

# MONTECITO PLANNING COMMISSION

## Staff Report

### 2018 Comprehensive Plan Annual Progress Report

**Hearing Date:** February 20, 2019

**Staff Report Date:** February 12, 2019

**Case No.:** N/A

**Environmental Document:** Notice of Exemption, CEQA Guidelines Sections 15060(c)(3) and 15378(b)(5)

**Deputy Director:** Dan Klemann

**Division:** Long Range Planning

**Supervising Planner:** Allen Bell

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## 1.0 REQUEST

Hearing on the request of the Planning and Development Department that the Montecito Planning Commission:

- 1.1 Receive and file the *2018 Comprehensive Plan Annual Progress Report* (Attachment A);
- 1.2 Determine that the Montecito Planning Commission's actions regarding the *2018 Comprehensive Plan Annual Progress Report* are not subject to the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(b)(5) (Attachment B); and
- 1.3 Recommend that the County Planning Commission authorize staff to provide the *2018 Comprehensive Plan Annual Progress Report* to the Board of Supervisors (Board), Governor's Office of Planning and Research (OPR), and California Department of Housing and Community Development (HCD), pursuant to Government Code Section 65400, and to the City of Santa Barbara, pursuant to the Board's action to adopt the *Mission Canyon Community Plan* (April 1, 2014).

## 2.0 RECOMMENDATION AND PROCEDURES

- 2.1 Follow the procedures outlined below to provide by April 1, 2019, the enclosed *2018 Comprehensive Plan Annual Progress Report* to the Board, OPR, HCD, and City of Santa Barbara. Your Commission's motion should include the following:
  1. Receive and file the *2018 Comprehensive Plan Annual Progress Report* (Attachment A);
  2. Determine that the Montecito Planning Commission's actions regarding the *2018 Comprehensive Plan Annual Progress Report* are not subject to CEQA pursuant to CEQA Guidelines Sections 15060(c)(3) and 15378(b)(5) (Attachment B); and
  3. Recommend that the County Planning Commission authorize staff to provide the *2018 Comprehensive Plan Annual Progress Report* to the Board, OPR, HCD, and City of Santa Barbara.

Please refer the matter to staff if your Commission takes other than the recommended actions for the development of appropriate materials.

### 3.0 JURISDICTION

The Montecito Planning Commission is considering the *2018 Comprehensive Plan Annual Progress Report* pursuant to Government Code Section 65400(a) and Santa Barbara County Code Section 2-25.1. In pertinent part, Government Code Section 65400(a) states that each city and county planning agency shall:

*... [p]rovide by April 1 of each year an annual report to the legislative body, the Office of Planning and Research, and the Department of Housing and Community Development that includes all of the following:*

*(A) The status of the plan and progress in its implementation.*

*(B) The progress in meeting its share of regional housing needs ... and local efforts to remove governmental constraints to the maintenance, improvement, and development of housing ...*

*(F) The degree to which its approved general plan complies with the guidelines developed and adopted pursuant to Section 65040.2 and the date of the last revision to the general plan.*

For purposes of Government Code Section 65400(a), Santa Barbara County Code Section 2-25.69 establishes the Board as the legislative body for the County of Santa Barbara (County), and Section 2-25.1 establishes the County Planning Commission as the planning agency for the unincorporated portions of the county located outside of Montecito, and for regional issues that may affect Montecito in addition to other unincorporated areas of the county. As a result, the County Planning Commission must review, file, and provide by April 1 of each year the annual progress report to the Board, OPR, and HCD.

Santa Barbara County Code Section 2-25.1(b) states that the Montecito Planning Commission may provide recommendations to the County Planning Commission on countywide matters over which the County Planning Commission has jurisdiction, including affordable housing. Therefore, the Montecito Planning Commission may recommend that the County Planning Commission provide the annual progress report to the Board, OPR, and HCD by the April 1 deadline.

### 4.0 SUMMARY

The *2018 Comprehensive Plan Annual Progress Report* serves two key functions. First, it summarizes the projects that the Planning and Development Department undertook in 2018 to maintain and implement the Comprehensive Plan, including the 2015-2023 Housing Element Update. The 2015-2023 Housing Element Update contains 37 programs to help meet the housing goals and needs of the unincorporated county. The County made significant progress implementing three of these programs in 2018. The County also initiated comprehensive updates to the Circulation Element and Seismic Safety and Safety Element.

Second, the annual progress report discusses the County's progress in meeting its Regional Housing Needs Allocation (RHNA) in the first four years of the current eight-year (2015-2023) housing element planning period. For example, the table in Section 5.3, below, shows that the County exceeded its RHNA for the moderate- and above moderate-income categories. However, it has only met approximately 46 percent of its RHNA for the very low- and low-income categories.

On January 1, 2018, Senate Bill (SB) 35 and Assembly Bill (AB) 879 went into effect. In part, these bills amended Government Code Section 65400(a)(2) to require additional planning and building permit information for annual progress reports, starting with the *2018 Comprehensive Plan Annual Progress Report*. SB 35 also established a streamlined, ministerial approval process for qualifying housing projects in jurisdictions that are behind on meeting their RHNA targets. The County has not met its pro-rata share of very low- and low-income housing thus far in its 2015-2023 housing element cycle and, therefore, is currently subject to this SB 35 streamlining. Please see Section 5.2, below, for additional information regarding these changes.

## 5.0 PROJECT INFORMATION

### 5.1 Housing Element Program Implementation

The annual progress report shows that the County continues to make progress toward maintaining and implementing the Comprehensive Plan. In particular, the following bullet statements summarize three programs listed in Chapter 5 of the 2015-2023 Housing Element Update that the County implemented in 2018. Table D of Attachment 1 of the annual progress report provides information on the status of other ongoing and completed programs.

- Program 1.4 Tools to Incentivize High-Quality Affordable Housing. *Inland Area, complete; Coastal Zone, pending California Coastal Commission (CCC) certification.* Amends the zoning ordinances to streamline the permitting process for accessory dwelling units (ADUs) and agricultural employee dwellings (AEDs).
- Program 1.13 Isla Vista Monitoring. *Ongoing.* Monitors housing permit activity in Isla Vista.
- Program 2.4 Farmworker Housing. *Inland Area, complete; Coastal Zone, pending CCC certification.* Amends the zoning ordinances to streamline permit process for AEDs in the Agriculture I (AG-I) and Agriculture II (AG-II) zones within the unincorporated areas of the county.

### 5.2 New Reporting Requirements and HCD Data Tables

Government Code Section 65400(a)(2)(B) requires that annual progress reports use tables and forms adopted by HCD to summarize housing activities throughout the reporting period. In previous reports, these tables included annual building activity data based on the number of building permits that the County issued for new residential units in the previous calendar year. As mentioned above, SB 35 and AB 879 amended these reporting requirements to require the following additional planning and building permit information for annual progress reports:

- Housing development applications received;
- Units included in all development applications;
- Units approved and disapproved;

- Sites rezoned to accommodate that portion of the city’s or county’s share of their RHNA for each income category that could not be accommodated on sites identified in the housing element site inventory;
- New units that have been issued a completed entitlement, building permit, or certificate of occupancy thus far in the housing element cycle, and the income category of each unit; and
- Information on all housing development applications submitted, including the location and income category of developments approved, building permits issued, and units constructed pursuant to Government Code Section 65913.4 (SB 35 streamlining).

On January 17, 2019, HCD adopted new housing data tables (Attachment 1) reflecting these new reporting requirements, which the County used for this annual progress report. Accordingly, Table A of Attachment 1 contains data for housing development applications (i.e., planning permit applications) that the County received from January 1, 2018, to December 31, 2018. Table A2 contains permit data on net new housing units for which the County issued an entitlement (i.e., planning permit), building permit, or certificate of occupancy or other form of readiness (i.e., “finaled” building permit indicating final building inspection completed) in 2018. Additional tables in Attachment 1 provide information on the County’s RHNA progress (Table B), and Housing Element program implementation status (Table D).

### 5.3 RHNA Progress

The annual progress report tracks annual housing production to show the County’s progress in meeting its RHNA. The table below lists the number of building permits that the County issued for new residential units (organized by income category) within the unincorporated areas of the county from calendar year 2015 through 2018. The final row of the table lists the County’s 2014-2022 RHNA.

Housing production increased substantially in 2018. The County issued building permits for 328 units in 2018 compared to 208 units in 2017. Of those units, 37 were located in Montecito, including 10 one-family dwellings, 25 ADUs, and one duplex. All of the Montecito units were affordable to above moderate-income households.

<b>2018 Residential Units by Income Category (Issued Building Permits)</b>					
<b>Year</b>	<b>Very Low</b>	<b>Low</b>	<b>Moderate</b>	<b>Above Moderate</b>	<b>Total</b>
2015	49	41	44	94	228
2016	0	7	13	31	51
2017	8	1	54	145	208
2018	1	14	82	231	328
<b>Total</b>	<b>58</b>	<b>63</b>	<b>193</b>	<b>501</b>	<b>815</b>
<b>RHNA</b>	<b>265</b>		<b>112</b>	<b>284</b>	<b>661</b>

Consistent with past annual progress reports, the data in this table (above) and the HCD data tables (Attachment 1) does not include building permits issued for reconstructed housing units, including those lost and rebuilt due to natural disasters. These replacement units do not add net new units to the County’s housing stock and, therefore, do not count toward the County’s RHNA.

In 2018, the County issued 14 building permits for replacement housing units, including one unit lost during the Jesusita Fire of 2009, and four units lost in the Thomas Fire and resulting debris flow event in January 2018.

#### **5.4 SB 35 Streamlined Ministerial Approval Process**

In addition to amending annual progress report requirements, SB 35 establishes a streamlined, ministerial approval process for qualifying housing developments in jurisdictions that have not met their pro-rata share of regional housing needs (Government Code Section 65913.4). In part, qualifying developments must be located on an urban infill site zoned for residential or mixed uses and provide at least 10 or 50 percent of the units for lower-income households. In addition, all projects over 10 units must pay prevailing wages and larger projects must provide skilled and trained labor.

On June 4, 2018, HCD determined that, based upon data from the *2017 Comprehensive Plan Annual Progress Report*, the County had not met its pro-rata share of very low- and low-income housing thus far in its 2015-2023 housing element cycle. As a result, the County became subject to SB 35 streamlining for proposed developments with at least 50 percent affordability [Government Code Section 65913.4(a)(4)(B)(ii)]. The County has not received applications for any qualifying projects to date.

HCD will update SB 35 determinations annually starting in June 2019. These determinations will include data from this annual progress report, which shows that the County still has not met its pro-rata share of lower-income housing. Therefore, the County will likely remain subject to SB 35 streamlining throughout 2019.

To plan for potential SB 35 development, staff is processing zoning ordinance amendments to create objective design standards for SB 35 projects as part of the current Fiscal Year 2018-2019 and Fiscal Year 2019-2020 Work Programs.

### **6.0 ENVIRONMENTAL REVIEW**

CEQA Guidelines Section 15060(c)(3) states that an activity is not subject to CEQA if the activity is not a project as defined in CEQA Guidelines Section 15378. Section 15378(b)(5) specifies that projects do not include organizational or administrative activities of governments that will not result in direct or indirect physical changes to the environment. Preparation of this annual progress report is an administrative activity that does not authorize new development or otherwise result in direct or indirect physical changes to the environment. Therefore, the report is not a project as defined by CEQA Guidelines Section 15378(b)(5) and is not subject to environmental review per CEQA Guidelines Section 15060(c)(3). Please see the Notice of Exemption (Attachment B) for additional details.

### **7.0 NEXT STEPS**

The County Planning Commission is scheduled to receive and file the annual progress report on February 27, 2019. Staff will submit the annual progress report to the Board, OPR, and HCD by April 1, 2019.

Upon adoption of the Mission Canyon Community Plan in April 2014, the Board directed the Planning and Development Department "... to provide an annual report to the City of Santa Barbara detailing the major housing units that were approved or completed in the Mission Canyon Community Plan Area

during the reporting year.” Therefore, staff will also provide a copy of this annual progress report to the City of Santa Barbara by April 1, 2019.

## **ATTACHMENTS**

- A. *2018 Comprehensive Plan Annual Progress Report*
- B. Notice of Exemption

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