



TO: Mayor and Councilmembers

FROM: Robert Nisbet, City Manager
Peter Imhof, Planning and Environmental Review Director

SUBJECT: County 6th Cycle Draft Housing Element Comment Letter

RECOMMENDATION:

Authorize the Mayor and Councilmembers to sign and staff to transmit a County 6th Cycle Draft Housing Element comment letter to Santa Barbara County.

BACKGROUND:

City of Goleta staff and elected officials have been following the County's 6th Cycle Housing Element update process. On January 13, 2023, the City transmitted two comment letters to the County, one to the Board of Supervisors (BOS) signed by the Mayor and Mayor Pro Tempore and another to the County Planning and Development Department Director. The letters expressed concerns regarding the County's draft Housing Element process and prioritization of proposed housing sites, including proposed conversion of agricultural and open space lands to thousands of housing units without including or adjusting for existing residential buildout capacity.

On January 30, 2023, the County released its first 6th Cycle Draft Housing Element for 30-day review. City comments provided were not addressed in the Draft.

On February 14, 2023, the BOS held a public meeting to consider the Draft. Goleta City Councilmembers spoke to express concerns including those detailed in the January 13 comment letters and alarm at the premature transmittal of the Draft Housing Element to the State without adequate outreach and revision to reflect public input.

DISCUSSION:

City staff prepared a comment letter on the County's first Draft Housing Element. The purpose of this staff report is to request Council authorization to sign and staff to transmit the comment letter to the BOS. The letter (Attachment 1) voices concerns about the County's draft Housing Element and development and adoption process and

requests additional steps and related revisions to the Draft before the County transmits the document to the State.

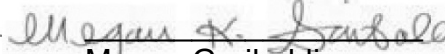
Reviewed By:

Legal Review By:

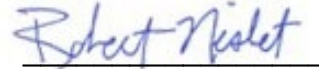
Approved By:



Kristine Schmidt
Assistant City Manager



Megan Garibaldi
City Attorney



Robert Nisbet
City Manager

ATTACHMENT:

1. Draft Comment Letter regarding the County of Santa Barbara 6th Cycle Draft Housing Element

Attachment 1

Draft Letter



March 1, 2023

SENT VIA EMAIL

housingelement@countyofsb.org
sbcob@co.santa-barbara.ca.us

CITY COUNCIL

Paula Perotte
Mayor

Kyle Richards
Mayor Pro Tempore

Stuart Kasdin
Councilmember

James Kyriaco
Councilmember
District 2

Luz Reyes-Martín
Councilmember
District 1

CITY MANAGER
Robert Nisbet

Board of Supervisors
County of Santa Barbara
105 East Anapamu Street
Santa Barbara, CA 93101

RE: County 6th Cycle Draft Housing Element Comments

Dear Chair Williams and Honorable Members of the Board of Supervisors:

As stated in the January 13, 2023 letters from representatives of the City of Goleta (attached), we write to you again in the spirit of regional cooperation and collaboration regarding the County's preparation of its Housing Element update. We understand and share the challenges faced by the County and other jurisdictions throughout the State in addressing the pressing need for housing. How we address these needs is critical to solving the problem and warrants careful thought, thorough analysis and extensive outreach. We provide comments regarding the County's Draft Housing Element, released for the first time on January 30, 2023, below, focusing on the sites inventory, our shared disadvantaged community, fair housing, expanded policies and programs, public participation, and the California Environmental Quality Act ("CEQA").

Planning to meet projected housing needs cannot take place in a vacuum, but requires a comprehensive, responsible approach that considers how best to integrate needed housing into the existing land use pattern and transportation network. It must be informed by good planning principles and practices, which include protecting precious agricultural land, focusing new residential capacity on infill sites within existing urban areas where there are adequate services and transit connections, encouraging mixed use and walkability, and holding the line against urban sprawl.

Sites Inventory and Existing Buildout Capacity

The existing land uses in the County's adopted General Plan provide for residential capacity and developable housing potential. The County's Draft Housing Element housing sites inventory should start with this

existing residential capacity. We accordingly request that you direct County staff to revise the sites inventory to fully assess **existing buildout capacity** and add new rows to your sites inventory table to show housing unit potential on (1) all vacant, residentially zoned parcels; (2) all vacant, non-residentially zoned parcels; (3) all underutilized residentially zoned parcels; and (4) all underutilized non-residentially zoned parcels. For the density calculations and non-residential lands with housing potential, it is essential that staff factor in State law requirements, such as Senate Bill 6, Senate Bill 9, and ADU law changes, that allow for housing development. Existing buildout together with ADU capacity is the foundation of the sites inventory and will frame the conversation for rezones, not the other way around. Related Housing Element programs to incentivize existing buildout capacity should be included, with a time-certain commitment, to encourage and support existing buildout.

Regulatory Changes to Encourage Existing Buildout

Lack of developer interest is not a sufficient reason to exclude sites. Furthermore, excluding sites that are developable stifles potential interest in development. To address possible lack of interest and to further expand housing potential where there is existing capacity, please expand policies and programs to specifically allow for increased density, decreased parking requirements, increased allowed heights, decreased setbacks, increased funding resources, priority processing, and other regulatory tools on these infill sites to promote housing. Lack of interest and/or high cost of land is not a reason to exclude these sites. (Please also refer to comments and policy recommendations below on fair housing and disadvantaged communities.)

We accordingly request that you direct County staff to add the additional unit potential that would result from such **regulatory changes** to the sites inventory table to quantify the new unit potential. In addition, the County should add related Housing Element programs to incentivize housing production using new regulatory tools and incentives, with a time-certain commitment for implementation.

Upzoning and Rezoning

If the systematic analysis of existing buildout capacity and any related regulatory changes to support increased housing production do not meet the County's RHNA obligations and/or the County wishes to promote the production of affordable housing beyond the State mandate, we suggest that you consider upzoning existing residential districts to allow for increased density throughout the South Coast, not just in the Goleta Valley, and rezoning certain commercial and industrially zoned parcels to residential zoning, where parcels are located along major arterials. If upzones and rezones from non-residential to residential uses are included, please add the additional unit potential to the sites inventory table to quantify the new unit potential. As noted above, we request that the County add related Housing Element programs with a time-certain commitment for implementation.

Sites Inventory and Agriculture

As presented in the 2023 Draft Housing Element, the County accommodates 75% of its RHNA of 5,664 units for the South Coast on parcels directly abutting the City of Goleta: 1,436 units on the Glen Annie Golf Course and 2,834 units on the South Patterson Ag block south of Hollister between S. Patterson and Ward Drive. Instead of a systematic approach to assessing existing buildout capacity, the draft Housing Element goes straight to conversion of sensitive agriculturally zoned lands. Converting agricultural lands should be a last resort, not the first option. Consistent with your Eastern Goleta Community Plan policies (for example Policy LUA-EGV-1.1), preserving and enhancing rural and urban agriculture, including protective buffers, must be prioritized. We suggest that you direct staff to add a new policy and program to **remove these agricultural lands from your inventory and instead protect** agriculturally zoned lands from conversion, unless the existing buildout capacity and non-agricultural rezones by themselves cannot accommodate the RHNA.

In particular, we highlight the concern regarding proposed rezone of the Glen Annie Golf Course from agriculture to high density residential. This site is located outside the urban/rural limit line, in a high fire hazard area, on steep slopes in the Santa Ynez foothills. There is no access to the site except through the City of Goleta, with only one point of ingress and egress. Fire and emergency response constraints in particular are noteworthy, concerning, and warrant removal of this property from the sites inventory as a priority. As written, the County's draft Housing Element provides for approximately 4,000 units of housing capacity, making the inclusion of the Glen Annie golf course rezone with 1,536 units of capacity unnecessary and superfluous. Please **remove Glen Annie Golf Course** from the sites inventory.

Sites Inventory and Environmental Justice

When determining sites to include in the inventory to meet the lower income housing need, HCD recommends that a local government first identify development potential in high opportunity neighborhoods. Concentrating housing in the County's only **disadvantaged community**, as the County has proposed in the Goleta Valley, exacerbates segregation, concentrates poverty, and further exposes populations to pollution and health impacts. The sites inventory, as presented in the Draft, exacerbates, not addresses an **environmental justice problem** and decreases access to higher resource areas of the County. Instead, we request that you direct staff to refocus the inventory on existing buildout capacity, as previously explained. Should rezones be required, new sites in more affluent, white, and larger-lot/underutilized sites in Montecito and Hope Ranch, for example, will expand housing equity opportunities AND protect the disadvantaged community located in Old Town.

Fair Housing

The impact of high housing costs falls disproportionately on extremely low-, very low-, and low-income households, especially renters. Neighborhoods such as Hope Ranch and Montecito are segregated, leaving people of color and lower income in concentrated locations such as the Goleta Valley. Overcrowding, overpayment and other problems result from segregation that can be confronted in this Housing Element update. As previously stated, isolating the more affluent neighborhoods from the RHNA exacerbates segregation by income group.

We request readable and understandable AFFH and TCAC mapping. In many cases, including but not limited to the disadvantaged community mapping, the mapping is at a South Coast scale. Understanding the relationship between fair housing needs, demographics, vacancy rates, and disadvantaged community designations as they relate to the proposed sites inventory needs to be reflected in mapping for the Goleta Valley and other subareas. Analysis should also be presented at the subarea level, particularly as it relates to the disadvantaged community in Old Town and areas of concentrated affluence. Understanding the demographics in this disadvantaged community will inform program needs, particularly service, funding, and other needs for low income, overcrowded households.

Goals, Policies, and Programs

Housing Element goals, policies, and programs addressing the impacts on Goleta, its residents, and existing housing services from this magnitude of development on our borders will be massive. Among others, existing roads, public transit, parks, open space, schools, libraries, emergency response services, utility providers, affordable housing service providers, and adjacent neighborhoods will bear the impacts and costs of the new housing without expanded, time-certain commitments through goals, policies, and programs. . As proposed, the agricultural land rezones concentrate thousands of new units in parcels that are not all served by public transit, adequate public safety or urban infrastructure, services and amenities.

At minimum, to address these concerns, we suggest that you direct staff to expand policies and programs with firm, time-certain commitments, such as:

- Prioritize existing buildout capacity through regulatory and other incentives.
- County commitment to provide for all infrastructure and services needed to support the new housing developments. The timing of infrastructure and service requirements must be in tandem with the new housing development, not following.
- County assurance that adjacent jurisdictions and existing non-profit service and housing providers are not burdened with providing services to new housing developments in the unincorporated area and will offset the cost of services provided by municipalities and NPOs to such developments.
- County commitment to offsetting impacts toward support to housing developments isolated from services, including streets, sidewalks, lights, parks/rec/open space, and

their maintenance, law enforcement, code enforcement and fire protection, and expend all fees collected for such developments within the areas that are rezoned.

- County commitment to maintain, improve, serve, and enforce newly created communities without burdening existing resources or other jurisdictions.
- County commitment to expand homelessness services in newly created communities.
- Prioritize transit-connected infill sites to promote alternative transportation, reduce vehicle trips and vehicle miles traveled (VMT) as a way to reduce vehicle greenhouse gas emissions and further climate goals.
- Commit new housing to residents and the local workforce and restrict and enforce against corporate housing, short-term rentals, and vacation rentals.

Public Participation

Public participation is critical to the development of the housing element, particularly engagement with organizations that represent lower-income and special needs households. Sufficient time is needed to engage and respond. The SBCAG Board of Directors adopted the RHNA Plan on July 15, 2021. It has been nearly two years since the release of this plan and we have only now received a draft Housing Element to review. The County started development of its Housing Element update late and is rushing the process. Equitable engagement is important and changing the Housing Element based on what was learned from the outreach takes time. To adequately address public input and comments provided in this comment letter, do not transmit the Draft to the State and instead, workshop the newly released Draft, vet it with the County Planning Commission, make necessary revisions, and transmit a more informed and complete Draft to the State. Accommodating this request will best position the County to have Goleta's support, not opposition, during the State's review of the draft.

CEQA

The City additionally has concerns that the County's approval of the draft Housing Element will violate CEQA. The City is unclear what, if any, environmental review for the draft Housing Element the County intends to undertake. The County's website discussing the Housing Element indicates a Programmatic Environmental Impact Report ("PEIR") will be prepared for certification concurrent with the adoption of the Housing Element. By contrast, City planning staff has been told by County planning staff that the PEIR will only be processed for rezoning and that the County will rely on an exemption for adoption of the Housing Element; and the agenda packet for the Board of Supervisor's February 14, 2023 meeting indicated that the County determined that Housing Element discussion, at a minimum, to be deemed not a "project" subject to CEQA under State CEQA Guidelines sections 15060(c)(3) and 15378(b)(5). As a result, the City and the public are left with uncertainty as to how, if at all, the County intends to analyze the environmental impacts, as required by CEQA, related to the County's adoption of the Housing Element.

The County cannot remedy its failure to adequately comply with CEQA in connection with the Housing Element by preparing a PEIR for related zoning amendments in the future. (*City of Redlands, supra*, 96 Cal.App.4th at p. 409.) The Housing Element and the zoning

amendments constitute the “whole of the action” under CEQA, and the entirety of the project must be analyzed under CEQA to avoid improper project piecemealing.

Because the Housing Element is a project subject to CEQA for which no exemption applies, the County must conduct an initial study and prepare either a negative declaration, mitigated negative declaration, or environmental impact report for the Housing Element. (*Union of Medical Marijuana Patients, Inc. v. City of San Diego* (2019) 7 Cal.5th 1171, 1185 [an agency must undertake environmental review of a project not exempt from CEQA].) We urge the County to comply with CEQA—and adopt a PEIR as indicated on its website—before adopting the Housing Element.

Conclusion

In summary, we ask that you direct staff to take the necessary time to address these and other housing-related concerns and workshop the policies and programs that were only recently released to the public on January 30, 2023 before transmitting it to the State HCD. The County Planning Commission specializes in land use matters and should also participate in a review and comment on the draft Housing Element that it has not yet considered. This Housing Element is important and deserves the time needed for meaningful public input before transmitting to the State for review.

We look forward to future collaborations with the County that are based on transparency, open communication, and mutual respect. We seek to support the County’s Draft Housing Element and our comments and requests for additional workshopping before transmitting to the State will afford us this opportunity.

Sincerely,

Mayor Paula Perotte

Mayor Pro Tempore Kyle Richards

Councilmember Stuart Kasdin

Councilmember James Kyriaco

Councilmember Luz Reyes-Martín

cc: Mona Miyasato, CEO, County of Santa Barbara,
Robert Nisbet, City Manager
Peter Imhof, Director, Planning and Environmental Review

Attachments: City of Goleta comment letters dated January 13, 2023



January 13, 2023

SENT VIA EMAIL

CITY COUNCIL

Paula Perotte
Mayor

Kyle Richards
Mayor Pro Tempore

Stuart Kasdin
Councilmember

James Kyriaco
Councilmember
District 2

Luz Reyes-Martín
Councilmember
District 1

CITY MANAGER
Robert Nisbet

Board of Supervisors
County of Santa Barbara
105 East Anapamu Street
Santa Barbara, CA 93101

RE: Santa Barbara County 6th cycle Housing Element Update

Dear Chair Hartmann and Honorable Members of the Board of Supervisors,

We write to you in the spirit of regional cooperation and collaboration regarding the County's preparation of its updated Housing Element. We understand the challenges faced by the County and other jurisdictions throughout the State in developing and submitting this document with a looming deadline.

However, we are alarmed and deeply concerned by the County's process and apparent lack of transparency and public outreach, including inadequate communication with the City of Goleta. In particular we are troubled by potential development of the parcels under consideration on agricultural and open space that are immediately adjacent to the City. As you know, these properties have long been identified in City planning documents as potential future service areas. If these properties were fully developed there would obviously be very real and significant impacts -- most notably traffic -- to the City and our residents.

Attached please find a memo from our Planning Director with several questions about the County's process as well as suggestions for how we can move forward collaboratively. We look forward to future collaborations with the County that are based on transparency, open communication, and mutual respect.

Sincerely,

Paula Perotte, Mayor

Kyle Richards, Mayor Pro Tempore

cc: Mona Miyasato, CEO, County of Santa Barbara
City of Goleta City Councilmembers
Robert Nisbet, City Manager



January 13, 2023

SENT VIA EMAIL
lplowman@countyofsb.org

CITY COUNCIL

Paula Perotte
Mayor

Kyle Richards
Mayor Pro Tempore

Stuart Kasdin
Councilmember

James Kyriaco
Councilmember
District 2

Luz Reyes-Martín
Councilmember
District 1

CITY MANAGER
Robert Nisbet

Lisa Plowman
Director, Planning and Development Department
County of Santa Barbara
123 E. Anapamu Street
Santa Barbara, CA 93101

RE: Santa Barbara County 6th cycle Housing Element Update

Dear Ms. Plowman:

City of Goleta staff have been following the County's Housing Element update process and we appreciate the challenges faced by the County as well as the other South Coast cities for the 6th cycle. The purpose of this letter is to provide some observations and suggestions regarding your Housing Element update, particularly as they relate to potential housing sites the County has identified that are adjacent to Goleta. As you might expect, City leadership has heard substantial concerns from Goleta residents.

A key concern expressed to us is that the County's process for identifying and evaluating potential housing sites should be explicit, deliberate, objective, well-documented, and public. Such a process would begin with a parcel-specific tabulation of the current housing capacity of unincorporated land, based on existing land use and zoning designations. County staff has stated that there is insufficient capacity under existing zoning to fully accommodate the RHNA, but it is essential to see the actual methodology and analysis followed in reaching that conclusion before proceeding to the analysis of potential zoning changes. Typically, the Housing Element first quantifies the shortfall of sites that must be made up through rezoning. This detail would be informative and is fundamental to justifying the County's approach.

It would also be helpful to document the methodology and criteria used in the sites analysis, for both existing residentially zoned sites and potential sites for rezoning. Typically, such criteria would include the likely development densities for different zoning districts, constraints, such as infrastructure availability, environmental resources (e.g.,

agriculture, ESHAs) or hazards, access to urban services, existing uses that could inhibit development or redevelopment (for non-vacant sites), and fair housing considerations, such as access to opportunity as identified by HCD/TCAC maps.

Since the focus of the sites analysis is on parcels having realistic capacity for housing development during the next 8 years, we suggest that your analysis specifically identify potential constraints that could hinder development in that timeframe. For example, the Goleta Water District currently has a moratorium on new water connections within its service area and no timeframe has been identified for the lifting of the moratorium. Other potential constraints that should be considered include the recently updated Cal Fire designations of fire hazard zones and what effect fire hazards would have on the likelihood of development.

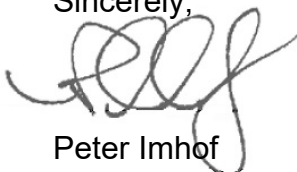
Other relevant planning considerations would also include consistency with County and LAFCO policies regarding urban development outside of current city boundaries and spheres of influence, especially land used for agricultural production or open space. In a recent public workshop, County staff referenced an “Urban-Rural Boundary Line.” We suggest an explanation of the relationship between this line and your site selection process be included.

With regard to vacant vs. non-vacant sites, we understand the higher standard of review under State law for “underutilized” parcels. However, non-vacant sites may be appropriate for the sites inventory, if those sites would support other policy objectives, such as preservation of agricultural lands and open space. In our experience, non-vacant sites may be used to fulfill RHNA obligations with appropriate documentation, such as sites with marginal uses, vacant buildings or other signs of economic distress. The County should among other things thoroughly evaluate the viability of the potential housing sites shown in yellow on Planning & Development’s interactive online map.

The County’s Housing Element website has been very useful to both City staff and Goleta residents and we look forward to reviewing updated information as it becomes available.

We appreciate your consideration of these ideas and look forward to continuing to collaborate with you and your staff going forward. Please feel free to contact me at pimhof@cityofgoleta.org or 805-961-7541, if you would like to discuss this matter further.

Sincerely,



Peter Imhof
Director, Planning and Environmental Review Department

cc: Robert Nisbet, City Manager
Anne Wells, Advance Planning Manager