



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: July 7, 2022
AGENDA DATE: July 14, 2022
TO: Planning Commission
FROM: Planning Division
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I. RECOMMENDATION

That the Planning Commission receive a presentation and public comment on the Public Review Draft 2023 Housing Element, hold a discussion, and provide feedback to staff.

II. DISCUSSION

On March 29, 2022, City Council initiated a General Plan Amendment to update the Housing Element (PLN2022-00108) in compliance with State law. During the past three months, Long Range Planning staff, with technical assistance from BAE Urban Economics, Planning Interns from University of California Santa Barbara, and a Work Group comprised of two Planning Commission members, have prepared a Public Review Draft 2023 Housing Element to meet all statutory requirements of State housing element law.

The existing Housing Element was certified by the California Department of Housing and Community Development (HCD) in 2015. Housing element planning periods are sometimes referred to as “cycles”. The 2015 Housing Element covers the planning period from 2015 – 2023, or the 5th Cycle, in reference to the five required updates that occurred since comprehensive revision of State housing element law in 1980. Currently, Santa Barbara County and each incorporated jurisdiction in the County are required to prepare a 6th Cycle Housing Element update to cover the eight year period of 2023- 2031. The County and each city needs to submit a locally adopted housing element to HCD by February 15, 2023.

The substantial need for all types of housing, particularly deed-restricted affordable units, as described in the 2015 Housing Element is apparent and even more acute in 2022 as rental and ownership housing costs have significantly increased in recent years. Other statewide and City-specific conditions have changed in the last eight years, necessitating a fresh approach to the Housing Element’s goals, policies, and programs. Proposed new goals for the 2023 Housing Element were initially reviewed at a joint Planning Commission and City Council meeting on April 28, 2022. The goals discussion was continued with the final goals adopted by City Council on May 17, 2022.

Beginning January 1, 2019, all housing elements must now include a program that promotes and affirmatively furthers fair housing opportunities throughout the community for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or

disability, and other characteristics protected by the California Fair Employment and Housing Act, Government Code Section 65008, and any other state and federal fair housing and planning law. Additionally, all housing elements due on or after January 1, 2021, must contain an Assessment of Fair Housing (AFH), consistent with the City’s duty to affirmatively further fair housing and the findings of its AFH¹.

In the 6th Cycle, there are new public participation and review requirements. Prior to submittal of the first draft to HCD, the draft 2023 Housing Element must be available for public comment for 30 days, and if any comments are received, the City must take at least 10 business day to consider and incorporate public comments. After the City responds to public comments, the draft will be submitted to HCD for 90-day review. Staff will need to respond to HCD’s comments and then present the revised draft to the Planning Commission and City Council for adoption prior to the February 15, 2023 submittal deadline to HCD for certification of the final adopted 2023 Housing Element. There are a number of penalties for failing to submit an adopted housing element in time or failing to achieve certification from HCD, including potential lawsuits, loss of grant funds for housing, loss of local permitting authority, and financial penalties. As of June 2022, of the 325 jurisdictions with 6th cycle housing elements already reviewed by HCD (due prior to Santa Barbara County/Cities due date), 67% were determined to be out of compliance with state law.

Public Review Draft 2023 Housing Element

Below is a brief description of the Public Review Draft 2023 Housing Element (provided as an online Exhibit to this report at [Public Review Draft Housing Element](#)). The Housing Needs Assessment and other sections use the most recent available data from the U.S. Census, the California Department of Finance, the California Employment Development Department, the Santa Barbara County Association of Governments (SBCAG) Housing Element Data Package, and other relevant sources.

Introduction

This section includes the purpose of the housing element, a description of how the housing element relates to other elements of the General Plan, and the community context.

Housing Needs Summary/Community Profile

The section describes recent population trends and characteristics, employment trends, household characteristics, condition of the existing housing stock, assessment of deed-restricted affordable units at risk of converting to market rate, and an evaluation of special housing needs. Per HCD, “special housing needs” includes:

- Seniors

¹ The City’s 2020 Analysis of Impediments to Fair Housing Choice and other data sources were used to comply with this requirement.

- People with disabilities, including development disabilities
- Large families and female headed households
- People experiencing homelessness and
- Farmworkers

Consistent with the 2015 Housing Element, this section also evaluates the special housing needs of students.

Housing Constraints

The housing element must identify and analyze potential and actual governmental constraints to the maintenance, improvement, or development of housing for all income levels, including housing for people with disabilities. The analysis should determine whether local, regulatory standards pose an actual constraint and must also demonstrate local efforts to remove constraints that hinder a jurisdiction from meeting its housing needs. This section of the document was prepared by BAE Urban Economics (BAE). Based on the assessment from BAE, some clean up amendments to Title 30 will be required to fully comply with state housing laws and reduce governmental constraints to housing. This section also summarizes non-governmental constraints such as land and construction costs, and availability of financing,

Housing Resources

This section includes the suitable sites inventory to meet the City's Regional Housing Needs Allocation (RHNA) of 8,001 units and a list of financial and administrative resources (i.e., funding sources, programs, public agencies, and nonprofit organizations that are involved in meeting the housing needs of the community). It also includes a discussion of opportunities for energy conservation. Since 2015, the state has made a number of changes to how the inventory is calculated and used, summarized as follows:

- Sites must be identified throughout the community in a manner that affirmatively furthers fair housing opportunities.
- If a site in the inventory is owned by the city or county, the housing element must include a description of whether there are any plans to sell the property during the planning period and how the jurisdiction will comply with the Surplus Land Act.
- The City has to identify which RHNA income category that each site or a portion of the site in the inventory is anticipated to accommodate (i.e., lower income housing, moderate-income housing, or above moderate-income housing). Sites can accommodate units for more than one income category.
- If a non-vacant site identified in the 5th cycle is now included in the 6th cycle to accommodate low- or very low-income units, then it is eligible for "by-right" processing² if a new project includes 20% affordable units (for low- and very low-income households). Vacant sites are subject to the same condition if they were identified in two or more consecutive planning periods (i.e., 4th and 5th cycles).

² This does not preclude the jurisdiction from imposing objective design standards.

- In calculating housing capacity of sites, the City must consider realistic development capacity, typical densities of existing or approved residential developments at a similar affordability level in that jurisdiction, and the current or planned availability and accessibility of sufficient water, sewer, and dry utilities.

The sites inventory analysis identifies parcels that can accommodate the City’s RHNA based on the methodology and assumptions described in the Public Review Draft 2023 Housing Element. After projects in the pipeline (all pending housing projects up to June 30, 2022 if they have not yet received a building permit) and projected accessory dwelling units (ADUs) are taken into account, the remaining unmet RHNA is 3,121 units for very low- and low-income households and 3,243 units for moderate- and above-moderate households, for a total of 6,364 units. The analysis shows that there are enough sites suitable to accommodate the remaining unmet RHNA listed below, with a buffer of 19%.

| | Very Low | Low | Moderate | Above Moderate | Total |
|---------------------------------|----------|-------|----------|----------------|---------|
| RHNA Units | 2,147 | 1,381 | 1,441 | 3,032 | 8,001 |
| Pipeline Project Units | (40) | (84) | (97) | (866) | (1,087) |
| Accessory Dwelling Units | (148) | (148) | (74) | (259) | (629) |
| Remaining Unmet RHNA | 1,959 | 1,149 | 1,270 | 1,907 | 6,285 |

Housing Plan

This section includes the goals, policies, and programs of the Public Review Draft 2023 Housing Element. The 2015 Housing Element had 5 goals, 26 policies, and 117 “Possible Implementation Actions to be Considered.” HCD now requires programs (i.e., implementation actions) to include a specific timeframe for implementation, identify the agencies or officials responsible for implementation, describe the jurisdiction’s specific role in implementation, identify funding sources, and (whenever possible) identify specific, measurable outcomes. The Public Review Draft 2023 Housing Element includes more programs than can be realistically completed within the eight-year timeframe using existing staff and financial resources and staff anticipates receiving additional program ideas as part of public review. Therefore, specific timeframes have not yet been identified.

Appendices

This section includes the following information:

- A. A Review of the 2015 Housing Element: Required review of 2015 Housing Element implementation actions, quantified where possible.
- B. Affirmatively Furthering Fair Housing (AFFH): Under California law, AFFH means “taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics.” This section provides extensive data and policy recommendations that informs AFFH analysis.
- C. Public Outreach Table: Summary of public outreach efforts.
- D. Accessory Dwelling Unit (ADU) Survey: Results of a survey sent to ADU owners to determine use and rent prices, which informed the number and income category of projected ADUs included in the site inventory.
- E. Neighborhood Housing Stock Surveys: Neighborhood specific surveys, which are summarized in the 2023 Housing Element.
- F. Residential Development Standards: These were used to inform the Governmental Constraints section.
- G. Site Inventory: A detailed parcel list of the suitable sites inventory.

III. NEXT STEPS

The Public Review Draft 2023 Housing Element is scheduled for discussion and further public input at the July 26th City Council meeting. After the 30-day public review period closes on August 3, 2022, staff will review and consider comments received and make revisions as necessary. The updated Draft 2023 Housing Element will then be submitted to HCD for their 90-day review.

IV. ENVIRONMENTAL REVIEW

A Program Environmental Impact Report (EIR) is being prepared to evaluate effects on the environment that may occur as a result of future housing growth within the City until 2035 based on the Housing Element Update with the Climate Action Plan Update. Impacts citywide or to areas within the City will be examined, as well as cumulative impacts in conjunction with future development in the region. The Draft Program EIR will be submitted to Planning Commission and City Council for consideration prior to taking action on the Housing Element Update, expected in early 2023.

Exhibit: [Public Review Draft 2023 Housing Element](#)