



Agenda Item E.1
DISCUSSION/ACTION ITEM
Meeting Date: April 1, 2008

TO: Mayor and Councilmembers

FROM: Steve Chase, Planning and Environmental Services Director

CONTACT: Anne Wells, Advance Planning Manager

SUBJECT: Track 1 Housing Element Amendments - Key Issues

RECOMMENDATION:

- A. Consider the Planning Commission's recommendations to the City Council regarding key issues related to the Housing Element Amendments.
- B. Consider staff's further recommendations.
- C. Provide direction on the key issues.

BACKGROUND:

The City adopted its first General Plan in October 2006, including a Housing Element. The subject of this staff report is the consideration of key issues that could bring about the official certification of the Housing Element. Certification means that the Housing Element has been found to meet statutory requirements of state law. The certifying body is the California Department of Housing and Community Development.

State Law Requirements

State housing element law directs local governments to use their land use and zoning powers to make adequate provision for the housing needs of all economic segments of the community (Government Code §65580). California cities and counties meet this requirement by preparing, adopting and implementing a Housing Element, as a part of their General Plan. The Housing Element establishes housing objectives, policies, and programs in response to community housing conditions and needs. Implementation of state housing policy rests in part upon the effective implementation of the Housing Element.

Jurisdictions must review and revise all elements of their General Plan on a regular basis to ensure that they remain up to date (generally, about every 10 to 15 years). However, state law requires that Housing Elements be reviewed and updated every 5 years. The process of updating a Housing Element is initiated by the state through the Regional Housing Needs Assessment process (RHNA). The Goleta Housing Element

will be updated in 2009, following the RHNA process that is currently wrapping-up under the administration of the Santa Barbara County Association of Governments.

State law also requires that every Housing Element (and updates) be submitted to the California Housing and Community Development Department (HCD) to evaluate compliance with statutory provisions. When HCD determines that a Housing Element complies with the law, it grants “certification.” In so doing, an added layer of legal protection is afforded. A certified housing element also qualifies the local jurisdiction to apply for intergovernmental funds in the areas of housing, transportation and economic development. This certification process is unique among the General Plan elements.

Certification Status

Twice, the City submitted to HCD drafts of the Housing Element, one in January 2005 and another in January 2006, so as to obtain their guidance and agreement with policies and implementation measures. The City did so a third time once the Housing Element was adopted as a part of the overall General Plan approvals in December 2006. HCD provided review letters related to each submittal that identified a number of issues to be addressed in order to achieve certification. Many of HCD’s comments focused on the City’s unique inclusionary policies and the viability of incentive measures. HCD also asked for additional details and analysis to support the City’s findings and overall strategy to designate and zone parcels for affordable housing development.

Today, where it all stands is that the Housing Element is adopted but it is not officially certified by HCD. HCD reviewed the December 2006, submittal and provided a letter dated March 19, 2007 (Attachment 1) identifying specific issues that necessitate changes to the element in order to gain certification. The key issues that follow are responsive to HCD’s comment letter.

Amendment Process

On April 16, 2007, the City Council initiated a General Plan Amendment to revise the Housing Element in order to gain certification from HCD. The Housing Element is referred to as “Track 1” in the General Plan Amendment Work Program. The process for undertaking the modifications involved the following outreach efforts:

- a. a study session with local housing experts conducted on September 20, 2007
- b. an all-day workshop co-hosted by the Goleta City Council and Planning Commission with the State of California Department of Housing and Community Development Department (HCD) on October 5, 2007.

The value of the two outreach activities is two-fold: (1) identify near-term modifications to the Housing Element directly in response to HCD’s Comment Letter of March 19, 2007; and, (2) identify other options and opportunities for future modifications to City

housing strategies (policies, programs, etc.) that can be addressed when the Housing Element is updated again in 2009.

Since the completion of the outreach activities, staff and the City's housing expert, Jeff Baird, have been engaged in revisions to the Housing Element in response to HCD's comments. Key issues were identified and presented to the Planning Commission on February 25, 2008, for feedback. The recommendations of the Planning Commission, as further modified by staff, are the subject of this staff report and City Council consideration and direction. The key issues are summarized in the next section of this staff report and presented in terms of policy amendments in Attachment 2. The key issues and related amendments take into consideration both public comment and best planning practice that ultimately address HCD comment.

The final proposed revisions will be presented to the Planning Commission in July for adoption recommendations to the City Council and Council adoption in the September timeframe.

Environmental review of the Housing Element amendments will occur simultaneously with HCD preliminary review. In July, when the Planning Commission considers the Housing Element revisions, they will also consider the related environmental document, an Addendum to the General Plan Final Environmental Impact Report (FEIR), for certification recommendation to the Council.

The final step in the amendment process is City Council adoption of the Housing Element Amendment plus the Addendum certification. Following adoption, the final Housing Element revisions will be transmitted to HCD for certification consideration. HCD is required by State law to respond to our request for certification within 90 days.

DISCUSSION:

Housing Element "Key Issues"

As previously noted, during the public workshop process and review of the comments received from HCD, key housing issues were identified and are the subject of this staff report. The key issues are related to the Housing Element, not the Technical Appendix. The proposed modifications to the Technical Appendix address requests by HCD for additional explanation, information, and clarification rather than policy direction. As such, the key issues focus mainly on the City's Housing Element policies and programs, such as the City's affordable housing provisions.

Key Issues

The structure of the Housing Element workshop was on the issues identified in the March 19, 2007, HCD comment letter. Much of the discussion at the Housing Element workshop focused on inclusionary housing requirements establishing specific percentages of affordable units in market rate projects. HCD has prepared a position letter concerning inclusionary housing stating that:

“neither State law nor Department policy requires the adoption of any local inclusionary ordinance in order to secure approval of a jurisdiction's housing element. State law does require incentives for voluntary inclusionary development (State density bonus law), pronounces housing element law neutral relative to enactment of mandatory local inclusionary provisions, and circumscribes the responsibilities of local governments which do enact inclusionary policies.”

While the general perspective of the building industry in this regard is that market-rate builders should be provided with a choice of several options for producing the affordable homes, there also appears to be a desire on the community's part that there be some level of certainty that affordable housing reaching all income levels, including workforce, will be built. Several other concerns about missing components to the existing adopted affordable housing policies have been expressed and include:

- (1) *Apply inclusionary housing requirements uniformly throughout the City.* The current policy (HE 11.6) requires a higher affordable housing component in the mid-Hollister housing opportunity sites where land uses were rezoned from industrial-type uses to medium density residential.
- (2) *Enable flexibility in how inclusionary housing requirements are met through alternatives of equal value (such as land dedication, on-site construction, in-lieu fees, etc.).* The current policy (HE 11.4) provides flexibility via trade-offs of very low-income units for moderate-income units. Another policy (HE 11.3) provides flexibility, as a secondary priority to constructing housing onsite, via allowing construction of units off-site or the transfer of sufficient land and cash to the City or a nonprofit to develop the required number of affordable units. In-lieu fees or acquisitions and rehabilitation of existing units may also be considered under this policy. The existing policies already accommodate the concern for additional flexibility with the exception of guaranteeing the flexibility to the developer.
- (3) *Exclude rental housing from inclusionary requirements.* The current policy requires a rental component in the inclusionary requirement (HE 11.5).
- (4) *Identify a workable, financially feasible percentage and distribution of affordability for inclusionary requirements.* The current City-wide policy (HE 11.5) and the mid-Hollister housing opportunity sites policy (HE 11.6) require a 30% and 55% affordable unit percentage respectively.
- (5) *Link affordable housing to other possible City incentives or methods that encourage affordable housing, such as procedures for project review.* Additional incentives for onsite production of affordable inclusionary units are provided in existing policy (HE 11.8). These incentives include increased Floor Area Ratio (FAR) and Lot Coverage Ratio. In addition, Policy HE 10.1 includes a range of incentives such as granting a density bonus over the maximum otherwise allowable residential density where an applicant proposes to increase the affordable component of a new development. Streamlined development review is

also supported in this policy. While the existing policies provide incentives, they lack the certainty and detail in exactly how the City proposes to streamline review, for example, that the development community is looking for.

The staff recommendations regarding modifications to the inclusionary housing policies are specifically intended to respond to HCD's March 19, 2007 review letter. They incorporate ideas received at workshops and written communications, as appropriate. Where public comment, written or otherwise, addressed non-HCD concerns, staff will maintain records and will revisit the items during the 2009 comprehensive Housing Element update.

Staff Recommendations to Address Key Issues

The general approach to the housing policy amendments that were recommended by the Planning Commission, with further revision by staff (Attachment 2), is to strive for a balance between prescriptive requirements and the establishment of more general standards, criteria or principles describing community expectations while allowing flexibility on a case-by-case basis. In addition, other ways to provide incentives for housing for all income levels while still assuring that other community goals are met have been included in the recommended modifications below.

Housing Element Notes to Assist with Key Issues Considerations

The Planning Commission directed staff to respond to three housing-related questions. The questions and responses are provided below.

Bonus Density vs Inclusionary – How Do They Relate And Overlap?

The density bonus law applies when an applicant "seeks a density bonus" and "agrees to construct" the required percentages of affordable units. Most experts agree that inclusionary requirements cannot be imposed on the density bonus units themselves. The reasoning is that the Legislature intended to give developers market-rate units in exchange for affordable units. For instance, if a 100-unit project becomes a 120-unit project after receiving a density bonus, the inclusionary requirements may be imposed only on the original 100 units, not the 20 bonus units. If a city has a 20% inclusionary requirement, normally the city would require 24 inclusionary units in a 120-unit project (20% of 120 units). However, if 20 units are density bonus units, then the 20% inclusionary requirement can only be imposed on 100 units, requiring only 20 inclusionary units (20% of 100 units). The net impact is that only 16.7% (20/120) of the total units will be affordable inclusionary units, rather than 20% (24/120) as intended by the inclusionary ordinance.

Provide Context for the Recommended 20% Inclusionary Rate

Inclusionary housing, while not uncontroversial, is increasingly being used as a major tool for addressing the affordable housing shortage. "Inclusionary" is generally defined as a mandatory requirement or voluntary goal to reserve a certain percentage of

housing units for lower-income households in new residential developments. In 2003, one-fifth of all localities in California (107 cities and counties) implemented some form of inclusionary housing policy. This number is much greater today. The inclusionary rates vary by jurisdiction but more commonly are in the 15% to 20% range. In general, higher land cost regions have lower inclusionary percentages. The general trend is to apply inclusionary requirements to the very low and low income categories, but again, there is great variability in the income distribution for the inclusionary percentage.

City policy, as recommended by staff and the Planning Commission, requiring 15% of the inclusionary units affordable to very low, low and moderate households, and then another 5% for workforce housing affordable units at 120-200% of median household income, is a common standard. Staff acknowledges that the very low income category is a difficult housing type to create because of the difficulty in financing this type of lower profit housing. While staff is confident with the feasibility of the 15% inclusionary rate for the low, very low, and moderate income groups because it is commonly applied in the State, alternatives may be desired by the Council. An alternative to the income breakdown could be 7.5% low and 7.5% moderate to replace the 5% very low requirement.

Most jurisdictions with inclusionary policies expand the inclusionary requirements to rental housing. Although an atypical approach, staff is recommending that the Council consider removing inclusionary requirements for rental housing because rental housing is an uncommon housing type for any new development in Goleta, and a type that inherently supports workforce groups.

The terms for inclusionary housing vary from jurisdiction to jurisdiction. In general, the terms of affordability are at least 30 years and are commonly much higher, particularly for rental housing. Staff is recommending that the 55 year term that is currently required in the Housing Element be amended to read "... a term of not less than 30 years." The reason for this recommendation is to get more affordable housing proposed, built and occupied. The way to do that is to position potential development for multiple funding sources, both private and public. It would be a negotiable term between the City, developer and their financial partners, backed by pro forma analysis, covenants and compliance monitoring.

Why Require Inclusionary Housing For Condominium Conversions?

Most jurisdictions apply inclusionary requirements to condominium conversions because they usually involve older, lower priced rental housing units occupied by lower and/or moderate income persons. The same case is generally made by jurisdictions who apply inclusionary requirements to the removal or conversion of residential units to a non-residential use. The City's Housing Element applies the affordable housing inclusionary requirement to condominium projects. Subpolicy HE 11.1 details the inclusionary housing approach and applies the inclusionary requirement to condominiums. In the event that an applicant proposes to convert an existing rental development to condominium ownership, for example, the inclusionary housing

requirement would not apply. The inclusionary housing requirement would apply if new units were included in an application.

Subpolicy HE 8.2 has the intended goal of conserving its existing multifamily rental housing. The subpolicy prohibits the conversion of rental developments to condominium ownership to the extent feasible under state law, when the effective vacancy rate averages less than 5 percent over the preceding 3 years. The policy allows for other exceptions such as an innovative housing proposal that will be affordable to lower-income households.

ALTERNATIVES:

The Council could opt to leave the refinement of the key issues for final processing completely in the hands of staff. The recommendations of staff, as provided in the attached table, would guide next steps in the process.

STRATEGIC PLAN:

The proposed City-initiated General Plan Amendments are consistent with the goal of the Strategic Plan titled: Complete General Plan, Ordinances, and Implementation Measures.

FISCAL IMPACTS:

This process to examine City initiated General Plan Amendments is authorized by the City Council in the FY/2007-2009 Budget under Program 4300 of the Planning & Environmental Services Department. The work is being conducted on target with the authorized budget and no supplemental funding is anticipated to be needed for this component of the Advance Planning Work Program.

LEGAL REVIEW:

The City Attorney reviewed and approved Attachment 2 of this staff report as it relates to policy text amendments for policies: HE 10.1 and HE 10.2.

Submitted By:

Reviewed By:

Approved By:

Steve Chase
Planning & Environmental
Services Director

Michelle Greene
Administrative
Services Director

Daniel Singer
City Manager

ATTACHMENTS:

1. HCD Comment Letter Dated March 19, 2007
2. City-Initiated General Plan Amendments Track 1 Housing Element – Key Issues

3. Housing Element with Staff Recommended Amendments

Attachment 1

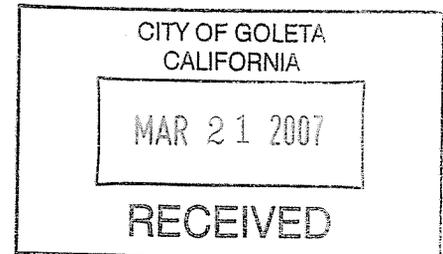
HCD Comment Letter Dated March 19, 2007

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
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March 19, 2007



Mr. Daniel Singer, City Manager
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

RE: Review of the City of Goleta's Adopted Housing Element

Dear Mr. Singer:

Thank you for submitting Goleta's housing element, adopted on October 2, 2006 and received for review on December 22, 2006. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h). Pursuant to Government Code Section 65585(c), the Department has also received and considered third party comments from the Goleta Valley Chamber of Commerce and the Goleta Housing Leadership Council. Telephone conversations with Ms. Anne Wells, Senior Planner, facilitated the review.

The City's responses to the Department's March 27, 2006 findings are found in both the adopted element and a 15-page document attached to the City's cover letter, dated December 21, 2006 (i.e., Attachment "B"). The adopted element, along with the responses in Attachment "B", address some of statutory requirements described in the Department's March 2006 review. For example, Tables 10A-13 through 10A-15 list projects and quantify the number of affordable units (i.e., 131) that have been approved or are in final stages of the approval process.

However, the Department finds the element continues to require significant revisions to comply with State housing element law (Article 10.6 of the Government Code). For example, the element still does not adequately demonstrate the projected residential densities and buildout capacities on the identified sites can be realistically achieved and implementation of other general plan policies or new zoning ordinance standards will not unduly constrain housing development. As discussed with Ms. Wells, a number of housing programs also require more definitive implementation timelines (i.e., month and year). As also discussed with Ms. Wells all revised analyses, descriptions, and explanations contained in Attachment "B" must be formally incorporated into the housing element.

Mr. Daniel Singer, Director
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The Department remains committed to assisting the City in addressing all statutory requirements. If you have any questions or wish to schedule another site visit or meeting, please contact Don Thomas, of our staff at (916) 445-5854.

Sincerely,

A handwritten signature in black ink that reads "Cathy E. Creswell". The signature is written in a cursive, flowing style.

Cathy E. Creswell
Deputy Director

Enclosure

cc: Steve Chase, Director, Planning and Environmental Services
Kristen Amyx, President/CEO, Goleta Valley Chamber of Commerce
Jennifer McGovern, Coordinator, Goleta Housing Leadership Council

APPENDIX CITY OF GOLETA

The following changes would bring the City of Goleta's housing element into compliance with Article 10.6 of the Government Code. The supporting section of the Government Code is cited to accompany each recommended change.

Housing element technical assistance information is available on the Department's website at: www.hcd.ca.gov. Refer to the Division of Housing Policy Development and the section pertaining to State Housing Planning. Among other resources, the Housing Elements section contains the Department's publication, *Housing Element Questions and Answers (Qs & As)* and the Government Code addressing State housing element law.

A. Housing Needs, Resources, and Constraints

1. *Include an inventory of land suitable for residential development, including sites having the potential for redevelopment, and an analysis of the relationship of zoning and public facilities and services to these sites (Section 65583(a)(3) and 65583.2).*

No amendments were made in the adopted element nor do the responses in Attachment "B" adequately demonstrate the medium and high density sites identified in the City's land inventory (Table 10A-16) are suitable and can realistically be developed at densities sufficient to accommodate the housing needs of lower-income households in the current planning period (see the Department's March 27, 2006 review).

For example, application of the City's development standards is critical in determining whether the projected buildout capacities can actually be achieved. The Department recognizes the City is in midst of a comprehensive zoning ordinance update, which will include adopting a new set of residential development standards. It is the Department's understanding that City staff is currently working on a set of "interim" amendments that will be processed during the Spring and Summer of 2007, with adoption scheduled for no later than December 2007.

According to the City's Attachment "B" (page B-9), all new development standards will be consistent with those listed in Table 2-1 of the land-use element. Therefore, the element must describe and analyze how these standards will encourage and facilitate residential development affordable to lower-income households. For example, the element should describe how the 30 and 40 percent lot area maximums described in Table 2-1 (applicable to the medium and high density zones) will not impede development at densities appropriate to accommodate the housing needs of lower-income households.

Further, as part of its site suitability analysis, now would be an opportune time for the City to examine and evaluate the viability of expanding the land inventory to include new sites that have the potential to provide development opportunities for a variety of housing types for all income groups.

Inclusionary Housing: The adopted element generally describes eight housing policies and two implementation actions intended to address and mitigate the impacts of the City's inclusionary housing requirement. While Policy 11.8 commits the City to providing incentives (e.g., increased FAR and lot coverage ratios) through Policy HE 11.8, the element still does not adequately demonstrate that these incentives will be sufficient to ensure that development of the City's five key multifamily zoned sites will not be unduly constrained by the 55 percent inclusionary housing requirement (see the Department's previous review).

2. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels and for persons with disabilities, including land use controls, building codes and their enforcement, site improvements, fees and other exactions and local processing and permit procedures (Section 65583(a)(4)).*

Inclusionary: The proposed 55 percent inclusionary housing policy (HE 11), represents one of the highest percentage inclusionary requirements in the State, and will significantly impact the cost and supply of housing in Goleta. As indicated above, while the element includes programs to provide some incentives and concessions to off-set the acknowledged impacts, the element still does not include an analysis that adequately demonstrates the inclusionary requirements will not constrain or preclude housing development on the identified DR-20 zoned sites (sites 20, 21, 24, 25 and 26) (see the Department's previous review).

On- and Off-Site Improvements: The City's Attachment "B" indicates the installation of on- and off-site improvements (e.g., street and sidewalk widths, curb, and gutter requirements) have a direct nexus to development-related impacts. However, the element must still be expanded to include descriptions and analyses of the improvement standards the City is considering as part of the forthcoming comprehensive zoning ordinance update. See the Department's previous review, as well as the Department's recently updated *Qs and As* technical assistance publication.

Fees: The element was not revised or expanded to include an analysis of the impact of the City's planning and improvement fees on the cost and supply of housing. See the Department's previous review, as well as the Department's *Qs and As*.

B. Housing Programs

- 1 *Include a program which sets forth a five-year schedule of actions the local government is undertaking or intends to undertake to implement the policies and achieve the goals and objectives of the housing element through the administration of land use and development controls, provision of regulatory concessions and incentives, and the utilization of appropriate federal and state financing and subsidy programs when available. The program shall include an identification of the agencies and officials responsible for the implementation of the various actions (Section 65583(c)).*

As indicated in the Department's previous review and discussed with Planning and Environmental Services staff, the element's key policies and programs must clearly describe the City's specific role in implementation and include definitive timelines and/or completion dates. Especially critical are those programs being proposed to address the adequate sites requirement, special needs housing (homelessness and farmworkers), or to mitigate identified governmental constraints (e.g., rezoning and comprehensive zoning ordinance update); see the Department's March 2006 review.

2. *Identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities, including sewer collection and treatment, domestic water supply, and septic tanks and wells, needed to facilitate and encourage the development of a variety of types of housing for all income levels, including rental housing, factory-built housing, mobilehomes, housing for emergency shelters and transitional housing (Section 65583(c)(1)).*

As noted previously, Goleta requires a more thorough description and analysis of the City's sites and potential governmental constraints. As indicated in Finding A.1, the realistic development potential (and buildout capacity) of the identified sites, particularly the DR-20 zoned sites, is largely dependant on how the City implements and applies its newly proposed residential development standards. However, no revisions were made to the applicable housing element programs, nor do the changes in Attachment "B" adequately address this statutory requirement (see the Department's March 2006 review).

3. *Include program actions to address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing for all income levels (Section 65583(c)(3)).*

As indicated in the Department's previous reviews, without a complete description and analysis of potential governmental constraints as required in A.2, it is not possible to evaluate the adequacy of the proposed programs to mitigate the identified governmental constraints. No revisions were made to the required constraints analysis in the housing element, nor do the changes in Attachment "B" adequately address this statutory requirement. The element continues to require revision to adequately address the statutory requirement to mitigate potential constraints (e.g., Inclusionary and Residential Design Guidelines); see the Department's March 2006 review.

C. General Plan Consistency

The housing element shall describe the means by which consistency will be achieved with other general plan elements and community goals (Section 65583(c)). When governmental constraints are identified, the element must include program actions to address, mitigate or, remove to allow the maintenance, improvement, and development of housing for all income levels (Section 65583(c)(3)).

According to the City's Attachment "B", amendments to certain noise, conservation, and transportation element polices has eliminated all inconsistencies with housing element goals, programs, and objectives.

In particular, revised traffic modeling (conducted in March 2006) has resulted in modifications to projected roadway capacity improvements, which resulted in fewer projected occurrences of roadways and intersections operating below LOS "C" (Policy TE 4.2). These revised policy modifications resulted in the City reaching the following conclusion, "there are no transportation policies that create a conflict with housing potential" (page B-13 of Attachment "B").

However, it appears Policy TE-13.4 (Not Fully Funded Traffic Mitigation) would significantly constrain or preclude new development as it states that if improvements are needed to maintain adopted LOS standards and are not funded the City shall take one the following actions, "phase or delay development until such time adequate fiscal resources can be provided " (TE-13.4 (a))". As indicated in the Department's prior review, the element must describe and demonstrate how all policies and programs within the general plan are internally consistent and will not impede implementation of housing element program actions and goals.

D. Public Participation

Local governments shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the element shall describe this effort (Section 65583(c)).

As indicated in the prior review the Department recognizes the City's efforts to solicit public input from the community. However, it appears the City did not make the information described in Attachment "B" available to local stakeholders and other interested parties. Again, the statute requires the element to specifically commit the City to continuing its public engagement throughout the update process.

E. Coastal Zone Localities

Document the number of low- and moderate-income units converted or demolished, and the number of replacement units provided (Section 65588).

The City's Attachment "B" (page B-15) references Table 10A-24 titled, "Approved and Existing Affordable Housing Units in Goleta (2005)". However, the Table does not document whether any low- and moderate-income dwelling within the coastal zone have been "replaced, demolished, and/or converted" since January 1, 1982 (see the Department's prior review).

Attachment 2

City-Initiated Amendments Track 1 Housing Element – Key Issues

ATTACHMENT 2 HOUSING ELEMENT AMENDMENTS – KEY ISSUES

Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
HE 10.1	<p>HE 10.1 Density Bonuses and Other Incentives for Affordable Housing Developments. [GP] The City will use density bonuses and other incentives consistent with state law to help achieve housing goals while ensuring that potential impacts are considered and mitigated. The City will consider the following possible incentives for residential developments where the applicant requests a density bonus over the maximum otherwise allowable residential density under the applicable zoning regulations and proposes to include the appropriate percentages of very low, low-, and/or moderate-income units on site or donate an appropriate amount of land for affordable residential development:</p> <p>a. State Density Bonus Law. Continue to offer density bonuses and incentives or concessions consistent with the State Density Bonus law (California Government Code Section 65915).</p> <p>b. Streamlined Development Review. Affordable housing developments shall receive the highest priority, and efforts will be made by staff and decision makers to (1) provide technical assistance to potential affordable housing developers in processing requirements, including community involvement; (2) consider project funding and timing needs in the processing and review of the application; and (3) provide the fastest turnaround time possible in determining application completeness.</p>	<p>HE 10.1 Density Bonuses and Other Incentives for Affordable Housing Developments. [GP] The City will use density bonuses and other incentives consistent with state law to help achieve housing goals while ensuring that potential impacts are considered and mitigated. The City will consider the following possible incentives for residential developments where the applicant requests a density bonus over the maximum otherwise allowable residential density under the applicable zoning regulations and proposes to include the appropriate percentages of very low, low-, and/or moderate-income units on site or donate an appropriate amount of land for affordable residential development:</p> <p>a. State Density Bonus Law. Continue to offer density bonuses and incentives or concessions consistent with the State Density Bonus law (California Government Code Section 65915).</p> <p>b. Streamlined Development Expedited Project Review. Affordable housing developments shall receive the highest priority with expedited project review as specified in IP-10E, and efforts will be made by staff and decision makers to (1) provide technical assistance to potential affordable housing developers in processing requirements, including community involvement; (2) consider project funding and timing needs in the processing and review of the application; and (3) provide the fastest turnaround time possible in determining application completeness.</p> <p>c. Other Incentives. In instances where a developer of a 5-acre or larger site designated as Medium-Density Residential by the Land Use Plan Map in Figure 2-1 agrees to construct additional on-site affordable units in excess of the inclusionary unit requirements set forth in</p>	<p><i>Staff Recommended Amendment</i></p> <p>HE 10.1 Density Bonuses and Other Incentives for Affordable Housing Developments. [GP] The City will use density bonuses and other incentives consistent with state law to help achieve housing goals while ensuring that potential impacts are considered and mitigated. The City will consider the following possible incentives for residential developments where the applicant requests a density bonus over the maximum otherwise allowable residential density under the applicable zoning regulations and proposes to include the appropriate percentages of very low, low-, and/or moderate-income units on site or donate an appropriate amount of land for affordable residential development:</p> <p>a. State Density Bonus Law. Continue to offer density bonuses and incentives or concessions consistent with the State Density Bonus law (California Government Code Section 65915). <u>In addition, the City will incorporate the requirements of State Density Bonus law into the new zoning ordinance, as specified in IP-10C.</u></p> <p>b. Streamlined Development Review. Affordable housing developments shall receive the highest priority, and efforts will be made by staff and decision makers to (1) provide technical assistance to potential affordable housing developers in processing requirements, including community involvement; (2) consider project funding and timing needs in the processing and review of the application; and (3) provide the fastest turnaround time possible in determining application completeness.</p> <p><i>Discussion</i></p> <p>In review of state law, staff recommends that HE 10.1 apply strictly to State Density Bonus Law (cited above), which has very specific</p>

**ATTACHMENT 2
HOUSING ELEMENT AMENDMENTS – KEY ISSUES**

Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
		<p><u>HE 11.5, the City shall offer incentives or concessions. These may include modifications in zoning requirements that will facilitate increased density, such as modifications to Floor Area Ratio (FAR), Lot Coverage Ratio, parking, setbacks, open space, and solar access requirements as specified in the zoning ordinance.</u></p> <p><i>Planning Commission Recommendation Notes</i> On 2/25, the Planning Commission supported the staff recommendation. In addition, they recommended changing the word “consider” to “offer” in the first sentence of subpart (c).</p>	<p>requirements concerning when a density bonus is required, the calculation of bonus units, and an identification of other incentives or concessions that must be included, depending upon the number of affordable units included in the development.</p> <p>Staff also recommends that a new HE 10.2 be applied to all other developments when affordable housing is provided. This separation will provide clarity in project review – with one track being when a developer requests a density bonus under State Density Bonus Law, and the other track being for other projects providing affordable housing but not requesting that State Density Bonus Law be applied. The zoning ordinance will be used as the vehicle for identifying the City’s interpretation of the State’s direction regarding the overlap between density bonus and inclusionary requirements.</p> <p>Staff further recommends that the incentives provided for under State Density Bonus Law be identified generally in the Housing Element and in reference to the requirements in State law. The reason for this recommendation is because State law requirements for incentives are long and complicated and should be included in the Zoning Ordinance. This approach is preferable given that State law can change or be modified over time and could supersede our policy if we make it too specific.</p>
New HE 10.2	Not Applicable	Not Applicable	<p><i>Staff Recommended Amendment</i></p> <p><u>HE 10.2 Other Incentives for Affordable Housing Developments. [GP]</u> For projects that do not apply for State Density Bonus Law incentives, the City will use other incentives to help achieve affordable housing goals. The City will grant the following incentives for residential developments where the applicant meets the requirements of Policy HE 11 and all rental projects:</p> <p>a. <u>Allow modifications in zoning requirements that will facilitate increased density, such as modifications to Floor Area Ratio (FAR), Lot</u></p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
			<p><u>Coverage Ratio, parking, setbacks, open space, and solar access requirements as specified in the zoning ordinance.</u></p> <p>b. <u>Allow modifications in zoning requirements and guidelines, consistent with subpolicy HE 9.3, that facilitate affordable housing production such that the zoning requirements and guidelines establishes minimum sizes for affordable units and provides for flexibility for the location of the affordable units within a development.</u></p> <p>c. <u>Modify procedures and materials to expedite project review to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households, consistent with IP-10E</u></p> <p>d. <u>Work with the water and sanitary districts to identify possible reductions, deferred payments, or waivers of some fees for water and sewer hook-ups for affordable housing for very low-income households, consistent with IP-10F.</u></p> <p>e. <u>Consider a transfer of development rights, consistent with IP-10G.</u></p> <p>f. <u>Consider modifying parking standards, consistent with IP-10H</u></p> <p><u>Discussion</u> Refer to staff note regarding HE 10.1 for purpose of new policy HE 10.2. Additionally, staff recommends further revisions to clarify that incentives apply to all projects meeting the inclusionary requirements plus all rental projects. Rental projects are encouraged because these types of projects are uncommon in Goleta and inherently serve lower income, moderate income, and workforce households. In addition, staff recommends new subpart (b) that allows for flexibility in affordable unit design.</p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
HE 10.3	<p>HE 10.3 “Designated” Affordable Housing Sites. [GP] Given the limited availability of developable land within its boundaries, housing opportunity sites or areas are designated. These sites are vacant and designated for densities of 20 units per acre or greater (see maps, policies, and programs under Policy HE 6). Development proposals on these sites may be subject to special affordability provisions, pursuant to the Inclusionary Housing Policy set forth in Policy HE 11, in recognition of the substantial increases in the land values as a consequence of rezoning of these sites from nonresidential zones to Medium-Density Residential.</p>	<p>HE 10.3 “Designated” Affordable Housing Sites. [GP] Given the limited availability of developable land within its boundaries, housing opportunity sites or areas are designated. These sites are vacant and designated for densities of 20 units per acre or greater (see maps, policies, and programs under Policy HE 6). Development proposals on these sites may be subject to special affordability provisions, pursuant to the Inclusionary Housing Policy set forth in Policy HE 11, in recognition of the substantial increases in the land values as a consequence of rezoning of these sites from nonresidential zones to Medium-Density Residential.</p> <p><i>Planning Commission Recommendation Notes</i> On 2/25, the Planning Commission supported the staff recommendation to the delete policy HE 10.3 consistent with removal of HE 11.6.</p>	<p><i>Staff Recommended Amendment</i> See Planning Commission recommended amendment.</p> <p><i>Discussion</i> Staff continues to recommend the removal of HE 10.3 “Designated” Affordable Housing Sites, so that one inclusionary applies citywide and so that the Medium Density Residential sites are not subject to special provisions.</p>
IP-10C	<p>IP-10C State Density Bonus Law. Incorporate the requirements of State Density Bonus law into the new zoning ordinance.</p> <p><u>Time period:</u> New Zoning Ordinance by 2007</p> <p><u>Responsible party:</u> Planning and Environmental Services Department</p>	<p>Not applicable</p>	<p><i>Staff Recommended Amendment</i></p> <p>IP-10C State Density Bonus Law. Incorporate the requirements of State Density Bonus Law into the new zoning ordinance <u>and consider requests by applicants for density bonuses and related incentives or concessions pursuant to the new zoning ordinance and consistent with state law.</u></p> <p><u>Time period:</u> New Zoning Ordinance by 20079</p> <p><u>Responsible party:</u> Planning and Environmental Services Department</p> <p><i>Discussion</i> See HE 10.1 discussion.</p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
<p>IP-10D</p>	<p>IP-10D Apply Density Bonus Zoning and Related Incentives. Administer the zoning ordinance provisions to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households. Evaluate the following:</p> <ul style="list-style-type: none"> a. Consider requests by applicants for density bonuses and related incentives or concessions pursuant to the new zoning ordinance and consistent with state law. b. Maintain a tiered impact fee structure that correlates the amount of fees with the level of impacts of housing projects, including projects that have lower impacts and are more likely to be affordable by virtue of design characteristics, such as small-sized units. Consider methods to allow deferred payment of fees for affordable rental housing, and encourage other agencies to provide similar mechanisms. c. Establish “fast track” processing procedures in the new zoning code, California Environmental Quality Act (CEQA) processing efficiencies, and other mechanisms to fit with funding requirements and encourage desirable affordable housing projects that have a significant portion of their total floor area committed to affordable housing. Consider opportunities to streamline environmental review for individual residential projects, such as preparation of specific plans and specific plan EIRs, particularly in the North Willow Springs and mid-Hollister areas. <p><u>Time period:</u> Through 2009 <u>Responsible party:</u> Planning and Environmental Services Department</p>	<p>IP-10D Apply Density Bonus Zoning and Related Incentives. Administer the zoning ordinance provisions to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households. Evaluate the following:</p> <ul style="list-style-type: none"> a. Consider requests by applicants for density bonuses and related incentives or concessions pursuant to the new zoning ordinance and consistent with state law. b. Maintain a tiered impact fee structure that correlates the amount of fees with the level of impacts of housing projects, including projects that have lower impacts and are more likely to be affordable by virtue of design characteristics, such as small-sized units. Consider methods to allow deferred payment of fees for affordable rental housing, and encourage other agencies to provide similar mechanisms. e. Establish “fast track” processing procedures in the new zoning code, California Environmental Quality Act (CEQA) processing efficiencies, and other mechanisms to fit with funding requirements and encourage desirable affordable housing projects that have a significant portion of their total floor area committed to affordable housing. Consider opportunities to streamline environmental review for individual residential projects, such as preparation of specific plans and specific plan EIRs, particularly in the North Willow Springs and mid-Hollister areas. <p><u>Time period:</u> Through 2009 <u>Responsible party:</u> Planning and Environmental Services Department</p> <p><u>Planning Commission Recommendation Notes</u> On 2/25, the Planning Commission concurred with the staff recommendation to remove subpart (c) and consolidate incentives in new Implementation Program IP-10E.</p>	<p><u>Staff Recommended Amendment</u> IP-10D Apply Density Bonus Zoning and Related Offer Incentives. <u>Update and</u> Administer the zoning ordinance provisions to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households. <u>Offer incentives consistent with the subpolicies and programs established in HE 10. Evaluate the following:</u></p> <ul style="list-style-type: none"> a. Consider requests by applicants for density bonuses and related incentives or concessions pursuant to the new zoning ordinance and consistent with state law. b. Maintain a tiered impact fee structure that correlates the amount of fees with the level of impacts of housing projects, including projects that have lower impacts and are more likely to be affordable by virtue of design characteristics, such as small-sized units. Consider methods to allow deferred payment of fees for affordable rental housing, and encourage other agencies to provide similar mechanisms. e. Establish “fast track” processing procedures in the new zoning code, California Environmental Quality Act (CEQA) processing efficiencies, and other mechanisms to fit with funding requirements and encourage desirable affordable housing projects that have a significant portion of their total floor area committed to affordable housing. Consider opportunities to streamline environmental review for individual residential projects, such as preparation of specific plans and specific plan EIRs, particularly in the North Willow Springs and mid-Hollister areas. <p><u>Time period:</u> Through 2009 <u>Responsible party:</u> Planning and Environmental Services Department</p> <p><u>Discussion</u> See HE 10.1 discussion.</p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
New IP-10E	Not Applicable	<p><u>IP-10E Modify Procedures and Materials to Expedite Project Review.</u> <u>Modify procedures and materials to expedite project review to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households. Specific procedures include, but are not limited to:</u></p> <ul style="list-style-type: none"> a. <u>Establish a “concept review” process to enable early feedback and direction for development design.</u> b. <u>Establish an “in-house” processing team to assist developments which are beneficial to the City and provide a significant number of affordable units.</u> c. <u>Create a specific project review checklist of General Plan and other City requirements appropriate for each project application submitted.</u> d. <u>Establish “fast track” processing procedures in the new zoning code, California Environmental Quality Act (CEQA) processing efficiencies, and other mechanisms to fit with funding requirements and encourage desirable affordable housing projects that have a significant number of affordable units.</u> <p><u>Time period: Through 2009</u> <u>Responsible party: Planning and Environmental Services Department</u></p> <p><i>Planning Commission Recommendation Notes</i> On 2/25, the Planning Commission supported the staff recommendation to create a new IP-10E for incentives and expedited review plus two changes as follows: remove the reference to the Planning Commission for concept review in subpart (a) and clarify in subpart (d) that the desirable projects have a significant number of affordable units rather than being based on total floor area committed to affordable housing.</p>	<p><i>Staff Recommended Amendment</i></p> <p><u>IP-10E Modify Procedures and Materials to Expedite Project Review.</u> <u>Modify procedures and materials to expedite project review to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households. Expedited project review also applies to all rental projects. Specific procedures include, but are not limited to:</u></p> <ul style="list-style-type: none"> a. <u>Establish a “concept review” process that is subject to the Planning Director’s oversight to enable early feedback and direction for development design.</u> b. <u>Establish an “in-house” processing team to assist developments which are beneficial to the City and provide a significant number of affordable units.</u> c. <u>Create a specific project review checklist of General Plan and other City requirements appropriate for each project application submitted.</u> d. <u>Establish “fast track” processing procedures in the new zoning code, California Environmental Quality Act (CEQA) processing efficiencies, and other mechanisms to fit with funding requirements and encourage desirable affordable housing projects that have a significant number of affordable units.</u> <p><u>Time period: Through 2009</u> <u>Responsible party: Planning and Environmental Services Department</u></p> <p><i>Discussion</i> Staff recommends further revisions to the new IP-10E to clarify that the expedited review applies to affordable projects meeting the inclusionary requirements and all rental projects. In addition, staff recommends revision to subpart (a) that clarifies the involvement of the Planning Director for project concept review.</p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
HE 11.2	<p>HE 11.2 Applicability of Inclusionary Requirements. [GP] Inclusionary requirements shall apply to residential projects as follows:</p> <ul style="list-style-type: none"> a. Projects consisting of one individual single-family unit shall be exempt from the inclusionary requirement, except that units of 3,000 square feet or larger, excluding area within a garage, shall be subject to payment of an impact fee. b. Projects consisting of two to four housing units shall be required to pay an in-lieu fee based on the number and sizes of the units. c. Projects of five or more units shall be required to construct the applicable number of units, except that the City, at its sole discretion, may allow the inclusionary requirement for these projects to be satisfied by alternative means as set forth in Subpolicies HE 11.3 and 11.4. 	<p>HE 11.2 Applicability of Inclusionary Requirements. [GP] Inclusionary requirements shall apply to residential projects as follows:</p> <ul style="list-style-type: none"> a. Projects consisting of one individual single-family unit shall be exempt from the inclusionary requirement, except that units of 3,000 square feet or larger, excluding area within a garage, shall be subject to payment of an impact fee, <u>unless a deed restricted very low or low income second unit is provided. A deed restriction or payment of an impact fee is not required if proof is established that the second unit is occupied by a family member.</u> b. Projects consisting of two to four housing units shall be required to pay an in-lieu fee based on the number and sizes of the units. c. Projects of five or more units shall be required to construct the applicable number of units, except that the City, at its sole discretion, may allow the inclusionary requirement for these projects to be satisfied by alternative means as set forth in Subpolicies HE 11.3 and 11.4. <p><u>Planning Commission Recommendation Notes</u> On 2/25, the Planning Commission supported the staff recommendation plus further edits to subpart (a) that allow family members to reside in the second unit without paying an impact fee.</p>	<p><u>Staff Recommended Amendment</u> HE 11.2 Applicability of Inclusionary Requirements. [GP] Inclusionary requirements shall apply to residential projects as follows:</p> <ul style="list-style-type: none"> a. Projects consisting of one individual single-family unit shall be exempt from the inclusionary requirement, except that units of 3,000 square feet or larger, excluding area within a garage, shall be subject to payment of an impact fee, <u>unless a deed restricted very low- or low- income second unit is provided. A deed restriction or payment of an impact fee is not required if proof is established that the second unit is occupied by a family member.</u> b. Projects consisting of two to four housing units shall be required to pay an in-lieu fee based on the number and sizes of the units. c. Projects of five or more units shall be required to construct the applicable number of units, except that the City, at its sole discretion, may allow the inclusionary requirement for these projects to be satisfied by alternative means as set forth in Subpolicies HE 11.3 and 11.4. <u>The applicability of these requirements, while at the sole discretion of the City, shall be determined with the applicant early in the application process, with the goal of developing a project-specific approach consistent with the intent of City policies. The Planning Director shall work with applicants to determine the appropriate project-specific approach.</u> <p><u>Discussion</u> Staff recommends further revision to HE 11.2 to address the up-front timing of establishing the applicability of inclusionary requirements in order to allow the applicant time to either accommodate the City direction in the project details or to request an alternate approach in the methodology. Staff recommends that the applicant work with the Planning Director to</p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
			<p>establish the approach.</p> <p>Staff also recommends further revisions to subpart (a) that exclude deed restrictions or payment of an impact fee if a second unit is occupied by a family member in order to provide a greater level of support for second units.</p>
<p>HE 11.5</p>	<p>HE 11.5 Establishment of Unit Percentages and Income Levels. [GP] Except for designated affordable housing sites as set forth in HE 11.6, the inclusionary housing requirement shall be as follows:</p> <p>a. Proposed rental projects shall be required to provide 5 percent of the total number of units within the project at rent levels affordable to very low- and low-income households.</p> <p>b. Proposed for-sale projects, including subdivisions for purposes of condominium conversions, will be required to provide 5 percent of the units at prices affordable to very low-income households, 5 percent affordable to low-income households, 10 percent affordable to moderate-income households, and 10 percent affordable to households earning 120 to 150 percent of the median income.</p> <p>Requirements for provision of inclusionary units in for-sale projects for very low- and low-income households may be satisfied by providing the same number of rental units at rent levels affordable to these households.</p>	<p>HE 11.5 Establishment of Unit Percentages and Income Levels. [GP] Except for designated affordable housing sites as set forth in HE 11.6, The inclusionary housing requirement shall be as follows:</p> <p>a. Proposed rental projects shall be required to provide 5 percent of the total number of units within the project at rent levels affordable to very low- and low-income households.</p> <p>b. Proposed for-sale projects, including subdivisions for purposes of condominium conversions, will be required to provide 5 percent of the units at prices affordable to very low-income households, 5 percent affordable to low-income households, <u>5-40</u> percent affordable to moderate-income households, and <u>5-40</u> percent affordable to households earning 120 to <u>200-150</u> percent of the median income.</p> <p>Requirements for provision of inclusionary units in for-sale projects for very low- and low-income households may be satisfied by providing the same number of rental units at rent levels affordable to these households.”</p> <p><u>Planning Commission Recommendation Notes</u> On 2/25, the Planning Commission supported the staff recommendation plus the following additional changes: retain original adopted policy text in subpart (a); subpart (b) to include an inclusionary requirement for 5% very low, 5% low, 5% moderate, and 5% above moderate. Also change subpart (b) to reflect 120 to 200% of the median income in the above moderate category instead of 120 to 200% to account for “workforce” population.</p>	<p><u>Staff Recommended Amendment</u></p> <p>HE 11.5 Establishment of Unit Percentages and Income Levels. [GP] Except for designated affordable housing sites as set forth in HE 11.6, The inclusionary housing requirement shall be as follows:</p> <p>a. Proposed rental projects shall be required to provide 5 percent of the total number of units within the project at rent levels affordable to very low- and low-income households.</p> <p><u>ab.</u> Proposed for-sale projects, including subdivisions for purposes of condominium conversions, will be required to provide 5 percent of the units at prices affordable to very low-income households, 5 percent affordable to low-income households, <u>5-40</u> percent affordable to moderate-income households, and <u>5-40</u> percent affordable to households earning 120 to <u>200-150</u> percent of the median income.</p> <p>Requirements for provision of inclusionary units in for-sale projects for very low- and low-income households may be satisfied by providing the same number of rental units at rent levels affordable to these households.”</p> <p><u>Discussion</u> Staff recommends further revision to the PC edits to remove the inclusionary requirement for rental projects. Rental projects are uncommon in Goleta and the inclusionary requirement may serve as a disincentive.</p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
HE 11.6	<p>HE 11.6 Inclusionary Requirement for Affordable Housing Opportunity Sites. [GP] Vacant sites rezoned from nonresidential districts to Medium-Density Residential at 20 units per acre to meet the City’s RHNA of units for very low- and low-income households are hereby designated as Affordable Housing Opportunity Sites. These sites, shown in Figure 10A-3, include site numbers 20, 21, 24, 25, and 26. In recognition of the substantial increases in property values that may be associated with the rezonings, proposed projects on these sites shall be subject to a greater inclusionary requirement than is applicable to projects at other locations. The inclusionary requirements shall be the same percentages as the RHNA to the City for each household income category. The requirements for the affordable housing opportunity sites, including for-sale and rental projects, are as follows:</p> <ul style="list-style-type: none"> a. 24 percent of the units within the project shall be provided at prices or rents affordable to very low-income households. b. 17 percent of the units within the project shall be provided at prices or rents affordable to low-income households. c. 14 percent of the units within the project shall be provided at prices or rents affordable to moderate-income households. Requirements for provision of inclusionary units in for-sale projects for very low- and low-income households may be satisfied by providing the same number of rental units at rent levels affordable to these households. Participation by nonprofit housing organizations is encouraged. 	<p>HE 11.6 Inclusionary Requirement for Affordable Housing Opportunity Sites. [GP] Vacant sites rezoned from nonresidential districts to Medium-Density Residential at 20 units per acre to meet the City’s RHNA of units for very low- and low-income households are hereby designated as Affordable Housing Opportunity Sites. These sites, shown in Figure 10A-3, include site numbers 20, 21, 24, 25, and 26. In recognition of the substantial increases in property values that may be associated with the rezonings, proposed projects on these sites shall be subject to a greater inclusionary requirement than is applicable to projects at other locations. The inclusionary requirements shall be the same percentages as the RHNA to the City for each household income category. The requirements for the affordable housing opportunity sites, including for-sale and rental projects, are as follows:</p> <ul style="list-style-type: none"> a. 24 percent of the units within the project shall be provided at prices or rents affordable to very low-income households. b. 17 percent of the units within the project shall be provided at prices or rents affordable to low-income households. c. 14 percent of the units within the project shall be provided at prices or rents affordable to moderate-income households. Requirements for provision of inclusionary units in for-sale projects for very low- and low-income households may be satisfied by providing the same number of rental units at rent levels affordable to these households. Participation by nonprofit housing organizations is encouraged. <p><u>Planning Commission Recommendation Notes</u> On 2/25, the Planning Commission supported the staff recommendation to remove HE 11.6.</p>	<p><u>Staff Recommended Amendment</u> See Planning Commission recommended amendment.</p> <p><u>Discussion</u> Staff continues to recommend the removal of HE 11.6. Inclusionary Requirement for Affordable Housing Opportunity Sites such that one inclusionary applies citywide and such that the Medium Density Residential sites are not subject to special provisions. Note that the removal of HE 11.6 will require the renumbering of subsequent subpolicies.</p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
HE 11.7	<p>HE 11.7 Long-Term Affordability of Inclusionary Units. [GP] Inclusionary units shall be subject to recordation of a regulatory agreement to provide affordable housing units and an affordability covenant or deed restriction. The term of affordability restrictions shall not be less than 55 years and would rollover to another 55 years upon resale.</p>	<p>Not applicable</p>	<p><i>Staff Recommended Amendment</i> HE 11.67 Long-Term Affordability of Inclusionary Units. [GP] Inclusionary units shall be subject to recordation of a regulatory agreement to provide affordable housing units and an affordability covenant or deed restriction. The term of affordability restrictions shall not be less than 30⁵⁵ years and would rollover to another 30⁵⁵ years upon resale, <u>unless the subsidies or funding requirements require a longer term. Long-term affordability restrictions for phased projects will remain consistent with the originally permitted project.</u></p> <p><i>Discussion</i> Staff recommends reducing the terms of affordability restrictions to provide applicants with more funding options. Staff also recommends clarifying that long-term restrictions for phased projects remain consistent with the originally permitted project for consistency purposes in project planning.</p>
IP-11A	<p>IP-11A Prepare Inclusionary Housing Regulations in the New Zoning Code. Establish specific standards and requirements for inclusionary housing in the zoning ordinance, including standards and requirements for qualifying projects, specific affordability levels of the inclusionary units, in-lieu fee amounts, management of the units, standard agreements and covenant documents, etc. <u>Time period:</u> New Zoning Ordinance by 2007 <u>Responsible party:</u> Planning and Environmental Services Department</p>	<p>IP-11A Prepare Inclusionary Housing Regulations in the New Zoning Code. Establish specific standards and requirements for inclusionary housing in the zoning ordinance, including standards and requirements for qualifying projects, specific affordability levels of the inclusionary units, in-lieu fee amounts, management of the units, standard agreements and covenant documents, etc. <u>Time period:</u> New Zoning Ordinance by 2007 <u>Responsible party:</u> Planning and Environmental Services Department</p> <p><i>Planning Commission Recommendation Notes</i> On 2/25, the Planning Commission recommended that additional details regarding fractional units be included in the policy.</p>	<p><i>Staff Recommended Amendment</i> IP-11A Prepare Inclusionary Housing Regulations in the New Zoning Code. Establish specific standards and requirements for inclusionary housing in the zoning ordinance, including standards and requirements for qualifying projects, specific affordability levels of the inclusionary units, in-lieu fee amounts, management of the units, <u>fractional unit requirements as it relates to affordable unit counts,</u> standard agreements and covenant documents, etc. <u>Time period:</u> New Zoning Ordinance by 2007⁹ <u>Responsible party:</u> Planning and Environmental Services Department</p> <p><i>Discussion</i> Staff recommends this amendment acknowledging fractional units to address the Planning Commission direction.</p>

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Policy ID #	Policy Text in Adopted General Plan	Proposed Amendment Per Planning Commission Recommendation	Staff Recommended Amendment
IP-11B	<p>IP-11B Monitoring and Long-Term Affordability. Establish appropriate management approaches for all affordable housing agreements in order to ensure compliance with affordability restrictions, implement resale and rental regulations for low- and moderate-income units, and ensure that these units remain at an affordable price level.</p> <p><u>Time period:</u> Ongoing</p> <p><u>Responsible party:</u> Redevelopment and Neighborhood Services Department</p>	<p>IP-11B Monitoring and Long-Term Affordability. Establish appropriate management approaches for all affordable housing agreements in order to ensure compliance with affordability restrictions, implement resale and rental regulations for low- and moderate-income units, and ensure that these units remain at an affordable price level.</p> <p><u>Time period:</u> Ongoing</p> <p><u>Responsible party:</u> Redevelopment and Neighborhood Services Department</p> <p><u>Planning Commission Recommendation Notes</u> On 2/25, the Planning Commission recommended that staff add the requirement for a financial study for the purposes of estimating the cost of monitoring and implementing affordable housing programs called for in the Housing Element.</p>	<p><u>Staff Recommended Amendment</u> IP-11B Monitoring and Long-Term Affordability. Establish appropriate management approaches for all affordable housing agreements in order to ensure compliance with affordability restrictions, and implement resale and rental regulations for low- and moderate-income units, and <u>to</u> ensure that these units remain at an affordable price level. <u>In addition, the City shall conduct a financial analysis of the costs associated with implementing and monitoring affordability requirements.</u></p> <p><u>Time period:</u> Ongoing</p> <p><u>Responsible party:</u> Redevelopment and Neighborhood Services Department</p> <p><u>Discussion</u> The Planning Commission recommended this measure.</p>

Attachment 3

Housing Element with Staff Recommended Amendments

CHAPTER 10.0 HOUSING ELEMENT (HE)

10.1 INTRODUCTION [GP]

Purpose of the Housing Element

All California cities and counties are required to include a housing element in their general plan that establishes housing objectives, policies, and programs in response to community housing conditions and needs. As a new city incorporated on February 1, 2002, this is Goleta's first Housing Element. The element contains updated information and strategic directions (policies and specific actions) that the City is committed to undertake to address housing needs.

Housing prices in California are among the highest in the nation. California's housing element law recognizes the important role that local governments play in influencing the supply and affordability of housing. State housing element law, first enacted in 1969, directs local governments to use their land use and zoning powers to make adequate provision for the housing needs of all economic segments of the community. Implementation of state housing policy rests in part upon the effective implementation of the housing elements of local general plans.

While the City must respond to the requirements of state law, addressing local housing needs is an important part of retaining and enhancing the quality of life in Goleta. Housing affordability in Goleta and the south coast area of Santa Barbara County as a whole has become an increasingly prominent issue.

Housing Element Requirements

Overview of State Law Requirements

Although state law establishes requirements for all parts of the general plan, these requirements are more specific and extensive for the housing element than for other plan elements. The purpose of a housing element is described in Government Code Section 65583.

The housing element shall consist of an identification and analysis of existing and projected housing needs and a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement, and development of housing. The housing element shall identify adequate sites for housing, including rental housing, factory-built housing, and mobile homes, and shall make adequate provision for the existing and projected needs of all economic segments of the community.

Housing Element Policies

- HE 1: Equal Housing Opportunities
- HE 2: Effective Implementation and Housing Partnerships
- HE 3: Linkage of Housing and Jobs
- HE 4: Variety of Housing Choices and Affordable Housing Opportunities
- HE 5: Special Needs Housing and Support Programs
- HE 6: Adequate Sites to Meet Goleta's RHNA
- HE 7: Opportunities for Mixed-Use Housing
- HE 8: Preservation of Existing Housing and Neighborhoods
- HE 9: Excellence in New Housing Design
- HE 10: Production of New Affordable Housing
- HE 11: Inclusion of Very Low-, Low-, and Moderate-Income Housing in New Development
- HE 12: Funding for Affordable Housing

While jurisdictions must review and revise all elements of their General Plan on a regular basis to ensure that they remain up to date (generally, about every 10 to 15 years), state law requires that housing elements be reviewed and updated every 5 years. The process of updating housing elements is initiated by the state through the Regional Housing Needs Allocation (RHNA) process.

This chapter is not a part of the City's Local Coastal Program. The state general plan law defines the general topics that Goleta's Housing Element must cover. Specifically, the element must (1) document housing-related conditions and trends; (2) provide an assessment of housing needs; (3) identify resources, opportunities, and constraints to meeting those needs; and (4) establish policies, programs, and quantified objectives to address housing needs. Most important, the Housing Element must (a) identify adequate sites with appropriate zoning densities and infrastructure to meet the community's need for housing (including its need for very low-, low-, and moderate-income households) and (b) address and where appropriate and legally possible, remove governmental constraints to housing development.

Definition of Household Income Levels:

- *Median Household Income*: The middle point at which half of the County's households earn more and half earn less.
- *Very Low-Income Households*: Households earning less than 50 percent of the median household income.
- *Low-Income Households*: Households earning 50 to 80 percent of the median household income.
- *Lower-Income Households*: Households earning less than 80 percent of the median income.
- *Moderate-Income Households*: Households earning 80 to 120 percent of the median income.
- *Above-Moderate-Income Households*: Households earning over 120 percent of the median household income.

Five-Year Action Plan

In identifying housing programs, the Housing Element sets forth a Five-Year Action Plan (Action Plan) that details the actions, or programs, that the City or other entities will need to undertake to implement the policies and achieve the community's housing goals. For each program, the Action Plan must identify the agency responsible, the timeframe for implementation, and the number of units proposed to be constructed, rehabilitated, or conserved or the number of households that will be assisted as a result of the program.

The Action Plan must:

- Ensure adequate sites.
- Provide assistance to support affordable housing.
- Conserve and improve the existing affordable housing stock.
- Address and remove governmental constraints.
- Promote equal housing opportunities.
- Preserve assisted housing.

Public Participation in the Preparation of the Housing Element

State law requires that preparation of a housing element strive to involve all economic segments of the community. Over the past 2 years there have been more than 100 community meetings

on General Plan issues and, specifically, issues pertaining to the Housing Element. Examples of outreach activities to all economic segments of Goleta include:

- Mailing of 12,200 brochures on the General Plan process (in English and Spanish) to all Goleta residential and business addresses.
- Publication of newspaper ads for meetings (*Santa Barbara News Press*, *Valley Voice*, *Independent*).
- Calendar announcements in *Santa Barbara News Press* and the *Independent*.
- Newsletter announcements for community workshops (St. Rafael's Church newsletter, Goleta Chamber of Commerce newsletter).
- Postings on City of Goleta web site.
- Email updates to General Plan list-serve recipients.
- Notice of August 2005 housing workshops mailed to 200 interested persons and organizations.
- Announcements at City Council and Planning Agency meetings.
- Five radio stations with public service announcements (including two Spanish-language stations).
- Cable Channel 8 public service announcements.
- General Plan brochures placed at locations throughout the city.
- Videotapes of workshops and public meetings aired several times on Community TV.



August 2005 Housing Element Workshop

State law also requires that every updated Housing Element be submitted to the State of California's Department of Housing and Community Development (HCD) to evaluate compliance with the state requirements. This certification process is unique among the General Plan elements. Housing elements must be submitted twice to HCD for review and comment, once during development of the draft housing element and again after adoption of the housing element by the local jurisdiction. The City submitted its initial draft Housing Element to HCD in January 2005. HCD provided a review letter (dated April 29, 2005) that identified a number of issues to be addressed in order for HCD to conclude that the element was in compliance with the statutory requirements of housing element law (Article 10.6 of the Government Code).

A revised draft Housing Element was prepared by the City to respond to HCD's concerns as well as comments made by the public at two community workshops held in August 2005, at two public meetings of the Goleta Planning Agency in October 2005 to consider a Housing Policy Directions Report, and at six work sessions of the Goleta Planning Agency in November and December 2005 to review a preliminary revised draft of the element. These 10 public meetings provided day and evening opportunities for public review and comment on specific policies, programs, and analysis contained in all stages of the revision process of the Housing Element.

The two community workshops were well attended by the public, including affordable housing advocates, developers, special needs individuals, and advocates for special needs populations such as farmworkers, homeless persons, the disabled, and seniors. Following review and consideration of additional community comments by the Goleta Planning Agency, a revised draft Housing Element was submitted to HCD for review in January 2006. The revised Housing Element was placed on the City's web site and made available to individuals who had previously provided written comments to HCD on the element.

The Housing Element has been prepared concurrently with the other parts of the City's first General Plan. Housing goals, policies, and implementing programs are consistent with the other elements of the City's General Plan and are analyzed within the environmental impact report (EIR) on the General Plan. The Housing Element has also been prepared to be consistent with the City's Redevelopment Plan and the Consolidated Plan.

Regional Housing Needs Determination

One unique aspect of state housing element law is the concept of "regional fair share." Every city and county in the State of California has an obligation to respond to its fair share of the future housing needs projected by HCD for the region in which it is located. For Goleta and other jurisdictions in Santa Barbara County, the subregional housing needs are determined by the Santa Barbara County Association of Governments (SBCAG), which allocates a share of the countywide housing need to each jurisdiction within the county.

As a result of SBCAG's RHNA process completed in December 2002, the City was allocated a total of 2,388 units for the 2001 to 2009 planning period. SBCAG further divided the total housing need allocated to the City into four income categories of housing affordability, per state law. The housing need allocated to Goleta included 573 very low-income units (24 percent), 406 low-income units (17 percent), 334 moderate-income units (14 percent), and 1,075 above-moderate-income units (45 percent).

Production of new housing that has come on the market since the beginning of the RHNA period (January 1, 2001) has met all of the City's need for above-moderate-income housing. Table 10-1 shows the City's remaining need.

**TABLE 10-1
SUMMARY OF REMAINING REGIONAL HOUSING NEED (2006 TO 2009)**

Category	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA (2001–2009)	573	406	334	1,075	2,388
Units Completed (2001– December 2005)	25	0	47	619	691
Approved Projects	1	58	52	226	337
Pending Residential Developments	31	16	18	234	299
Remaining Need (2006–2009)	516	332	217	-4	1,061
Remaining Affordable Housing Need	516	332	217	0	1,065
Note: Refer to Housing Element Technical Appendix for more detail					

State law provides that sites where the zoning allows densities of 20 or more units per acre are deemed to accommodate housing for lower-income households in suburban jurisdictions such as Goleta. The law presumes that these densities are sufficient to make affordable housing feasible. As shown in Table 10-2, Goleta has identified sufficient sites at densities of 20 units or more per acre to achieve its remaining housing needs for very low-, low-, and moderate-income housing (1,065 units) between 2006 and June 30, 2009.

**TABLE 10-2
SUMMARY OF HOUSING UNIT POTENTIAL IN GOLETA (2006 TO 2009)**

Category	More than 20 Units Per Acre	Fewer than 20 Units Per Acre	Total
Vacant Sites with Existing Residential Zoning	1,254	489	1,743
Vacant Sites to Be Rezoned	312	0	312
Vacant Sites Designated for Mixed Use	311	48	359
Redevelopment Sites	159	46	205
Total	2,036	583	2,619

Note: Refer to Housing Element Technical Appendix for more detail

Table 10-2 shows that sites currently designated or proposed to be rezoned solely for residential use at densities of 20 or more units per acre can accommodate 1,566 units (1,254 + 312 = 1,566), which is above the remaining 2006 to 2009 affordable housing need of 1,065 units. Policies and programs to encourage housing on mixed-use sites and through redevelopment would provide additional opportunities for 470 housing units (311 + 159 = 470) at these affordability levels. City policies and programs strive to address the remaining RHNA since the greatest needs are for very low-, low-, and moderate-income housing (1,065 units), which will have to be provided at below-market rates to be affordable.

Because local jurisdictions such as Goleta are rarely involved in the actual construction of housing units, the fair-share numbers establish goals that are intended to guide planning and development decision making. The numbers establish a gauge to determine whether the City has designated adequate sites for the development of housing (particularly housing at sufficient densities to achieve housing goals for lower-income households). Beyond this basic evaluation of sites, the City is required to review its land use and development policies, regulations, and procedures to determine if unreasonable constraints are imposed on housing development.

Since the Housing Element was prepared concurrent with all other elements of the City's first General Plan, the City had an uncommon opportunity to consider and address housing needs along with other policies in a comprehensive fashion. The housing element process was a strategic opportunity to develop solutions to local housing needs and an opportunity to engage local residents, housing advocates, developers, elected officials, and other interested persons and organizations in a constructive process to define and evaluate potential strategies and solutions.

10.2 FRAMEWORK FOR ACTION [GP]

This part of the Housing Element sets forth the general framework for developing an action plan for housing. It states the goals, or principles, that guide the more detailed statements of objectives, policies, and implementing programs in the following sections of the element.

Housing Goals

The following goals below are intended to respond to housing needs within the context of the entire General Plan. A goal expresses the “what,” or the end-state—it is a description of what the community wants to achieve—but not the “how,” or means by which the goal is proposed to be accomplished. The goals are broad in scope. The policies that follow are intended to provide the means for accomplishing the goals.

- A Balanced and Diverse Community. Goleta is a balanced community with a socially and economically diverse population that values preservation of the community’s heritage, its sense of community, beautiful natural environment, attractive neighborhoods, and diverse businesses, and adequate services.
- A Variety of Housing Types and Choices. Goleta has many housing types and choices appropriate for the variety of people who live and work in the community.
- Adequate Sites for a Variety of Housing Needs. Goleta has adequate sites to provide a variety of housing types at various income levels and respond to the RHNA.
- Great Neighborhoods. Housing and neighborhoods show pride in their design and maintenance. There is creativity and diversity in the design of housing. Goleta’s residential neighborhoods have parks and green space and engender a strong sense of community.
- Housing for Special Needs. Support systems and housing are in place to help the disadvantaged (homeless and those at risk of homelessness; persons with mental, physical, and developmental disabilities; lower-income seniors; farmworkers; single women with children; victims of domestic violence; persons with drug and alcohol dependence; persons with HIV/AIDS, etc.) and provide housing affordable to all income levels.
- Employee Housing. The types and prices of housing are linked to the types and salaries of local workers. Consistent with fair housing laws, opportunities are provided for local workers to find housing in Goleta.



**Recently Constructed Multi-Family Housing
in Goleta**

Quantified Housing Objectives

The programs included in this element identify specific numerical targets for units and anticipated dates by which the targets are proposed to be accomplished. In addition, the entity having primary responsibility for implementation of each program is noted. The programs are intended to be implemented in a timely manner and monitored for effectiveness in achieving the housing goals. Assumptions for program performance are based on modifications proposed to achieve better results, past performance, construction trends, and program funding.

Table 10-3 identifies the cumulative objectives of all of the City's housing programs in order to identify the maximum number of housing units that can be conserved, rehabilitated, or constructed by 2009.

**TABLE 10-3
QUANTIFIED HOUSING OBJECTIVES (2001 TO 2009)**

Category	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Total
RHNA (2001–2009)	573	406	334	1,075	2,388
Built, Approved, and Pending (2001–2005)					
Units Completed (2001–2005)	25	0	47	619	691
Approved Projects	1	58	52	226	337
Pending Residential Developments	31	16	18	234	299
<i>Subtotal</i>	<i>57</i>	<i>74</i>	<i>117</i>	<i>1,079</i>	<i>1,327</i>
Remaining RHNA (2006–2009)	516	332	217	0	1,065
Housing Element Programs (New Construction)					
Program 3.C: Housing for Employees	0	0	20	20	40
Program 3.D: Live/Work Opportunities	0	0	4	0	4
Program 4.A: Collaborative Housing	0	4	0	0	4
Program 4.B: Single Room Occupancy Units	0	4	4	0	8
Program 4.C: Accessory Dwelling Units	0	5	15	0	20
Program 10.A: Actions to Address Remaining RHNA. Includes: Program 6.A-F for New Housing Program 7.A-B for Mixed Use Program 10.A-G for Affordable Housing Program 11.A: Inclusionary Housing	22	30	75	105	232
<i>Subtotal from Housing Element Programs 2006–2009</i>	<i>22</i>	<i>43</i>	<i>118</i>	<i>125</i>	<i>308</i>
Total New Construction 2001–2009	79	117	235	1,204	1,635
Housing Element Programs (Rehabilitation)					
Program 8.B: Rehabilitation Loans	5	5	0	0	10
Program 8.E: Acquisition of Existing Housing	0	15	0	0	15
<i>Subtotal from Housing Element Programs</i>	<i>5</i>	<i>20</i>	<i>0</i>	<i>0</i>	<i>25</i>
Total Rehabilitation	5	20	0	0	25
Housing Element Programs (Conservation)					
Program 5.D: Rental Assistance Programs	75	0	0	0	75
Program 8.C: Condominium Conversions	Conservation of All Rental Housing Units				
Program 8.D: Inventory/Monitor Affordable Housing	Conservation of All Assisted Affordable Housing Units				
<i>Subtotal from Housing Element Programs</i>	<i>75</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>75</i>
Total Conservation	75	0	0	0	75

10.3 CITY POLICIES AND IMPLEMENTATION PROGRAMS

Policy HE 1: Equal Housing Opportunities [GP]

Objective: Promote equal housing opportunities for all persons and ensure effective application of fair housing law.

- HE 1.1 Equal Housing Opportunity. [GP]** The City will ensure, to the extent possible, that individuals and families seeking housing in Goleta are not discriminated against on the basis of race, color, religion, marital status, disability, age, sex, family status (due to the presence of children), national origin, or other arbitrary factors consistent with the Fair Housing Act.
- HE 1.2 Preferences for Affordable Housing. [GP]** To the extent consistent with applicable law, priority shall be given to persons working and/or residing in Goleta in providing notifications of available units, marketing, and selecting occupants for affordable units that are deed-restricted pursuant to the policies of this element, including rental and ownership units. The intent is to meet local housing needs consistent with the RHNA assigned to the City by SBCAG and contribute to mitigation of traffic, economic development, and community safety conditions.

Implementation Programs [GP]

- IP-1A Require Nondiscrimination Clauses.** Continue to provide nondiscrimination sections in rental agreements and deed restrictions for housing, including Below Market Rate (BMR) housing, units subject to City-required Affordability Agreements, or Development and Disposition Agreements and Owner Participation Agreements when there is Redevelopment Agency (RDA) participation.

Time period: Ongoing

Responsible parties: Redevelopment and Neighborhood Services Department, Planning and Environmental Services Department

- IP-1B Respond to Complaints.** Refer discrimination complaints to the appropriate legal service, county, or state agency. If mediation fails and enforcement is necessary, refer tenants to the state Department of Fair Employment and Housing or HUD, depending on the nature of the complaint.

Time period: Ongoing

Responsible party: City Manager's Office

- IP-1C Undertake Actions to Prevent Discrimination.** Facilitate fair and equal housing opportunity by designating a City Equal Opportunity Coordinator with responsibility to investigate and deal appropriately with complaints. Undertake activities to broaden local knowledge of fair housing laws through actions identified in IP-2D.

Time period: Designate Equal Opportunity Coordinator in 2006

Responsible party: City Manager's Office

IP-1D Adopt a Source of Income Antidiscrimination Ordinance. Adopt an Antidiscrimination Ordinance to prohibit discrimination based on the source of a person's income or based on the use of housing subsidies, including Section 8 and other rental assistance programs.

Time period: 2007

Responsible party: City Attorney

Policy HE 2: Effective Implementation and Housing Partnerships [GP]

Objectives: *Take an active approach in sharing resources to effectively create and respond to opportunities to achieve housing goals. Establish a monitoring and policy/actions/priorities update process to assess progress in accomplishing housing actions identified in this element on an ongoing basis and respond to changing conditions and housing needs. Identify shared responsibilities from all sectors within the community (government, business, neighborhoods, nonprofits, etc.) and work with other jurisdictions and agencies to effectively address Goleta's housing needs.*

HE 2.1 Local Government Leadership. [GP] Maintaining an adequate supply of affordable housing is an important City priority, and the City shall take an active role in working with community groups, other jurisdictions, and other agencies in following through on identified Housing Element implementation actions in a timely manner.

HE 2.2 Community Participation in Housing and Land Use Plans. [GP] The City shall facilitate and encourage public participation from affected neighborhoods and all economic segments of the community in the formulation and review of housing and related land use programs and actions.

HE 2.3 Organizational Effectiveness. [GP] In recognition that there are limited resources available to the City to achieve housing goals, the City will seek ways to organize and allocate staffing and other resources effectively and efficiently to implement the programs of the Housing Element. Opportunities to enhance Goleta's capabilities may include:

- a. Sharing or pooling resources and coordinating tasks among multiple jurisdictions in implementing common housing programs.
- b. Identifying information resources.
- c. Enhancing relationships and partnerships with nonprofit providers of housing services.
- d. Establishing standardized methods (procedures, definitions, responsibilities, etc.) linked to housing programs to enable the effective and efficient management of housing data.

HE 2.4 Housing Element Monitoring, Evaluation, and Amendments. [GP] The City shall continue to provide and refine its monitoring system to track residential development to assess housing needs and achievements and provide a process for modifying policies, programs, and resource allocations as needed in response to changing conditions.

- HE 2.5 Neighborhood Meetings. [GP]** Developers of all major residential projects are encouraged to have meetings with neighborhood residents early in the process to undertake problem solving and facilitate faster, more informed and constructive development review and decision making. The City shall facilitate neighborhood participation in the project review and decision-making process.
- HE 2.6 Coordination with Other South Coast Agencies. [GP]** The City will coordinate housing strategies with other jurisdictions, agencies, and organizations in the south coast as appropriate to meet its housing needs.

Implementation Programs [GP]

- IP-2A Conduct an Annual Housing Element Review.** Provide an annual assessment of Housing Element implementation, with opportunities for public input and discussion. This report shall be prepared in conjunction with state requirements, at Government Code Section 65400, for an annual report to the City Council, the Office of Planning and Research, and the Department of Housing and Community Development on the status of the General Plan and progress in its implementation, including progress in meeting Goleta's share of the regional housing need.

Time period: Annually by October 1 of each year following adoption of the General Plan

Responsible party: Planning and Environmental Services Department

- IP-2B Periodic Updates of the Housing Element.** Undertake Housing Element updates as needed, including an update to occur no later than the next RHNA cycle, expected by June 2009, in accordance with requirements of state law.

Time period: June 2009

Responsible party: Planning and Environmental Services Department

- IP-2C Prepare Information and Conduct Community Outreach Activities on Housing Issues.** Coordinate with local businesses, housing advocacy groups, and neighborhood groups and participate in building public understanding of housing programs and needs. Topics and activities may include the following:

Topics

- a. Housing needs.
- b. Housing programs (second units, rental assistance, rental mediation, energy assistance and rehabilitation loans, etc.).
- c. Strategies and programs for the Housing Set Aside by the RDA.
- d. Fair housing laws.

Activities

- a. Provide written material at public locations (including social service centers and public transit locations, where feasible) and on the City's web site.

- b. Provide information to real estate professionals, property owners, and tenants on their rights and responsibilities and the resources available to address fair housing issues.
- c. Work with local nonprofit and service organizations to distribute information to the public.
- d. Provide public information through articles in the local newspaper and cable TV public service announcements.
- e. Work with other public agencies, businesses, and community groups to identify affordable and special needs housing opportunities.
- f. Fair housing in-service training, press releases, direct contact with interest groups, and posting of fair housing laws, contacts, and phone numbers.

Time period: 2008

Responsible parties: Planning and Environmental Services Department,
Redevelopment and Neighborhood Services Department

IP-2D Collaborate on Interjurisdictional Actions for Housing. Coordinate and collaborate with other agencies, when possible, to efficiently and effectively respond to housing needs in the south coast area.

Time period: Ongoing

Responsible parties: Planning and Environmental Services Department and City Manager's Office

IP-2E Undertake Coordinated Advocacy Efforts on State Legislation. Identify and advocate regarding possible changes to state law or other legislation that would help to effectively implement local housing solutions and achieve local housing goals.

Time period: Ongoing

Responsible party: City Manager's Office

Policy HE 3: Linkage of Housing and Jobs [GP]

Objective: *Create housing nearby to where people work and encourage participation in the City's affordable housing program from commercial, office, industrial, and other nonresidential uses.*

HE 3.1 Housing for Local Workers. [GP] The City encourages housing developers to provide an adequate supply and variety of housing opportunities that are specifically designed to meet the needs of Goleta's workforce, striving to match housing types and affordability with household incomes of the local workforce.

HE 3.2 Mitigation of Employee Housing Impacts from Nonresidential Uses. [GP] Housing needs of local workers are an important factor for the City when reviewing nonresidential development proposals. The City shall require proposed new nonresidential development and proposed expansion or intensification of existing nonresidential development to contribute to the provision of affordable employee housing. The proposed amount of floor area and type of nonresidential use shall be

factors in establishing the requirement for individual projects. Alternatives to satisfy this requirement may, at the discretion of the City, include payment of “in-lieu” housing impact fees, provision of housing on-site, housing assistance as part of employee benefit packages, or other alternatives of similar value.

- HE 3.3 Live/Work Development. [GP]** Live/work units can provide affordable employee housing, generate additional economic activity in the community, and help maintain an appropriate jobs-to-housing balance in Goleta. The City will encourage opportunities for live/work developments in appropriate locations where housing can be provided for workers on-site or through caretaker or other types of housing.

Implementation Programs [GP]

- IP-3A Commercial/Housing Nexus Study and Impact Fees.** Determine appropriate and possible contributions for affordable housing from nonresidential uses and document the relationship between job growth and affordable housing needs of various types of development. Adopt an affordable housing impact fee requirement for new nonresidential development.

Time period: 2007

Responsible party: Planning and Environmental Services Department

- IP-3B Adopt a Jobs/Housing Linkage Program.** Adopt a Jobs/Housing Linkage Ordinance with consideration of the following:

- a. Set exaction requirements for dwelling units and in-lieu fees based on empirical evidence to comply with applicable legal tests.
- b. Establish a ratio of affordable housing units required to be included with proposed nonresidential development (hotels, multimedia centers, retail, office, other commercial or industrial buildings), if feasible. Options to satisfy the requirement may include, but are not limited to, construction of housing units on-site, construction of housing units off-site, subsidizing employee mortgages or rents, and payment of an impact fee for affordable housing production.
- c. Deposit the payment of impact fees (based on a dollar amount per square foot of office, commercial, and industrial building development) into a housing trust fund.



Example of Single Family Residences in Goleta

Time period: 2007

Responsible party: Planning and Environmental Services Department

IP-3C Housing Opportunities for Existing and New Employees. Work with local school districts, public agencies, and businesses to identify opportunities for assisting their employees to find needed housing, such as employer-assisted development of new housing units, mortgage buy-downs or subsidies, rent subsidies, etc. Seek the commitment of other organizations, such as the Chamber of Commerce or Board of Realtors, to have their members, particularly larger employers, address employee housing opportunities.

Time period/target: Twenty moderate-income and 20 above-moderate-income units by 2009

Responsible party: Private and Public Employers

IP-3D Provide Zoning for Live/Work Opportunities. Review implementation of live/work and home occupation provisions in the new zoning ordinance to ensure effective standards for home occupations and live/work projects are provided in appropriate locations.

Time period/target: New Zoning Ordinance by 2007; four moderate-income live/work units by 2009

Responsible party: Planning and Environmental Services Department

Policy HE 4: Variety of Housing Choices and Affordable Housing Opportunities [GP]

Objective: *Provide a variety of choices in the type, size, cost, and location of new housing units; encourage more efficient use of existing housing and vacant sites and redevelopment of obsolescent existing development.*

HE 4.1 Diversity of Population. [GP] Consistent with the community's housing goals, the City shall, in its land use and development actions, attempt to maintain a diversity of age, social, and economic backgrounds among residents throughout Goleta and within individual housing projects.

HE 4.2 Variety of Housing Choices. [GP] In response to the broad range of housing needs in Goleta, the City will strive to achieve a mix of housing types, densities, affordability levels, and designs. The City will work with developers of nontraditional housing and seek innovative approaches in financing, design, construction, and types of housing to meet local housing needs. This includes, but is not limited to, the following types of housing at varying affordability levels:

- a. Ownership and rental housing.
- b. Small and large units.



Multi-Family Ownership Units

- c. Single- and multifamily housing.
 - d. Housing close to jobs and transit.
 - e. Mixed-use housing.
 - f. Single Room Occupancy units.
 - g. Shared living opportunities.
 - h. Manufactured housing and mobile homes.
 - i. Self-help or “sweat equity” housing.
 - j. Housing cooperatives.
 - k. Assisted-living residential units.
- HE 4.3 New Accessory Dwelling Units. [GP]** The City will enable construction of well-designed accessory dwelling units in both new and existing single-family residential neighborhoods, consistent with minimum lot size, parking, and street capacity.
- HE 4.4 Accessory Dwelling Units in New Subdivisions. [GP]** Some second units (unequal duets) and occasional duplexes are encouraged to be included in proposals for new single-family subdivision developments with four or more new units.
- HE 4.5 Accessory Dwelling Unit Affordability. [GP]** If public and/or nonprofit funding is used to assist in the construction of an accessory dwelling unit, the City shall require a use agreement to ensure that second unit rents are affordable to lower-income persons.

Implementation Programs [GP]

- IP-4A Encourage Cooperative and Similar Collaborative Housing Development.** Work with developers and nonprofit housing organizations to provide housing using a cooperative model or similar approaches that feature housing units clustered around a common area and shared kitchen, dining, laundry, day care, and other facilities.
- Time period/target: Four low-income or special needs units by 2009
- Responsible parties: Private and nonprofit housing developers and the Planning and Environmental Services Department
- IP-4B Provide Appropriate Zoning and Development Standards for Single Room Occupancy Units and Efficiency Apartments.** Establish opportunities for development of Single Room Occupancy (SRO) units and small efficiency apartments in appropriate locations as lower cost rental alternatives for single-person households. SRO rooms are, by definition, designed for occupancy by no more than one person and are usually very small, between 80 and 200 square feet, typically including a sink and a closet but possibly sharing bathroom and shower facilities with other SRO units. Review and revise zoning regulations to allow SRO units and efficiency apartments in appropriate multifamily and mixed-use areas. This may include:

- a. Evaluate and provide appropriate parking, development, management, and other standards and modify per-unit impact fees as appropriate in recognition of the small size and low impacts of SRO units.
- b. Expand the types of SRO development that may be permitted (e.g., not limited to very low- and low-income persons).
- c. Consider zoning provisions to encourage SRO and studio apartments through the use of density bonus provisions or other provisions that may equate SRO units or studio apartments on a 2-to-1 basis with two bedroom apartments.
- d. Require deed restrictions to limit occupancy to one person per unit as a condition of approval of SRO projects in order to ensure that the standards and impact fees for such units will not result in unanticipated and/or unmitigated impacts.

Time period/target: New Zoning Ordinance by 2007; four low- and four moderate-income SRO units by 2009

Responsible parties: Planning and Environmental Services Department and private and/or nonprofit housing developers

IP-4C Review Accessory Dwelling Unit Development Standards and Permit Process.

Continue to allow accessory dwelling units and review and modify the following accessory dwelling unit development requirements to be consistent with recent changes to state law, including Assembly Bill (AB) 1866:

- a. Continue to allow accessory dwelling units as a permitted “use by right” when the single-family lot, primary structure, and second unit meet all of the zoning and building development standards established for the zoning district in which they are located and adequate traffic safety and parking are available. Second units approvable “by right” may be limited in size to a maximum of 650 square feet.
- b. Require design review for second units. Continue to provide appropriate noticing and early neighborhood involvement in the permitting process.
- c. Continue to maintain a tiered impact fee structure that provides lower impact fees for accessory dwelling units commensurate with their small size and estimated level of impacts and encourage the creation of accessory units, particularly where the owner executes a BMR agreement on the unit.

Time period/target: New Zoning Ordinance by 2007; 20 new accessory dwelling units (five low-income and 15 moderate-income) by 2009

Responsible parties: Property Owners and Planning and Environmental Services Department

Policy HE 5: Special Needs Housing and Support Programs [GP]

Objective: Encourage provision of housing for population groups that require special assistance and link such housing to health and human services programs intended to meet the needs of seniors, people with disabilities, the homeless, and other persons in the community identified as having special housing needs.

HE 5.1 Special Needs Groups. [GP] The development of new and rehabilitation of existing housing for special needs groups is encouraged, including housing to meet the needs of seniors, people with disabilities, farmworkers, homeless persons, people with HIV/AIDS and other illnesses, people in need of mental health care, single-parent families, large families, and other persons in Goleta identified as having special housing needs.



United Cerebral Palsy Foundation Residential Facility

HE 5.2 Provision of Affordable Housing for Special Needs Households. [GP] Continue to work with appropriate organizations to provide programs for a variety of affordable housing to be constructed or acquired for special needs groups, including assisted housing and licensed board and care facilities. Specific types of housing include:

- a. Smaller, affordable residential units, especially for lower-income single-person households.
- b. Affordable senior housing to meet the expected needs of an aging population, including assisted housing and board and care (licensed facilities).
- c. Affordable units with three or more bedrooms for large-family households.
- d. Affordable housing that can be adapted for use by people with disabilities (specific standards are established in California Title 24 Accessibility Regulations for new and rehabilitation projects).
- e. Affordable housing for farmworkers.

HE 5.3 Density Bonuses for Special Needs Housing. [GP] Density bonuses per State Density Bonus law may be used to assist in meeting special housing needs housing for lower-income elderly and disabled persons, consistent with roadway capacity, parking needs, and neighborhood scale. Senior care facilities, including residential care facilities serving more than six people, shall be treated as a commercial service use and shall be subject to specific affordability requirements.

HE 5.4 Group Residential Care Facilities. [GP] The City will continue to comply with state and federal law by allowing group homes with special living requirements consistent with the City's land use regulations.

- HE 5.5 Family Housing Amenities. [GP]** Adequate provisions shall be made in new housing developments for families with children, including recreation areas such as, but not limited to, tot lots, play yards and lawn areas, child care, and other amenities.
- HE 5.6 Housing for Homeless Persons. [GP]** The City will work collaboratively with other organizations and agencies to assist with provision of a continuum of care for the homeless, including emergency shelter, transitional housing, supportive housing, and permanent housing.
- HE 5.7 Rental Assistance Programs. [GP]** The City will continue to publicize and create opportunities for using available rental assistance programs, such as the project-based and tenant-based Section 8 rental certificates program in coordination with the Housing Authority.
- HE 5.8 Homesharing. [GP]** In collaboration with other organizations, the City will seek ways to make homesharing at appropriate locations a viable option for seniors and other groups identified as having special housing needs as a way to make efficient use of the existing housing stock.
- HE 5.9 Health and Human Services Programs Linkages. [GP]** As appropriate to its role, the City will seek ways to link together services for lower-income people to provide the most effective response to homeless, special needs, or “at risk” individuals. The City shall encourage such service providers to focus their programs to meet the unique needs of all subpopulations that make up the county’s homeless population, including adults; families; youths; seniors; those with mental disabilities, substance abuse problems, HIV/AIDS, physical and developmental disabilities, and multiple diagnoses; veterans; victims of domestic violence; farmworkers; and other economically challenged or underemployed workers. The integration of such services into residential projects for special needs groups is encouraged where appropriate and feasible.
- HE 5.10 Emergency Housing Assistance. [GP]** The City will participate in and allocate funds, as appropriate, for County and nonprofit programs providing emergency shelter and related counseling services.

Implementation Programs [GP]

- IP-5A Encourage Good Neighborhood Relations Involving Emergency Shelters and Residential Care Facilities.** Encourage positive relations between neighborhoods and providers of emergency shelters and residential care facilities. Establish guidelines that would consider the following:
- a. Designation of a staff person from the provider agency to be a contact person with the community to respond to questions, concerns, or comments from the neighborhood.
 - b. Outreach programs, such as designation of a member of the local neighborhood to the facility’s board of directors, or establishment of an advisory committee.
 - c. Encouragement for neighbors of emergency shelters, transitional housing programs, and community care facilities to provide a neighborly and hospitable environment for such facilities and their residents.

Time period: 2007

Responsible party: Community Development Block Grant Coordinator

IP-5B Adopt a Reasonable Accommodation Ordinance. The City will include in its new zoning ordinance a procedure for individuals with disabilities to request reasonable accommodation in the application of the City's land use and zoning regulations, standards, policies, practices, and procedures and establish criteria to be used to ensure prompt, fair, and efficient handling of such requests in accordance with the reasonable accommodation mandate of fair housing laws.

Time period: New Zoning Ordinance by 2007

Responsible party: Planning and Environmental Services Department

IP-5C Adaptable Units for the Disabled. The City will ensure that new multifamily housing developments include units that can be adapted for use by disabled residents.

Time period: Ongoing

Responsible party: Planning and Environmental Services Department

IP-5D Assist in the Effective Use of Available Rental Assistance Programs. Develop and implement measures to make full use of available rental assistance programs. Actions include:

- a. Encouraging owners of apartment units to accept Section 8 vouchers.
- b. Maintaining descriptions of current programs and contacts to hand out to interested persons.
- c. Coordinate with the Housing Authority on rental housing assistance programs.

Time period/target: Ongoing; 75 very low-income households assisted annually

Responsible parties: Redevelopment and Neighborhood Services Department

IP-5E Maintain Programs to Address Homeless Needs. Continue to support training and educational services and support the Continuum of Care.

Time period: Ongoing

Responsible party: Redevelopment and Neighborhood Services Department

IP-5F Investigate the Feasibility of Homesharing and Tenant Matching Opportunities. Evaluate, in collaboration with other agencies, opportunities for establishing a homesharing/tenant matching program linking seniors and small households with potential boarders to more efficiently use the existing housing stock.

Time period: 2008

Responsible party: Redevelopment and Neighborhood Services Department

IP-5G Farmworker Housing. Include provisions in the City's new zoning ordinance to allow development of farmworker housing on-site in areas zoned for agriculture.

Such housing shall be limited to the number of units necessary for workers employed on the specific site.

Time period: New Zoning Ordinance by 2007

Responsible party: Planning and Environmental Services Department

Policy HE 6: Adequate Sites to Meet Goleta's RHNA [GP]

Objective: *Identify adequate sites designated at densities to accommodate the City's SBCAG-assigned fair share of the south coast's RHNA and particularly the need for very low, low-, and moderate-income housing.*

HE 6.1 Total Residential Development Capacity. [GP] The Land Use Element designates sites for residential development, which together have a total capacity of 3,681 units, as shown in Table 10A-20 of the technical appendix. These sites include lands where units have already been completed since the beginning of the RHNA period, sites with approved planning permits but uncompleted units, sites with pending residential development applications, vacant lands with existing residential zoning, vacant sites proposed to be rezoned to residential or to higher density, vacant sites proposed to be rezoned to accommodate mixed use with inclusion of housing, and developed sites where the addition of new residential units is encouraged. The capacity is intended to provide an ample supply of land to meet the total RHNA of 2,388 units for the period from January 1, 2001, to June 30, 2009.



Vacant Land in Goleta

HE 6.2 Vacant Sites with Existing Residential Zoning. [GP] Vacant sites with existing zoning for residential use as of the date of adoption of this plan are shown in Table 10A-16 and Figure 10A-3 of the technical appendix. The Land Use Element retains these sites for future residential development. The total residential unit capacity of sites with existing zoning (adjusted for site constraints) is 1,743 units (see Tables 10-2 and 10A-16), which together with 1,028 units in projects already developed or approved since the beginning of the RHNA period exceeds the RHNA by 383 units, or about 18 percent. The vacant, residentially zoned total includes 1,254 units on sites that are zoned for 20 or more units per acre, which exceeds the remaining unmet RHNA of 848 units for lower-income households by 406 units.

HE 6.3 Vacant Sites Designated for Rezoning to Residential or Higher Density. [GP] Vacant sites designated by the Land Use Element for residential use that will need to be rezoned from nonresidential to residential or to higher density residential following adoption of this element are shown in Table 10A-17 and Figure 10A-3 of the

technical appendix. The net additional housing unit capacity that is estimated to be contributed by these sites, after adjustment for site constraints, is 312 units.

- HE 6.4 Vacant Sites Designated for Mixed-Use Residential. [GP]** Vacant sites where the Land Use Element allows Mixed-Use Residential are shown in Table 10A-18 and in Figure 10A-3 of the technical appendix. These include sites designated in Office and Institutional and Community Commercial land use categories and several General Commercial sites where assisted-living residential units are allowed. The residential development potential of these sites during the 2001 to 2009 RHNA period is estimated to be 359 units (see Table 10A-20), after adjustment for constraints. The implementing zoning districts in the new zoning code shall include housing as an allowed use.
- HE 6.5 Developed Sites Where Mixed Residential Use Is Encouraged. [GP]** Developed sites where mixed residential use is encouraged and designated by the Land Use Element are shown in Table 10A-19 and Figure 10A-3 of the technical appendix. These sites are designated in the Old Town Commercial, Community Commercial, and Office and Institutional land use categories. These sites include lands within the Goleta Old Town Redevelopment Project Area. The contribution of these sites to total residential development potential during the current RHNA period is estimated to be 205 units, conservatively assuming that only a small fraction of the sites will have owners that are interested in redevelopment. The implementing zoning districts in the new zoning code shall include housing as an allowed use.
- HE 6.6 Sites for Lower-Income Housing. [GP]** The residential unit capacity of vacant sites for lower-income housing, including lower-income units constructed since January 1, 2001, lower-income units in approved but uncompleted residential projects, and vacant land with existing residential zoning at densities of 20 units per acre or greater, is 1,697 (see Table 10A-20). This total exceeds the City's RHNA of 979 lower-income units by 718 units. In addition, 320 units for lower income households may be developed on mixed-use and redevelopment sites.
- HE 6.7 Unique Multifamily Affordable Housing Opportunities. [GP]** As opportunities arise involving unique circumstances where affordable housing is appropriate to be built, especially housing for local workers or special needs groups at lower-income levels, the City will work with project sponsors to achieve a development desirable to the City. The City will consider potential incentives to enable development of lower-income and special needs housing as appropriate to the location and design of the development, compatibility with adjacent uses, and the type, size, and income levels of the occupants of the housing.

Such sites and opportunities may include or consider the following:

- a. Land owned by other governmental agencies (such as school districts).
- b. Parking lots.
- c. Residentially zoned sites where higher density is feasible.
- d. Sites that are competitive for state or federal subsidies (sites located near transit, shopping, services).

HE 6.8 Regional Transportation/Housing Activities. [GP] The City will coordinate with regional transportation agencies, such as the Metropolitan Transit District (MTD), and encourage transit-oriented housing development by locating higher density housing sites near the Hollister Avenue transit corridor. A criterion in establishing the land use plan is to enable efficient public transit systems and alternatives to driving (walking and bicycling). The intent is to provide for medium- and high-density housing developments within an easy walking distance of transit stops on the Hollister Avenue corridor between Old Town and Pacific Oaks Road where bus headways are, or will be, adequate to support transit use by residents of new residential projects.

Implementation Programs [GP]

IP-6A Rezone Vacant Sites for Housing. Rezone vacant nonresidential sites to residential and increase densities on certain residential sites as shown in Table 10A-17 and Figure 10A-3 in the technical appendix.

Time period: New Zoning Ordinance by 2007; create the opportunity for 312 (see Table 10A-17) units to be built (see Table 10-2)

Responsible party: Planning and Environmental Services Department

IP-6B Zoning Amendment to Enable Mixed-Use Development. The City's new zoning ordinance shall establish zoning districts to implement the Old Town Commercial, Community Commercial, and Office and Institutional use categories and allow and provide incentives for residential use in those zones at densities of up to 20 units per acre.

Time period: New Zoning Ordinance by 2007; create the opportunity for 359 units to be built (see Table 10-2)

Responsible party: Planning and Environmental Services Department

IP-6C Encourage Redevelopment of Nonresidential Sites to Include Residential Uses. Establish mixed-use incentives and zoning to allow for development of residential units at potential redevelopment sites identified in Table 10A-19 and Figure 10A-3 in the technical appendix at densities of up to 20 units per acre.

Time period: New Zoning Ordinance by 2007; create the opportunity for 205 units to be built (see Table 10-2)

Responsible party: Planning and Environmental Services Department

IP-6D Consider School Property for Housing. Actively work with school districts and neighborhood groups to develop surplus or underdeveloped school property or portions of active school sites for affordable housing for teachers and other school personnel.

Time period: Ongoing

Responsible parties: School Districts, Planning and Environmental Services Department, and City Manager's Office

IP-6E Modify Multifamily Zoning Standards. Review and amend multifamily residential standards and procedures in order to ensure protection of multifamily housing sites. Zoning ordinance revisions may include:

- a. Requirements for minimum densities to be built to ensure that medium- and higher density multifamily sites are not developed with lower density housing unless it is determined that physical or environmental constraints will preclude achievement of the minimum density.
- b. Requirements that initial phases of a phased development plan do not prevent subsequent development of the site to at least its minimum density.
- c. Incentives to support well-designed multifamily housing at the middle to high end of the density range of General Plan densities.
- d. Listing of multifamily housing as a permitted use in multifamily zones, subject to design review and other applicable development permits and approvals.
- e. Incorporation of the increased floor area ratios (FARs) as set forth in the Land Use Element to encourage higher density housing in Old Town Commercial, Community Commercial, and Office and Institutional use categories where possible (e.g., where parks and other services would be adequate and/or near transit stops and other services).
- f. Improve the Planned Residential and/or Design Residential zoning district regulations in order to allow flexibility in applying development standards, encourage clustering, and achieve the designated densities, particularly where a greater number of affordable units can be achieved.
- g. Allow density standards to be applied on a gross rather than net acre basis, with the exception that land areas within a public right-of-way shall not be included in density calculations.

Time period: New Zoning Ordinance by 2007

Responsible party: Planning and Environmental Services Department

IP-6F Adopt Standards for Transit-Oriented Development. In coordination with regional transportation planning activities, consider the following criteria for Transit-Oriented Development (TOD) on sites designated Medium-Density Residential near the Hollister Avenue transit corridor:

- a. Neighborhood serving commercial uses shall be provided within the development or at nearby locations.
- b. Potential impacts, including,



Transit-Oriented Development Facilitates Increased Public Transit Use

but not limited to, traffic and parking, shall be mitigated.

- c. Required affordable inclusionary units shall be provided within the development or at an alternative site along the transit corridor.
- d. The development shall provide an excellent, high-quality design that is compatible with the surrounding neighborhood, incorporating attractive and usable common/open areas, including any dedication of public parkland shown in the Park Plan.
- e. The development plan shall incorporate transit improvements, such as bus shelters and turnouts or other transit improvements, as appropriate and feasible for the site.
- f. The development plan shall incorporate pedestrian and bicycle facilities, including, but not limited to, sidewalks, benches, bicycle racks, and bicycle storage areas.

Time period: Incorporate in New Zoning Code, 2007

Responsible party: Planning and Environmental Services Department

Policy HE 7: Opportunities for Mixed-Use Housing [GP]

Objective: *Allow housing in nonresidential areas where residential use is appropriate to the setting and where mixed-use projects can be encouraged to address jobs and housing needs.*

HE 7.1 Mixed-Use Housing. [GP] Well-designed mixed-use residential/nonresidential developments are encouraged by the City at locations where residential use is appropriate to the setting and development impacts can be mitigated, including, but not limited to, Old Town. The City will develop incentives to encourage mixed-use development in appropriate locations.

HE 7.2 Housing at Shopping Center Sites. [GP] The City will allow the development of housing in conjunction with the remodeling or redevelopment of shopping centers located within the Community Commercial land use category. Housing units may be constructed on a new second story above existing retail space or in separate buildings on the site.

Implementation Programs [GP]

IP-7A Amend the Zoning Ordinance to Allow Mixed-Use Development. Include residential use as an allowable use in the zoning districts applicable to lands designated in the Old Town Commercial, Community Commercial, and Office and Institutional land use categories by the Land Use Plan map.

Time period: New Zoning Ordinance by 2007

Responsible party: Planning and Environmental Services Department

IP-7B Encourage Affordable Housing in Mixed-Use Development. Make affordable housing development more feasible in mixed-use zones through establishment of procedures in the new zoning ordinance to allow consideration of requests for appropriate modifications of development standards and/or other incentives.

Time period: New Zoning Ordinance by 2007
Responsible party: Planning and Environmental Services Department

Policy HE 8: Preservation of Existing Housing and Neighborhoods [GP]

Objective: *Protect, conserve, and enhance the existing stock of housing and ensure that existing affordable housing at risk of conversion to market rates will remain affordable.*

- HE 8.1 Conversion of Conforming Residential Units. [GP]** The City will discourage the conversion of conforming residential units to nonresidential uses and regulate, to the extent permitted by law, conversion of rental housing developments to nonresidential uses to protect and conserve the rental housing stock.
- HE 8.2 Condominium Conversions. [GP]** Except when the effective vacancy rate for rental units averages 5 percent or more over the preceding 3 years, the City will, to the extent feasible under state law, conserve its existing multifamily rental housing by prohibiting conversions of rental developments to condominium ownership. Exceptions may be considered for limited-equity cooperatives and other innovative housing proposals that will be affordable to lower-income households.
- HE 8.3 Protection of Existing Affordable Housing. [GP]** The City will strive to ensure that all affordable housing, whether provided through government subsidy programs or incentives granted by the City or County in approving projects, deed restrictions, or City or County inclusionary requirements, will remain affordable for the longest term allowed by law. In its expenditures from the Affordable Housing Trust Fund and other actions, the City will give priority to preservation of existing affordable units where the County's affordability covenants or other regulatory agreements will be reaching the end of the term specified in those documents (see Appendix Table 10A-31, Approved and Existing Affordable Housing Units in Goleta, 2005).
- HE 8.4 Maintenance and Rehabilitation of Housing and Neighborhoods. [GP]** The City will encourage good property management practices and the long-term maintenance and improvement of existing housing. The City may establish programs to rehabilitate viable older housing units, preserve neighborhood character, and where possible, retain the supply of very low- to moderate-income housing.
- HE 8.5 Preservation of Mobile Home Parks. [GP]** The City will strive to protect mobile home parks as an important source of affordable housing in Goleta and work with residents, property owners, agencies, and nonprofit groups to seek ways to assist in the long-term protection and affordability of this unique source of housing in the community. The City shall discourage the closure and/or conversion of mobile home parks to other uses. Mobile home parks



Mobile Home Park

shall be designated in the Mobile Home Park (MHP) land use category on the Land Use Plan map, and conversion to a different use shall require an amendment of the Land Use Plan map.

- HE 8.6 Conversions of Mobile Home Parks. [GP]** If a mobile home park is approved for conversion to other uses, subdivision to allow ownership of individual sites or airspaces, or conversion to a cooperative, the City will require the owner/developer to provide relocation assistance (financial and/or other assistance) for current occupants sufficient to cover the resulting relocation costs to all displaced mobile home owners or renters. Any approval by the City of a subdivision of an existing mobile home park shall be subject to a condition requiring that existing occupants be extended a first right of refusal for purchase of an individual site or airspace within the mobile home park. To the extent allowed by law, any subdivision of an existing mobile home park shall be subject to the requirement to provide a number of sites at prices affordable to low- and moderate-income households in accordance with the Inclusionary Housing Policy set forth in Policy HE 11.
- HE 8.7 Conversion of Affordable Housing Units in the Coastal Zone. [GP]** As provided in California Government Code Sections 65590 and 65590.1, the conversion or demolition of existing residential dwelling units within the coastal zone that are occupied by persons and families of low or moderate income shall not be authorized unless provision has been made for the replacement of those units with units for persons and families of low or moderate income. If feasible, the replacement units shall be located on the site of the converted or demolished units or elsewhere within the coastal zone. If the foregoing locations for replacement units are not feasible, they shall be located at a site within the city within 3 miles of the coastal zone. The replacement dwelling units shall be provided and available for use within 3 years from the date upon which work commenced on the conversion or demolition of the residential dwelling unit(s).

Implementation Programs [GP]

- IP-8A Link Code Enforcement with Public Information Programs.** Implement housing, building, and fire code enforcement to ensure compliance with basic health and safety building standards and provide information about rehabilitation loan programs for use by qualifying property owners who are cited. In particular, contact owners of structures that appear to be in declining or substandard condition, offer inspection services, and advertise and promote programs that will assist in funding.

Time period: Ongoing

Responsible parties: Planning and Environmental Services Department;
Redevelopment and Neighborhood Services Department

- IP-8B Implement Rehabilitation and Energy Loan Programs.** Coordinate with Southern California Edison to make available information on loan programs to eligible owner and renter households.

Time period/target: Ongoing (see Program 2.D); 10 units rehabilitated by 2009

Responsible party: Redevelopment and Neighborhood Services Department

IP-8C Adopt New Condominium Conversion Ordinance. The City shall adopt new condominium conversion regulations as part of its new zoning code and/or subdivision code. The regulations shall prohibit conversions unless evidence is provided that the vacancy rate in the rental sector of the housing market has averaged 5 percent or greater during the preceding 3-year period. The following provisions shall be included within the City's new condominium conversion ordinance(s): (1) exemptions for limited-equity residential cooperatives that provide long-term affordability for very low- or low-income households; (2) requirements for relocation assistance when units are converted; (3) first right of refusal of purchase of units by occupants; (4) requirements for a percentage of units, consistent with the Inclusionary Housing Policy of Policy HE 11, to be set aside at prices affordable to very low- to moderate-income households; and (5) requirements for recordation of an Agreement to Provide Affordable Housing and deed restrictions that include implementation of resale controls and/or equity sharing.

Time period: New Zoning and/or Subdivision Ordinance by 2007

Responsible party: Planning and Environmental Services Department

IP-8D Inventory and Monitor Affordable Housing. The City will maintain an up-to-date inventory of affordable housing subject to recorded affordability agreements and/or covenants and information regarding rental unit vacancy rates and affordable for-sale assistance programs. The City will establish an ongoing program to monitor compliance with affordability covenants and/or regulatory agreements to provide affordable housing. As needed, the City will work with the property owners and/or other parties to ensure that affordable units are conserved as part of Goleta's affordable housing stock.



Single Family Residences Comprise Nearly 50 Percent of Goleta's Housing Stock

Time period: 2007

Responsible party: Planning and Environmental Services Department

IP-8E Assist in Acquisition of Existing Affordable Rental Housing. The City will work with nonprofit sponsors seeking to acquire and rehabilitate affordable rental housing units in order to maintain ongoing affordability of the units. Actions include, but are not be limited to, (1) contact with nonprofits, (2) identification of possible support necessary to obtain funding commitments from governmental programs and nongovernmental grants, (3) assistance in permit processing, (4) possible waiver of fees, and (5) possible use of local affordable housing funds when available.

Time period/target: Fifteen low-income units by 2009

Responsible parties: Redevelopment and Neighborhood Services Department

IP-8F Support Volunteer Efforts for Housing Maintenance and Repair. The City will support community service clubs and organizations that are interested in establishing a volunteer labor-assistance housing improvement program for homeowners physically or financially unable to maintain or repair their properties.

Time period: Ongoing

Responsible party: Redevelopment and Neighborhood Services Department

IP-8G Mobile Home Park Ownership Opportunities. Investigate and, as determined appropriate, implement ways to allow mobile home park ownership opportunities while preventing displacement of existing residents, including, but not limited to, maintaining separate zoning districts for mobile home parks, establishing an assessment district to pay for any necessary off-site public improvements, considering provision of financial assistance through the City's Affordable Housing Trust Fund, and identifying other ownership opportunities for lower-income mobile home park residents.

Time period: Ongoing

Responsible party: Planning and Environmental Services Department

IP-8H Regulate Displacement of Residential Units. Amend the zoning ordinance to regulate the removal or displacement of residential units.

Time period: New Zoning Ordinance by 2007

Responsible party: Planning and Environmental Services Department

IP-8I Impact Fees for Mobile Home Parks. Continue to provide a tiered impact fee structure that has lower impact fees for mobile home units located in mobile home parks commensurate with the lower level of impacts for this type of development as compared to conventional development.

Time period: 2008

Responsible party: Planning and Environmental Services Department

IP-8J Housing Rehabilitation Program. The City, in conjunction with the Redevelopment Agency, shall consider establishing a housing rehabilitation and home repair program. Funding may be from the 20 percent Housing Set-Aside fund and/or from grants.

Time period: 2008

Responsible party: Redevelopment and Neighborhood Services Department

Policy HE 9: Excellence in New Housing Design [GP]

Objective: *Ensure that new housing is well designed to be compatible with and enhance Goleta's neighborhoods and the community as a whole.*

HE 9.1 Housing Design Process. [GP] The City will review proposed new housing to achieve excellence in site and building design and conduct design review in an

efficient process consistent with the design principles articulated in the City's design review requirements.

HE 9.2 Design and Neighborhood Context. [GP] It is the City's intent that neighborhood identity and sense of community should be enhanced by designing all new housing to have a sensitive transition of scale and compatibility in form to the surrounding area. Buffers will be provided in mixed-use areas between residential and nonresidential uses.

HE 9.3 Housing Design Principles for Multifamily and Affordable Housing. [GP] The intent in the design of new multifamily and affordable housing is to provide stable, safe, and attractive neighborhoods through high-quality architecture, site planning, and amenities that address the following principles (see related Policy VH 4):

- a. **Reduce the Appearance of Building Bulk.** Require designs that break up the perceived bulk and minimize the apparent height and size of new buildings, including the use of upper-story step-backs, variations in wall and roof planes, and landscaping. Application of exterior finish materials and trim, and windows and doors, for example, are important elements of building design and an indicator of overall building quality.
- b. **Recognize Existing Street Patterns.** Incorporate transitions in height and setbacks from adjacent properties to respect adjacent development character and privacy. Design new housing so that it relates to the existing street pattern, creates a sense of neighborliness with surrounding buildings, and integrates pedestrian and bicycle systems.
- c. **Enhance the "Sense of Place" by Incorporating Focal Areas.** Design new housing around natural and/or designed focal points that are emphasized through direct pedestrian and bicycle pathway connections. Site design and placement of structures shall include the maximum amount of usable, contiguous open space.
- d. **Minimize the Visual Impact of Parking and Garages.** Discourage residential designs in which garages dominate the public façade of the residential building.
- e. **Provide Buffers between Housing and Nonresidential Uses.** Ensure compatibility of residential and nonresidential uses by addressing parking and driveway patterns, transitions between uses, entries, site planning, and the provision of appropriate buffers to minimize noise, lighting, or use impacts.
- f. **Maximize Privacy for Individual Units.** Site design, including placement of structures, pedestrian circulation, and common areas, as well as elements of architectural design such as, but not limited to, placement of windows, shall achieve a maximum degree of privacy for individual dwelling units within multifamily projects, including privacy for individual exterior spaces.
- g. **Maximize Security and Safety.** Site and architectural design of multifamily residential projects shall emphasize principles of "defensible space," security for residents, and public safety and shall facilitate policing and observation by the City's police department from public streets and rights-of-way to the extent feasible.

- HE 9.4 Resource Conservation. [GP]** The City will promote development and construction standards that provide resource conservation by encouraging housing types and designs that use renewable and/or sustainable materials, cost-effective energy conservation measures, and fewer resources (water, electricity, etc.) and therefore cost less to operate over time. The City shall require individual residential units within multifamily housing projects to be separately metered for all utilities, including, but not limited to, water, natural gas, and electricity (see related Policy CE 13).
- HE 9.5 Renewable Energy Technologies. [GP]** Promote the use of sustainable and/or renewable materials and energy technologies, such as solar, in new and rehabilitated housing when possible (see related Policy CE 13).

Implementation Programs [GP]

- IP-9A Prepare Residential Design Guidelines.** Implement the Design Review process and prepare design guidelines/criteria that will establish effective, consistent development review factors for use by applicants, the community, staff, and decision makers in the review of housing proposals.

Time period: 2007

Responsible party: Planning and Environmental Services Department

- IP-9B Promote Solar Design.** Develop design standards adapted to Goleta's climate relating to solar orientation, including lot layout for subdivisions, location and orientation of new structures, landscaping, fences, and impervious surfaces to conserve energy.

Time period: 2008 to 2009

Responsible party: Planning and Environmental Services Department

- IP-9C Establish "Green" Building Standards and Processes.** Adopt a "Green Building Program" to encourage the use of green building materials and energy conservation measures in new construction.

Time period: 2008 to 2009

Responsible party: Planning and Environmental Services Department

Policy HE 10: Production of New Affordable Housing [GP]

Objective: *Provide incentives to encourage the development of long-term affordable housing.*

- HE 10.1 Density Bonuses and Other Incentives for Affordable Housing Developments. [GP]** The City will use density bonuses and other incentives consistent with state law to help achieve housing goals while ensuring that potential impacts are considered and mitigated. The City will consider the following possible incentives for residential developments where the applicant requests a density bonus over the maximum otherwise allowable residential density under the applicable zoning regulations and proposes to include the appropriate percentages of very low, low-, and/or moderate-

~~income units on site or donate an appropriate amount of land for affordable residential development:~~

- ~~a. **State Density Bonus Law.** Continue to offer density bonuses and incentives or concessions consistent with the State Density Bonus law (California Government Code Section 65915). In addition, the City will incorporate the requirements of State Density Bonus law into the new zoning ordinance, as specified in IP-10C.~~
- ~~b. **Streamlined Development Review.** Affordable housing developments shall receive the highest priority, and efforts will be made by staff and decision makers to (1) provide technical assistance to potential affordable housing developers in processing requirements, including community involvement; (2) consider project funding and timing needs in the processing and review of the application; and (3) provide the fastest turnaround time possible in determining application completeness.~~

HE 10.2 Other Incentives for Affordable Housing Developments. [GP] For projects that do not apply for State Density Bonus Law incentives, the City will use other incentives to help achieve affordable housing goals. The City will grant the following incentives for residential developments where the applicant meets the requirements of Policy HE 11 and all rental projects:

- a. Allow modifications in zoning requirements that will facilitate increased density, such as modifications to Floor Area Ratio (FAR), Lot Coverage Ratio, parking, setbacks, open space, and solar access requirements as specified in the zoning ordinance.
- b. Allow modifications in zoning requirements and guidelines, consistent with subpolicy HE 9.3, that facilitate affordable housing production such that the zoning requirements and guidelines establishes minimum sizes for affordable units and provides for flexibility for the location of the affordable units within a development.
- c. Modify procedures and materials to expedite project review to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households, consistent with IP-10E
- d. Work with the water and sanitary districts to identify possible reductions, deferred payments, or waivers of some fees for water and sewer hook-ups for affordable housing for very low-income households, consistent with IP-10F.
- e. Consider a transfer of development rights, consistent with IP-10G.
- f. Consider modifying parking standards, consistent with IP-10H.

HE 10.32 Long-Term Housing Affordability Controls. [GP] The City will apply resale controls and rent and income restrictions for the longest term allowed by applicable law to ensure that affordable housing provided through incentives and as a condition of development approval remains affordable to the income group for which it is intended.

HE 10.3 “Designated” Affordable Housing Sites. [GP] ~~Given the limited availability of developable land within its boundaries, housing opportunity sites or areas are designated. These sites are vacant and designated for densities of 20 units per acre~~

~~or greater (see maps, policies, and programs under Policy HE 6). Development proposals on these sites may be subject to special affordability provisions, pursuant to the Inclusionary Housing Policy set forth in Policy HE 11, in recognition of the substantial increases in the land values as a consequence of rezoning of these sites from nonresidential zones to Medium-Density Residential.~~

HE 10.4 Redevelopment Agency Activities. [GP] Promote residential opportunities in the redevelopment project area, where appropriate, and utilize the Redevelopment Agency's Housing Set-Aside funds to assist with provision of affordable housing.

Implementation Programs [GP]

IP-10A Implement Actions to Address Remaining Very Low, Low-, and Moderate-Income Housing Need. Work with developers, nonprofit organizations, other agencies, and the community to address a portion of Goleta's remaining very low-, low-, and moderate-income housing need by offering incentives such as density bonuses, options for clustering units, options for allowing developers to set aside land for affordable housing as an alternative to inclusionary requirements, second units, use of Redevelopment Agency Housing Set-Aside or in-lieu housing funds, fast-track processing, and reduced fees as appropriate to the development of the site.

Time period/target: 2006 to 2009 (includes Programs 6.A–F for New Housing; Programs 7.A–B for Mixed Use; Programs 10.A–G for Affordable Housing; and Program 11.A, Inclusionary Housing); 22 very low-income units, 30 low-income units, 75 moderate-income units, and 105 above-moderate-income units provided by 2009

Responsible parties: Residential Developers, Nonprofit Organizations, Redevelopment and Neighborhood Services Department, and Planning and Environmental Services Department

IP-10B Implement Redevelopment Agency Housing Programs. Continue to encourage the development of affordable housing by providing technical and financial assistance to reduce the cost of housing. Use the unique powers and resources of the City's Redevelopment Agency to meet the City's housing needs, especially the remaining very low- and low-income household needs.

Time period: Through 2009

Responsible party: Redevelopment and Neighborhood Services Department

IP-10C State Density Bonus Law. Incorporate the requirements of State Density Bonus Law into the new zoning ordinance and consider requests by applicants for density bonuses and related incentives or concessions pursuant to the new zoning ordinance and consistent with state law.

Time period: New Zoning Ordinance by 2007~~9~~

Responsible party: Planning and Environmental Services Department

IP-10D ~~Apply Density Bonus Zoning and Related Offer Incentives.~~ Update and Administer the zoning ordinance provisions to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households. Offer incentives consistent with the subpolicies and programs established in HE 10.

Evaluate the following:

- ~~a. Consider requests by applicants for density bonuses and related incentives or concessions pursuant to the new zoning ordinance and consistent with state law.~~
- ~~b. Maintain a tiered impact fee structure that correlates the amount of fees with the level of impacts of housing projects, including projects that have lower impacts and are more likely to be affordable by virtue of design characteristics, such as small-sized units. Consider methods to allow deferred payment of fees for affordable rental housing, and encourage other agencies to provide similar mechanisms.~~
- ~~c. Establish “fast track” processing procedures in the new zoning code, California Environmental Quality Act (CEQA) processing efficiencies, and other mechanisms to fit with funding requirements and encourage desirable affordable housing projects that have a significant portion of their total floor area committed to affordable housing. Consider opportunities to streamline environmental review for individual residential projects, such as preparation of specific plans and specific plan EIRs, particularly in the North Willow Springs and mid-Hollister areas.~~

Time period: Through 2009

Responsible party: Planning and Environmental Services Department

IP-10E Modify Procedures and Materials to Expedite Project Review. Modify procedures and materials to expedite project review to encourage an increase in the supply of well-designed housing for very low-, low-, and moderate-income households. Expedited project review also applies to all rental projects. Specific procedures include, but are not limited to:

- a. Establish a “concept review” process that is subject to the Planning Director’s oversight to enable early feedback and direction for development design.
- b. Establish an “in-house” processing team to assist developments which are beneficial to the City and provide a significant number of affordable units.
- c. Create a specific project review checklist of General Plan and other City requirements appropriate for each project application submitted.
- d. Establish “fast track” processing procedures in the new zoning code, California Environmental Quality Act (CEQA) processing efficiencies, and other mechanisms to fit with funding requirements and encourage desirable affordable housing projects that have a significant number of affordable units.

Time period: Through 2009

Responsible party: Planning and Environmental Services Department

IP-10FE Water and Sewer Fees. Work with the water and sanitary districts to identify possible reductions, deferred payments, or waivers of some fees for water and sewer hook-ups for affordable housing for very low-income households.

Time period: 2008

Responsible parties: Planning and Environmental Services Department and the City Manager's Office

IP-10GF Implement Transfer of Development Rights. Consistent with the Land Use Element, identify criteria and enact procedures to allow Transfer of Development Rights (TDR) within city boundaries if they will result in the development of special needs and/or affordable housing in appropriate locations.

Time period: 2008

Responsible party: Planning and Environmental Services Department

IP-10HG Study Parking Standards. Evaluate and possibly modify parking standards, while avoiding impacts on other developed areas, based on the most recent empirical studies and other analyses to facilitate affordable housing development. The options to be evaluated may include, but are not limited to, the following:

- a. Multifamily parking requirements.
- b. Opportunities for shared parking for mixed-use developments.
- c. Parking requirements for projects located near transit stops on the Hollister Avenue corridor.
- d. Parking requirements for small-sized units, including SRO and accessory dwelling units.
- e. Allowances for the establishment of a landscaped parking reserve that is designated for parking if needed in the future.
- f. Evaluation of opportunities for undergrounding parking and auto sharing.
- g. Allowances, in certain instances, for parking standards to be adjusted on a case-by-case basis, depending upon the location and characteristics of the development and its intended occupants.

Time period: 2007 (to be included in the new zoning code)

Responsible party: Planning and Environmental Services Department

Policy HE 11: Inclusion of Very Low-, Low-, and Moderate-Income Housing in New Development [GP]

Objective: *Strengthen residential inclusionary requirements and incentives to require affordable housing as part of market-rate residential projects.*

HE 11.1 Inclusionary Housing Approach. [GP] To increase construction of housing affordable to persons employed locally, the City shall require residential developments involving one or more units to provide a percentage of units or pay an in-lieu or impact fee for very low-, low-, and moderate-income housing. The units

provided through this policy shall be deed restricted for the longest term permitted by law. The inclusionary requirement shall apply to all housing, including, but not limited to, single-family housing; multifamily housing; condominiums; townhouses; locally approved, licensed care facilities; stock cooperatives; and land subdivisions.

HE 11.2 Applicability of Inclusionary Requirements. [GP] Inclusionary requirements shall apply to residential projects as follows:

- a. Projects consisting of one individual single-family unit shall be exempt from the inclusionary requirement, except that units of 3,000 square feet or larger, excluding area within a garage, shall be subject to payment of an impact fee, unless a deed restricted very low- or low-income second unit is provided. A deed restriction or payment of an impact fee is not required if proof is established that the second unit is occupied by a family member.
- b. Projects consisting of two to four housing units shall be required to pay an in-lieu fee based on the number and sizes of the units.
- c. Projects of five or more units shall be required to construct the applicable number of units, except that the City, at its sole discretion, may allow the inclusionary requirement for these projects to be satisfied by alternative means as set forth in Subpolicies HE 11.3 and 11.4. The applicability of these requirements, while at the sole discretion of the City, shall be determined with the applicant early in the application process, with the goal of developing a project-specific approach consistent with the intent of City policies. The Planning Director shall work with applicants to determine the appropriate project-specific approach.



Public Open Space at Storke Ranch

HE 11.3 Priorities for Meeting Inclusionary Requirements. [GP] The primary intent of the inclusionary requirement is to achieve the construction of new units on-site. A second priority is construction of units off-site or the transfer of sufficient land and cash to the City or a nonprofit housing organization to develop the required number of affordable units. If these options are determined to be infeasible by the City, other alternatives of equal value, such as, but not necessarily limited to, payment of in-lieu fees or acquisition and rehabilitation of existing units, may be considered at the sole discretion of the City.

HE 11.4 Flexibility in Meeting Inclusionary Requirements. [GP] It is the City's intent to achieve the greatest percentage of affordable units possible. Creative ways to meet the City's inclusionary requirement to help achieve City housing goals, especially for very low- and low-income housing, such as through partnership with a nonprofit housing agency, are encouraged. In addition, trade-offs of very low-income units for moderate-income units may be considered, particularly in projects with for-sale units,

if it can be demonstrated that the City's housing goals can be more effectively achieved. Such trade-off approaches may incorporate a unit equivalency wherein one very low-income unit is equivalent to 1.5 moderate-income units, and one low-income unit is equivalent to 1.25 moderate-income units.

HE 11.5 Establishment of Unit Percentages and Income Levels. [GP] ~~Except for designated affordable housing sites as set forth in HE 11.6, t~~The inclusionary housing requirement shall be as follows:

- ~~a. Proposed rental projects shall be required to provide 5 percent of the total number of units within the project at rent levels affordable to very low- and low-income households.~~
- ~~ab. Proposed for-sale projects, including subdivisions for purposes of condominium conversions, will be required to provide 5 percent of the units at prices affordable to very low-income households, 5 percent affordable to low-income households, 5-10 percent affordable to moderate-income households, and 5-10 percent affordable to households earning 120 to 200450 percent of the median income.~~

Requirements for provision of inclusionary units in for-sale projects for very low- and low-income households may be satisfied by providing the same number of rental units at rent levels affordable to these households.

~~**HE 11.6 Inclusionary Requirement for Affordable Housing Opportunity Sites. [GP]**~~

~~Vacant sites rezoned from nonresidential districts to Medium-Density Residential at 20 units per acre to meet the City's RHNA of units for very low- and low-income households are hereby designated as Affordable Housing Opportunity Sites. These sites, shown in Figure 10A-3, include site numbers 20, 21, 24, 25, and 26. In recognition of the substantial increases in property values that may be associated with the rezonings, proposed projects on these sites shall be subject to a greater inclusionary requirement than is applicable to projects at other locations. The inclusionary requirements shall be the same percentages as the RHNA to the City for each household income category. The requirements for the affordable housing opportunity sites, including for-sale and rental projects, are as follows:~~

- ~~a. 24 percent of the units within the project shall be provided at prices or rents affordable to very low-income households.~~
- ~~b. 17 percent of the units within the project shall be provided at prices or rents affordable to low-income households.~~
- ~~c. 14 percent of the units within the project shall be provided at prices or rents affordable to moderate-income households.~~

~~Requirements for provision of inclusionary units in for-sale projects for very low- and low-income households may be satisfied by providing the same number of rental units at rent levels affordable to these households. Participation by nonprofit housing organizations is encouraged.~~

HE 11.76 Long-Term Affordability of Inclusionary Units. [GP] Inclusionary units shall be subject to recordation of a regulatory agreement to provide affordable housing units and an affordability covenant or deed restriction. The term of affordability restrictions shall not be less than 3055 years and would rollover to another 3055 years upon

resale, unless the subsidies or funding requirements require a longer term. Long-term affordability restrictions for phased projects will remain consistent with the originally permitted project.

HE 11.87 Additional Incentives for Onsite Production of Affordable Inclusionary Units.

[GP] In instances where a developer of a 5-acre or larger site designated as Medium-Density Residential by the Land Use Plan Map in Figure 2-1 agrees to construct affordable inclusionary units in a manner consistent with HE 11.5 or HE 11.6, rather than pay an in-lieu fee, the City shall provide the following incentives or concessions:

- a. The Floor Area Ratio (FAR) standard set forth in the Land Use Element shall be increased from 0.5 to 0.6.
- b. The Lot Coverage Ratio standard set forth in the Land Use Element shall be increased from 0.3 to 0.4.

The preceding shall be in addition to other incentives or concessions offered pursuant to Policy HE 10.

Implementation Programs [GP]

IP-11A Prepare Inclusionary Housing Regulations in the New Zoning Code. Establish specific standards and requirements for inclusionary housing in the zoning ordinance, including standards and requirements for qualifying projects, specific affordability levels of the inclusionary units, in-lieu fee amounts, management of the units, fractional unit requirements as it relates to affordable unit counts, standard agreements and covenant documents, etc.

Time period: New Zoning Ordinance by 20079

Responsible party: Planning and Environmental Services Department

IP-11B Monitoring and Long-Term Affordability. Establish appropriate management approaches for all affordable housing agreements in order to ensure compliance with affordability restrictions, and implement resale and rental regulations for low- and moderate-income units, and to ensure that these units remain at an affordable price level. In addition, the City shall conduct a financial analysis of the costs associated with implementing and monitoring affordability requirements.

Time period: Ongoing

Responsible party: Redevelopment and Neighborhood Services Department

Policy HE 12: Funding for Affordable Housing [GP]

Objective: Identify ways to increase ongoing local and other funding resources and/or financial-equivalent incentives for lower-income and special needs housing.

HE 12.1 Local Funding for Affordable Housing. [GP] Local funding sources to assist affordable housing within the time period of this Housing Element will be severely limited. Due to its recent incorporation and the sharing of City revenues with the

County of Santa Barbara pursuant to the state-mandated Revenue Neutrality Agreement, the City is generally not in a position to allocate General Fund monies for affordable housing. The City will seek ways to utilize local, state, and federal assistance to the fullest extent possible to achieve housing goals and increase ongoing local resources. This includes the following:

- a. Utilize the RDA's 20 percent Housing Set-Aside fund to assist affordable housing located within the Goleta Old Town Redevelopment Project Area or other locations that will benefit, as appropriate.
- b. Deposit in-lieu fees for the Inclusionary Housing Program in a restricted account, to be known as the Affordable Housing Trust Fund, and use solely to provide assistance for production, acquisition of at-risk units, or rehabilitation of affordable housing pursuant to the programs identified herein.
- c. Partner with philanthropic organizations to help finance affordable housing developments and continue to participate in other rental assistance programs, mortgage buy-downs, land acquisitions, etc.
- d. Work with nonprofit and other affordable housing developers to assist in obtaining mortgage revenue bond funds and/or mortgage credit certificates.

HE 12.2 Coordination Among Projects Seeking Funding. [GP] Ensure access to, and the most effective use of, available funding by providing coordination among affordable housing developments that seek funding from various sources, in accordance with a comprehensive Affordable Housing Finance Plan.

HE 12.3 Local Housing Impact Fees. [GP] The City shall prepare an appropriate nexus study and consider the adoption of an ordinance that would impose affordable housing impact fees on new nonresidential development based upon the estimated number of jobs generated by the development and the estimated wage levels of those jobs.

HE 12.4 Land Acquisition and Land Banking. [GP] Consider financial-equivalent options for affordable housing and special needs housing, including land acquisition and land banking.

HE 12.5 Federal and State Funding Programs. [GP] The City will continue to participate in the federal HOME and Community Development Block Grant (CDBG) programs as an entitlement city and may participate in other federal and state funding programs when they are available and appropriate to meet identified City housing needs.

Implementation Programs [GP]

IP-12A Maintain and Develop Local Sources of Funding for Affordable Housing. Develop ongoing local sources of funding to support affordable housing, including consideration of:

- a. Updating in-lieu fee payments under inclusionary requirements for residential development.
- b. Adopting affordable housing impact fee requirements for nonresidential development.

- c. Acceptance of voluntary donations, grants, and matching funds.
- d. Land acquisition or donation and land banking.
- e. Working with special districts that serve Goleta to provide a reduction(s) in connection fees for deed-restricted affordable very low-income units.

Time period: 2006

Responsible parties: Planning and Environmental Services Department;
Redevelopment and Neighborhood Services Department

IP-12B Outside Funding Resources. Seek matching grant funds to leverage the City's affordable housing funds for specific projects and programs (such as mortgage buy-downs, etc.). Potential sources of funding include, but are not limited to:

- a. CDBG/HOME.
- b. Applications for mortgage revenue bonds and/or mortgage credit certificates.
- c. Affordable Housing Trust Fund.
- d. Tax credit allocation.
- e. Proposition 46 funding.

Time period: Through 2009

Responsible party: Redevelopment and Neighborhood Services Department

IP-12C Coordinate Funding among Development Proposals. The City will pursue and/or participate in efforts to ensure adequate coordination between jurisdictions and development proposals so that local projects are competitive for outside funding sources and resources are used in the most effective manner possible.

Time period: Ongoing

Responsible party: Redevelopment and Neighborhood Services Department

IP-12D Prepare Comprehensive Affordable Housing Finance Plan. The City will prepare a comprehensive plan that addresses all local and external sources of housing assistance funds and identifies appropriate strategies for the use and disbursement of those funds to affordable housing projects and activities.

Time period: 2006

Responsible party: Redevelopment and Neighborhood Services Department

10.4 SUMMARY OF IMPLEMENTATION PROGRAMS [GP]

Table 10-4 provides a summary of the Action Programs to implement Housing Element policies, including quantitative targets where appropriate.

**TABLE 10-4
SUMMARY OF IMPLEMENTATION PROGRAMS**

Implementation Program Number and Name	Responsible Party¹	Time Period	Part of New Zoning Code Program	Units or Targets (2001–2009)
IP-1A: Require Nondiscrimination Clauses	P&ES	Ongoing	No	
IP-1B: Respond to Complaints	CM	Ongoing	No	
IP-1C: Undertake Actions to Prevent Discrimination	CM	Ongoing	No	Designate coordinator by 2006
IP-1D: Adopt a Source of Income Antidiscrimination Ordinance	P&ES	2007	No	
IP-2A: Conduct an Annual Housing Element Review	P&ES	Annually	No	By October 1 of each year
IP-2B: Periodic Updates of the Housing Element	P&ES	2009	No	
IP-2C: Prepare Information and Conduct Community Outreach Activities on Housing Issues	P&ES	2007	No	Ongoing thereafter
IP-2D: Collaborate on Interjurisdictional Actions for Housing	R&NS; CM	Ongoing	No	
IP-2E: Undertake Coordinated Advocacy Efforts on State Legislation	CM	Ongoing	No	
IP-3A: Commercial/Housing Nexus Study and Impact Fees	P&ES	2007	No	
IP-3B: Adopt a Job/Housing Linkage Program	P&ES	2007	Yes	
IP-3C: Housing Opportunities for Existing and New Employees	P&ES	Ongoing	No	20 moderate- and 20 middle-income units
IP-3D: Provide Zoning for Live/Work Opportunities	P&ES	2007	Yes	4 moderate-income units
IP-4A: Encourage Co-housing and Similar Collaborative Housing Development	P&ES	2009	No	4 low-income units
IP-4B: Provide Appropriate Zoning Development Standards for Single-Room Occupancy Units and Efficiency Apartments	P&ES	2007	Yes	4 low- and 4 moderate-income SRO units
IP-4C: Review Accessory Dwelling Unit Development Standards and Permit Process	P&ES	2007	Yes	5 low- and 15 moderate-income units
IP-5A: Encourage Good Neighborhood Relations Involving Emergency Shelters and Residential Care Facilities	R&NS	2007	No	
IP-5B: Adopt a Reasonable Accommodation Ordinance	P&ES	2007	Yes	
IP-5C: Adaptable Units for the Disabled	P&ES	Ongoing	Yes	
IP-5D: Assist in the Effective Use of Available Rental Assistance Programs	R&NS	Ongoing	No	75 very low-income households

(continued on next page)

TABLE 10.4 (CONTINUED)

Implementation Program Number and Name	Responsible Party¹	Time Period	Part of New Zoning Code Program	Units or Targets (2001–2009)
IP-5E: Maintain Programs to Address Homeless Needs	R&NS	Ongoing	No	
IP-5F: Investigate the Feasibility of Homesharing and Tenant Matching Opportunities	R&NS	2008	No	
IP-5G: Farmworker Housing	P&ES	2007	Yes	
IP-6A: Rezone Vacant Sites for Housing	P&ES	2007	Yes	
IP-6B: Zoning Amendment to Enable Mixed-Use Development	P&ES	2007	Yes	
IP-6C: Encourage Redevelopment of Nonresidential Sites to Include Residential Uses	P&ES	2007	Yes	
IP-6D: Consider School Property for Housing	P&ES; CM	Ongoing	No	
IP-6E: Modify Multifamily Zoning Standards	P&ES	2007	Yes	
IP-6F: Adopt Standards for Transit-Oriented Development	P&ES	2007	Yes	
IP-7A: Amend the Zoning Ordinance to Allow Mixed-Use Development	P&ES	2007	Yes	
IP-7B: Encourage Affordable Housing in Mixed-Use Development	P&ES	2007	Yes	
IP-8A: Link Code Enforcement with Public Information Programs	P&ES; R&NS	Ongoing	No	
IP-8B: Implement Rehabilitation and Energy Loan Programs	R&NS	Ongoing	No	See Implementation Program 2D; 10 units
IP-8C: Adopt New Condominium Conversion Ordinance	P&ES	2007	Yes	
IP-8D: Inventory and Monitor Affordable Housing	P&ES	2007	No	
IP-8E: Assist in Acquisition of Existing Affordable Rental Housing	R&NS	Ongoing	No	15 low-income units
IP-8F: Support Volunteer Efforts for Housing Maintenance and Repair	CDBG	Ongoing	No	
IP-8G: Mobile Home Park Ownership Opportunities	P&ES	Ongoing	No	
IP-8H: Regulate Displacement of Residential Units	P&ES	2007	Yes	
IP-8I: Impact Fees for Mobile Home Parks	P&ES	2008	No	
IP-8J: Housing Rehabilitation Program	R&NS	2008	No	
IP-9A: Prepare Residential Design Guidelines	P&ES	2008	No	
IP-9B: Promote Solar Design	P&ES	2008	No	
IP-9C: Establish "Green" Building Standards and Processes	P&ES	2008	No	

(continued on next page)

TABLE 10.4 (CONTINUED)

Implementation Program Number and Name	Responsible Party ¹	Time Period	Part of New Zoning Code Program	Units or Targets (2001–2009)
IP-10A: Implement Actions to Address Remaining Very Low-, Low-, and Moderate-Income Housing Need	P&ES	2009	No	22 very low-, 30 low-, 75 moderate-, and 105 above-moderate-income units
IP-10B: Implement Redevelopment Agency Housing Program	R&NS	2009	No	
IP-10C: State Density Bonus Law	P&ES	2007 9	Yes	
IP-10D: Apply Density Bonus Zoning and Related Offer Incentives	P&ES	2009	No	
IP-10E: <u>Modify Procedures and Materials to Expedite Project Review</u>	<u>P&ES</u>	<u>2009</u>	<u>Yes</u>	
IP-10FE: Water and Sewer Fees	P&ES; CM	2008	No	
IP-10GF: Implement Transfer of Development Rights	P&ES	2008	No	
IP-10HG: Study Parking Standards	P&ES	2007	Yes	
IP-11A: Prepare Inclusionary Housing Regulations in the New Zoning Code	P&ES	2007 9	Yes	
IP-11B: Monitoring and Long-Term Affordability	R&NS	Ongoing	No	
IP-12A: Maintain and Develop Local Sources of Funding for Affordable Housing	CM; R&NS	2006	No	
IP-12B: Outside Funding Resources	R&NS	2009	No	
IP-12C: Coordinate Funding among Development Proposals	R&NS	Ongoing	No	
IP-12D: Prepare Comprehensive Affordable Housing Finance Plan	CM; R&NS	2006	No	
¹ CM: City Manager's Office. P&ES: Planning and Environmental Services Department. R&NS: Redevelopment Agency/Redevelopment and Neighborhood Services Department.				