



Agenda Item A.3
CONSENT CALENDAR
Meeting Date: September 2, 2025

TO: Mayor and Councilmembers

SUBMITTED BY: Peter T. Imhof, Planning and Environmental Review Director

PREPARED BY: Lucy Graham, Senior Housing Analyst

SUBJECT: Response to 2024-25 Santa Barbara County Grand Jury Report entitled "Santa Barbara County South Coast Housing Crisis: A Call To Action"

RECOMMENDATION:

Review the draft letter of response to the 2024-25 Santa Barbara County Civil Grand Jury report entitled "Santa Barbara County South Coast Housing Crisis: A Call To Action," authorize the Mayor to sign it on behalf of the City, and direct staff to transmit it to the Presiding Judge of the Superior Court and the Grand Jury no later than September 17, 2025.

BACKGROUND:

In the County of Santa Barbara, the Civil Grand Jury is a division of the Superior Court, with the power to investigate government agencies, cities, and districts throughout the county. Civil Grand Juries are authorized to "investigate and report upon the operations, accounts, and records of the officers, departments, functions, and the method or system of performing the duties of any such city or joint powers agency and make such recommendations as it may deem proper and fit" (California Penal Code Section 925(a)). Members of the Grand Jury serve full-time for a period of one year and, by the end of its term, the Civil Grand Jury is required to submit a final report of its findings and recommendations to the presiding judge. Within 90 days after the Grand Jury submits a report regarding the operations of a public agency, the governing body of that agency "shall comment to the presiding judge of the superior court on the findings and recommendations pertaining to matters under the control of the governing body..." (Penal Code Section 933(c)).

DISCUSSION:

The 2024-25 Santa Barbara County Civil Grand Jury issued a report in June 2025 entitled "Santa Barbara County South Coast Housing Crisis: A Call to Action," which it transmitted

to the Goleta City Council by letter dated June 19, 2025 (Attachment 1). The report investigates and details conditions on the South Coast that contribute to an acute need for more housing in the region, particularly affordable housing. The Grand Jury's report makes three findings and eight recommendations applicable to the City of Goleta.

As outlined in the June 19, 2025, transmittal letter, the City of Goleta's governing body must respond to the findings and recommendations of the report within 90 days of receipt or no later than September 17, 2025. Permissible responses to the Grand Jury report's findings are:

- Agree,
- Disagree with an explanation, or
- Disagree partially with an explanation.

For the report recommendations, the possible responses are:

- "Has been implemented" with a summary of the implementation actions taken,
- "Will be implemented" with an implementation schedule,
- "Requires further analysis" with an analysis completion schedule which shall not exceed six months from the report publication date, or
- "Will not be implemented" with an explanation of why.

City staff reviewed the findings and recommendations applicable to Goleta and drafted responses summarized in the following table.

FINDING/RECOMMENDATION	SUMMARY	CITY RESPONSE
<i>Finding 1</i>	<i>Surplus land could be affordable (aff.) housing</i>	<i>Agree</i>
<i>Recommendation 1a</i>	<i>Identify publicly owned land for housing</i>	<i>Has been implemented</i>
<i>Recommendation 1b</i>	<i>Invite developers to partner/build housing</i>	<i>Will not be implemented</i>
<i>Finding 2</i>	<i>Permit process is costly and complicated</i>	<i>Agree</i>
<i>Recommendation 2a</i>	<i>Create affordable housing coordinator</i>	<i>Has been implemented</i>
<i>Recommendation 2b</i>	<i>Prioritize affordable housing projects</i>	<i>Has been implemented</i>
<i>Recommendation 2c</i>	<i>Ministerial review for 75%+ low-income</i>	<i>Has been implemented</i>
<i>Recommendation 2d</i>	<i>Waive/reduce/amortize aff. housing fees</i>	<i>Has been implemented</i>
<i>Finding 3</i>	<i>Insufficient funds to develop aff. housing</i>	<i>Agree</i>
<i>Recommendation 3a</i>	<i>Establish dedicated housing trust fund</i>	<i>Has been implemented</i>
<i>Recommendation 3d</i>	<i>Promote contributions to housing trust fund</i>	<i>Has been implemented</i>

Staff has prepared a draft letter for the Council's consideration with detailed responses to the report's findings and recommendations (see Attachment 2).

FISCAL IMPACTS:

There is no fiscal impact associated with this item other than staff time.

ALTERNATIVES:

The Council could direct staff to make specific revisions to the response letter. The City is required by law to provide its responses to the report to the Presiding Judge of the Superior Court and Civil Grand Jury no later than September 17, 2025.

LEGAL REVIEW BY: Isaac Rosen, City Attorney

APPROVED BY: Robert Nisbet, City Manager

ATTACHMENTS:

1. Transmittal Letter, dated June 19, 2025, and 2024-25 Santa Barbara County Civil Grand Jury Report, entitled "Santa Barbara County South Coast Housing Crisis: A Call to Action"
2. City of Goleta Draft Letter of Response to Santa Barbara County Civil Grand Jury Report

ATTACHMENT 1

Transmittal Letter, dated June 19, 2025, and 2024-25 Santa Barbara County Civil Grand Jury Report, entitled "Santa Barbara County South Coast Housing Crisis: A Call to Action"

County Courthouse
1100 Anacapa Street
Santa Barbara, CA 93101



**Grand Jury
Santa Barbara County**

805 568-2291
sbcgj@sbcourts.org
<http://www.sbcgj.org>

June 19, 2025

City Council of Goleta
Paula Perrotte, Mayor
Stuart Kasdin
Luz Reyes-Martin
James Kyriaco
Jennifer Smith

cc: Robert Nisbet, City Manager

rnisbet@cityofgoleta.org

Dear Members of City Council of Goleta:

On behalf of the 2024-25 Santa Barbara County Grand Jury, I am enclosing a copy of the following report for your review and response:

**SANTA BARBARA COUNTY SOUTH COAST HOUSING CRISIS
A CALL TO ACTION**

The Grand Jury, County Counsel, and Presiding Judge of the Superior Court Patricia Kelly have approved this report. Pertinent sections of the California Penal Code §933 and §933.05 require the following:

- You are receiving this report two working days prior to its release to the public; you shall not disclose this report prior to its public release.
- Each entity or individual named in the report must respond to each relevant Finding and Recommendation in this report, within the specific statutory time limit.
- As a governing body of a public agency subject to the reviewing authority of the Grand Jury, the response time is no later than 90 days following receipt of the report.

➤ Responses to Findings shall be either:

- Agree
- Disagree with an explanation
- Disagree partially with an explanation

➤ Responses to Recommendations shall be one of the following:

- “Has been implemented” with a summary of the implementation action(s) taken
- “Will be implemented” with an implementation schedule
- “Requires Further Analysis” with an analysis completion schedule which shall not exceed six months from the report publication date
- “Will not be implemented” with an explanation of why

➤ You must submit your original response to Presiding Judge of the Superior Court Patricia Kelly at pkelly@sbcourts.org and to the Grand Jury at sbcgj@sbcourts.org.

Once received, your response will be publicly posted on the Grand Jury website at www.sbcgj.org.

I thank you for your attention to this matter, and for your service on behalf of the citizens of Santa Barbara County.

Respectfully yours,

Dale Kunkel

Dale Kunkel
Foreperson
2024-2025 Santa Barbara County Grand Jury

SANTA BARBARA COUNTY SOUTH COAST HOUSING CRISIS

A CALL TO ACTION

SUMMARY

The housing shortage in Santa Barbara County’s South Coast, particularly for low- and moderate-income residents, is reaching crisis levels. This growing concern is now a frequent topic at public hearings, advocacy meetings, and in news reports.

The root of the problem is a lack of new housing development for many years. The situation has been made worse by the rise in short-term rentals and an increasing number of second or third homes left vacant for much of the year. While the County has met its obligation under the California Regional Housing Needs Allocation (RHNA) to plan for increased housing supply, there are serious barriers to building this housing, particularly affordable and workforce housing.

Numerous barriers continue to stand in the way of actual construction. These include high land and labor costs, development fees, restrictive zoning, and neighborhood opposition (commonly known as “Not In My Back Yard” or NIMBY). Complex regulations further delay or block projects. The many federal and state programs that offer subsidies for affordable housing are underfunded, oversubscribed, and beset with confusing rules and deadlines. Recent shifts in federal policy have cast uncertainty on the future of these programs.

Although RHNA only mandates planning, not building, housing, the County and cities do have tools to directly facilitate construction. These include expanding ministerial approvals, using objective design standards for accessory dwelling units (ADUs), revising restrictive codes, and rezoning land specifically for affordable and workforce housing.

The 2024-25 Santa Barbara County Grand Jury (Jury) observed that our local governments on the South Coast, local non-profit organizations, many developers, and some employers are striving to create more housing, but much more needs to be done. To truly address the South County’s housing needs and meet RHNA goals, local agencies must go beyond planning. They must commit meaningful resources to the actual development of this needed housing.

BACKGROUND

The South Coast of Santa Barbara County is known for its beauty, climate, and geography. Residents have long sought to preserve this unique character, often by supporting regulations that slow housing development. However, due to increasing population and workforce growth, the

region now faces a severe housing shortage, especially for low- and moderate-income families. Currently, more than 65 percent of local workers cannot afford to live in the area and are forced to commute long distances to work. As of March 25, 2025, the City of Santa Barbara Housing Authority (HASB) had 7,732 households on its Section 8 (see Glossary) waitlist. On that date, HASB announced it would pause new voucher issuances due to uncertainty over federal housing funding.

The California State Legislature has long recognized the need for more affordable housing, passing numerous laws over decades to support local governments, agencies, and developers. The State Legislature continues to introduce more legislation aimed at producing more affordable housing.¹

Since 1969, California’s Department of Housing and Community Development (HCD) has required local governments to plan for the housing needs of all income levels through California’s Housing Element Law. This planning is guided by the Regional Housing Needs Allocation (RHNA), which assigns housing targets to each region every eight years across six income categories based on the Area Median Income (AMI). In 2024, the AMI for Santa Barbara County was \$119,100.

The Santa Barbara County Association of Governments (SBCAG) reviews state-assigned housing targets and distributes them among cities and unincorporated areas (see Additional Resources). Each jurisdiction must then adopt a Housing Element in its General Plan to meet these targets.

Previously, housing targets were weighted toward North County due to greater land availability. However, the current cycle shifts the focus to the South Coast, where housing needs are most acute. The South Coast now bears approximately 60% of the County’s total RHNA allocation of 24,856 units. The allocation of units for the South Coast is shown in Table 1. Accordingly, the Jury has focused its attention on the South Coast.

Table 1: Current Santa Barbara County RHNA Allocation					
South Coast Jurisdiction	RHNA Allocation	Allocation by Income Level			
		Very Low	Low	Moderate	Above Moderate
Carpinteria	901	286	132	135	348
Santa Barbara	8,001	2,147	1,381	1,441	3,032
Goleta	1,837	682	324	370	461
Unincorporated	4,142	809	957	1,051	1,325

¹ Buffy Wicks, “California Legislature Releases Sweeping Bill Package to Fast Track Housing Production,” press release, March 27, 2025. <https://a14.asmdc.org/press-releases/20250327-california-legislature-releases-sweeping-bill-package-fast-track-housing>

Historically, Santa Barbara County has failed to meet its RHNA targets in terms of actual construction, largely due to overly optimistic planning and local resistance to housing development.

In the current RHNA cycle (2023–2031), the State has imposed significantly higher housing targets and enacted stricter laws with real penalties for missing deadlines for Housing Element adoption. This includes stronger enforcement tools, such as AB 1893 (2024) (Builder’s Remedy, see Glossary), for jurisdictions that missed their Housing Element deadlines.

Progress to Date by Local Jurisdiction for the South Coast Housing Element

All the jurisdictions on the South Coast missed the initial deadlines for obtaining State approvals for their completed Housing Element plans but were spurred into action when developers threatened to invoke Builder's Remedy exemptions on pending or proposed projects. As of March 2025, all Housing Elements in the County have been approved by the State and have been incorporated into each jurisdiction's respective General Plan. These are readily available on the County and city websites (see Additional Resources).

All jurisdictions on the South Coast have prudently identified additional sites to exceed the RHNA requirements by 10 to 15 percent to avoid falling short should any sites become unavailable for development by 2031. The County and cities are only required to identify suitable sites and are not directly responsible for actually building housing. They are, however, required to make it as easy as possible for developers to be able to build housing in the various categories needed. As detailed in the documents listed in the Additional Resources section of this report, each Housing Element includes a variation of the following key goals, each of which is expanded into specific implementation plans and programs:

- Process improvements
- Changes to existing design standards
- Relaxation of existing regulations
- Funding
- Fee structures
- Public and private development partnerships

METHODOLOGY

The Jury reviewed documents and conducted interviews to investigate the reasons behind the housing shortage on the South Coast. The Jury focused on affordable housing because the availability of market rate housing does not present a significant problem. Data on affordable housing was analyzed based on the RHNA definitions. The Jury’s methods of investigation included:

- Interviews with city (Santa Barbara, Goleta, and Carpinteria) and County staff and housing providers
- Interviews with Santa Barbara County Association of Governments (SBCAG) staff
- Attendance at County Board of Supervisors meetings and city council meetings
- Review of California housing laws
- Review and analysis of the County's and South Coast cities' General Plans and Housing Elements for the 2023-31 cycle
- Review of the County's and South Coast cities' ordinances and resolutions related to affordable housing
- Review and analysis of affordable housing agreements between developers and the County
- Examination of building permit applications, approved projects under development, news media coverage, and public hearings

DISCUSSION

The Jury reviewed the Housing Elements of the County and cities on the South Coast and found there is a critical need for housing for people who cannot afford market-rate housing. Therefore, the Jury decided to focus on the obstacles to affordable housing development and potential solutions.

Housing Developments in Progress

Several housing projects with 100 percent affordable units have been launched by non-profit organizations, such as People's Self-Help Housing, and public agencies, such as HASB and the Housing Authority of Santa Barbara County (HASBARCO). Some projects have been completed (e.g., a 60-unit project in Goleta), others are under construction, and many are still in the planning phase. Some private developments incorporate inclusionary housing requirements where a proportion of units must be affordable, although terms vary and are often negotiated between developers and local governments. Accessory Dwelling Units (ADUs) and Junior ADUs (JADUs) are also being built under streamlined state laws, such as ministerial approvals using objective design standards (see Glossary), although only about 65 percent are expected to qualify as affordable.

For example, in the City of Santa Barbara over a thousand ADUs have either been completed or are under development. Local employers such as Yardi Systems, Inc., the Rosewood Miramar Hotel, the Santa Barbara Cemetery Association, Cottage Health, and others have also begun sponsoring affordable housing projects for their employees.

In addition, the County, cities, and public agencies have identified and started to develop housing projects on land that they do not anticipate using. Some examples include:

- The City of Santa Barbara is working with HASB to develop workforce housing on a vacant lot and has designated the current site of the Santa Barbara Police Department for future housing
- The Santa Barbara Unified School District has leased two parcels of land to HASBARCO to build affordable housing
- The Santa Barbara Metropolitan Transit District (MTD) has reached an agreement with a private developer to build transit-oriented, multi-family rental housing, which will include 15% affordable units, on MTD's vacant property

While the County and some of the municipalities have included a few parcels of publicly owned land in the Housing Element, there is more land owned by them and other public agencies that could be identified and repurposed for affordable and workforce housing. Utilizing these publicly owned lands would help to foster public-private partnerships since the cost of land will become less of an obstacle to building affordable and workforce housing.

Obstacles to Development

South Coast residents have historically supported land use policies that preserved neighborhood character, which has unintentionally contributed to severe housing shortages. Costly development fees, community opposition, labor costs, land acquisition costs, and prolonged development entitlement processes (see Glossary) further stall progress. Though some employers and school districts are leveraging their land for housing, such efforts are infrequent.

1. Funding Limitations

Affordable housing depends on a complex mix of federal, state, and private funds. Each of these funding sources has its own criteria and timelines. The availability of federal and state funding for affordable housing construction is predicated on meeting strict eligibility requirements and tight timing windows. The complexity of this process requires successful participants in these programs to have experienced and dedicated staff or consultants to navigate the process. The State of California produces a Notice of Funding Availability (NOFA) calendar² to assist those who want to use grant or credit programs to build more affordable housing. The complexity of this chart reflects the complexity of this funding process.

Typically, these sources are oversubscribed and subject to unexpected rule changes. For example, current uncertainties about federal funding have caused the Housing Authority of the City of Santa Barbara to cease issuing the Section 8 vouchers. Developers often factor the availability of these vouchers into decisions about whether to include affordable units.

Even though some cities have implemented creative financing mechanisms and public-private partnerships, these efforts have not kept pace with the rising need for affordable housing.

² See the HCD's website for the latest NOFA calendar: <https://www.hcd.ca.gov/grants-and-funding/nofa-calendar>

The County of Santa Barbara and the City of Santa Barbara have both established housing trust funds certified as Community Development Financial Institutions (CDFI, see Glossary). These funds are intended to supplement the development of affordable housing projects. The County has deposited fees collected from developers into their fund. In addition to depositing developer fees, the City of Santa Barbara has also transferred some resources into their fund from their contingency reserves.

On June 10, 2025, the City of Santa Barbara budgeted \$3.5 million to be added to their housing trust fund to fund affordable housing over the next two years; the Jury applauds this action, but believes that much more needs to be done given the pent-up demand for affordable housing in the City. Recent experience has shown that one unit of affordable housing may cost as much as one million dollars to build in the City of Santa Barbara.

Both the City of Santa Barbara and the County need to access other sources to increase the impact of these funds. For example, the County of Ventura actively promotes its housing trust fund and advertises for contributions from the philanthropic community.

Neither the City of Goleta nor the City of Carpinteria have established CDFI-certified housing trust funds to date.

2. Regulatory and Legal Complexity

Streamlined approval processes are now in place for affordable housing and ADUs, but many projects still face delays due to overlapping agency jurisdictions (e.g., Coastal Commission), siloed city and county permitting and approval processes, appeals, lawsuits, and neighborhood objections. These barriers disproportionately affect affordable housing projects, which are unable to absorb high carrying costs during such delays.

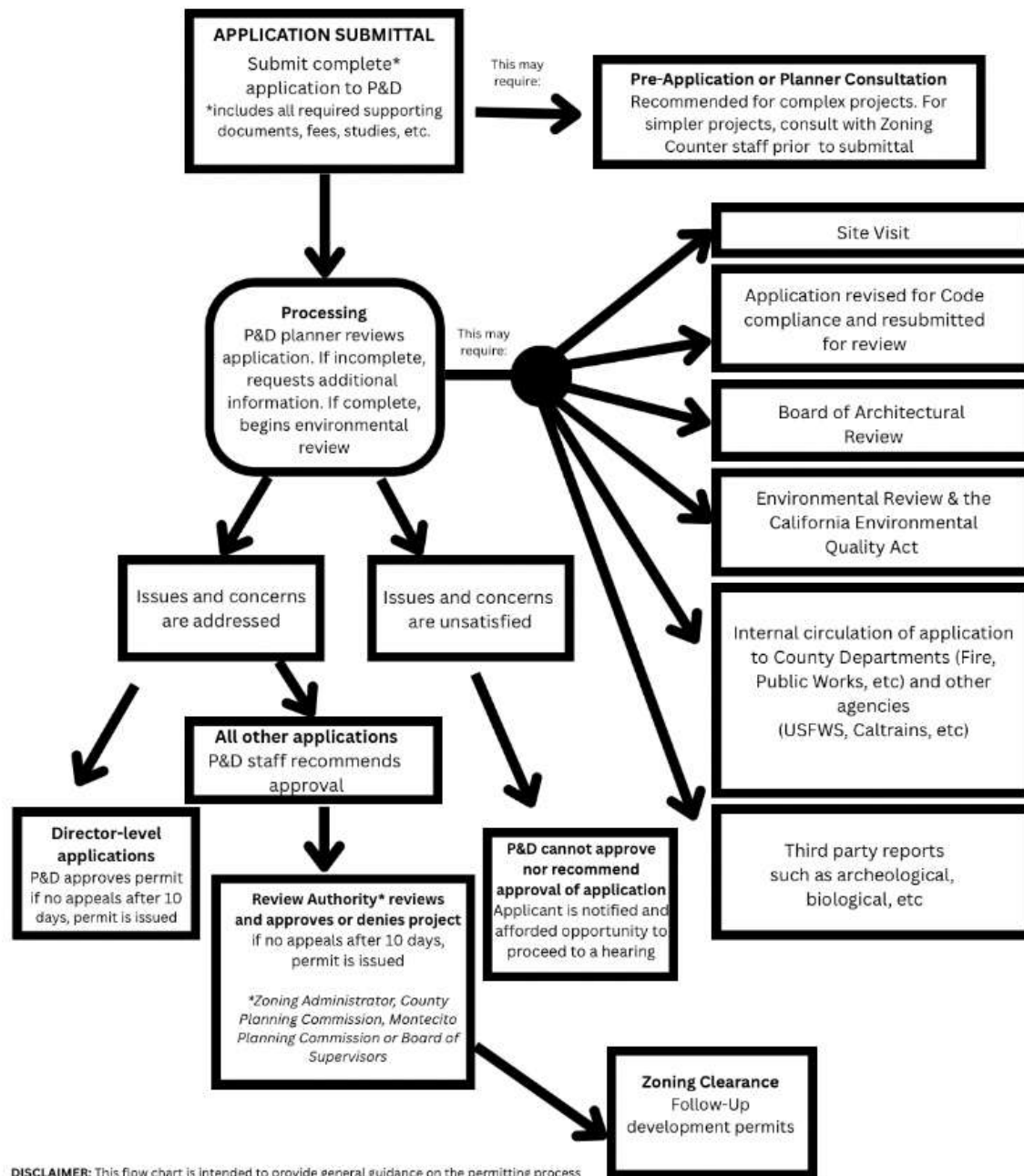
Within this system, there is no single individual tasked with assisting developers of affordable housing to navigate this complex process and to deal with multiple regulatory agencies. Figure 1 (below) illustrates the planning permit process in Santa Barbara County.

3. Development Costs

Government fees, prevailing wage requirements, interest on loans, and prices of land and material all drive up costs for affordable housing. Any uncertainty in the development process, such as appeals, litigation, and unexpected delays in approvals, can add to project costs.

Deed restrictions and rent caps required by inclusionary housing mandates often discourage developers from proceeding with below market rate housing projects.

Figure 1



Source: County of Santa Barbara Planning and Development Department

Strategic Solutions

The current housing crisis has created a flurry of activity at the state and local levels. Every day, new measures are taken: bills are proposed in the legislature; ordinances are drafted at the local levels; and solutions are proposed in the media. The Jury recognizes all these efforts and hopes that some of the solutions will be realized.

All of the governments in the South Coast are working diligently on these problems, and the Jury applauds their efforts. However, to make significant numbers of housing units available, the region must adopt a more unified, forward-thinking approach. All aspects of the development process, from application to completion of construction and occupancy, must work seamlessly together and all the involved agencies must collaborate to help the developer navigate the steps involved in an expeditious manner. The County and municipalities on the South Coast could consider taking measures such as those listed below:

A. Modernize Local Ordinances

- Update zoning, design standards, and utility requirements for density and affordability
- Ensure alignment with state mandates to avoid development delays and legal vulnerability

B. Streamline Approval Processes

- Shift to parallel permitting processes across jurisdictions
- Increase use of ministerial approvals for qualifying projects
- Establish a mechanism for parallel processing across jurisdictions, both municipal and separate agencies, from whom developers must obtain approvals
- Specify guidelines that will allow developers to qualify for exemptions from some requirements of the review process if project criteria are met up front
- Provide navigation assistance to allow developers to move expeditiously through the approvals required from various agencies

C. Expand and Stabilize Funding

- Develop and promote housing trust funds to leverage the benefits of Community Development Financial Institutions and philanthropic partnerships
- Reinvest market-rate development fees into affordable housing

D. Utilize Public and Surplus Land

- Inventory land owned by cities, school districts, and special districts and repurpose any that is surplus to their operational requirements
- Prioritize high-opportunity areas near jobs and transit

E. Community Engagement and Public Outreach

- Continue community forums used during the Housing Element update
- Publicly track and share development milestones
- Promote understanding of housing's role in community resilience

CONCLUSION

The affordable housing crisis on the South Coast remains a complex and urgent challenge, shaped by high land costs, state and local regulatory hurdles, and limited financial resources. The development process is often slow and fragmented, and affordable housing projects face competition for limited funding.

Although the jurisdictions on the South Coast will meet the RHNA goals that require identification of suitable building sites, it is unlikely that the target of increasing the inventory of affordable and moderate-income housing on the South Coast will be realized by 2031.

Ultimately, providing needed housing on the Santa Barbara South Coast will require sustained collaboration among local governments, developers, community stakeholders, and the broader public to build a more inclusive, affordable, and resilient housing landscape.

FINDINGS AND RECOMMENDATIONS

Finding 1: Santa Barbara County and the cities of Santa Barbara, Goleta, and Carpinteria own land that is surplus to their operational requirements, some of which could be used for affordable housing.

Recommendation 1a: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria identify publicly owned properties within their jurisdiction that could be utilized for affordable housing.

Recommendation 1b: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria invite public and private developers to work with them to build affordable housing on the publicly owned land identified as available.

Finding 2: The process for issuance of a permit for affordable housing development projects in the County and the cities of Santa Barbara, Goleta and Carpinteria is costly, time consuming, and complicated.

Recommendation 2a: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria each create a position to be staffed by a qualified person who can coordinate and facilitate the application and approval processes for affordable housing projects, with the authority to bring together all interested parties to arrive at an expeditious resolution of any issue.

Recommendation 2b: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria review their processes for development approvals to prioritize affordable housing projects.

Recommendation 2c: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria apply the ministerial approval process to all development projects comprising seventy five percent or more of low-income housing.

Recommendation 2d: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria conduct a review of all development and impact fees and find ways to waive, reduce or amortize fees for affordable housing projects.

Finding 3: There are insufficient funds available to develop needed affordable housing.

Recommendation 3a: The Grand Jury recommends that the City Councils of Goleta and Carpinteria establish dedicated housing trust funds, certified as Community Development Financial Institutions, to facilitate the building of affordable housing.

Recommendation 3b: The Grand Jury recommends that the Santa Barbara County Board of Supervisors increase funding to the Housing Trust Fund of Santa Barbara County to facilitate the building of affordable housing.

Recommendation 3c: The Grand Jury recommends that the Santa Barbara City Council further increase funding to the City of Santa Barbara Local Housing Trust Fund to facilitate the building of affordable housing.

Recommendation 3d: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and the City Councils of Santa Barbara, Goleta and Carpinteria promote contributions to their housing trust funds by other non-governmental organizations, the philanthropic community, and the public.

REQUIREMENTS FOR RESPONSES

Pursuant to California Penal Code §933 and §933.05, the Grand Jury requests each entity or individual named below to respond to the findings and recommendations within the specified statutory time limit.

Responses to Findings shall be either:

- Agree
- Disagree with an explanation
- Disagree partially with an explanation

Responses to Recommendations shall be one of the following:

- Has been implemented, with a summary of the implementation actions taken
- Will be implemented, with an implementation schedule
- Requires further analysis, with an analysis completion date of fewer than 6 months after the issuance of the report
- It will not be implemented with an explanation of why

Santa Barbara County Board of Supervisors – 90 Days

Findings 1, 2, 3

Recommendations 1a, 1b, 2a, 2b, 2c, 2d, 3b, 3d

City of Santa Barbara – 90 Days

Findings 1, 2, 3

Recommendations 1a, 1b, 2a, 2b, 2c, 2d, 3c, 3d

City of Goleta – 90 Days

Findings 1, 2, 3

Recommendations 1a, 1b, 2a, 2b, 2c, 2d, 3a, 3d

City of Carpinteria – 90 Days

Findings 1, 2, 3

Recommendations 1a, 1b, 2a, 2b, 2c, 2d, 3a, 3d

GLOSSARY

AB (Assembly Bill): A bill introduced in the California State Assembly (e.g., AB 1893).

ADU (Accessory Dwelling Unit): A secondary housing unit on a property, such as a converted garage or standalone structure.

Affordable Housing: Affordable housing refers to housing that is priced on the basis of ability to pay and not on the market rate of a housing unit. If the total housing expense of a family remains at or below 30% of their gross household income, then the housing unit is considered affordable.

Area Median Income (AMI): The income value at which an equal number of families earn more, and an equal number of families earn less. The AMI value is derived from census data and is determined annually by the US Department of Housing and Urban Development (HUD) and is specific to an area. Thus, the AMI on the South Coast of Santa Barbara varies for each city and for the unincorporated of the County and is defined in their respective Housing Elements.

Builder's Remedy: A legal provision in California that allows developers to bypass local zoning restrictions when cities or counties fail to comply with the Housing Element Law. The Builder's Remedy can be invoked when a city or county fails to obtain state approval for its Housing Element by the State's deadline either because it has not been submitted in time or because the Housing Element proposals do not meet the State's requirements. Under such circumstances, developers can propose housing projects that do not conform to local zoning regulations if at least 20% of the units are designated as affordable housing, or 100% are moderate-income housing. The city or county cannot reject these projects based on some zoning or General Plan inconsistencies.

CDFI (Community Development Financial Institution): A non-profit financial institution that supports affordable housing and economic development. The federal CDFI Fund was created to help certified CDFIs generate economic growth and opportunity. It provides funding, resources, and technical assistance to help local financial institutions take a market-driven approach to support the economic needs of a community. By being a certified CDFI, a housing trust fund is eligible to receive funding and other assistance from the CDFI fund to build affordable housing.

Development Entitlement Process: The entitlement process is a critical phase in real estate development, involving the legal and regulatory approval required to proceed with a development project to ensure compliance with zoning laws, building codes, and other regulations. Steps in the entitlement process include zoning approval, land use permits, environmental impact assessments, site plan approval, public hearings, and permits. Such approvals are necessary to ensure legal compliance, to manage legal and environmental risks, to obtain community support, and to confirm project feasibility.

HASB (Housing Authority of the City of Santa Barbara): The agency responsible for managing affordable housing programs in the City of Santa Barbara.

HASBARCO (Housing Authority of Santa Barbara County): The public agency focused on affordable housing development and management in Santa Barbara County, excluding the City of Santa Barbara.

HCD (California Department of Housing and Community Development): The agency tasked with developing housing policy and administering funding and development programs in the State of California.

Housing Element: The component within local government's General Plans that meets the state requirement that all cities and counties in California adequately plan to meet the housing needs of everyone in their communities at all income levels.

HUD (U.S. Department of Housing and Urban Development): The federal agency responsible for housing policy and programs.

Inclusionary Housing: To be considered inclusionary, a housing development is required to have a certain percentage of affordable housing units (typically five to 20 percent) to be included when market-rate housing is being built.

JADU (Junior Accessory Dwelling Unit): A smaller unit within the primary home, usually repurposed from existing space.

Ministerial Approval: Ministerial approval is a faster and less complex approval process compared to discretionary review, which involves public hearings and more subjective judgment.

NIMBY (Not in My Backyard): A term describing opposition to development projects, especially housing.

Notice of Funding Availability (NOFA): A NOFA or Notice of Funding Opportunity (NOFO) is a document that announces a funding opportunity for grants. NOFAs can be used to announce funding opportunities for various housing-related programs, such as HUD's housing counseling programs, Community Development Financial Institution programs (CDFI), and programs for rural housing.

Objective design standards: Projects seeking ministerial approval must demonstrate compliance with clear, objective standards and regulations, often outlined in zoning ordinances or specific codes.

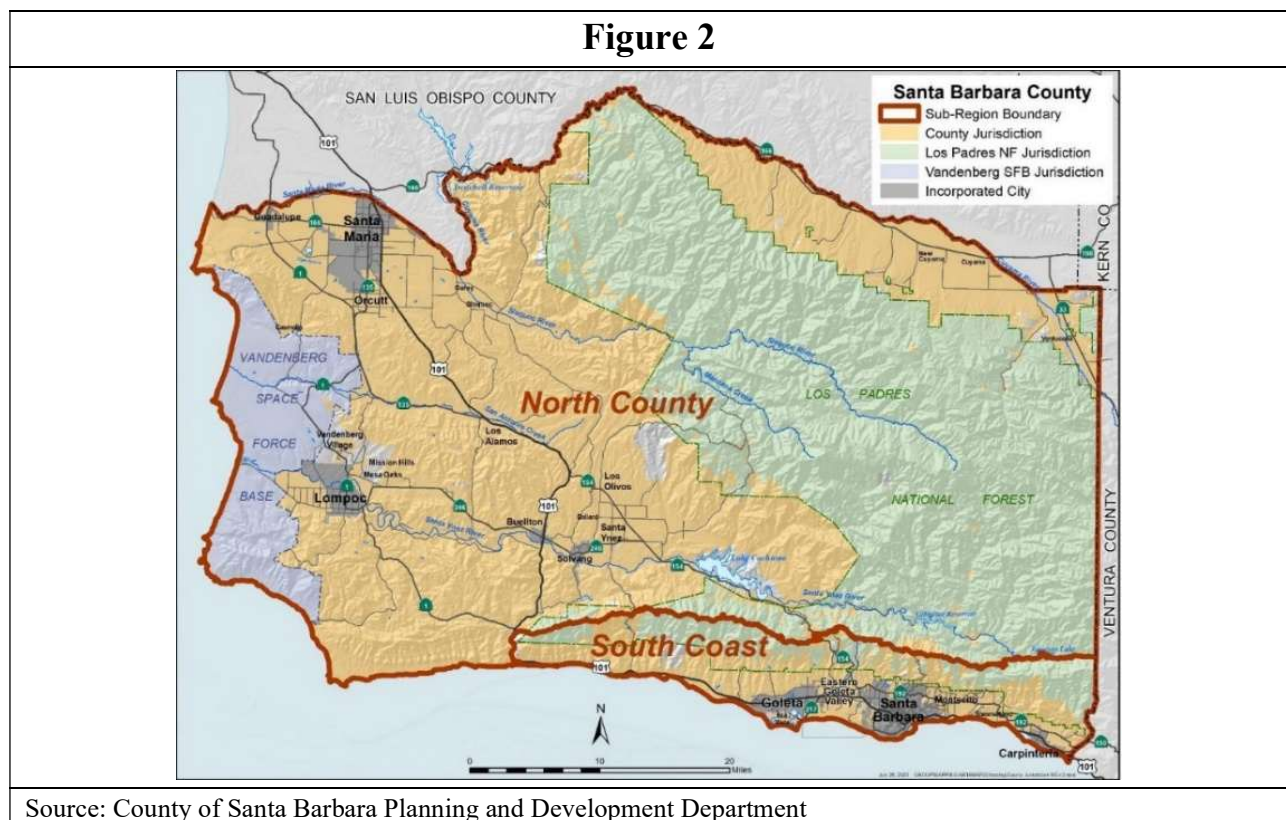
RHNA (Regional Housing Needs Allocation): A state-mandated process that assigns housing development targets to cities and counties based on projected needs.

SBCAG (Santa Barbara County Association of Governments): A regional, independent public agency that coordinates transportation and housing planning among Santa Barbara County and all eight incorporated cities in the County.

SB (Senate Bill): A bill introduced in the California State Senate (e.g., SB 35).

Section 8 – now called Housing Choice Program: This is the federal government’s largest program for assisting low-income families, the elderly, and the disabled in being able to afford decent, safe, and sanitary housing in the private market. A housing subsidy is paid by an authorized housing authority to the landlord on behalf of a participating family. The family pays rent based on their income, and the housing authority pays the difference between that amount and the market rent.

South Coast: The South Coast of Santa Barbara County is defined by SBCAG in their Regional Housing Needs Allocation Plan, July 15th, 2021, as follows: “For purposes of the RHNA methodology, the County is divided into two subregions, referred to as the South Coast and North County Housing Market Areas, and further divided into the incorporated cities and unincorporated areas contained within these two subregions.” See Figure 2.



The South Coast Housing Market Area includes the cities of Carpinteria, Santa Barbara, and Goleta, as well as unincorporated Montecito, Summerland, Toro Canyon, Mission Canyon, Eastern Goleta Valley, Isla Vista, Hope Ranch, UCSB, and Gaviota.

Workforce Housing: For purposes of this report, workforce housing refers to housing that is needed for households who do not qualify for affordable housing because their income exceeds the AMI for moderate income in any city or County area on the South Coast, but cannot afford market rates for housing for rent or sale. A large number of the workers employed by public and private employers fall within this category.

ADDITIONAL RESOURCES

Housing Elements for the 2023-2031 Cycle:

1. City of Santa Barbara:
<https://santabarbaraca.gov/HousingElement>
2. City of Goleta:
cityofgoleta.org/home/showpublisheddocument/29869/638375666841470000
3. City of Carpinteria:
<https://carpinteriaca.gov/city-hall/community-development/planning/housing-element-update/>
4. County of Santa Barbara:
<https://www.countyofsb.org/3177/Housing-Element-Update>

Housing Element Annual Progress Reports for 2024:

1. City of Santa Barbara Housing Element Annual Progress Report, 2024:
<https://santabarbaraca.gov/sites/default/files/2025-03/HE%20APR%20SantaBarbara2024.pdf>
2. City of Goleta Housing Element Annual Progress Report, 2024:
<https://www.cityofgoleta.org/home/showpublisheddocument/31599/638785768381830000>
3. City of Carpinteria Housing Element Annual Progress Report, 2024:
<https://carpinteriaca.gov/wp-content/uploads/2025/05/2024-HE-APR-Staff-Report-with-Attachments-3-10-2025.pdf>
4. County of Santa Barbara Housing Element Annual Progress Report, 2024:
<https://content.civicplus.com/api/assets/1aa7eb3e-858e-450a-82fb-549760e6fee8>

ATTACHMENT 2

City of Goleta Draft Letter of Response to
Santa Barbara County Civil Grand Jury Report



September 5, 2025

CITY COUNCIL

Paula Perotte
Mayor

Stuart Kasdin
*Mayor Pro Tempore
District 4*

Luz Reyes-Martín
*Councilmember
District 1*

James Kyriaco
*Councilmember
District 2*

Jennifer Smith
*Councilmember
District 3*

CITY MANAGER

Robert Nisbet

The Honorable Judge Patricia Kelly
Superior Court
312-C East Cook Street
Santa Maria, CA 93454
PKelly@sbcourts.org

RE: Response to Grand Jury Report "Santa Barbara County South Coast Housing Crisis - A Call to Action"

Dear Judge Kelly:

On June 19, 2025, the Santa Barbara County Civil Grand Jury submitted a report on affordable housing on the South Coast of Santa Barbara County for review and response. The report is entitled "Santa Barbara County South Coast Housing Crisis - A Call to Action." As an affected jurisdiction, Goleta is required to provide a response to the related findings and recommendations. In accordance with Penal Code Section 933(c), this response letter is transmitted before the 90-day response deadline on September 17, 2025.

The Grand Jury Report directs Goleta to respond to Findings 1-3 and Recommendations 1a, 1b, 2a-2d, 3a, and 3d. The City's responses are enclosed.

Sincerely,

Paula Perotte
Mayor

Enclosure

cc: Robert Nisbet, City Manager
2024-2025 Civil Grand Jury, sbcgj@sbcourts.org

City of Goleta Response to Grand Jury Report “Santa Barbara County South Coast Housing Crisis - A Call to Action” Findings and Recommendations

Finding 1: Santa Barbara County and the cities of Santa Barbara, Goleta, and Carpinteria own land that is surplus to their operational requirements, some of which could be used for affordable housing.

Agree. Although the City does not have “surplus land” designated, as that term is defined in Government Code (G.C.) Sections 54220-54234, and the City has not formally declared any surplus lands under HCD Guidelines/State law, there are two City-owned properties under review for consideration for which housing may be the highest and best use, as discussed further below.

Recommendation 1a: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria identify publicly owned properties within their jurisdiction that could be utilized for affordable housing.

Has been implemented. The City owns numerous properties within the City limits, most of which are already dedicated to public uses or City operations and thus which are not surplus to the City’s “operational requirements.” The City has identified the following two City-owned properties not already dedicated to other specific public uses, that could possibly be used for affordable housing:

1. The undeveloped, 2.43-acre property (known as the “Triangle Property”) located between Los Carneros Road and Los Carneros Way immediately north of Goleta City Hall at 130 Cremona Drive in Goleta. This property is currently designated General Commercial and zoned CG under the City’s General Plan. The City originally purchased this property for a City Hall with a small supporting commercial component and completed G.C. Section 65402 review and a Mitigated Negative Declaration environmental review document. The City’s 2025-27 Strategic Plan includes an objective to “[e]xplore and analyze the best use of the triangle property...in the short term and in the long term.”
2. The 0.42-acre site (known as Mission Leasing) located at 5551 & 5553 Hollister Avenue in Goleta (APNs 071-140-046 and 071-260-004). This property is designated Old Town and zoned OT. The site was acquired as part of the Hollister Avenue Bridge project located along the San Jose Creek Channel and the required G.C. Section 65402 and environmental review were completed for the project prior to acquisition.

Any development of these sites would need to be preceded by the permitting and General Plan processes and analysis required by the Goleta Municipal Code and state law. Other properties owned by the City of Goleta, including park and open space lands (Ellwood Mesa Open Space & Sperling Preserve, Lake Los Carneros Park, and other City parks), City Hall, the Goleta Valley Library, the Goleta Community Center, the Goleta Train

Depot, and the Public Works yard, are already dedicated to other public uses and are not available for affordable housing development.

Recommendation 1b: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria invite public and private developers to work with them to build affordable housing on the publicly owned land identified as available.*

Will not be implemented. As discussed above, the City only owns the two properties identified above, which could be used for affordable housing development. These two properties pose opportunities and constraints and are either currently in use or require further analysis. Following completion of the highest and best use analyses, if affordable housing is deemed a suitable use, then the City would need to address the following conditions before soliciting developers to partner for an affordable housing project.

- The existing Commercial General land use designation and zoning of the Triangle Property allow only limited residential uses. Development of the property for residential uses may require a General Plan amendment and rezone. A full financial feasibility and alternatives analysis of the property would need to be completed to evaluate options for the property, which include without limitation commercial retail development; mixed use commercial-residential, including affordable housing; a 100% affordable housing project; and recreational or park use.
- The City acquired the Mission Leasing property through eminent domain in the context of the Hollister Avenue Bridge Project, which is presently under construction. It is currently developed with commercial structures. The existing Old Town land use and zoning designation allow residential and commercial-residential mixed use, but the property is constrained by Stream Protection Area buffer requirements along San Jose Creek. Because the site is currently needed and in use for the Hollister Bridge project, any reuse of the site and evaluation of its highest and best use will need to wait until this pending project is completed.

The City's General Services Department is currently implementing a number of ambitious municipal projects, including the new Goleta Train Station, Goleta Valley Library renovation, Goleta Community Center Americans with Disabilities Act (ADA) accessibility improvements, and Fire Station #10. Given these existing commitments and limited available staff capacity, evaluation of these sites will not be possible within six months. However, the City remains committed to promoting affordable housing. The recent Buena Tierra project was a successful model of regional cooperation and interagency conversion of an existing motel to 60 units of affordable housing in Goleta. In addition, the City has reserved \$1,000,000 from its Affordable Housing Trust Fund (discussed further below), which has been committed to the Heritage Ridge Family and Senior affordable housing projects. Finally, the adopted Housing Element committed the City to enacting programs that identify and eliminate administrative and other barriers to the development of housing in Goleta, many of which are in progress or have already been completed.

Finding 2: The process for issuance of a permit for affordable housing development projects in the County and the cities of Santa Barbara, Goleta and Carpinteria is costly, time consuming, and complicated.

Agree. The local entitlement process incorporates state law, local policy priorities, design review and due process, making it costly, time-consuming and complicated. Development fees are set by the City Council to recover the costs of reviewing and approving projects, a cost which must be borne by the project applicant rather than City taxpayers. However, there is increased recognition statewide of the burden this local entitlement process poses for potential development, resulting in new permit streamlining requirements (e.g., State Bill (SB) 35 and SB 330), environmental review reforms (e.g., Assembly Bill (AB) 130 and SB 131), and other mandates at the state level. The City of Goleta has likewise implemented changes to remove barriers to housing production, as discussed further below.

Recommendation 2a: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria each create a position to be staffed by a qualified person who can coordinate and facilitate the application and approval processes for affordable housing projects, with the authority to bring together all interested parties to arrive at an expeditious resolution of any issue.

Has been implemented. The existing structure of the City's Planning and Environmental Review Department includes a Current Planning Division, which is responsible for managing the permitting and approval processes for affordable housing projects from start to finish. The Current Planning Manager and Current Planning Division staff are qualified to coordinate and facilitate these processes with interested parties. There are six staff planner positions, each acting as a project manager under authority of the Department director, to process housing and other applications. As the project manager, the planner performs the following tasks:

- Ensures that all required materials are submitted,
- Meets with City departments and other agencies (e.g., Goleta Water District, Goleta Sanitary District, Fire Department, SB MTD, SB Unified School District) to gather early input and draft the project's conditions of approval,
- Identifies and conducts the appropriate level of environmental review,
- Presents the project to the applicable decisionmaker(s), and
- Performs permit compliance following entitlement.

The creation of an additional ombudsman or similar role would increase the administrative burden and would not lead to greater efficiencies or faster approval timeframes, particularly in cases of turnover or absence of that key staff member. It would also add considerable expense at a time of increasing fiscal constraints. This expense would have to be borne by project applicants, thereby driving up the cost of housing.

Recommendation 2b: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria review their processes for development approvals to prioritize affordable housing projects.*

Has been implemented. State Planning and Zoning Law provides permit processing requirements for residential development. Within the framework of state requirements, the City has structured its development review process to minimize the time required to obtain permits while ensuring that projects receive careful review. In 2022, the City adopted Multiple-Unit and Mixed-Use Objective Design Standards to provide clear, objective criteria for projects that qualify for ministerial streamlined processing. Per Housing Element Program 2.4(h), projects that provide 100% affordable housing¹ receive priority processing.

Various administrative improvements have been made to support the development of housing projects. In 2023, the City adopted its Affordable Housing Policies and Procedures Manual, and staff recently prepared a Density Bonus Guidelines document that was adopted by City Council on August 19, 2025. Both of these documents provide more transparency and predictability for applicants in the permitting and compliance periods. More generally, the City previously completed comprehensive improvements to its permitting processes following the 2017 CityGate report. The improvements comprised additions and modernizations including:

- Closer integration and coordination of the development review process among City departments and external agencies.
- Installation of the MAGNET permit processing system.
- Digitization of old and new permit records for greater public accessibility and transition to a paperless office.
- Conversion to all-digital plan submittal and review using BlueBeam software.
- Implementation of state law requirements for process streamlining under SB 35, SB 131, SB 330, etc.

Recommendation 2c: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria apply the ministerial approval process to all development projects comprising seventy-five percent or more of low-income housing.*

Has been implemented. While there is no City policy that specifically targets 75% affordability, projects with a lower threshold of at least 20% affordability for lower-income households qualify for streamlined, ministerial processing under GMC 17.44, Multi-Unit and Mixed-Use Objective Design Standards. Also, projects in the City that do not require a rezone, follow certain labor provisions, and provide at least 50% of units for lower-income households qualify for streamlined processing and CEQA exemption under SB 35. (Various state laws, including SB 35 and SB 330, impose streamlined permitting processes or limit the number of hearings for qualifying affordable housing projects, having the same effect as ministerial approval processes.)

¹ For extremely low-, very low-, low-, and moderate-income households, except for unit(s) dedicated to onsite management.

Recommendation 2d: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria conduct a review of all development and impact fees and find ways to waive, reduce or amortize fees for affordable housing projects.*

Has been implemented. Goleta City Council Resolution No. 22-68, adopted in December 2022, provides either a reduction or full waiver from the payment of development impact fees for “Beneficial Project” types, which include some affordable housing, such as special needs, transitional, and supportive housing, and projects by qualified nonprofit agencies. In compliance with Program 2.4(f) of the City’s Housing Element, the City is analyzing whether further fee reductions can be implemented for development that includes affordable dwelling units, with priority for 100% affordable and special needs housing projects not already receiving a reduction or waiver.

Finding 3: *There are insufficient funds available to develop needed affordable housing.*

Agree.

Recommendation 3a: *The Grand Jury recommends that the City Councils of Goleta and Carpinteria establish dedicated housing trust funds, certified as Community Development Financial Institutions, to facilitate the building of affordable housing.*

Has been implemented. The City of Goleta has a dedicated Affordable Housing Trust Fund (AHTF), which is funded with City-allocated funds, collected fees related to housing (i.e., Affordable Housing In-Lieu Fees and Non-Residential Affordable Housing Development Impact Fees), and any donations received. AHTF monies are allocated strategically to foster the development of affordable units either through direct subsidy or as leveraged/matching funds for qualifying projects.

The AHTF is not certified as a Community Development Financial Institution (CDFI), because it is not eligible, since CDFIs must be a “non-government entity and not under the control of any government entity.”² However, the Housing Trust Fund of Santa Barbara County (HTFSBC) is a certified CDFI, and the City has provided annual grant funds to HTFSBC since 2013 to support the agency’s first-time homebuyer downpayment loan program. In 2023, the City also provided grant funds in support of HTFSBC’s development of an innovative 3D-printed house in Goleta to be used for a lower-income household.

Recommendation 3d: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and the City Councils of Santa Barbara, Goleta and Carpinteria promote contributions to their housing trust funds by other non-governmental organizations, the philanthropic community, and the public.*

² Source: U.S. Department of the Treasury Community Development Financial Institutions Fund: CDFI Certification webpage (<https://www.cdfifund.gov/programs-training/certification/cdfi>)

Has been implemented. In 2021, the City became the first jurisdiction in the County to adopt a commercial linkage fee, in the form of a Non-Residential Affordable Housing Development Impact Fee. The fee was structured to mitigate the impacts of new development on available housing within the City by requiring that new non-residential development³ contribute to providing affordable employee housing. The fees collected are deposited in the City's AHTF to be used for the development or preservation of affordable housing. In addition, the City is able to accept monetary donations to its AHTF should members of the public wish to contribute. The City's Affordable Housing Policies and Procedures Manual lists donations as a potential source of funding for affordable housing. However, in practice, only one member of the public has inquired about donating funds for affordable housing and ultimately did not contribute funds. A formal donation process would likely need to be developed to ensure that all accepted donations comply with applicable tax codes and deduction regulations. Donations to the fund would be to support affordable housing in the interest of the general public and not any particular interest, but the City could allow for and solicit philanthropic contributions to the fund in the future.

The City acknowledges that solving the housing shortage on the South Coast will require a multi-pronged approach. For this reason, the City has adopted the housing programs and policies discussed above, provided financial support to the HTFSBC, the County Housing Authority and other nonprofit housing providers, and is supportive of innovative efforts such as the Santa Barbara South Coast Chamber of Commerce Employer Sponsored Housing Consortium to create affordable housing for those who live and work locally.

³ New non-residential development and proposed expansion or intensification of existing non-residential development, per City Council Resolution 21-46.