



TO: Mayor and Councilmembers

FROM: Peter T. Imhof, Planning and Environmental Review Director

CONTACT: Anne Wells, Advance Planning Manager

SUBJECT: Public Hearing to Consider Case No. 19-089-GPA: Initiation of a General Plan Amendment to Consider Including Rental Housing Projects in the Housing Element Inclusionary Housing Requirements

RECOMMENDATION:

Adopt Resolution No. 19-____, entitled "A Resolution of the City Council of the City of Goleta, California, Initiating the Processing of a City-Requested General Plan Amendment to Consider Including Rental Housing Projects in the Housing Element Inclusionary Housing Sub-policy HE 2.5" (Attachment 1).

BACKGROUND:

The City's first General Plan/Coastal Land Use Plan (General Plan) was adopted on October 2, 2006 and became effective on November 1, 2006. The General Plan governs land use and physical development within the City and establishes policy direction for the City's growth. The General Plan includes land use, open space, conservation, safety, visual and historic resources, transportation, public facilities, noise, and housing elements, all of which have implications for land use planning and zoning. Most pointedly, the Housing Element establishes policies to maintain and improve existing housing and neighborhoods, facilitate development of new housing for persons of all incomes, support fair housing and special needs, encourage energy conservation and sustainable development, and support community partnerships and regional collaboration on housing issues.

General Plan Amendments

The General Plan amendment process is governed by Article 6 of State Planning and Zoning Law (Government Code Sections 65350 et seq.). Pursuant to State law, General Plan amendments require the Planning Commission's consideration and recommendation. The final decision is a legislative action and is reserved for the City Council to make.

City Council Resolution 12-13 established procedures for the initiation of processing requests for General Plan amendments. These procedures require that all requests for

General Plan amendments be referred to the City Council for initiation at a public hearing prior to processing. Resolution 12-13 provides five factors the City Council must consider for the initiation of a General Plan amendment. These five factors are:

- The amendment proposed appears to be consistent with the Guiding Principles and Goals of the General Plan;
- The amendment proposed appears to have no material effect on the community or the General Plan;
- The amendment proposed provides additional public benefit to the community as compared to the existing land use designation or policy;
- Public facilities appear to be available to serve the affected site, or their provision will be addressed as a component of the amendment process; or
- The amendment proposed is required under other rules or regulations.

Once initiated, the General Plan amendment and related environmental document are prepared and considered by the Planning Commission and a recommendation is made to the City Council via resolution. The City Council takes final action at a public hearing. The most recent amendment occurred on May 21, 2019, re-designating the land use for the Hollister Village apartments from Community Commercial to Medium-Density Residential.

DISCUSSION:

The General Plan Housing Element includes HE 2.5: Inclusionary Housing. This policy requires that a certain number of new for-sale housing units be designated for purchasers within various income categories. HE 2.5 does not currently apply to new rental housing units. This exclusion was due to the 2009 decision of *Palmer/Sixth Street Properties, L.P., et al. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396 (*Palmer*). In *Palmer*, the Court concluded that an ordinance which imposed an inclusionary affordable housing requirement on residential and mixed-use projects of more than 10 dwelling units per lot conflicted with and was preempted by the rent control provisions of the Costa-Hawkins Act, which allows residential landlords to set initial rent levels at the commencement of a tenancy. However, on September 29, 2017, Governor Brown signed into law Assembly Bill 1505, which served to supersede *Palmer*. As a result, the City may now include rental housing units in HE 2.5. However, inclusion of rental housing units in HE 2.5 requires a General Plan amendment.

The General Plan amendment initiation being requested would authorize staff to process and propose any necessary revisions to HE 2.5 and any other related policies to include rental housing units in the City's Inclusionary Housing Policy.

As noted previously in this staff report, Council must consider a specific set of factors when determining whether to initiate a General Plan amendment. Pursuant to Resolution 12-13, staff presents the following discussion of the General Plan amendment initiation factors for Council consideration:

- It is anticipated that the proposed amendment will be consistent with the Guiding Principles and Goals of the General Plan. In particular, the proposed amendment conforms to Housing Element Housing Goals to support “A Variety of Housing Types and Choices” and “Employee Housing”;
- It is anticipated that the proposed amendment will have no material effect on the community or the General Plan because the potential amendment would not allow for greater or more dense housing development than already envisioned in the General Plan;
- The proposed amendment would potentially provide public benefit to the community through requiring income-restricted apartments within the City, thereby enhancing housing affordability;
- The proposed amendment would not alter the need or provisions for public facilities because the policy change would not allow for greater development or more dense housing development than already envisioned in the General Plan; and
- The amendment proposed is not required under other rules or regulations.

The initiation of a General Plan Amendment is not a project under the California Environmental Quality Act (CEQA). The initiation merely instructs staff to further consider the amendment and does not obligate the City to any further action in the future and does not result in any direct physical change in the environment or any reasonably foreseeable change in the environment.

FISCAL IMPACTS:

The fiscal impacts of Council’s direction to initiate the processing of possible, future General Plan amendments would be the staff time needed in preparation of said amendments. This General Plan amendment is contemplated in the FY 19-20 Annual Work Program for the Planning and Environmental Review Department and staff time for processing this amendment was included in the current year budget.

ALTERNATIVES:

The City Council has the prerogative to initiate or not to initiate processing of the General Plan amendment. If not initiated, the General Plan will remain unchanged and the City will continue applying the HE 2.5 to for-sale units only. If initiated, City staff will proceed with analysis and evaluation, including environmental review, and return with possible amendments for Planning Commission’s consideration and recommendation to the City Council for final action.

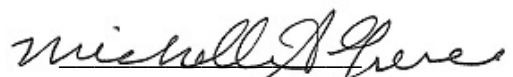
Reviewed By:


Kristine Schmidt
Assistant City Manager

Legal Review By:


Michael Jenkins
City Attorney

Approved By:


Michelle Greene
City Manager

ATTACHMENT:

1. Resolution No. 19-____, entitled "A Resolution of the City Council of the City of Goleta, California, Initiating the Processing of a City-Requested General Plan Amendment to Consider Including Rental Housing Projects in the City's Inclusionary Housing Sub-Policy HE 2.5"

Attachment 1

Resolution No. 19-____, entitled “A Resolution of the City Council of the City of Goleta, California, Initiating the Processing of a City-Requested General Plan Amendment to Consider Including Rental Housing Projects in the City’s Inclusionary Housing Policy Sub-policy HE 2.5”

RESOLUTION NO. 19- _

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GOLETA, CALIFORNIA, INITIATING THE PROCESSING OF A CITY-REQUESTED GENERAL PLAN AMENDMENT TO CONSIDER INCLUDING RENTAL HOUSING PROJECTS IN THE CITY'S INCLUSIONARY HOUSING SUB-POLICY HE 2.5

WHEREAS the Goleta General Plan / Coastal Land Use Plan (General Plan) is the City's official policy that guides land use and physical development of the geographic area of the incorporated City limits; and

WHEREAS California Government Code Sections 65350 et seq. authorize cities and counties to prepare, adopt and amend General Plans and their elements; and

WHEREAS California Government Code Section 65358(a) reads, "If it deems it to be in the public interest, the legislative body may amend all or part of an adopted general plan. An amendment to the general plan shall be initiated in the manner specified by the legislative body. Notwithstanding Section 66016, a legislative body that permits persons to request an amendment of the general plan may require that an amount equal to the estimated cost of preparing the amendment be deposited with the planning agency prior to the preparation of the amendment."; and

WHEREAS City Council Resolution No. 12-13 establishes a procedure for the initiation of processing of requests for a General Plan Amendment; and

WHEREAS City Council Resolution No. 12-13 requires the City Council to consider certain factors for the initiation of General Plan amendments, including consistency with the Guiding Principles and Goals of the General Plan, consistency with the surrounding community or General Plan, possible public benefits, the availability of public services, or rules or regulations that may drive the need to amend the General Plan; and

WHEREAS the General Plan Housing Element Policy includes an inclusionary housing policy as HE 2.5; and

WHEREAS the City Council conducted a duly noticed public hearing on October 15, 2019, at which time all interested persons were given an opportunity to be heard; and

WHEREAS the City Council considered the entire administrative record, including staff reports, the General Plan, and oral and written testimony from interested persons;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GOLETA, AS FOLLOWS:

SECTION 1.

The City Council makes the following findings regarding the initiation factors outlined in City Council Resolution No. 12-13:

- (a) It is anticipated that the proposed amendment will be consistent with the Guiding Principles and Goals of the General Plan. In particular, the proposed amendment conforms to Housing Element Housing Goals to support “A Variety of Housing Types and Choices” and “Employee Housing”;
- (b) It is anticipated that the proposed amendment will have no material effect on the community or the General Plan because the potential amendment would not allow for greater or more dense housing development than already envisioned in the General Plan;
- (c) The proposed amendment would potentially provide public benefit to the community through requiring income-restricted apartments within the City, thereby enhancing housing affordability;
- (d) The proposed amendment would not alter the need or provisions for public facilities because the policy change would not allow for greater development or more dense housing development than already envisioned in the General Plan; and
- (e) The amendment proposed is not required under other rules or regulations.

The foregoing recitals, which are incorporated herein by reference, are true and correct.

SECTION 2.

The City Council hereby initiates processing of the proposed General Plan Amendment for HE 2.5: Inclusionary Policy, and to any other policies as needed, to include rental housing units. The initiation of the General Plan Amendment does not suggest how the City may ultimately act on the General Plan Amendment when it is brought forward for City Council consideration. The initiation of the General Plan Amendment shall not influence the City Council’s consideration of the General Plan Amendment.

SECTION 3.

The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED this 15th day of October 2019.

PAULA PEROTTE
MAYOR

ATTEST:

APPROVED AS TO FORM:

DEBORAH S. LOPEZ
CITY CLERK

MICHAEL JENKINS
CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SANTA BARBARA) ss.
CITY OF GOLETA)

I, DEBORAH S. LOPEZ, City Clerk of the City of Goleta, California, DO
HEREBY CERTIFY that the foregoing Resolution No. 19-__ was duly adopted by
the City Council of the City of Goleta at a regular meeting held on the 15th day of
October, 2019 by the following vote of the Council:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

(SEAL)

DEBORAH S. LOPEZ
CITY CLERK