



TO: Mayor and City Councilmembers

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

CONTACT: Anne Wells, Advance Planning Manager

SUBJECT: Regional Housing Needs Allocation (RHNA) Update

RECOMMENDATION:

Receive a staff presentation regarding the status of the Regional Housing Needs Allocation (RHNA).

OVERVIEW:

On September 15, 2020, staff provided the City Council with a presentation regarding the RHNA and its importance for Goleta (Attachment 1). The purpose of this agenda item is to update the City Council regarding the status of the RHNA and, in particular, the development of the RHNA methodology for the 6th RHNA cycle by the Santa Barbara County Association of Governments (SBCAG). The RHNA is a requirement in State law by which each California jurisdiction is assigned a share of the statewide housing need. Each city and county must demonstrate how it will accommodate additional housing commensurate with its assigned RHNA share as part of the Housing Element of its General Plan.

As noted in the September 15 report, SBCAG is currently preparing the 6th cycle RHNA. The RHNA process includes three major phases:

1. The State Department of Housing and Community Development (HCD), in consultation with SBCAG, develops the region's housing need (the regionwide number of housing units) for the next 8-year planning period;
2. SBCAG, in consultation with the region's local governments and HCD, develops a methodology for allocating the region's housing need to local governments; and
3. Each local agency then updates its Housing Element to demonstrate how it will accommodate its RHNA through appropriate land use plans, zoning designations and implementation actions.

Since the September 15th City Council meeting, SBCAG staff has continued to work with local planning staff from SBCAG member agencies to develop the RHNA methodology. SBCAG staff is seeking a draft RHNA methodology recommendation from the SBCAG Technical Planning Advisory Committee (TPAC), on which City of Goleta Planning and Environmental Review (PER) staff represents the City as a voting member, at its December 3, 2020 meeting.

Following a recommendation by TPAC on December 3, SBCAG staff then intends to present the draft RHNA methodology as recommended by TPAC to the SBCAG Board for approval on December 17, 2020. If approved by the SBCAG Board, SBCAG will then submit the adopted RHNA methodology to HCD for review. Refer to Attachment 1 for a RHNA project schedule, including the timing of the Housing Element update as it relates to the RHNA.

DISCUSSION:

State's Initial RHNA Determination

As discussed in the September 15, 2020 report to the City Council (Attachment 1), Santa Barbara County's regional total housing need for the upcoming 6th cycle RHNA will be significantly higher than in the prior cycle due to new State requirements regarding higher vacancy assumptions and to address existing housing problems related to overcrowding and overpayment. Overcrowding is defined as more than one person per room (excluding kitchens and bathrooms) and overpayment is defined as paying more than 30% of a household's gross income for housing.

HCD's initial RHNA determination for the SBCAG region is 29,313 units. This is nearly three times the 11,030-unit countywide RHNA allocation for the previous cycle. SBCAG is now developing a methodology for allocating the total countywide housing need among the individual SBCAG member jurisdictions. Each member jurisdiction must then update its Housing Element to identify adequate sites where housing could be built; sufficient to accommodate its share of the regional housing need.

SBCAG's Draft RHNA Methodology

State RHNA law provides SBCAG with limited flexibility regarding how the region's housing needs are allocated among jurisdictions. In recent SBCAG meetings with city and county planning staff, several possible alternative allocation methodologies have been explored within the framework of State law. SBCAG staff relied on feedback from these meetings to present a recommended methodology to the TPAC for input.

Feedback from local planning staff at the November 5 and November 12 TPAC meetings indicated support for use of a two-step approach to the RHNA methodology in which the regionwide housing need is first divided between North County and the South Coast, with a second step to allocate RHNA shares within the two subregions. Technical details and SBCAG's proposed formulas are described in the TPAC staff reports noted above (Attachment 2). The RHNA methodology for the current housing

cycle utilized a similar two-step approach. Goleta planning staff believes that this two-step approach is consistent with State requirements and regional housing policy goals.

SBCAG's tentative allocation of regional housing need based on the proposed RHNA methodology is shown in the November 12th TPAC report (Attachment 2) and in the following table:

Tentative RHNA Allocations by Income Level

Jurisdiction	Tentative RHNA Allocation	Tentative Allocation by Income Level			
		Very Low	Low	Moderate	Above Moderate
Carpinteria	1,063	328	155	155	425
Santa Barbara	9,435	2,501	1,620	1,676	3,637
Goleta	2,166	768	379	433	585
Uninc. (South Coast)	4,885	985	1,120	1,247	1,532
Lompoc	2,652	255	309	354	1,735
Uninc. (Lompoc Valley)	615	234	84	60	236
Santa Maria	6,390	1,260	633	830	3,668
Guadalupe	508	19	29	90	371
Uninc. (Santa Maria Valley)	851	296	139	136	280
Solvang	225	63	45	25	92
Buellton	194	62	43	35	54
Uninc. (Santa Ynez Valley)	330	106	63	66	95
County Total	29,313	7,211	4,661	5,042	12,399
Total Unincorporated	6,680	1,845	1,307	1,361	2,165

*note that a small amount of rounding error may be present

The largest shares of the total countywide RHNA would be allocated to the Cities of Santa Barbara and Santa Maria and the unincorporated County area. Goleta's RHNA allocation of 2,166 units would rank 5th among the nine SBCAG member jurisdictions in Santa Barbara County.

Based on the TPAC discussions to date, it appears that the proposed RHNA methodology and allocation has wide support among SBCAG member jurisdictions. City of Goleta PER staff supports the proposed RHNA methodology as both fair and in alignment with good housing policy and the City's interests. In deriving this RHNA methodology, SBCAG staff and TPAC members considered a range of possible options detailed in the November 5 TPAC staff report (Attachment 2).

It is important to note that although State law requires local jurisdictions to identify adequate sites that could accommodate the RHNA through their land use plans and development regulations, local jurisdictions are not required to build housing to achieve their RHNA allocations. In adopting Housing law, the State Legislature recognized that cities have limited authority and resources to build housing. Therefore, Housing law focuses on the things local jurisdictions have control over – land use plans, regulations and development review procedures.

City of Goleta Housing Element Update

Following adoption of the RHNA methodology by SBCAG and final allocation of the regional housing need to SBCAG member jurisdictions, PER staff will commence the process for updating the City's Housing Element to accommodate the new RHNA. There are three main ways cities can demonstrate adequate sites to accommodate the RHNA: 1) vacant parcels zoned for residential or mixed-use development; 2) previously developed "underutilized" parcels that could be redeveloped for residential use; and 3) potential new accessory dwelling units (ADUs). If it is determined that existing capacity based on current land use and zoning designations is not sufficient to fully accommodate the RHNA, potential strategies for increasing the City's capacity for additional housing could include:

- Rezoning land from non-residential to residential or mixed use
- Increasing density, height and/or floor area ratio limits
- Adoption of minimum density zoning
- Consolidation of small and irregular lots into larger building sites
- Greater incentives for housing development (e.g., density bonus)
- Encourage increased ADU production

Goleta has little remaining vacant land suitable for residential development. Therefore, capacity to accommodate the RHNA must be met primarily through potential redevelopment of underutilized properties and potential ADUs. While it is not possible to determine the City's current RHNA capacity with certainty due to the extensive parcel-level analysis required under State law and HCD guidelines, staff has conducted a preliminary evaluation of potential residential capacity in areas where residential use is currently allowed under the General Plan and zoning.

The following table shows land use designations that are primarily non-residential but where residential use is allowed as mixed use. The locations of these properties are mapped in Attachment 3.

Zoning Designation	Total Acreage	Allowable Density (units/acre)	Height Limit	Theoretical Potential Units
Community Commercial (C-C)	123.78	12	35 ft	1,485
Old Town Commercial (C-OT)	44.59	20	30 ft	3,976
Office Institutional (I-OI)	97.37	20	35	1,947
Total				7,408

If all these areas were developed to the maximum allowable density, there is potential for approximately 7,400 additional housing units. However, Housing Element law requires parcel-level analysis of the realistic potential for properties to be redeveloped within the 8-year planning period, and that analysis typically results in a much lower realistic capacity for purposes of the Housing Element.

Looking ahead to the Housing Element update, PER staff will propose a robust process of scenario development, modeling and public workshops beginning in spring 2021 to allow consideration of possible land use alternatives as well as potential impacts, including to transportation.

NEXT STEPS:

SBCAG's proposed RHNA methodology, which City PER staff is inclined to support, will return to TPAC for recommendation and vote on December 3, 2020. As noted above, the TPAC-recommended RHNA methodology will then go to the SBCAG Board for consideration and adoption on December 17, 2020.

City staff will continue to work closely with SBCAG and the other SBCAG member jurisdictions on the development of the RHNA to ensure that Goleta's interests and circumstances are considered. City staff has already begun to assess how the City will identify adequate housing capacity for the 2023-2031 Housing Element cycle and is preparing a Request for Proposals utilizing State Regional Early Action Planning (REAP) grant funding to solicit consultant assistance with the Housing Element update process.

Staff will continue to actively participate in the RHNA process, investigate existing and potential land use capacity in preparation for the next Housing Element update and will provide updates to the City Council as warranted.


Reviewed By:

Legal Review By:

Approved By:


Kristine Schmidt
Assistant City Manager


Michael Jenkins
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ATTACHMENTS:

1. September 15, 2020 RHNA Presentation Update Staff Report to Goleta City Council
2. November 5 and 12, 2020 RHNA Methodology Staff Reports to SBCAG Technical Planning Advisory Committee
3. Map Showing Non-Residential Zoning Designations Allowing Residential Mixed-Use Potential

Attachment 1

**September 15, 2020 RHNA Presentation Update Staff Report to
Goleta City Council**



TO: Mayor and City Councilmembers
FROM: Peter Imhof, Planning and Environmental Review Director
CONTACT: Anne Wells, Advance Planning Manager
SUBJECT: Regional Housing Needs Allocation Update

RECOMMENDATION:

Receive a presentation regarding the Regional Housing Needs Allocation and how it is expected to affect Goleta.

DISCUSSION:

The following issues are addressed in this staff report:

- What is the Regional Housing Needs Allocation (“RHNA”) and how is it related to the Housing Element?
- What is Housing Element “certification” and why is it important?
- How does the RHNA affect land use planning in Goleta?
- What do communities do when they run out of vacant and buildable land?
- How are different types of housing (such as mobile homes and residential care facilities) treated for purposes of the RHNA?
- What is the current status of the RHNA?
- What are the next steps related to the RHNA and the Housing Element?

What is the RHNA and how is it related to the Housing Element?

State law requires each city to adopt a comprehensive, long-term General Plan for its physical development. General Plans must include seven “elements” that address various topics. The Housing Element is one of the State-mandated elements of local General Plans and establishes City policies and programs for maintaining and improving existing housing, addressing the needs of persons and households of all income levels and those with disabilities or other special needs, and facilitating development of new housing for anticipated future residents of all economic levels.

Among the most important Housing Element requirements is that every city must adopt land use plans and regulations adequate to accommodate a portion of the additional housing units needed to meet the existing and future housing needs of California's projected population. The process by which cities are allocated a share of housing needs is the Regional Housing Needs Allocation, or RHNA.

In most urbanized areas of the state, including Santa Barbara County, the RHNA process occurs every eight years as part of each State-mandated Housing Element update. The RHNA process quantifies the need for housing by income group within each jurisdiction during a specific planning period. The State Department of Housing and Community Development (HCD) determines the housing need for each region for the planning period and the region apportions this housing need across local jurisdictions within the region. In Santa Barbara County, the Santa Barbara County Association of Governments (SBCAG) fulfills this role.

Goleta's current Housing Element covers the 2015-2023 planning period, which is also referred to as the "5th planning cycle" in reference to the five required Housing Element updates that have occurred since the comprehensive update of State housing law in 1980. The 6th Housing Element cycle will cover the planning period of February 2023 to February 2031.

What is Housing Element "certification" and why is it important?

The State Legislature has delegated to the HCD the authority to review Housing Elements and issue findings regarding the Housing Elements' compliance with the law. When HCD issues a letter finding that the Housing Element is in substantial compliance with State law, it is referred to as "certification" of the Housing Element. Certification confirms in particular that a local jurisdiction's Housing Element (and Land Use Element) provide sufficient residential land use capacity to accommodate that jurisdiction's share of the regional housing need plus carryover from the previous planning period.

Housing Element certification is important for four main reasons:

- **Local Control and Risk of Litigation.** The General Plan and its various elements, including the Housing Element, provide the foundation for the City's land use plans and development regulations. If the City were challenged in court regarding the validity of the General Plan or zoning regulations and the General Plan were found by the court to be invalid, a court could order changes to City land use plans or regulations, assume control over City land use decisions, and require the City to pay the litigant's attorney fees. HCD certification establishes a "rebuttable presumption of validity" (Government Code Section 65589.3) that the Housing Element substantially complies with State law.
- **Fines and State Enforcement.** Recent laws also allow for courts to impose fines on a jurisdiction, if it fails to adopt a Housing Element in compliance with State law (Government Code Section 65585). The State Attorney General has also

recently moved aggressively to enforce RHNA requirements against cities that have sought to defy state-mandated housing requirements, as in the well-publicized City of Huntington Beach lawsuit, whereby the State of California sued the City of Huntington Beach for being out of compliance with the RHNA and affordable housing goals outlined in its Housing Element.

- **RHNA Carryover.** State law (Government Code Section 65584.09) provides that, if a city does not demonstrate the availability of adequate sites to accommodate its RHNA allocation, the shortfall is carried over and added to the RHNA for the next planning period.
- **Eligibility for Grant Funds.** Some State grant funds are contingent upon Housing Element certification. Grants can help to cover the cost of some projects that would otherwise rely on the City's General Fund. Programs accessed by the City of Goleta that consider Housing Element certification in their criteria are Community Development Block Grants (CDBG) and HOME Investment Partnerships Program (HOME), as well as the recent grant programs supporting the preparation of Residential Design Standards, Housing Fees, and the upcoming Housing Element update.

The City Council adopted the 2015-2023 Housing Element in December 2014 and, on March 2, 2015, HCD issued a letter finding the adopted Housing Element in full compliance with State law. Future certification for the upcoming Housing Element 6th cycle will be an important step that will allow the City to maintain local land use planning control, reduce legal risk, avoid fines and State enforcement actions, eliminate the RHNA carryover, and ensure that the City has access to important grant funding resources, such as CDBG and HOME.

How does the RHNA affect land use planning in Goleta?

Because State Housing Element law requires cities to demonstrate the availability of sufficient land suitable for housing development commensurate with the RHNA, the RHNA process has a major effect on local land use planning. If a city cannot demonstrate that sufficient land is available to accommodate the RHNA, land use plans and regulations must be modified to provide adequate sites, typically through amendments to the Land Use Element of the General Plan and zoning regulations.

As discussed in more detail below, Santa Barbara County's regional total housing need for the upcoming 6th cycle will be significantly higher than in the prior cycle due to new requirements to address existing housing problems related to overcrowding and overpayment in the RHNA. Overcrowding is defined as more than one person per room (excluding kitchens and bathrooms) and overpayment is defined as paying more than 30% of a household's gross income for housing. It is important to note that, although the RHNA requires local jurisdictions to provide adequate sites to accommodate identified future housing need through their land use plans and development regulations, local jurisdictions are not required to build housing to achieve their RHNA allocations themselves. In adopting RHNA law, the State Legislature recognized that cities have limited authority and resources to build housing. Therefore, RHNA law focuses on the

things local jurisdictions have control over – land use plans, regulations and development review procedures.

It is important to note that RHNA law focuses on cities’ potential capacity for housing development based on zoning and development standards, not actual housing production. If cities do not achieve their RHNA, recent changes to State law (SB 35) require “streamlined review” of housing developments that meet certain criteria, including minimum affordability levels and the payment of prevailing wage rates.¹

What do communities do when they run out of vacant and buildable land?

Communities with little or no remaining vacant land must still update their Housing Elements and identify other means of accommodating the RHNA. In these cases, the Housing Element may evaluate existing developed properties as “underutilized sites.” Such properties may be available for intensification, or they may be non-residential sites with potential for re-designation and redevelopment for housing or mixed-use development. Examples of land with potential for additional housing may include publicly owned surplus land, areas with mixed-use potential, properties facing substantial functional obsolescence, and blighted areas with abandoned or vacant buildings. Second units (aka “accessory dwelling units”) also provide a means of accommodating additional housing in built-out communities. Under limited circumstances, a portion of the City’s RHNA may be met through conversion of existing market rate apartments to affordable levels; preservation of affordable units at-risk of conversion to market rate; and substantial rehabilitation of substandard apartment units combined with long term affordability covenants.

How are different types of housing (such as mobile homes and residential care facilities) treated for purposes of the RHNA?

The RHNA assigns housing need in four income categories based on countywide median income, as shown in the following table. The Housing Element must include an inventory of potential sites where additional housing development could be built in each income category.

Income Category	% of Area Median Income	Annual Income Range
Very Low	Up to 50%	Up to \$55,150
Low	51-80%	\$55,151 – 88,300
Moderate	81-120%	\$88,301 – 95,500
Above Moderate	Over 120%	Over \$95,500
Source: California Department of Housing and Community Development, 2019		

Under State housing law (Government Code Section 65583.2(c)(3)), allowable housing density is used as a proxy for affordability. If zoning and development standards for a

¹ A full discussion of SB 35 requirements is provided at <https://www.hcd.ca.gov/community-development/accountability-enforcement/statutory-determinations.shtml>

property allow housing at a density of at least 20 units/acre, potential housing development on that property is deemed suitable for lower-income housing (i.e., not more than 80% of county median income).

In some cases, such as land zoned for mobile home parks, sites with lower allowable housing densities may also be considered suitable for lower-income housing depending on prevailing costs in the jurisdiction.

In evaluating potential housing sites for RHNA purposes, State law makes a distinction between “housing units” and other types of residential accommodations that are considered “group quarters.” “Group quarters” do not qualify as “housing units” for RHNA purposes. For example, residential care facilities, group homes, and college dormitories without separate housing units are typically considered to be group quarters and therefore are generally not counted towards the RHNA.

Jurisdictions must identify the RHNA income category that each site in the inventory is anticipated to accommodate. On the site inventory, the City must specify whether the site or a portion of the site is adequate to accommodate lower-income housing, moderate-income housing, or above moderate-income housing. Sites can accommodate units for more than one income category. However, the inventory will need to indicate the number of units of each income category, and together the total of units attributed to each income category may not exceed total units attributed to the site, so that no unit is designated for more than one income category. This requirement is particularly important because the No Net Loss law (Government Code Section 65863) requires adequate sites be maintained throughout the planning period to accommodate the remaining RHNA by income category. If a proposed development would provide fewer units in any income category than assumed for that site in the Housing Element sites inventory, the City must evaluate whether the remaining capacity is still sufficient to fully accommodate the net remaining RHNA. If the remaining inventory of sites is insufficient to fully accommodate the remaining RHNA in each income category, additional sites must be identified to make up any shortfall, which could require rezoning of those additional sites.

What is the current status of Goleta’s Housing Element and the RHNA?

Goleta’s current Housing Element was adopted in 2015 and was subsequently certified by HCD as fully compliant with State law. The next update to the Housing Element for the 6th planning cycle must be adopted by February 2023.

SBCAG is currently working to prepare the 6th cycle RHNA. The RHNA process includes five major steps:

- 1) HCD’s total housing allocation to the SBCAG region;
- 2) SBCAG’s development of a methodology for distributing RHNA shares to local jurisdictions;
- 3) SBCAG’s assignment of draft RHNA shares to each jurisdiction based upon the approved methodology;
- 4) Final RHNA adoption by SBCAG; and

- 5) Preparation and adoption of updated Housing Elements by each local jurisdiction.

Each of these steps is summarized below.

In the first step in the RHNA process, SBCAG staff with input from the SBCAG Technical Planning Advisory Committee, on which City staff participate, consults with HCD and the Department of Finance regarding the region's total housing need for the upcoming 8-year period. HCD has allowed SBCAG to start the consultation earlier, in July, allowing more time for review. The consultation can, according to the statutory calendar, conclude as late as February 2021. SBCAG staff anticipates the consultation process will be completed prior to the deadline and the remainder of the process can be accelerated. Once the consultation period ends and the regional total is determined by HCD, SBCAG has 30 days to file an "objection," if SBCAG believes that the RHNA allocation is inconsistent with State law. HCD then has 45 days to consider the objection and make the final RHNA determination.

In the second step of the process, the methodology to be used by SBCAG to allocate the regional total to jurisdictions is developed with input from SBCAG's RHNA Project Development Team (including the planning directors of all member jurisdictions). SBCAG's methodology must be consistent with "planning factors" set forth in Government Code Section 65584.04(e). The statutory planning factors are intended to promote consistency between the RHNA and Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS) greenhouse gas reduction goals pursuant to SB 375, particularly with regard to the relationship between jobs and housing in order to reduce vehicle miles traveled (VMT). While the RHNA methodology must consider a wide range of factors, SBCAG has some discretion regarding the relative weighting of the factors. The statutory calendar requires this step to be completed by February 2021. However, as with the consultation period, staff anticipates this step will be completed prior to the deadline and is currently in development. Once a draft methodology is issued, SBCAG must submit the methodology to HCD for review. HCD then has a 60-day review period, after which SBCAG will adopt the final methodology.

The third step involves SBCAG's application of the HCD-approved methodology to allocate draft RHNA shares to each jurisdiction. In practice, SBCAG member jurisdictions, which will participate in the development of the RHNA methodology, will know their share of the regional housing need well in advance of SBCAG's formal adoption and application of the methodology.

In the fourth step of the RHNA process, within 45 days of publication of draft allocations, HCD and local jurisdictions may appeal any jurisdiction's allocation (their own or any other jurisdiction's) to SBCAG. After the close of the appeal period, jurisdictions and HCD have an additional 45 days to comment on any appeals. Within 30 days after the end of the comment period, SBCAG must conduct a public hearing to consider appeals. SBCAG then has 45 days to accept, modify or reject appeals and issue a final allocation that is then submitted to HCD. Refer to Attachment 1 for the statutory RHNA schedule. In deciding whether to accept or deny appeals, SBCAG must ensure that the regional RHNA total assigned by HCD is maintained.

The final step is the preparation and adoption of Housing Element updates by each jurisdiction. The updated Housing Element must demonstrate that sufficient land is available with appropriate development standards that could accommodate the jurisdiction's RHNA allocation.

On July 16, 2020, the HCD released the initial draft RHNA determination for the SBCAG region. The initial draft 6th cycle allocation is provided below, by income category. The 5th cycle allocation is provided for context.

HCD Regional Housing Need Allocation (RHNA) Determination					
Santa Barbara County					
June 30, 2021 through February 15, 2031 (6th Cycle)					
Income Category	Percent	Housing Unit Need	Housing Unit Need (5th Cycle)	Difference	% Difference vs 5th Cycle
Very-Low *	24.5%	7,174	2,625	4,549	173%
Low	15.8%	4,629	1,810	2,819	156%
Moderate	17.3%	5,063	2,049	3,014	147%
Above-Moderate	42.5%	12,447	4,545	7,902	174%
Total	100.0%	29,313	11,030	18,283	166%
* Extremely-Low 13.4% included in Very-Low Category					

The initial draft RHNA is much higher than the current 5th cycle determination due to the addition of existing needs (overcrowding and overpayment) by the State Legislature for the 6th cycle.

SBCAG will not receive a formal RHNA determination from HCD until late August or early September 2020 and the SBCAG Board will have an opportunity to file an "objection" to the determination, if deemed necessary. The SBCAG Board will consider adoption of the local RHNA distribution in the August 2021 timeframe.

What are the next steps related to the RHNA and the Housing Element?

City staff is continuing to work with SBCAG on the development of the RHNA to ensure that Goleta's interests and circumstances, such as water availability, are considered in the analysis. Later this year, City staff will begin to assess our land use capacity for new housing development, in anticipation of a larger than usual RHNA allocation. There are three main ways cities can demonstrate adequate sites to accommodate the RHNA: 1) vacant parcels zoned for residential or mixed-use development; 2) previously developed "underutilized" parcels that could be redeveloped for residential use; and 3) potential new accessory dwelling units (ADUs). The City will start the land use capacity analysis using sites unused in the current housing cycle (refer to Housing Element Table 10A-33, also provided in Attachment 2). Of note, the majority of the existing site capacity (approximately 80 percent) are or will be developed as part of this current housing cycle, leaving the smaller sites for the upcoming cycle, meaning the City will need to identify new sites to address its new RHNA share.

RHNA “credit” for ADUs will be determined by HCD as part of the Housing Element review process, and it is uncertain at this time what methodology HCD will use to determine ADU credit. To date, HCD is advising jurisdictions to track ADU production, collect rental rates, and document affordability. As such, Goleta is collecting rents and reporting to HCD in our General Plan Annual Progress Report in the hopes that ADU production will satisfy a portion of the RHNA. A fourth option provided in State law for satisfying up to 25% of lower-income RHNA requirements is through rehabilitation of deteriorated housing or conversion of market-rate housing to affordable rates, but these options are rarely used due to the difficult administrative requirements, such as a limited two-year “time window” at the beginning of the planning period for identifying committed financial assistance, provision of relocation assistance, and certifying that targeted buildings are unfit for human habitation.

As part of the land use capacity analysis, staff will seek to identify a range of land use scenarios to increase housing potential per the RHNA. Staff will be evaluating various regulatory strategies to meet our new RHNA such as:

- Rezoning land from non-residential to residential
- Density increases
- Minimum density zoning
- Mixed-use zoning in nonresidential zones
- Small and irregular-size lot development and or consolidated lots to facilitate combining small residential lots into larger lots to accommodate higher-density development
- Increased height limitations, increased floor area to allow for larger buildings on smaller lots

Staff will conduct workshops regarding the land use capacity analysis and different land use scenarios with the public and City decision-makers as a first critical step after receipt of the City’s RHNA. The Housing Element update will be submitted to HCD for their review during 2022. Assuming that the City is required to rezone land to meet a larger RHNA, concurrent amendments to the Land Use Element and zoning regulations will be necessary to demonstrate the availability of adequate sites to accommodate the 6th cycle RHNA.

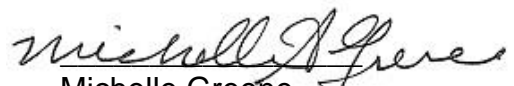
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ATTACHMENTS:

1. RHNA Project Schedule (Statutory Calendar)
2. Housing Element Table 10A-33 Vacant Sites
3. Regional Housing Needs Allocation (RHNA) Update - presentation

Attachment 1

RHNA Project Schedule (Statutory Calendar)

Attachment 1

RHNA Project Schedule (Statutory Calendar)

RHNA Steps	Timeframe	Statutory Deadlines
SBCAG RHNA Planning Period	2/15/2023 - 2/15/2031	7 years 11 months
SBCAG RHNA Projection Period	6/30/2022 - 2/15/2031	8 years 7.5 months
Estimated RTP Adoption Date		8/15/2021
Housing Element Due Date (within 18 mos. of RTP adoption)		2/15/2023
SBCAG conducts a survey of member jurisdictions planning factors	<6 months prior to methodology	6/15/2020
HCD SBCAG Countywide RHNA determination consultation	Housing Element (HE) minus 26 months	12/15/2020
<i>SBCAG requested earlier HCD determination consultation</i>		7/2020
HCD issues Countywide RHNA determination	At least Housing HE minus 24months	2/15/2021
SBCAG can file an objection to HCD determination within 30 days		3/15/2021
SBCAG issues proposed RHNA allocation methodology.	At least HE minus 24 months	2/15/2021
HCD 60 Day review of draft methodology		
SBCAG adopts final RHNA Methodology	At least 60 days following proposed method	4/15/2021
SBCAG issues DRAFT Allocation of RHNA	At least HE minus 18 months	8/15/2021
Final RTP w/SCS accommodating RHNA	HE minus 18 months	8/15/2021
Local jurisdictions may appeal Draft RHNA Allocations	Within 45 days of receiving draft	
Jurisdictions and HCD comment on appeals	Within 45 days of close of appeals	
SBCAG hold public hearing to consider appeals	Within 30 days of appeal comment period	
SBCAG makes final determination on appeals and issues allocation	Within 45 days of public hearing	
SBCAG /Subregion adopts final allocation plan	Within 45 days of final determination	

Attachment 2

Housing Element Table 10A-33 Vacant Sites

**TABLE 10A-33
HOUSING ELEMENT VACANT SITES**

Map #/ Site Name	APN	Site Size (ac)	GP/Zoning	Max. Density (units/acre)	Max. Units	Type of Constraint	Net Site Area (ac)	Adjusted # of Units
Lower-Income Sites								
8 Hospital	065-090-028	1.99	MDR/DR-20	20	39	No utility constraint	1.79	35
9 Orange Avenue	071-021-034	0.13	HDR/DR-30	30	3	No utility constraint	0.13	3
10 Heritage Ridge	073-060-031 to 073-060-043	14.46	MDR/DR-20 (AHO Overlay)	25	361	Freeway noise; park dedication	11.46	229
11 Village at Los Carneros	073-330-026	6.06	MDR/DR-20 (AHO Overlay)	25	151	Application pending		
	073-330-028	7.16	MDR/DR-20 (AHO Overlay)	25	179			
	073-330-029	11.53	MDR/DR-20 (AHO Overlay)	25	288			
	073-330-027	8.44	MDR/DR-20	20	168			
	073-330-024	7.05	MDR-DR-20	20	141			
Subtotal - VLC		40.24		20	927			465
12 Cortona	073-140-016	8.82	MDR/DR-20 (AHO Overlay)	25	220	ESHA; No utility constraint	7.94	158
17 Ellwood Beach Drive	079-551-014	0.27	HDR/DR-30	30	8	No utility constraint	0.27	8
18 Ellwood Beach Drive	079-551-024	0.25	DR-30	30	7		0.25	7
Total – Lower		66.16			1,565			905
Moderate Sites								
14 Westen	073-030-006	4.12	MDR/MHS (AHO DR-12.3)	12.3	50	Wetland, noise; no utility constraint	2.46	30
13 Westen	073-030-009	2.94	MDR/MHS (AHO DR-12.3)	12.3	36	Wetland; noise; No utility constraint	1.76	21
15 U. Village	073-182-009	0.16	PR/DR-10	10	1	No utility constraint	0.16	1
20 Mathilda Drive	079-554-021	0.24	PR/DR-10	10	2			2
20 Mathilda Drive	079-554-022	0.23	PR/DR-10	10	2	ESHA		2
19 Mathilda Drive	079-553-022	0.23	PR/DR-12.3	12.3	2			2
19 Mathilda Drive	079-553-023	0.25	PR/DR-12.3	12.3	3			3
19 Mathilda Drive	079-553-024	0.25	PR/DR-12.3	12.3	3			3
19 Mathilda Drive	079-553-025	0.25	PR/DR-12.3	12.3	3			3
Total – Moderate		7.22			87		4.38	67

Map #/ Site Name	APN	Site Size (ac)	GP/Zoning	Max. Density (units/acre)	Max. Units	Type of Constraint	Net Site Area (ac)	Adjusted # of Units
Above-Moderate Sites								
16 School District Site	073-090-026	9.28	PR/DR-6	6	55	Riparian buffer; wetland	8.24	49
3 Kenwood Village	077-130-006 077-130-019 077-141-049	6.76	SFR/DR-4.6	4.6	28	Creek; street frontage	4.81	22
1 Cathedral	079-110-026	0.38	SFR/12-R-1	3.57	1		0.38	1
2 Cathedral	079-110-040	1.33	SFR/12-R-1	3.57	4		1.33	4
7 Dara	12 parcels	3.77	SFR/12-R-1	3.57	13		3.77	13
6 Cambridge	069-080-009	1.01	SFR/20-R-1	2.17	2		1.01	2
5 Harvest Hill Subdivision	069-620-044	5.59	SFR/20-R-1	2.17	12	Parcel to be subdivided into a total of 7 lots, with 6 new lots	4.7	6
4 Robinson Subdivision	077-130-021 077-130-022 077-141-053 077-141-069 077-141-075	1.21	SFR/DR-4.6 & 7-R-1	4.6	5		1.21	5
Total – Above Moderate		29.33			120		25.45	102
Notes: Map # refers to numbered sites in Figure 10A-5; APN: Assessor's Parcel Number Zoning Districts: DR-2 to DR-30– Design Residential, with units per acre specified by the number following DR-; 10-R-1 to 20-R-1 – Single Family Residential, with units per acre specified by the number preceding R-; MHS – Mobile Home Subdivision; AHO – Affordable Housing Overlay.								

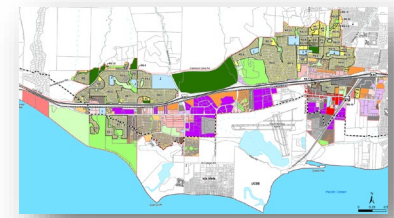
Attachment 3
Staff Presentation

REGIONAL HOUSING NEEDS ALLOCATION (RHNA) UPDATE



City Council
September 15, 2020

Presentation by:
Anne Wells, Advance Planning Manager

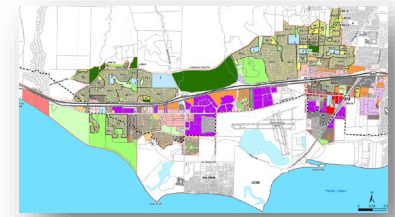


RHNA UPDATE

What is RHNA and how it relates to General Plan?

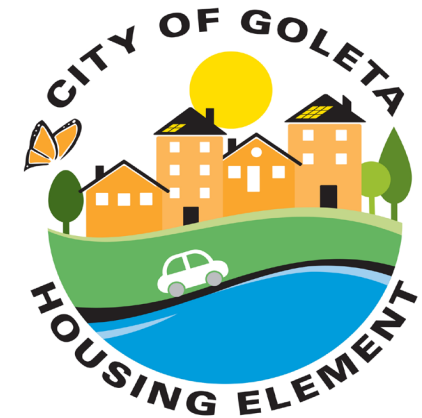
- State law requiring city-adopted General Plan
- Housing Element - one of seven State-required elements
 - Establishes policies / programs to meet our housing needs
 - Eight-year cycles
 - Roles of State HCD and County SBCAG
 - Current 2015-2023 planning period / 5th Cycle
 - 6th Cycle – February 2023 – February 2031

RHNA UPDATE

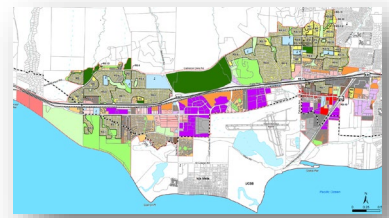


What is the Housing Element certification and why is it important?

- Local Control and Risk of Litigation
- Fines and State Enforcement
- RHNA Carryover
- Eligibility for Grant Funds



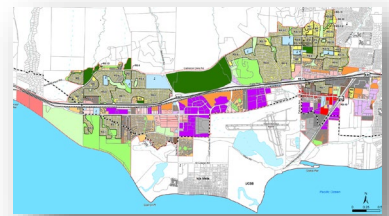
Goleta's Housing
Element complies with
State Law
(HCD 3-2-15)



RHNA UPDATE

How does the RHNA affect land use planning in Goleta?

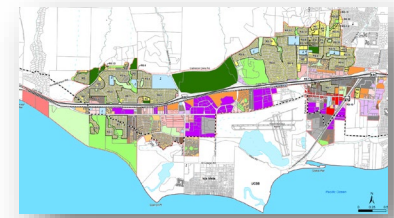
- Requires sufficient available land for housing
 - Demonstrate existing availability, or
 - Modify land use plans and regulations
- Role of “overcrowding”
- Role of “overpayment”



RHNA UPDATE

What do communities do when they run out of vacant and buildable land?

- “Underutilized sites”
 - Intensification, re-designation (rezone), or redevelopment
- Increasing role of ADUs
- Conversion of market rate units to affordable
- Preservation of “at-risk” affordable units
- Substantial rehabilitation

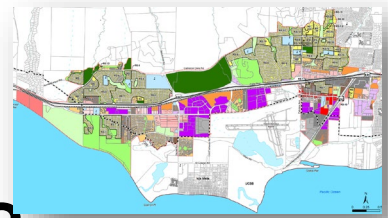


RHNA UPDATE

How is housing treated for purposes of RHNA?

- Four income categories
- Housing Element must inventory of sites for each category
- Density as proxy for affordability
- “Unit” vs. “Quarters”
- No NET loss

Income Category	% of Area Median Income	Annual Income Range
Very Low	Up to 50%	Up to \$55,150
Low	51-80%	\$55,151 – 88,300
Moderate	81-120%	\$88,301 – 95,500
Above Moderate	Over 120%	Over \$95,500
Source: California Department of Housing and Community Development, 2019		27



RHNA UPDATE

What is the current status of our RHNA?

- 1) HCD's housing allocation to SBCAG;
- 2) SBCAG's methodology for distributing RHNA;
- 3) SBCAG's assignment of draft RHNA;
- 4) SBCAG adopts RHNA; and
- 5) Housing Elements updates.

HCD Regional Housing Need Allocation (RHNA) Determination

Santa Barbara County

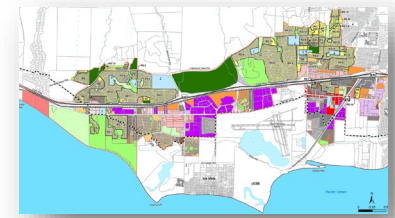
June 30, 2021 through February 15, 2031 (6th Cycle)

<u>Income Category</u>	<u>Percent</u>	<u>Housing Unit Need</u>
Very-Low *	24.5%	7,174
Low	15.8%	4,629
Moderate	17.3%	5,063
Above-Moderate	42.5%	12,447
Total	100.0%	29,313

* Extremely-Low 13.4% included in Very-Low Category

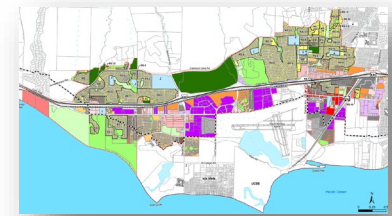
<u>Housing Unit Need (5th Cycle)</u>	<u>Difference</u>	<u>% Difference vs 5th Cycle</u>
2,625	4,549	173%
1,810	2,819	156%
2,049	3,014	147%
4,545	7,902	174%
11,030	18,283	166%

RHNA UPDATE



What are the next steps?

1. Identify land use scenarios to increase housing potential.
2. Evaluate regulatory strategies to meet RHNA such as:
 - Rezoning land from non-residential to residential,
 - Density increases,
 - Minimum density zoning,
 - Mixed-use zoning,
 - Small lot / consolidated lots for higher-density, and
 - Increased heights and floor area for larger buildings.



RHNA PROJECT SCHEDULE

RHNA Project Schedule (Statutory Calendar)

RHNA Steps	Timeframe	Statutory Deadlines
SBCAG RHNA Planning Period	2/15/2023 - 2/15/2031	7 years 11 months
SBCAG RHNA Projection Period	6/30/2022 - 2/15/2031	8 years 7.5 months
Estimated RTP Adoption Date		<u>8/15/2021</u>
Housing Element Due Date (within 18 mos. of RTP adoption)		<u>2/15/2023</u>
SBCAG conducts a survey of member jurisdictions planning factors	<6 months prior to methodology	6/15/2020
HCD SBCAG Countywide RHNA determination consultation	Housing Element (HE) minus 26 months	<u>12/15/2020</u>
<i>SBCAG requested earlier HCD determination consultation</i>		<u>7/2020</u>
HCD issues Countywide RHNA determination	At least Housing HE minus 24months	<u>2/15/2021</u>
SBCAG can file an objection to HCD determination within 30 days		3/15/2021
SBCAG issues proposed RHNA allocation methodology.	At least HE minus 24 months	2/15/2021
HCD 60 Day review of draft methodology		
SBCAG adopts final RHNA Methodology	At least 60 days following proposed method	4/15/2021
SBCAG issues DRAFT Allocation of RHNA	At least HE minus 18 months	<u>8/15/2021</u>
Final RTP w/SCS accommodating RHNA	HE minus 18 months	8/15/2021
Local jurisdictions may appeal Draft RHNA Allocations	Within 45 days of receiving draft	
Jurisdictions and HCD comment on appeals	Within 45 days of close of appeals	
SBCAG hold public hearing to consider appeals	Within 30 days of appeal comment period	
SBCAG makes final determination on appeals and issues allocation	Within 45 days of public hearing	
SBCAG /Subregion adopts final allocation plan	Within 45 days of final determination	20

Supporting Information (Current RHNA)

Goleta General Plan/Coastal Land Use Plan 2019 Progress Report

TABLE 4
HOUSING OBJECTIVES UPDATE (2015-2022)

Income Level	RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	2022	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Extremely Low	118	0	0	0	1	0				1	117
Very Low	117	0	0	0	4	0				4	113
Low	157	0	0	0	74	1				75	82
Moderate	174	5	0	0	2	0				7	167
Above Moderate	413	197	135	160	159	113				764	0
Total	979	202	135	160	240	114				851	479

Note: The total housing units for 2017 and 2018 have been adjusted from previous reports to provide corrected data.

Attachment 2

November 5 and 12, 2020 RHNA Methodology Staff Reports to SBCAG Technical Planning Advisory Committee

TPAC STAFF REPORT

SUBJECT: Regional Housing Needs Allocation (RHNA) Methodology

MEETING DATE: November 5, 2020 **AGENDA ITEM:** 5

STAFF CONTACT: Mike Becker

RECOMMENDATION: Review and comment on draft RHNA methodologies.

BACKGROUND:

SBCAG is currently in the process of carrying out its role in the 6th cycle of RHNA. RHNA can be generalized to occur in three phases:

1. The State's Department of Housing and Community Development (HCD), in consultation with SBCAG, develops the region's housing determination (the regionwide number of housing units);
2. SBCAG, consulting with the region's local governments and HCD develops a methodology for allocating the region's determination to each local government while satisfying five State objectives; and
3. Each local agency updates its housing element to accommodate its allocated number of housing units.

The first two phases are ongoing. To date, RHNA was discussed by the SBCAG Board of Directors during its June, July, and August 2020 meetings. RHNA was discussed by both the North County and South Coast Subregional Planning Committees during their October 2020 meetings. Additionally, SBCAG had developed an ad hoc RHNA Project Development Team that has met five times since February 2020. The final RHNA Project Development Team meeting was conducted on October 19th, 2020 and all future staff-level RHNA discussions will be conducted as part of Technical Planning Advisory Committee (TPAC) meetings. All meeting agendas, staff reports, and meeting materials are available for review on SBCAG's RHNA webpage: <http://www.sbcag.org/rhna.html>.

DISCUSSION:

The purpose of this item is to review and comment on potential methodologies for allocating the number of housing units prescribed by HCD to each of the region's jurisdictions. Staff-level discussion thus far have indicated support for employment of a two-step formula. A two-step formula uses one set of factors to split the regionwide number of housing units to a number for the North County and a number for the South Coast. A second set of factors are then applied in the second step to allocate within the respective subregions.

As a regional methodology, or formula, is developed, it is important to consider that SBCAG is obligated to seek to advance five objectives defined in State housing law.

RHNA Objectives (Govt. Code § 65584(d))

1. Increase the housing supply and the mix of housing types, tenure (rental or ownership), and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.
2. Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the Air Resources Board pursuant to Section 65080.
3. Promote an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
5. Affirmatively furthering fair housing

Objectives 2 and 3 are addressed through the first step of a regional methodology. The region's Sustainable Communities Strategy (SCS) also requires consistency with RHNA. Though the third SCS, to be adopted in August 2021, has not yet been formally endorsed by the SBCAG Board, staff will recommend aligning the SCS with the region's current and prior SCS. This scenario allocates 57% of new residential growth in the South Coast subregion. The higher proportion directed to the South Coast is in response to the region's jobs-housing imbalance and the requirement through SB 375 (2008) to reduce greenhouse gas emissions from light-duty vehicles through strategies focused on transportation investment and land-use development patterns. The draft 6th cycle regional determination provided by HCD to SBCAG is significantly higher than that of the 5th cycle. In addition, the number of housing units surpasses the region's forecasted growth. This is largely the result of SB 828 (2018) that changed one factor and added two new factors to the formula HCD uses to develop the region's determination. These factors, vacancy rate, overcrowding, and cost burden, all seek to add housing units without necessarily increasing population – essentially, they seek to reduce existing negative conditions found in the region's housing market. SB 828's influence in the regional determination precludes a clean apples-to-apples consistency determination; however, the three first-step alternatives under discussion each allow for an argument that they are consistent with the assumptions of the region's SCS.

First-Step Alternatives

The RHNA Project Development Team has explored methodologies over the last few months and three first-step alternatives remain for consideration.

Table 1: First-Step Alternatives

	Alternative 1	Alternative 2	Alternative 3
Factors	20% Existing Jobs, 20% 2000-2017 Job Growth, 20% Forecasted Job Growth, 40% Forecasted Household Growth	10% Existing Jobs, 30% 2000-2017 Job Growth, 30% Forecasted Job Growth, 30% Forecasted Household Growth	60% Existing Jobs, 40% Forecasted Job Growth
North County	44.0% or 12,886 units	45.5% or 13,346 units	40.1% or 11,764 units
South Coast	56.0% or 16,427 units	54.5% or 15,967 units	59.9% or 17,549 units

Note that the initial draft determination number provided by HCD, 29,313 units, are used in the calculations. It is unlikely that the final determination exactly matches this number, but the proportions would remain the same regardless of the number used.

Second-Step Alternatives

The factors employed in the second step are realized more directly by each local government. Prior to the October 19th RHNA Project Development Team meeting much focus was on equally applying cost burden and overcrowding, 50% each, in the second step. However, during that meeting discussions of potential alternatives of the cost burden and overcrowding formula were raised. Attachment A provides nine separate second-step alternatives for review and comment. All calculations in Attachment A assume Alternative #3 for the first step. To correct for use of Alternative #1 or #2 in the first step, the following adjustments were applied.

Table 2: Second-Step Adjustment Factors for First-Step Alternatives #1 and #2

	Alternative #1 Factor	Alternative #2 Factor
North County Jurisdictions	1.0954	1.1345
South Coast Jurisdictions	0.9361	0.9099

Next Steps

SBCAG staff aims to seek a methodology recommendation from TPAC during its December 3, 2020 meeting. That recommendation would be taken to the SBCAG Board's December 17, 2020 meeting for approval to submit the methodology to HCD for review.

In addition to the regional methodology, SBCAG will follow the same course for an income-level allocation methodology. Information on the income methodologies being considered can be found on SBCAG's RHNA webpage under the October 19, 2020 RHNA Project Development Team meeting materials, [Regional Housing Needs Allocation - SBCAG](#).

Should a general agreement not be reached during this TPAC meeting, SBCAG may propose special TPAC meetings to occur on the afternoons of November 12 and 19.

ATTACHMENT:

A. Second-Step Alternatives

Attachment A: Second-Step Variations (all consider 60% 2017 jobs, 40% forecasted job growth first step, Alternative #3)

Jurisdiction	Second-Step Factors								
	Alternative #3	50% Forecasted Growth in Households	40% Forecasted Growth in Households	100% Forecasted Growth in Households	34% Cost Burden	50% Forecasted Job Growth (2020-2030)	50% Existing Jobs	100% Overcrowding	100% Cost Burden
	50% Cost Burden	25% Cost Burden	20% Cost Burden		33% Overcrowding	25% Cost Burden	25% Cost Burden		
	50% Overcrowding	25% Overcrowding	20% Overcrowding		33% Vacancy Rate	25% Overcrowding	25% Overcrowding		
			20% Vacancy Rate						
South Coast	17,549	17,549	17,549	17,549	17,549	17,549	17,549	17,549	17,549
Carpinteria	1,063	1,062	1,099	1,057	1,109	1,003	951	1,258	1,015
Santa Barbara	9,435	9,198	9,139	8,460	9,338	9,489	9,519	9,443	9,433
Goleta	2,166	2,381	2,394	3,050	2,200	2,694	3,144	2,566	2,067
Unincorporated	4,885	4,908	4,917	4,981	4,901	4,363	3,934	4,281	5,034
Lompoc Valley	3,266	2,835	2,836	2,247	3,246	3,136	2,984	2,240	3,901
Lompoc	2,652	2,330	2,294	1,893	2,575	2,264	1,804	2,012	3,047
Unincorporated	615	505	541	354	671	872	1,180	228	854
Santa Maria Valley	7,749	8,161	8,143	8,722	7,739	7,394	6,975	8,917	7,027
Santa Maria	6,390	6,870	6,779	7,523	6,263	6,030	5,604	7,648	5,613
Guadalupe	508	457	456	388	502	377	221	565	472
Unincorporated	851	834	909	811	974	988	1,150	703	941
Santa Ynez Valley	749	768	785	794	779	1,233	1,805	608	836
Solvang	225	207	217	182	241	346	494	92	307
Buellton	194	251	264	328	220	268	360	210	184
Unincorporated	330	311	304	285	318	619	950	305	345
County Total	29,313	29,313	29,313	29,313	29,313	29,313	29,313	29,313	29,313
Total Unincorporated	6,680	6,557	6,627	6,432	6,864	6,843	7,214	6,954	7,267
Total Incorporated	22,633	22,756	22,686	22,881	22,449	22,470	22,099	22,359	22,046

*Note that small amounts of rounding error may be present.

TPAC STAFF REPORT

SUBJECT: Regional Housing Needs Allocation (RHNA) Methodology

MEETING DATE: November 12, 2020 **AGENDA ITEM:** 3

STAFF CONTACT: Brian Bresolin

RECOMMENDATION: Review and comment on draft RHNA methodologies.

DISCUSSION:

The purpose of this item is to continue review and comment on potential methodologies for allocating the number of housing units prescribed by HCD to each of the region's jurisdictions. Staff-level discussion thus far have indicated support for employment of a two-step formula. A two-step formula uses one set of factors to split the regionwide number of housing units to a number for the North County and a number for the South Coast. A second set of factors are then applied in the second step to allocate within the respective subregions.

Based on discussions occurring during the final RHNA Project Development Team meeting and the November 5th TPAC meeting, the following formula appears to garner the most support.

Table 1: Tentative RHNA Methodology

First Step (North-South Split)	Second Step (Subregional Allocation)
60% - Existing Jobs (2017)	50% - Overcrowding
40% - Forecasted 2020-30 Jobs	50% - Cost Burden

The regional allocation must also distribute housing by income level. The income distribution methodology addresses Objective #4 as described later in this staff report. During the October 19 RHNA Project Development Team meeting the attendees discussed two options for formulas that distribute housing by income level. The two formulas consider the difference between the regional average per income level and each jurisdiction's existing household composition by income level. A one times the difference option and a 1.5-times the difference option were considered and support largely focused on the 1.5 times option. Please refer to the meeting materials from the October 19th meeting for more information. All documents are available on SBCAG's RHNA webpage: <http://www.sbcag.org/rhna.html>.

October 19 Meeting Memorandum:
http://www.sbcag.org/uploads/2/4/5/4/24540302/rhna_memo_10-19-20.pdf.

October 19 Meeting Memorandum Attachment B:
http://www.sbcag.org/uploads/2/4/5/4/24540302/attachb_incomedistalts.pdf

Attachment A provides draft RHNA allocations for the region's jurisdictions assuming the methodology provided in Table 1, the 1.5-times methodology for income level distribution, and the draft 29,313-unit regional determination.

As a regional methodology, or formula, is developed, it is important to consider that SBCAG is obligated to seek to advance five objectives defined in State housing law.

RHNA Objectives (Govt. Code § 65584(d))

1. Increase the housing supply and the mix of housing types, tenure (rental or ownership), and affordability in all cities and counties within the region in an equitable manner, which shall result in each jurisdiction receiving an allocation of units for low- and very low-income households.
2. Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns, and the achievement of the region's greenhouse gas reductions targets provided by the Air Resources Board pursuant to Section 65080.
3. Promote an improved intraregional relationship between jobs and housing, including an improved balance between the number of low-wage jobs and the number of housing units affordable to low-wage workers in each jurisdiction.
4. Allocating a lower proportion of housing need to an income category when a jurisdiction already has a disproportionately high share of households in that income category, as compared to the countywide distribution of households in that category from the most recent American Community Survey.
5. Affirmatively furthering fair housing

Objectives 2 and 3 are addressed through the first step of a regional methodology. The region's Sustainable Communities Strategy (SCS) also requires consistency with RHNA. Though the third SCS, to be adopted in August 2021, has not yet been formally endorsed by the SBCAG Board, staff, consistent with TPAC's recommendation, will recommend aligning the SCS with the region's current and prior SCS. This scenario allocates 57% of new residential growth in the South Coast subregion. The higher proportion directed to the South Coast is in response to the region's jobs-housing imbalance and the requirement through SB 375 (2008) to reduce greenhouse gas emissions from light-duty vehicles through strategies focused on transportation investment and land-use development patterns. The draft 6th cycle regional determination provided by HCD to SBCAG is significantly higher than that of the 5th cycle. In addition, the number of housing units surpasses the region's forecasted growth. This is largely the result of SB 828 (2018) that changed one factor and added two new factors to the formula HCD uses to develop the region's determination. These factors, vacancy rate, overcrowding, and cost burden, all seek to add housing units without necessarily increasing population. SB 828's influence in the regional determination precludes a clean consistency determination; however, the tentative methodology allows for a strong argument in favor of consistency with the assumptions of the region's SCS.

Next Steps

SBCAG staff aims to seek a methodology recommendation from TPAC during its December 3, 2020 meeting. That recommendation would be taken to the SBCAG Board's December 17, 2020 meeting for approval to submit the methodology to HCD for review.

ATTACHMENT:

- A. Tentative RHNA Allocations by Income Level
- B. [November 5th TPAC Staff Report, Item 5, RHNA Methodology](#)

Attachment A

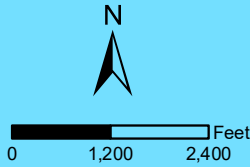
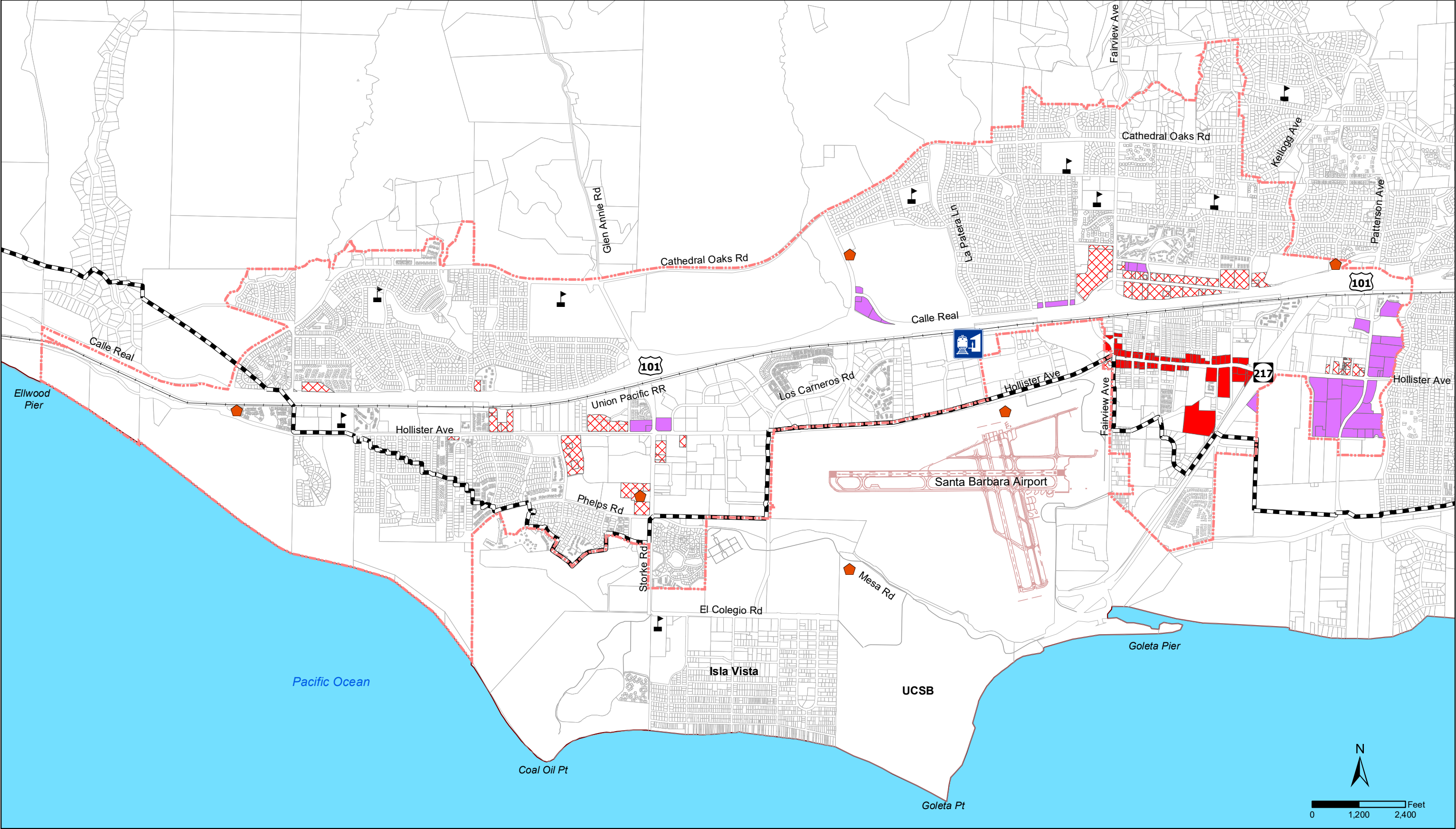
Tentative RHNA Allocations by Income Level

Jurisdiction	Tentative RHNA Allocation	Tentative Allocation by Income Level			
		Very Low	Low	Moderate	Above Moderate
Carpinteria	1,063	328	155	155	425
Santa Barbara	9,435	2,501	1,620	1,676	3,637
Goleta	2,166	768	379	433	585
Uninc. (South Coast)	4,885	985	1,120	1,247	1,532
Lompoc	2,652	255	309	354	1,735
Uninc. (Lompoc Valley)	615	234	84	60	236
Santa Maria	6,390	1,260	633	830	3,668
Guadalupe	508	19	29	90	371
Uninc. (Santa Maria Valley)	851	296	139	136	280
Solvang	225	63	45	25	92
Buellton	194	62	43	35	54
Uninc. (Santa Ynez Valley)	330	106	63	66	95
County Total	29,313	7,211	4,661	5,042	12,399
Total Unincorporated	6,680	1,845	1,307	1,361	2,165

*note that a small amount of rounding error may be present

Attachment 3

Goleta's Commercial and Industrial Land Use Designations with Housing (Mixed Use) Potential



Legend		Commercial Use Categories	Office and Industrial	Other Features
		Community	Office and Institutional	Goleta City Boundary
		Old Town		Coastal Zone Boundary
				Schools
				Fire Stations
				Goleta Train Depot

LAND USE, SCHOOLS AND FIRE STATIONS

OCTOBER 2020

GOLETA