Appendix XX for a comprehensive list of public outreach efforts). Staff contacted specific groups mentioned such as Healing Justice, American Institute of Architects, and Alpha Resource Center. The City presented an overview of the Housing Element to CAUSE board members in April 2022.

Regarding housing needs for people with disabilities, staff conducted outreach to the City's Access Advisory Committee and Independent Living Resource Center. Staff conducted additional outreach to the Alpha Resource Center Executive Director, who responded that the section on special housing needs for people with disabilities is both accurate and comprehensive.

Regarding the timeframe for review, the City is following housing law requirements for a 30-day initial public draft review period and a minimum of ten business days to respond to comments. Additional opportunities for public input are available by submitting comments to Housing and Community Development (HCD) on the revised draft during their 90-day review period, and commenting on subsequent revisions based on HCD's comments. Per HCD, the City must post draft Housing Element revisions and email links to all individuals and organizations that requested notices on the Housing Element. The City will continue public outreach and will seek out opportunities to engage and meet with organizations.

As part of its review of the Housing Element, HCD must consider any written comments received from any public agency, group, or person. If an organization or individual plans to provide comments to HCD on the City's Housing Element, early contact with the assigned review staff member (HCD Analyst) is encouraged to ensure that HCD is aware of this intent. To ensure that HCD has sufficient time to consider comments in the review of the Housing Element, written comments should be provided within the first 30 days of the review, directly to the assigned HCD Analyst or emailed to [HousingElements@hcd.ca.gov](mailto:HousingElements@hcd.ca.gov). The City does not yet have an assigned HCD Analyst.

#### **GR-6 La Cumbre Plaza Planning Area**

Multiple comments were received about redevelopment of La Cumbre Plaza to housing. Housing Element Program HE-2 directs planning for and establishing mechanisms to realize a phased redevelopment of La Cumbre Plaza with a mix of uses, including a significant number of housing units. The details of this program, including number of units, affordability levels, infrastructure, transportation and circulation, creek protection, and impacts to schools will be determined through a public planning process and the associated environmental review. A grant may be available through SBCAG for a City-led planning effort.

### **GR-7 Inclusionary Housing**

Multiple comments were received about inclusionary housing formulas and number of units in relation to the Affordable Housing Overlay program. The City currently has an inclusionary requirement for owner and renter occupied residential developments, with specific standards for developments of 10 or more units, and options for in-lieu fees for developments of less than 10 units but more than one (for ownership) or more than four (for rentals).

Adjustments to the number of inclusionary units required and in-lieu fee amounts requires further study to ensure that the program meets affordable housing needs without suppressing overall housing development. Housing Element Program HE-8 Inclusionary Housing Ordinance Evaluation will provide the opportunity to adjust the inclusionary in-lieu fee rate and Program HE-7 Affordable Housing Overlay will consider incentives in exchange for higher number of deed-restricted affordable units. Program details will be further developed once they are initiated.

### **GR-8 Community Benefit Projects**

Several comments questioned why Policy 2.1 prioritizes deed-restricted affordable housing and community benefit land uses over all other land uses. The use of “community benefit” in this context was not intended to include market rate housing. “Community Benefit,” as currently defined, also includes nonresidential projects with broad public benefits, such as a health clinic, police and fire stations, or childcare facility, which would still be a prioritized use of land. Municipal code edits are underway to rename these types of projects as “Priority Projects”. Policy 2.1 was revised to clarify. The definition of a “Community Benefit” housing project has not yet been amended by the City Council. Amendments to that definition will be the subject of future public hearings.

### **GR-9 Definitions**

Several comments requested definitions of levels of affordability and a glossary of terms. The draft Housing Element was revised to include a glossary of terms.

### **GR-10 Data**

Several comments questioned the use of 2019 U.S. Census data when 2020 census data (or other more recent products) are now available. The data for population, employment, and other demographics (data package) is provided from HCD to Santa Barbara County Association of Governments (SBCAG) who then distributes it to the County and cities. The data package

mainly uses U.S. Census Bureau American Community Survey (ACS) five-year estimates, the nation's most comprehensive data source for population and housing. While an updated data package reflecting 2020 census data was made available by HCD since the release of the Draft Housing Element, per the U.S. Census Bureau, the Covid-19 pandemic significantly disrupted data collection for the ACS, making the 2020 data less reliable. There were fewer ACS interviews in 2020 and respondents had higher levels of education and income and were more likely to be married than respondents in prior years. Therefore, staff determined using the five-year ACS estimates up to the year 2019 reflects a more accurate overall picture for certain demographics.

### **GR-11 Accessory Dwelling Unit (ADU) Assumptions**

Several comments questioned the use of limited property owner survey data to assign affordability levels to future ADUs in the Sites Inventory and Analysis. The City's consultant, BAE Urban Economics, recommended the City conduct a survey to analyze the anticipated affordability of new ADUs, as required by HCD. Affordability can be determined in several ways, including an analysis of rental platforms or a survey of property owners with ADUs. Some of California's Metropolitan Planning Organizations (e.g., Southern California, Sacramento, Bay Area) conducted regional ADU affordability analyses for local governments' 6<sup>th</sup> cycle Housing Elements. These regional surveys relied on market rents for comparable rental properties, using platforms such as Craigslist and Zillow. For example, the nation's largest metropolitan planning organization, Southern California Association of Governments (SCAG), relied on survey rents of only 150 existing ADUs to determine affordability. This methodology is accepted by HCD.

Santa Barbara County Association of Governments has not conducted a regional ADU affordability analysis for this area. There are very few rental properties typically available in the City of Santa Barbara and it can be difficult to determine if an advertised unit is an ADU. Therefore, the City used individual property owner surveys to make affordability assumptions.

Several comments also questioned the assumption that ADUs used as housing for family members or care takers who are not charged rent can be assumed to be affordable to extremely low income households. Because SCAG's Regional Accessory Dwelling Unit Affordability Analysis did not survey property owners, they made a conservative assumption that 15 percent of ADUs are available at rents affordable to extremely low-income households, based on three studies from the Bay Area and Portland, Oregon. SCAG's methodology was "pre-certified" by HCD. The City's assumption of 23.5 percent of ADUs serving extremely low income households was based on the data collected from property owner surveys, who reported 8 of 34 units being provided as free housing.

### **GR-12 Quantified Objectives**

Several comments were made regarding quantified objectives, including that they be revised upwards and additional explanation about how they were derived and calculated. The Quantified Objectives illustrate development that *is likely* to occur based on what is currently known, using current programs and policies. General Plan policies and the policies of this Housing Element encourage increased production of housing, particularly affordable housing.

The new Housing Element Programs to fund and facilitate affordable housing are not fully defined and will take time to implement.

The Quantified Objectives are not a limit or a goal for production, they are rather a projection based on known constraints and historic trends. The draft Housing Element was revised to include more explanation about the quantified objectives.

### **GR-13 Funk Zone Overlay and Suitable Sites Inventory**

Several comments requested the City consider a Funk Zone Overlay district or Neighborhood Plan. This would require a separate work effort to develop and submit a Local Coastal Program Amendment to the California Coastal Commission to establish a Funk Zone Overlay or Neighborhood Plan.

Multiple comments were submitted regarding housing in the City's Funk Zone and the suitable sites inventory assumption about housing capacity. All pending housing applications are included in the inventory, regardless of the application. One of the pending applications included in the inventory is for a development agreement for SOMO Funk at 121 E. Mason St. The project includes 155 units. The current zoning allows for a maximum of 56 units on the property, if all are studios. A pending zoning change to include the property in the AUD program would also allow for a maximum of 56 units, if the units are no more than 905 square feet on average.

The proposed 155 unit project is subject to discretionary review by ABR, Planning Commission, and City Council. With a Development Agreement, City decisionmakers generally have discretion over densities that exceed the Local Coastal Plan or zoning.