



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: February 10, 2015
TO: Mayor and Councilmembers
FROM: Planning Division, Community Development Department
SUBJECT: 2015 Housing Element Update

RECOMMENDATION:

That Council adopt by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the 2015 General Plan Housing Element Update Incorporating Revisions Requested by the Planning Commission and California Department of Housing and Community Development and Making Environmental Findings Pursuant to the California Environmental Quality Act.

EXECUTIVE SUMMARY:

Senate Bill 375, adopted by the State Legislature in 2008, established an eight-year update cycle for Housing Elements concurrent with every other update to the Regional Transportation Plan. In order to apply the eight-year planning cycle, the City is required to prepare and adopt an updated Housing Element no later than 120 days from the February 15, 2015 due date. Jurisdictions that do not adopt an updated housing element within the specified schedule will be required to prepare future updates every four years.

An overview of the changes proposed to the 2015 Housing Element is provided in the October 23, 2014, Planning Commission Staff Report included as Attachment 1 of this Report.

DISCUSSION:

Initiation of General Plan Amendment

On May 8, 2014, the Planning Commission initiated a General Plan Amendment to update the Housing Element in compliance with State law. Because the City's existing Housing Element was certified by California Department of Housing and Community Development (HCD) in 2012, much of the information contained in the element remains current, therefore major policy changes are not proposed as part of the update.

The revisions to the Housing Element focus primarily on updating housing information and demographics based on the 2010 Census or more current data, evaluating the progress made in implementing the 2011 Housing Element, assessing regional housing need and governmental constraints on housing development, and developing an Eight-Year Housing Element Work Program.

Planning Commission Review and Recommendation

On October 23, 2014, the Planning Commission considered the Draft 2015 Housing Element (Attachment 1), and recommended that Council adopt the Draft Housing Element with the following changes (Attachment 2):

- Amend the description of UCSB and SBCC to include current enrollment numbers. Include discussion related to local foreign language schools and their impact to rental housing availability and clarify that college students “do” impact the rental housing market.
- Provide more discussion related to middle income households and the importance of middle-income units generated through the Average Unit-Size Density Incentive Program (AUD).
- Add text to the Housing Element noting the increasing number of single family owner-occupied units being used as vacation rentals and/or second homes as a non-governmental constraint. Text related to short-term vacation rentals was added under Housing Challenges in the Needs Assessment section of the 2015 Housing Element.
- Revise the Inclusionary Housing Implementation Action H11.3 to clarify that a proposed suspension of inclusionary housing requirements and in-lieu fees during economic downturns would be temporary and considered in conjunction with, and not independent of, a proposal to increase the inclusionary housing percentage from 15 percent to up to 25 percent.
- Add bullet to Secondary Dwelling Unit Ordinance Implementation Action H15.1 directing the development of guidelines for architectural design compatibility with existing development and neighborhood. Revise the recommended implementation timeframe from 6 or more years to 3-5 years.

The Draft 2015 Housing Element was revised to include the Planning Commission’s recommended changes except the incorporation of an additional bullet to H15.1 related to architectural design compatibility guidelines. Architectural design and compatibility issues for secondary dwelling units are currently addressed through the design review process. Therefore, additional guidelines are not necessary.

HCD Revisions to the Housing Element

The Draft 2015 Housing Element Update was submitted to HCD for review and, as a result, the City received minor revisions and technical clarifications to be incorporated

into the Needs Assessment and Eight-Year Work Program. The Housing Element was revised based on the following requested changes from the HCD (Attachment 3).

- Tables H-23 and H-24 related to at-risk units were revised to include affordability levels of units at risk of conversion to market rate within the next 10 years (2015-2025). In addition, Implementation Action H21.3 was revised to include a commitment to examine the availability of funding sources to extend affordability covenants of units at risk of conversion.
- Revisions were made to the Eight-Year Program implementation action timeframes and/or objectives as follows:
 - H10.3 Building Reuse – Encourage residential reuse of existing nonresidential buildings, for both ownership and rental affordable housing. This program directs municipal code amendments to include provisions for reuse of existing buildings. HCD requested the implementation timeframe be revised to 1-2 years.
 - H11.5 Bonus Density – Continue to provide bonus density units above levels required by State law. HCD requested the implementation timeframe be revised to include an annual review.
 - H11.6 Private Sponsors – Continue to solicit proposals for lower-income housing from private sponsors. HCD requested the implementation timeframe be revised to include an annual review.
 - H11.7 Infill Housing – Continue to assist development of infill housing including financial and management incentives. HCD requested the implementation timeframe be revised to include an annual review.
 - H11.12 Surplus Land – Inventory land in City owned by governmental agencies and pursue dedication of surplus land for development of affordable housing. HCD requested the implementation timeframe be revised to include an annual review.
 - H19.4 Low-Interest Loans – Continue to provide low interest rehabilitation loans to multi-family projects. HCD requested the implementation timeframe be revised to include an annual review. Also to revise the program objective to fund 2 rehabilitation loans per year, if funds are available.
 - H20.5 Illegal Dwelling Units – Consider ways to legalize illegal units in accordance with the Zoning Ordinance. HCD requested the implementation timeframe be revised to 1-2 years.
 - H21.3 Expiring Affordability – Continue to preserve expiring affordability covenants. HCD requested the implementation timeframe be revised to include an annual review. Additional text was added to H21.3 directing examination of funding availability for the extension of affordability covenants.

- H23.1 State and Federal Funding – Explore joint City/County applications for housing assistance programs. HCD requested the implementation timeframe be revised to include an annual review.

With the incorporation of these revisions, HCD found the 2015 Draft Housing Element in compliance with State housing element law (Attachment 4).

ENVIRONMENTAL REVIEW

Pursuant to §15162 of the State CEQA Guidelines, no new EIR is necessary for a project when there is a previously adopted EIR and current project changes involve no new significant impacts or substantially greater impacts than identified in the prior EIR. Guidelines §15164 provides for preparation of an Addendum to the prior EIR to document minor changes to the project or impacts to make the EIR adequate for current activities. The Guidelines provide that an Addendum need not be circulated for public review but is attached to the Final EIR.

An Addendum to the General Plan Update Program EIR has been prepared for the 2015 Housing Element Update that concludes that no new significant impacts would result from minor policy changes. The Environmental Analyst has determined that the Program EIR together with the EIR Addendum constitute adequate CEQA review for the proposed 2015 Housing Element. The EIR addendum can be found in Exhibit B of the Planning Commission Staff Report dated October 23, 2014 included in this Council Agenda Report as Attachment 1.

BUDGET/FINANCIAL INFORMATION:

The adoption process for the 2015 Housing Element Update was done with consultant assistance in a contract not to exceed \$20,000. John Douglas, J. H. Douglas & Associates assisted Staff in successfully completing the streamlined process. Mr. Douglas also gave an overview presentation related to updating the housing element at a community workshop which was well received and educational. Implementation of the Housing Element involves existing staff resources and housing funds for many existing programs. However, several new programs proposed in the Housing Element would require additional funding. Budgeting decisions regarding new and continuing housing programs will be made when Council prioritizes and initiates the Housing Element Implementation Programs.

- ATTACHMENT(S):**
1. Planning Commission Staff Report, October 23, 2014
 2. Planning Commission Resolution No. 026-14
 3. Revisions Requested by HCD (Highlighted in Yellow)
 4. HCD Letter, December 24, 2014

The Proposed Final 2015 Housing Element Update has been forwarded to City Councilmembers under separate cover. Copies of the Proposed Final 2015 Housing Element in track changes format and final format are available on the City's website at www.SantaBarbaraCA.gov/HEU

PREPARED BY: Irma Unzueta, Project Planner

SUBMITTED BY: George Buell, Community Development Director

APPROVED BY: City Administrator's Office



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: October 16, 2014
AGENDA DATE: October 23, 2014
PROJECT ADDRESS: Housing Element Update
TO: Planning Commission
FROM: Planning Division, (805) 564-5470, extension 4562
 John Ledbetter, Principal Planner
 Irma Unzueta, Project Planner

I. RECOMMENDATION

That the Planning Commission consider the Draft 2015 Housing Element Update and forward a recommendation to City Council. The Draft Element will be submitted to the State Department of Housing and Community Development (HCD) for their technical 60 day review prior to consideration for adoption by the City Council.

II. DISCUSSION

Due to legislative changes that extended the housing element planning period from five years to eight years, an updated Housing Element covering the 2015-2023 planning period must be adopted by February 2015. Jurisdictions that do not adopt an updated housing element within the specified schedule will be required to prepare future updates every four years.

The existing 2011 Housing Element was certified by HCD in 2012. Much of the information contained in the element remains current and conditions and circumstances have not changed significantly. Therefore, major policy changes are not proposed. The revised element focuses primarily on updating demographics and housing information based on the 2010 Census or more current data, evaluating the progress made in implementing the 2011 Housing Element, assessing regional housing need and governmental constraints on housing development, and establishing an 8-Year Housing Element Work Program.

On May 8, 2014, the Planning Commission initiated a General Plan Amendment to update the Housing Element in compliance with State law. To prepare for today's hearing, Staff and John Douglas, J.H. Douglas & Associates, have updated the necessary sections of the Housing Element in order to meet all statutory requirements of State housing element law.

Streamlined Review

Jurisdictions can request a streamlined review from HCD for this fifth cycle housing element update. (the "fifth cycle" refers to the five required updates that have occurred since the comprehensive revision of housing element law adopted by the State legislature in 1980). This approach is intended to create efficiencies in the preparation of the updated element as well as in HCD's review. The HCD has developed a guide for local governments to follow to ensure their housing element includes all statutory requirements mandated by housing element law.

The Streamlined Update option is afforded only to jurisdictions that meet certain eligibility requirements. If the Streamlined Update approach is used, the draft housing element update need only address changes that have occurred since the prior planning period. HCD will not review areas that have not changed, since their content continues to be sufficient to meet statutory requirements. However, certain areas are required to be newly addressed every planning period. These include, evaluation of the previous housing element, public participation, goals, policies and programs and quantified objectives.

Proposed Revisions to Draft 2015 Housing Element

Below is a brief description of the revisions proposed in the Draft 2015 Housing Element (Exhibit A):

- ***Housing Introduction:*** This section was revised to update dates and housing market information, as appropriate. Additional text was included to address the public participation opportunities since the adoption of the 2011 Housing Element Update.
- ***Evaluation:*** This section evaluates the progress in producing housing units since 2007 as well as implementing the policies and programs identified in the previous Housing Element. The analysis in this section is organized around the five goals of the Housing Element and shows that during 2007-2014, the City made good progress in constructing infill, special needs and mixed-use housing.

The majority of the new housing was constructed in commercial areas of the Downtown and surrounding multi-family residential zones. Approximately 1,612 housing units were produced, including new construction, rehabilitations, and preservation. Amendments to the Municipal Code were also carried out to encourage and facilitate housing opportunities and reduce residential development barriers, such as the Average Unit-Size Density (AUD) Incentive Program, Emergency Shelter Zoning, and Reasonable Accommodations.

- ***Needs Assessment:*** This section contains information related to the City's demographic, household and housing characteristics, and community housing needs. It has been updated to include the most recent data available, including 2010 U.S. Census, American Community Survey (ACS), California Department of Finance (DOF), Santa Barbara County Association of Governments (SBCAG) and other private and non-profit agencies. The Housing Needs Assessment serves as the basis for which the housing goals, policies and programs are developed in order to meet the City's housing needs.
- ***Constraints:*** This section assesses potential constraints on the maintenance, improvement, or development of housing for all income levels, including housing for persons with disabilities or other special needs. It also considers removal of any constraints that impede achieving the jurisdiction's fair share of the regional housing need.

Information was added regarding the AUD Program, which provides density and development standard incentives, thus facilitating the production of additional housing units. The AUD Program also imposes a potential constraint to rental projects as they are now required to undergo Planning Commission review, which can add more time and cost.

In addition, given the current drought condition, information on water availability has been updated to describe how the City is addressing the water supply situation. New information regarding Emergency Shelters as a permitted use in the C-M zone was also included in this section.

- ***Suitable Sites Inventory:*** This section provides an analysis to determine whether the City's existing residential development potential is adequate to meet the projected housing needs as identified in the 2014-2022 Regional Housing Needs Allocation (RHNA) prepared by SBCAG. The analysis and land inventory is intended to identify whether additional governmental action is needed in order to provide enough sites with appropriate zoning, development standards, and infrastructure capacity to accommodate the RHNA.

The City's RHNA share for the current planning period is 4,099 units. The Suitable Sites Inventory section demonstrates that the City has the land and zoning capacity to accommodate approximately 6,741 units, thus meeting the overall RHNA number of 4,099 units. It is important to note that the RHNA is a planning target, not a development quota or mandate. State law recognizes that many factors can affect housing production, such as general economic conditions that are beyond the control of local governments.

- ***Goals, Policies and Implementation:*** This section identifies the goals, policies and implementation actions of the 2015 Housing Element. All goals and policies contained in the existing (2011) Housing Element will be continued in the 2015 Housing Element. Specific implementation actions have been updated in light of the City's accomplishments during the prior planning period, the reduction in funding for housing programs caused by the statewide dissolution of redevelopment agencies in 2012, or other changes (see Appendix E). With the exception of the 12 implementation actions proposed to be deleted, all other implementation actions will be continued from the prior Housing Element (see Appendix G).
- ***Appendix E – Evaluation Table:*** This appendix provides an analysis of the progress made in implementing the 2011 Housing Element, describing the actual results or outcomes of each program (implementation action) quantified where possible. Appendix E identifies the policies and programs to be continued, modified or deleted. Two policies and seven implementation actions are proposed to be modified in order to reflect current conditions or objectives. Twelve implementation actions are proposed to be eliminated for various reasons including completing the objective, no longer appropriate, or unfeasible due to lack of funding resulting from the 2012 statewide dissolution of redevelopment agencies.
- ***Appendix F – Zoning Information and Fees:*** This appendix contains materials related to zoning information and development fees. Several of these materials were updated to reflect changes that have occurred since the 2011 Housing Element was adopted.
 - The *Uses Permitted in Various Zones* handout was updated to reflect Emergency Shelters as a permitted use in the Commercial Manufacturing (C-M) Zone.

- The *Residential Development Standards* Table was updated to include Specific Plan (SP) 8 and 9 and includes a notation that units developed under the AUD Program are allowed increased densities and flexibility in certain development standards.
 - The *Permit Process Timelines* Table for residential development projects requiring only design review was updated to include new text (footnote #9) stating that AUD projects on lots of 15,000 square feet or more require Planning Commission review prior to design review approval.
 - The *City Parking Requirements* Table was updated to include recently adopted parking standards for AUD projects.
 - The *Residential Development Applications and Fees* Table (2010) was replaced with an updated table showing development applications and fees for 2014.
 - The *Inclusionary Housing Ordinance* is still current, therefore revisions were not necessary.
- ***Appendix G – Housing Element 8-Year Work Program:*** This appendix contains a table showing the proposed 2015 Housing Element policies and implementation actions. For each program, the 8-Year Work Program identifies the Objective of the program, the Responsible Agency for implementing the program, the Timeframe to complete the program, and the Funding Source, if needed.
 - ***Appendix H – Land Inventory and Map:*** This appendix contains a parcel-specific inventory of suitable development sites that provide housing opportunities for all income segments of the community. It includes a listing of individual parcels by Assessor Parcel Number, zone, size of parcel, general plan designation, realistic density, existing development, realistic unit capacity, infrastructure capacity and on-site constraints. The inventory estimates the potential development capacity for both residential and non-residential zoned opportunities sites. A City of Santa Barbara Housing Element Inventory Sites Map depicting the general location of the opportunity sites is also included in the appendix.

III. ENVIRONMENTAL REVIEW

The adoption of a Housing Element is subject to review for environmental impacts under the California Quality Act (CEQA). The Housing Element Update establishes goals, policies, and programs to encourage housing needed in the community, but does not approve any development. The proposed 2015 Housing Element retains policies and programs from the 2011 Housing Element with minor modifications.

In December 2011, the City Council certified the Program Environmental Impact Report (EIR) for the *Plan Santa Barbara* General Plan Update, including the 2011 Housing Element. Cumulative citywide environmental impacts associated with the small increment of growth under the General Plan were found to be mitigated for all impacts except traffic congestion impacts, which were deemed acceptable due to overriding considerations of the Plan's benefits.

Pursuant to §15162 of the State CEQA Guidelines, no new EIR is necessary for a project when there is a previously adopted EIR and current project changes involve no new significant impacts or substantially greater impacts than identified in the prior EIR. Guidelines §15164 provides for preparation of an Addendum to the prior EIR to document minor changes to the project or impacts to make the EIR adequate for current activities. The Guidelines provide that an Addendum need not be circulated for public review but is attached to the Final EIR.

An EIR Addendum to the General Plan Program EIR has been prepared for the proposed Housing Element Update that concludes that no new significant impacts would result from the minor policy changes (Exhibit B). The Environmental Analyst has determined that the Program EIR together with the EIR Addendum constitute adequate CEQA review for the proposed 2015 Housing Element.

IV. COMMUNITY WORKSHOP

A Community Workshop will be held on October 22, 2014, in the Faulkner Gallery of the Central Library. The Workshop will include an Open House from 4:30 to 5:30, followed by a PowerPoint presentation regarding the Draft 2015 Housing Element Update and an opportunity to ask questions and provide comments. Input received at the Workshop will be considered for incorporation into the Draft Housing Element Update by the Planning Commission on October 23, 2014.

V. NEXT STEPS

Described below are the next steps and dates to complete the 2015 Housing Element in order to comply with the fifth cycle housing element update statutory schedule:

- | | |
|--|-------------------------------------|
| ▪ Community Workshop | October 22, 2014 (Faulkner Gallery) |
| ▪ Planning Commission | October 23, 2014 |
| ▪ Housing Element Submittal to HCD
(for mandated 60 day review) | November 2014 |
| ▪ City Council Adoption | January 2015 |
| ▪ Submittal to HCD for Certification | February 2015 |

VI. WEBPAGE REFERENCE MATERIALS

The City's webpage dedicated to the 2015 Housing Element Update can be found at www.SantaBarbaraCA.gov/HEU and includes the Draft Housing Element and Appendices as well as the public notice for the Community Workshop and Planning Commission hearing, and proposed schedule for the Draft 2015 Housing Element.

Exhibits:

- A. Draft 2015 Housing Element Update and Appendices E-H (provided under separate cover)
- B. CEQA Addendum to General Plan Program EIR (#2009011031)



City of Santa Barbara California

Exhibit A: The Draft 2015 Housing Element Update and Appendices have been distributed separately on request.

A copy of the Draft 2015 Housing Element Update and Appendices are available online at www.SantaBarbaraCA.gov/HEU.



**ADDENDUM TO
2011 GENERAL PLAN PROGRAM ENVIRONMENTAL IMPACT REPORT
(SCH 2009011031)
FOR THE 2015-2023 HOUSING ELEMENT UPDATE
October 14, 2014**

This Addendum to the certified Program Environmental Impact Report (EIR) for the 2011 General Plan, including the 2011 Housing Element, is prepared in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15164. An Addendum to a previous EIR may be prepared if only minor changes or additions are necessary to make the prior document adequate for the current project, and the changes involve no new significant impacts.

This EIR Addendum documents CEQA environmental impact analysis for the 2015 Housing Element update. The 2015 Housing Element Update would amend the City of Santa Barbara General Plan and replace the existing Housing Element, which was adopted in 2011.

State law requires all jurisdictions in Santa Barbara County to update their housing elements for the 2015-2023 planning period. The 2015 Housing Element includes new demographic and housing needs data, revised analysis of resources and constraints, and updated policies and implementation programs to reflect prior accomplishments and current circumstances. No changes are proposed in land use plans, housing policies, or development regulations that would raise new environmental issues or significant impacts that were not previously analyzed in the 2011 Program EIR certified for the General Plan. The Housing Element update reflects existing land use plans and regulations and would not approve any new development.

EIR ADDENDUM PROCEDURES

This EIR Addendum is prepared in accordance with State CEQA Guidelines Sections 15168 (Program EIR), 15162 (Subsequent EIRs), and 15164 (Addendum to an EIR).

Section 15168 provides that a Program EIR may be prepared on a series of actions characterized as one large project, such as a citywide General Plan update. This allows for a comprehensive consideration of policies and effects, and avoids later duplicative environmental analysis. When subsequent implementing actions are undertaken, the activities may be approved as within the scope of the Plan covered by the Program EIR when no new significant effects would occur. Section 15162 identifies criteria requiring a subsequent EIR when project or implementing actions would involve new significant impacts not identified in the prior Program EIR.

Section 15164 provides that an Addendum to a previous EIR may be prepared to document changes that make the prior EIR adequate for the current project when the changes do not involve new significant impacts or substantial increases in previously identified impacts.

The CEQA Guidelines provide that an EIR Addendum need not be circulated for public review, but is attached to the EIR. The decision-making body (City Council) considers the Addendum together with the certified EIR in making a decision on the project.

PRIOR ENVIRONMENTAL DOCUMENT

The Program Environmental Impact Report (EIR) for the 2011 General Plan update was certified by the Planning Commission in September 2010 and by City Council in December 2011. The General Plan Program EIR evaluated citywide effects on the environment from incremental growth to the year 2030 under General Plan policies and programs. The General Plan contemplates growth by the year 2030 of up to 1.5 million square feet of net additional commercial and other non-residential development and up to 2,800 additional housing units.

Class 1 Impacts

The EIR analysis identified significant traffic and climate change impacts that could not be fully mitigated (Class 1 impacts) from General Plan policies and citywide incremental growth to the year 2030. An increase from 13 to 20-26 roadway intersections at 77% or greater volume-to-capacity ratio was identified. Citywide greenhouse gas emissions were projected as increasing and therefore potentially not meeting State AB 32 emission reduction targets for 2020 and then-undefined SB 375 regional targets.

The EIR also identified that these traffic and climate change impacts could potentially be substantially reduced with implementation of a robust expansion of transportation demand management measures including parking pricing. These mitigation measures were included in the General Plan but City Council found that providing an upfront commitment as to the extent and method and timing of implementation was not feasible. As such, full mitigation credit was not given for the purpose of CEQA impact analysis. In adopting the General Plan, the City Council adopted findings of overriding consideration that the benefits of the Plan outweighed these potential significant impacts, thereby finding these impacts to be acceptable.

An Addendum to the FEIR (6-18-2012) for the City Climate Action Plan documented further analysis of climate change demonstrating that impacts associated with citywide greenhouse gas emissions would be less than significant.

Class 2 Impacts

The EIR analysis identified the following potentially significant impacts that could be mitigated to less than significant levels (Class 2 impacts): air quality (*diesel emissions*); biological resources (*upland and creek/riparian habitats and species*); geological conditions (*sea cliff retreat*); heritage resources (*effects of development on historic resources*); hydrology (*extended range sea level rise*); noise (*transportation noise*); open space (*loss or fragmentation of open space*); public utilities (*solid waste management*); and transportation (*intersections with roadway improvement mitigation; roadway corridor congestion*).

Identified mitigation measures associated with these impacts were incorporated into the General Plan as policies and programs.

Class 3 Impacts

The EIR analysis concluded that with policies and programs already in place, the following other impacts would be less than significant (Class 3 impacts): air quality (*consistency with Clean Air Plan for air quality standards; construction emissions*); biological resources (*grasslands; coastal resources; individual specimen trees*); geological conditions (*seismic, geologic, soil hazards*); hazards (*accident risks, wildfire; hazardous materials*); heritage resources (*archeological and paleontological resources*); hydrology and water quality (*development in floodplains and near creeks; storm water runoff; water quality of creeks, groundwater, coastal and marine water*); noise (*noise guidelines; mixed use nuisance noise; construction noise*); open space and visual resources (*scenic views; community character; lighting*); public services (*police; fire protection; parks and recreation; schools*); public utilities (*water supply, wastewater treatment*); transportation (*reduction in per capita vehicle commute trips - Class 4 beneficial*).

Additional Environmental Analysis

The EIR also included detailed analysis of impacts associated with energy, climate change (both greenhouse gas emissions contributing to climate change, and climate change effects on the City), population and jobs/housing balance, and socioeconomic issues.

CHANGES IN ENVIRONMENTAL CIRCUMSTANCES

No substantial changes in environmental circumstances on the ground have occurred since the December 2011 General Plan adoption and Program EIR certification.

A small amount of development has occurred, mostly redevelopment and small addition projects, with associated incremental changes in the physical environment. Net new development citywide occurring in the period January 2012 through June 2014 is estimated at 369 net additional housing units, and 12,315 net additional square feet of nonresidential development,

The City is currently in the midst of a multi-year drought condition, which was identified in the EIR as a periodically occurring circumstance. Gradual changes to traffic conditions have occurred, as was forecasted in the EIR.

No changes to relevant Federal or State environmental regulations or guidelines have occurred. The Program EIR addressed climate change issues and greenhouse gas generation consistent with State regulations evolving in recent years.

In June 2014, the City updated its traffic impact significance thresholds used in the CEQA environmental review of development projects. The thresholds maintain the same standard for

defining an impacted intersection (intersection volume-to-capacity ratio of more than 0.77 level of service during peak travel times). In recognition of City General Plan land use and traffic management policies, the thresholds were updated to relate significant project impacts to intersections identified in the Program EIR as already impacted or forecasted to become impacted by the year 2030 due to citywide growth under the General Plan. No change to the Program EIR analysis of citywide traffic impacts of the General Plan results from this CEQA threshold change.

The State of California dissolved Redevelopment Agencies, resulting in the loss of some sources of housing development subsidies.

The Regional Housing Needs Assessment (RHNA) adopted by the Santa Barbara County Association of Governments (SBCAG) on August 15, 2013 identifies a total housing need of 11,030 units for Santa Barbara County as a whole and 4,099 units for the City of Santa Barbara during the 2014-2022 projection period. This represents a reduction from the 2008 assessments for 2007-2014 on which the 2011 City Housing Element was based (11,600 units for County and 4,388 units for City). The 2015 Housing Element reflects a reduction in housing need to 4,099 units, based upon the slower pace of forecasted growth due to the effects of the economic recession. This reduced level of growth could result in a corresponding reduction in associated environmental impacts as compared to the assumptions contained in the General Plan EIR, or impacts identified in the EIR could occur over a longer period.

CURRENT PROJECT DESCRIPTION, IMPACTS AND MITIGATION

The General Plan is the primary planning policy document for the City. The Housing Element analyzes current and future housing needs and describes the City's strategies and policies to address those needs. The last update to the Housing Element was adopted in 2011. Senate Bill 375 of 2008 established new requirements for updating Housing Elements on an eight-year cycle concurrent with every other update to the Regional Transportation Plan. The 2015-2023 planning period is referred to as the fifth Housing Element cycle in reference to the five required updates since the comprehensive revision to state housing element law in 1980.

Changes in the 2015 Housing Element

Summarized below are the major components of the 2015 Housing Element along with the proposed changes in each section.

- Evaluation of progress in implementing the prior Housing Element

This section describes the City's progress in implementing the policies and programs described in the 2011 Housing Element, and it supersedes the evaluation contained in the 2011 Housing Element. No changes are proposed in this section that would result in substantial changes to development patterns or environmental impacts analyzed in the previous EIR.

- Housing needs assessment

This section incorporates more recent data from the U.S. Census Bureau and other sources regarding the characteristics of the City's population, households, employment and housing stock. An important component of this section analyzes future housing needs for the 2015-2023 planning period based on the 2013 RHNA adopted by SBCAG (see discussion above). The City's projected housing need has decreased from 4,388 units in the prior planning period to 4,099 units in the 2015-2023 period. No changes are proposed in this section that would result in substantial changes to development patterns or environmental impacts analyzed in the previous EIR.

- Analysis of potential constraints to housing

This section has been updated to reflect changes related to governmental constraints (such as revisions to City zoning regulations adopted after the prior Housing Element was prepared and the availability of infrastructure) and non-governmental constraints (such as the cost of land and construction). No changes are proposed in this section that would result in substantial changes to development patterns or environmental impacts analyzed in the previous EIR.

- Analysis of potential sites for housing development

This section analyzes the capacity for housing development based on a parcel-specific inventory of sites where residential development could occur. The analysis is based on existing General Plan land use policy and zoning regulations. No changes are proposed in this section that would result in substantial changes to development patterns or environmental impacts analyzed in the previous EIR.

- Goals, policies and 8-year work program

This section describes the City's goals and policies related to housing, and presents an 8-year work program to address those goals and policies. No changes to the City's goals are proposed. Many of the policies and programs reflect the City's ongoing commitment to facilitate development of housing for low- and moderate-income persons, and housing for persons with disabilities or other special needs. Refinements to policies and programs are proposed to reflect the reduction in funding resulting from the 2012 statewide dissolution of redevelopment agencies (e.g., discontinuation of some types of housing rehabilitation loans), and the elimination of programs that were completed in the prior planning period (e.g., adoption of emergency shelter regulations, and Average Unit Size Density regulations). No changes to land use plans or regulations are proposed that would result in substantial changes to development patterns or environmental impacts analyzed in the previous EIR.

In summary, the 2015 Housing Element includes updated information related to housing needs, constraints and land resources, as well as minor refinements to policies and programs to reflect completed programs and changed circumstances. Many Housing Element programs are intended to facilitate fair housing and development of housing that is affordable and accessible to persons with disabilities or other special needs. New housing development is anticipated consistent with

current City land use plans and regulations, but at a somewhat slower pace than was assumed in the prior Housing Element due to the lingering effects of the recession and loss of some sources of housing subsidies.

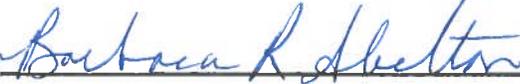
No changes from impact significance classifications identified in the 2011 General Plan Program EIR (i.e., Class 1, 2, or 3 impacts) would result from the updated information, policies and programs contained in the 2015 Housing Element Amendment. No new mitigation measures are required or proposed.

CEQA FINDING

Based on the Addendum review of the 2015 Housing Element, in accordance with State CEQA Guidelines Section 15612, no Subsequent Negative Declaration or Environmental Impact Report is required for the project because the project setting, description, impacts, and mitigations do not involve new significant impacts or a substantial increase in the severity of impacts previously identified in the final General Plan Program EIR.

This Addendum, together with the certified General Plan Program EIR, constitutes adequate environmental documentation in compliance with CEQA for the 2015 Housing Element Amendment.

Prepared by: John Douglas, J. H. Douglas & Associates **Date:** October 14, 2014

Reviewed by  **Date:** October 15, 2014
Barbara Shelton, Environmental Analyst



City of Santa Barbara California

CITY OF SANTA BARBARA PLANNING COMMISSION

RESOLUTION NO. 026-14

CITY-WIDE

RECOMMENDATION TO CITY COUNCIL ON ADOPTION OF 2015 DRAFT HOUSING ELEMENT OCTOBER 23, 2014

DRAFT 2015 HOUSING ELEMENT UPDATE (HEU)

Recent legislative changes extended housing element planning periods from five years to eight years. To comply with this change, the City is required to submit the 2015 Housing Element to the State Department of Housing and Community Development (HCD) for review by February 15, 2015. Because the existing Housing Element was recently certified by HCD in 2012, no policy changes are proposed.

The Draft 2015 Housing Element Update addresses the City's 2015-2023 planning period, and is prepared in compliance with State Housing Element law, including analysis of existing and projected community housing needs and identification of goals, policies and quantified objectives to meet those needs.

The Planning Commission considered the Draft 2015 Housing Element Update, received public comment, and is forwarding a recommendation to the City Council. The Draft 2015 Housing Element will be submitted to HCD for review prior to consideration for adoption by the City Council at a future meeting.

WHEREAS, the Planning Commission has held the required special public hearing on the above application, and Staff was present.

WHEREAS, One person appeared to speak on the update, and the following exhibits were presented for the record:

1. Staff Report with Attachments, October 16, 2014.
2. 2015 Draft Housing Element update and Appendixes, October 2014

NOW, THEREFORE BE IT RESOLVED that the City Planning Commission recommended to City Council:

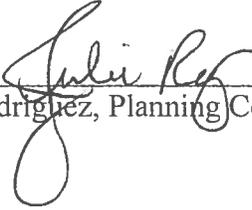
- I. Adoption of the 2015 Revised Housing Element, with staff corrections, and representing the consensus comments of the Commission:
 1. Amend the description of UCSB and City College to include current day population numbers. Include discussion related to foreign language students and their impact (as well as UCSB and SBCC) to rental housing availability and cost. Revise the College and University Housing section to reflect that students "do" rather than "can" impact the rental housing market.
 2. Provide a broader discussion in the middle income section and the importance of middle income units generated through the Average Unit-Size Density Incentive Program (AUD) for the city's overall housing program and include the 8-year, 250-unit test as a constraint.

3. Revise the inclusionary housing implementation action H11.3 to include 'd' as a part of 'a' and add 'temporarily' before 'suspend' in 'd'.
4. Add text to the Housing Element noting the increasing number of single family owner-occupied units being used as vacation rentals and/or second homes as a constraint.
5. Add bullet to Implementation Action H15.1 Secondary Dwelling Unit Ordinance that directs the development of overall guidelines for architectural design compatibility with existing development and neighborhood. Also revise the recommended timeframe in the work program from 6 or more years to 3-5 years.

This motion was passed and adopted on the 23rd day of October, 2014 by the Planning Commission of the City of Santa Barbara, by the following vote:

AYES: 6 NOES: 0 ABSTAIN: 0 ABSENT: 1 (Bartlett)

I hereby certify that this Resolution correctly reflects the action taken by the city of Santa Barbara Planning Commission at its meeting of the above date.



Julie Rodriguez, Planning Commission Secretary



Date

HOUSING ELEMENT

Address	Owner	Affordable Units	Funding Sources	Earliest Exp. Date
1409 Kenwood Rd	City SB Parks	1/Low	CDBG ¹	2015
1018-1028 Castillo St	CHC	32/Low	CDBG, RDA ² , State Def	2015
227-C E De la Guerra St	De La Guerra Court Invest	1/Low	Zoning Mod ³	2016
620-652 Castillo St	HASB	17/Low	CDBG, RDA	2016
910 E Haley St	Sherwin c/o Meridan Group	1/Low	Zoning Mod	2016
1426 Euclid Ave	DeMare Inv.	1/Low	Zoning Mod	2016
401-404 Transfer Ave	HASB	8/Low	RDA	2016
1511 Bath St	Smagala	10/Low	RDA	2016
209 W Cota St	Smagala	6/Low	RDA	2017
222 W Micheltorena St	Smalgala	12/Low	Zoning Mod	2017
811-815 Salsipuedes St	Hawkes	13/Low	RDA	2018
203-201 Hitchcock St	Towbes Group	111/Moderate	Zoning Mod	2018
1215 Cacique St	Wright	5/Low	Zoning Mod	2019
821 Bath St	CHC	12/Low	CDBG, RDA	2019
420 E De la Guerra St	Goldrich, Kest & Assoc	50/Low	HUD ⁴ Regulatory/Option	2018
221-223 W Victoria St	HASB	12/Low	RDA	2020
114 La Paz	William Reed	2/Low	Zoning Mod	2020
1306 Garden St	Lippincott	4/Moderate	Zoning Mod	2021
1910-1912 Robbins St	Rivera	2/Low	Zoning Mod	2021
222 Meigs Rd	Shoreline Development	2/Moderate	Zoning Mod	2022
1104 Carpinteria St	Borgatello	2/Moderate	Zoning Mod	2023
47 Broadmoor	CHC	15/Low	RDA	2023
107 E. Micheltorena St	Phoenix House	11/Low	CDBG	2023
1409 Castillo St	CHC	14/Low	CDBG/RDA	2024
803 Laguna St	Laguna Cottages	44/Low	CDBG/RDA	2025
Total 25 Projects		388		

Source: City of Santa Barbara 2014

¹ CDBG stands for the federal Community Development Block Grant Program.

² RDA stands for the City's Redevelopment Agency Housing Set-Aside funds.

³ Zoning Mod does not stand for any source of funding, but rather for modifications to the City's zoning code that were granted in return for the dedication of affordable housing units.

⁴ HUD stands for the U.S. Department of Housing and Urban Development

As indicated in the Assessment of Conversion Risk section below, nonprofit owners are considerably more likely than for-profit owners to maintain affordable housing units beyond the expiration of affordability controls. ~~Fortunately, most of the at-risk affordable rental units (66 percent) are owned by nonprofit organizations.~~

HOUSING ELEMENT

**Table H-24: Projects With Affordable Ownership Housing At Risk (2015-2025)
City of Santa Barbara**

Address	At Risk Units	Total # Affordable Units	Funding Sources	Earliest Exp. Date
3902-3930 Via Diego/402-432 Via Rosa La Colina Village	31/Moderate	50	Zoning Mod	2015
3558-3578 Modoc Road Arroyo Verde	5/Moderate	13	Zoning Mod	2016
22 N. Voluntario Street Los Suenos	6/Moderate	6	RDA	2016
2001-11 Elise Way Maravillas	2/Moderate	6	RDA	2016
329 W. Ortega Ortega Homes	1/Moderate	3	RDA	2017
1024-1030 Quinientos/2-12 S. Voluntario Campos Feliz	9/Moderate	18	RDA	2018
3708-3773 Gregory Way Franciscan Villas	18/Moderate	46	Zoning Mod	2018
414 W. De la Guerra Street Casa Chula	3/Moderate	5	RDA	2019
915, 917, 919 Bath Street Old Vic	1/Moderate	3	RDA	2019
1310 San Andres Street Canto Arroyo	4/Moderate	5	RDA	2020
820 W. Victoria Street Victoria Town Homes	1/Moderate	1	Zoning Mod	2020
1019 Quinientos Street La Ventura	3/Moderate	10	RDA	2021
2014-2016 Modoc/2041-2051 Oak Ave Oak Creek	1/Moderate	6	RDA	2022
1838 San Andres Street Pinecone	7/Moderate	10	RDA	2022
720 Castillo Street The Commons	1/Moderate	3	RDA	2022
33 Ocean View Pueblo Andaluz	6/Moderate	10	RDA	2023
1920 Robbins Street Robbins Court	4/Moderate	6	Zoning Mod	2023
211 W. Gutierrez Street El Zoco	7/Moderate	16	RDA	2024
831 W. Anapamu Street 7 Oaks	2/Moderate	5	Zoning Mod	2025
Total: 19 Projects	112	222		

Source: City of Santa Barbara 2014

RDA stands for the City's Redevelopment Agency Housing Set-Aside funds.

Zoning Mod does not stand for any source of funding, but rather for modifications to the City's zoning code that were granted in return for the dedication of affordable housing units.

H20.7 Substandard Buildings. Consider implementing a program that would require owners of buildings found by the City's Building and Safety Division to be substandard to assume the financial burden of relocating their tenants to habitable units.

H20.8 Tax Code. Continue to utilize the processes of Sections 17274 and 24436.5 of the *State Revenue and Taxation Code* which prohibits a taxpayer who derives rental income from substandard housing from receiving income tax deductions for interest, taxes, depreciation or amortization paid or incurred with respect to the substandard housing.

H21. **Preserve Affordable Housing.** Maintain the affordability of existing extremely low, very low, low and moderate income dwelling units.

Possible Implementation Actions to be Considered

H21.1 Affordability Covenants. Continue to monitor and preserve affordable housing covenants before they expire.

H21.2 At-Risk Affordable Units. Continue to encourage the Housing Authority and nonprofit organizations to acquire and manage units whose affordability requirements are due to expire.

H21.3 Expiring Affordability. For projects with expiring affordability provisions:

- Make a determination as to whether longer affordability is feasible under existing financing;
- Engage in dialogue with property owners, no later than 12 months prior to the expiration of the recorded affordability covenant, to extend the affordability period. If the affordability period is not extended the City in conjunction with the property owner shall notify the tenants of the impending expiration to ensure proper and timely notification;
- ~~Explore options for refinancing first mortgage bonds;~~
- Examine funding availability for the extension of affordability covenants;
- Explore potential for sale of project to nonprofit or the Housing Authority;
- Require additional affordability as a condition of subordination of an existing City loan against the property.

H21.4 Presidio Park Apartments. Ensure that Presidio Park Apartments remain affordable in the interim between when their Section 8 contract expires ~~(2004)~~ and when the City has option to purchase (2018). ~~Develop~~ Prior to 2018 develop a financial plan to purchase or preferably monetize Presidio Park Apartments and ensure they remain as a long term affordable housing project ~~in 2018~~.

Regional Cooperation and Jobs/Housing Balance Policies

H22. **Work to Solve Regional Jobs/Housing Imbalance.** The City is committed to working with neighboring jurisdictions and the private sector to solve the regional jobs/housing imbalance in a regional manner.

Goal 2: New Housing Development

Policy H10: Given limited remaining land resources, the City shall encourage the development of housing on vacant infill sites and the redevelopment of opportunity sites both in residential zones, and as part of mixed-use development in commercial zones.

Implementation Actions	Work Program
<p>H10.1 <u>Early Project Consultation</u>. Continue to offer and encourage early staff predevelopment consultations for residential development of opportunity sites and mixed use projects.</p>	<p>Objective: Continue efforts to facilitate infill development in residential zones and mixed-use development in commercial zones. Construct 54 units/year.</p>
<p>H10.2 <u>Property Profiles</u>. Continue to offer property profile services in the Planning Division that explain development potential and constraints for parcels in the City. Property profile services generally involve the review of archive, street and planning files, and the preparation of a letter report containing information regarding the property's permit history and development potential.</p>	<p>Responsible Agency: Planning Division Timeframe: Ongoing Funding Sources: General Fund</p>
<p>H10.4 <u>Housing at Shopping Centers</u>. Promote and encourage the development of mixed-use for-ownership and rental housing at shopping centers such as La Cumbre Plaza shopping center, with an emphasis on affordability, by coordinating and/or partnering with property owners and housing developers.</p>	
<p>H10.3 <u>Building Reuse</u>. Encourage residential reuse of existing nonresidential buildings for housing, especially for both ownership and rental affordable housing.</p>	<p>Objective: Amend Municipal Code to include provisions for the re-use of existing buildings for housing opportunities. Responsible Agency: Planning Division Timeframe: 6 or more 1-2 years Funding Sources: General Fund</p>

- b. Amend the payment of in-lieu fees to include the following considerations:
 - Eliminate or reduce inclusionary housing in-lieu fees based on preferred development, such as affordable or special needs housing projects;
 - Adjust the inclusionary housing in-lieu fee rate based on unit size (i.e., lower fees for smaller units); and
- c. Require a Housing Mitigation Fee for commercial development; ~~and.~~
- d. ~~Suspend the inclusionary housing requirements or in-lieu fees during times of economic downturn if development costs are prohibitive.~~

H11.4 Density Standards. Develop density standards that permit greater densities for projects that provide a greater percentage of price-restricted ownership units than required by the inclusionary housing ordinance.

~~H11.8 Opportunity Sites. Assist, coordinate or partner with builders for the development of affordable housing projects by identifying in-fill and opportunity sites in the commercial zones, on public lands and under developed R-2, R-3 and R-4 sites.~~

H11.5 Bonus Density. Continue to provide bonus density units above levels required by State law, to be reviewed on a case-by-case basis.

H11.6 Private Sponsors. Continue to solicit proposals for low-, moderate-, and middle income projects from private sponsors and develop programs to assist in their implementation.

H11.7 Infill Housing. Continue to assist the development of infill housing including financial and management incentives in cooperation with the Housing Authority and private developers to use underutilized and small vacant parcels of land for new

Objective: Explore alternative ways and funding sources to promote housing opportunities, including the production of affordable and workforce housing units.

Responsible Agency: Administration, Housing & Redevelopment Human Services and Planning Divisions

Timeframe: Ongoing with annual review

Funding Sources: General Fund, RDATBD

extremely low, very low, low and moderate income housing opportunities.

H11.8 Opportunity Sites. Assist, coordinate or partner with builders for the development of affordable housing projects by identifying in-fill and opportunity sites in the commercial zones, on public lands and under-developed R-2, R-3 and R-4 sites in the Available Land Inventory of the Housing Element.

H11.9 Sweat Equity Projects. Continue to support special procedures for development, permitting, construction and early occupancy of “sweat equity” projects.

H11.10 Large Rental Units. Encourage the construction of three bedroom and larger rental units for low-, moderate-, and middle income families, including the Housing Authority in efforts to develop and/or acquire three+ bedroom units.

H11.11 Condominium Conversions. Continue to implement the Municipal Code’s Condominium Conversion Ordinance to provide an opportunity for entry-level home ownership in a variety of locations while maintaining a supply of rental housing for extremely low, very low, low and moderate income persons.

H11.19 Parcel Consolidation. Encourage the consolidation of small and underutilized parcels for development of affordable housing, if appropriate based on neighborhood compatibility.

H11.12 Surplus Land. Inventory all land in the City owned by County, State and Federal governments, the Santa Barbara School and High School Districts and public utilities and actively pursue dedication of surplus land for development of low moderate and middle income housing, and for qualifying employees of participating government agencies.

H11.13 Housing Opportunities. Look for housing opportunities on City-owned land or over private and public parking lots.

Objective: Explore alternative ways and funding sources to promote housing opportunities, including the production of affordable and workforce housing units.

Responsible Agency: Administration, Housing & Redevelopment Human Services and Planning Divisions

Timeframe: TBD Ongoing with annual review

Funding Sources: TBD

Policy H18: The City shall monitor housing development and progress toward achieving housing goals.

Implementation Actions	Work Program
<p>H18.1 <u>Adaptive Management Program.</u> Through the Adaptive Management Program, monitor and report annually to the Planning Commission, City Council and public, the number of total and affordable dwelling units (including bonus density units) that are being constructed, and the number of units converted to commercial use or demolished and not replaced.</p>	<p>Objective: Monitor housing production and progress made toward Housing Element goals. Responsible Agency: Planning Division Timeframe: Annually Funding Sources: General Fund</p>

Goal 3: Conservation and Improvement of Existing Housing

Policy H19: The City shall continue to expand its voluntary housing rehabilitation programs, and preserve existing housing in all parts of the City.

Implementation Actions	Work Program
<p>H19.1 <u>Rehabilitation Loans.</u> Continue to provide rehabilitation loans to low and moderate income owner households in neighborhoods displaying the greatest need for rehabilitation.</p>	<p>Objective: <u>Dependent upon funding availability,</u> Continue continue to commit City funds (2 loans/year) to rehabilitate single family and multi-family extremely low, very low, low, and moderate-income units.</p>
<p>H19.2 <u>Outreach Efforts.</u> Increase outreach efforts to encourage homeowners and apartment owners to participate in the City's Housing Rehabilitation Loan Program (HRLP).</p>	<p>Responsible Agency: Housing & Redevelopment, Building & Safety and Planning Divisions</p>
<p>H19.3 <u>Review HRLP.</u> Review and evaluate the objectives of the HRLP for consistency with the 2010 Housing Element goals.</p>	<p>Timeframe: 3-5 years (H19.2, H19.3, H19.5), Ongoing <u>with annual review</u> (H19.1, H19.4, H19.7, H19.8)</p>
<p>H19.4 <u>Low-Interest Loans.</u> Continue to provide low interest rehabilitation loans for housing sponsors to rehabilitate multi-family structures.</p>	<p>Funding Sources: RDA, CDBG <u>program income</u> funds</p>
<p>H19.5 <u>Neighborhood Surveys.</u> Continue to survey neighborhoods that have the highest number and concentration of units in need of rehabilitation.</p>	
<p>H19.7 <u>Remove Architectural Barriers.</u> Continue the City's Home Rehabilitation Loan Program's efforts to remove architectural barriers in the homes of disabled citizens.</p>	

<p>H20.8 <u>Tax Code</u>. Continue to utilize the processes of Sections 17274 and 24436.5 of the State Revenue and Taxation Code which prohibits a taxpayer who derives rental income from substandard housing from receiving income tax deductions for interest, taxes, depreciation or amortization paid or incurred with respect to the substandard housing.</p>	
<p>H20.5 <u>Illegal Dwelling Units</u>. Consider ways to legalize illegal dwelling units in accordance with the requirements of the Zoning Ordinance.</p>	<p>Objective: Complete studies to identify methods and implications of increased enforcement on illegal and substandard housing units.</p>
<p>H20.6 <u>Code Enforcement</u>. Consider intensifying enforcement of the requirements of the Zoning Ordinance, the California Building Code and the Uniform Housing Code only if adequate protection measures and relocation assistance are available for tenants who may be displaced by such enforcement activities.</p>	<p>Responsible Agency: Planning, Building & Safety Divisions and City Attorney's Office</p> <p>Timeframe: <u>TBD 1-2 years</u></p> <p>Funding Sources: TBD</p>
<p>H20.7 <u>Substandard Buildings</u>. Consider implementing a program that would require owners of buildings found by the City's Building and Safety Division to be substandard to assume the financial burden of relocating their tenants to habitable units.</p>	

<p>Policy H21: Maintain the affordability of existing extremely low, very low, low- and moderate-income dwelling units.</p>	
<p>Implementation Actions</p>	<p>Work Program</p>
<p>H21.1 <u>Affordability Covenants</u>. Continue to monitor and preserve affordable housing covenants before they expire.</p>	<p>Objective: Preserve affordable housing through the maintenance of affordability covenants, including requiring longer affordability of units.</p>
<p>H21.2 <u>At-Risk Affordable Units</u>. Continue to encourage the Housing Authority and nonprofit organizations to acquire and manage units whose affordability requirements are due to expire.</p>	<p>Responsible Agency: <u>Administration</u>, Housing & <u>Redevelopment Human Services</u> Division</p> <p>Timeframe: 3-5 years (H21.4), Ongoing <u>with annual review</u> (H21.1, H21.2, H21.3)</p>
<p>H21.3 <u>Expiring Affordability</u>. For projects with expiring affordability provisions:</p> <ul style="list-style-type: none"> ▪ Make a determination as to whether longer affordability is feasible under existing financing; 	<p>Funding Sources: RDA, HOME, CDBG, HCD, <u>Presidio Park Apartment</u> funds</p>

- Engage in dialogue with property owners, no later than 12 months prior to the expiration of the recorded affordability covenant, to extend the affordability period. If the affordability period is not extended the City in conjunction with the property owner shall notify the tenants of the impending expiration to ensure proper and timely notification;
- ~~Explore options for refinancing first mortgage bonds;~~
- Examine funding availability for the extension of affordability covenants;
- Explore potential for sale of project to nonprofit or the Housing Authority;
- Require additional affordability as a condition of subordination of an existing City loan against the property.

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Goal 4: Regional Cooperation & Jobs/Housing Balance

Policy H22: The City is committed to working with neighboring jurisdictions and the private sector to solve the regional jobs/housing imbalance in a regional manner.

Implementation Actions

Work Program

H22.1 Affordable Housing Task Group. Continue to support and participate on the Joint Cities / County Affordable Housing Task Group.

Objective: Continue active participation to address regional affordable housing issues.

Responsible Agency: Planning Division

H22.2 Shared Housing Development. Explore joint housing

Timeframe: Ongoing; 2015 (H22.4)

sites.

H22.10 Regional Coordination on Affordable Housing. Continue to coordinate with other South Coast agencies to identify available land for residential development and consider partnerships between local agencies to develop housing for the South Coast workforce. Inventory and consider publicly-owned sites throughout the South Coast’s urban areas with good transit accessibility for such development.

Policy H23: Develop regional strategies to fund and construct Affordable Housing for different need categories (e.g. senior, young families, disabled, homeless) within existing urban growth limits.

Implementation Actions	Work Program
H23.1 <u>State and Federal Funding.</u> Explore opportunities for joint City/County applications for Federal and State housing assistance programs.	Objective: Continue to participate and encourage inter-jurisdictional housing funding and construction. Responsible Agency: <u>Administration</u> , Housing & <u>Redevelopment Human Services</u> and Planning Divisions
H23.2 <u>Annexations.</u> At the request of the County and community, pursue joint projects, including annexations, similar to the Mercy Housing / St. Vincent’s affordable housing project.	Timeframe: Ongoing <u>with annual review</u> Funding Sources: <u>RDA, TBD</u> , General Fund
H23.4 <u>New Funding Sources.</u> Encourage the community-based Housing Trust Fund and the Trust for Public Lands to work together in efforts to identify new funding sources for affordable housing projects.	
H23.5 <u>Housing Authority Coordination.</u> Encourage the City and County Housing Authorities to work together to purchase sites and/or construct affordable housing.	
H23.3 <u>City Resources.</u> Look for opportunities to use City funding and staffing resource for affordable projects outside the City limits as requested and appropriate.	Objective: Develop new regional strategies to fund and construct affordable housing. Responsible Agency: <u>Administration</u> , Housing & <u>Redevelopment Human Services</u> and Planning Divisions

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT

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December 24, 2014

Ms. Bettie Weiss
City Planner
City of Santa Barbara
630 Garden Street
Santa Barbara, CA 93101

Dear Ms. Weiss:

RE: Santa Barbara's 5th Cycle (2015-2023) Draft Housing Element

Thank you for submitting the City of Santa Barbara's draft housing element update which was received for review on November 6, 2014, along with additional revisions received on December 17, 2014. Pursuant to Government Code (GC) Section 65585(b), the Department is reporting the results of its review. Our review was facilitated by a telephone conversation on December 12, 2014 with Mr. John Ledbetter, Principal Planner; Ms. Irma Unzueta, Project Planner; and John Douglas, City Consultant.

The draft element meets the statutory requirements of State housing element law. This finding was based on, among other reasons, the element demonstrating adequate sites to meet the City's regional housing needs allocation. The draft element with revisions will comply with State housing element law (GC, Article 10.6) when these revisions are adopted and submitted to the Department, in accordance with GC Section 65585(g).

The Department conducted a streamlined review of the draft housing element based on the City's meeting all eligibility criteria detailed in the Department's Housing Element Update Guidance.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. Throughout the housing element process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available and considering and incorporating comments where appropriate.

The Department appreciates the hard work and dedication of Mr. Ledbetter, Ms. Unzueta, and Mr. Douglas, in preparation of the housing element and looks forward to receiving Santa Barbara's adopted housing element. If you have any questions or need additional assistance, please contact James Johnson, of our staff, at (916) 263-7426.

Sincerely,

Glen A. Campora
Assistant Deputy Director



2015 Housing Element Update

City Council Adoption

February 10, 2015



Purpose of Meeting

- ◆ Review Proposed Final 2015 Housing Element Update
- ◆ Adopt Council Resolution
 - Approving the 2015 Housing Element Update
 - Making CEQA Findings



State Law Changes

- ◆ 2008 Legislative Changes
 - Extended planning period to 8 years
 - Synchronized RHNA & RTP process
 - 8-Year planning period: **2015-2023**
 - HEU due date: **February 15, 2015**
 - Noncompliance with due date:
 - Must update every 4 years



Update Schedule

- ◆ HEU Initiation May 08, 2014
- ◆ HEU Workshop Oct. 22, 2014
- ◆ PC Review Oct. 23, 2014
- ◆ HEU Submitted to HCD Nov. 05, 2014
- ◆ HCD Sends Findings Dec. 24, 2014
- ◆ Council Adoption Feb. 10, 2015
- ◆ Adopted HEU to HCD February 2015



Streamlined Review Process

- ◆ Streamlined review process intended to:
 - Assist with HCD review
 - Ensure compliance with State law
 - Reduce number of submittals
- ◆ Must meet eligibility criteria
- ◆ Only revise information that changed since last update



2015 HEU Streamlined Review

- ◆ Previous HEU Certified in 2012
- ◆ Most information still current
- ◆ Revisions focus on:
 - Updating housing/demographic data
 - Evaluating the progress of 2012 HEU
 - Updating the HE Work Program
- ◆ No major policy changes proposed



Proposed Revisions

◆ Introduction:

- Public participation text and table added
- General plan consistency text added

◆ Evaluation:

- Progress in implementing goals & policies
- Housing units produced
- Amendments to municipal code
 - AUD Program Ordinance
 - Emergency Shelter Zoning Ordinance
 - Reasonable Accommodations Ordinance Amendments



Proposed Revisions

◆ Needs Assessment:

- Housing and demographic information updated

◆ Constraints:

- AUD PC review process and incentive info added
- Transitional/supportive housing & emergency shelter information added
- Water availability information updated



Proposed Revisions

◆ Suitable Sites Inventory:

- Number of opportunity sites/potential units updated
- Quantified objectives for 2015-2023 planning period projected

◆ Goals, Policies, Implementation:

- All goals and policies, and majority of implementation actions continued



Proposed Revisions

◆ Appendix E: Evaluation Table

- Results/outcome of each implementation action:
 - 2 policies proposed to be modified
 - 9 implementation actions proposed to be modified
 - 12 implementation actions proposed to be deleted



Proposed Revisions

- ◆ **Appendix F: Zoning Info and Fees**
 - Zoning information and development fees updated
- ◆ **Appendix G: 8-Year Work Program**
 - Timeframes for completion of implementation actions updated
- ◆ **Appendix H: Land Inventory & Map**
 - Parcels developed or within flood zone removed
 - Number of opportunity sites and development potential recalculated



Planning Commission Review

- ◆ PC recommended adoption of HEU with following:
 - Include in Housing Challenges
 - UCSB/SBCC/foreign language school's impact to housing
 - Importance of housing middle-income households
 - Loss of units to vacation rentals
 - Revise H11.3 Inclusionary Housing
 - Revise H15.1 Secondary Dwelling Unit Ord.



HCD Requested Revisions

◆ HCD Revisions

- Revise At-Risk Unit Tables
 - Include affordability levels of units
- Revise Implementation Actions
 - 9 – revise timeframes
 - 1 – revise objective
 - 1 – add text to implementation action



Recommendation

- ◆ Adopt a Resolution
 - Approving the 2015 Housing Element Update
 - Making CEQA Findings related to 2015 Housing Element Update Addendum



2015 Housing Element Update

City Council Adoption

February 10, 2015