



**TO:** Planning Commission Chair and Members

**FROM:** Peter Imhof, Planning and Environmental Review Director

**CONTACT:** Anne Wells, Advance Planning Manager  
Andy Newkirk, Senior Planner  
John Douglas, Housing Consultant

**SUBJECT:** Draft 2023-2031 Housing Element Review

**RECOMMENDATION:**

- A. Review the Draft 2023-2031 Housing Element and provide additional comments to staff regarding any changes to the element that may be appropriate; and
- B. Adopt Resolution No. 22-\_\_\_, entitled "A Resolution of the Planning Commission of the City of Goleta, California, Recommending to the City Council Submittal of the Draft 2023-2031 Housing Element to the California Department of Housing and Community Development for Review" (Attachment 1).

**BACKGROUND:**

**State Housing Element Requirements**

State law requires each city to adopt a General Plan to guide land use and development. Among the required "elements" of a General Plan is the Housing Element, which establishes City policies and programs for maintaining and improving existing housing, as well as accommodating development of new housing to meet the City's assigned share of housing needs under the Regional Housing Needs Assessment (RHNA).

In addition to the Housing Element, the Goleta General Plan<sup>1</sup> includes the following elements: Land Use, Open Space, Conservation, Safety, Visual and Historic Resources, Transportation, Public Facilities, and Noise. While most elements of a General Plan have a time horizon of approximately 20 to 30 years into the future, State law requires Housing Elements be updated every eight years. Housing Element planning periods are sometimes referred to as "cycles." The City's current Housing Element was adopted in

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<sup>1</sup> <https://www.cityofgoleta.org/city-hall/planning-and-environmental-review/general-plan>

2014 and covers the planning period extending from 2015 to 2023, which is referred to as the “5<sup>th</sup> Housing Element Cycle” in reference to the five required updates that have occurred since the comprehensive revision to State Housing Element law in 1980. Every city in Santa Barbara County is required to prepare a Housing Element update for the 6<sup>th</sup> planning cycle by February 15, 2023, which spans the 2023-2031 planning period, regardless of when the other elements of the General Plan were adopted.

### **HCD Review and Certification**

An important difference between the Housing Element and other elements of the General Plan is the extent of State oversight. Under California law, many aspects of land use and development policy are generally within the authority of local governments (cities and counties) through the adoption of General Plans and municipal codes. However, State law establishes many specific limitations on local land use authority with regard to housing.

The State also declared that an adequate supply of housing is a matter of statewide importance and delegated authority to the California Department of Housing and Community Development (HCD) to review local government Housing Elements and issue opinions regarding their compliance with State law. A finding of Housing Element compliance by HCD is referred to as “certification” of the Housing Element. Certification is a threshold requirement for cities’ eligibility for certain state-sponsored grant funds and also to support local land use authority.

HCD review of Housing Elements is required both prior to and after final adoption by the City Council. The initial HCD review lasts 90 days. After this period, the City will receive comments from HCD that the City will need to address prior to bringing a Final Draft Housing Element forward for Planning Commission and City Council review and adoption. The second HCD review, and consideration of “certification,” would occur after the City adopts the updated Housing Element. Typically, a major issue in HCD’s review is whether the Housing Element demonstrates adequate properties (or “sites”) that could accommodate the amount of additional housing assigned through the RHNA process.

### **RHNA Requirements**

The Planning Commission previously discussed the basics of RHNA at public meetings on August 24, 2020 and March 14, 2022. In short, RHNA is the process by which each city is assigned a share of the region’s need for additional housing units in four income categories during the next Housing Element planning period (2023-2031). RHNA allocations are determined by the Santa Barbara County Association of Governments (SBCAG) for each city within Santa Barbara County and the unincorporated County area based on criteria established in State law. As discussed at previous Housing Element public meetings, the City’s final RHNA allocation is shown in the table below.

6 <sup>th</sup> Cycle Final RHNA by Income Category – Goleta				
Very Low	Low	Moderate	Above Moderate	Total
682	324	370	461	1,837

Source: SBCAG, 7/15/2021

**Public Outreach Efforts**

As part of the Housing Element update process, an extensive series of study sessions, workshops, public meetings, and a survey were conducted on the following dates:

- |                        |  |
|------------------------|--|
| June 22, 2020          | Planning Commission Meeting: Housing Law Update            |
| August 24, 2020        | Planning Commission Meeting: RHNA Update                   |
| September 15, 2020     | City Council Meeting: RHNA Update                          |
| December 1, 2020       | City Council Meeting: RHNA Update                          |
| May 18, 2021           | City Council Hearing: Housing Element Amendment Initiation |
| September 7, 2021      | City Council Meeting: Housing Element Update Approach      |
| March 14, 2022         | Planning Commission Workshop: Housing Topics               |
| February/March 2022    | 5 Stakeholder Meetings with Community Groups               |
| March 2022             | Individual Meetings with Councilmembers                    |
| February-April 2022    | Online Housing Survey                                      |
| September 2021-Present | Housing Element Website Updates and Maintenance            |

**Summary of Public Input**

A wide range of issues were raised during the public outreach process to date regarding housing needs in Goleta and how the City could address those needs. The City prepared the Draft 2023-2031 Housing Element (Attachment 2) with consideration for this early outreach along with direction provided by the Planning Commission and City Council. An underline-strikethrough changes version comparing the policies and programs updates with the existing, adopted, 2015-2023 Housing Element policies and programs is provided in Attachment 3. Attachment 4 summarizes public comments and how those comments have been addressed in the Draft 2023-2031 Housing Element.

**DISCUSSION:**

The primary purposes of this public meeting are to allow the Planning Commission and members of the public to review the Draft 2023-2031 Housing Element, to provide additional comments to staff regarding any changes to the element that may be appropriate, and to recommend to the City Council submittal of the Draft 2023-2031 to HCD for HCD’s 90-day review. As noted below in Next Steps, a second Planning Commission meeting is tentatively scheduled for May 23, 2022 to continue review of the Draft 2023-2031 Housing Element in the event Commissioners require additional time for review.

## Draft Housing Element Policies and Programs

Pursuant to State law, a Housing Element must address the following broad topics:

- Analysis of the City's demographic characteristics and housing needs;
- Evaluation of resources and opportunities available to address housing needs;
- Analysis of potential constraints to meeting the City's housing needs;
- Assessment of fair housing issues;
- A review of the City's accomplishments during the previous planning period and the effectiveness of current policies and programs in meeting housing needs; and
- Policies and programs to address the City's housing needs during the 8-year planning period.

The Draft 2023-2031 Housing Element includes updates to the policies and programs in the current Housing Element to reflect (1) changes in State law; (2) public, stakeholder, City Council, and Planning Commission input; (3) current City practices; (4) updated program responsible parties and City department name changes; (5) accomplishments since the adoption of the current Housing Element, such as the adoption of Title 17 (Zoning) of the Goleta Municipal Code (Title 17) and adoption of affordable housing fees; (6) updated program activity time periods; and (7) improved language to better convey the intent of the policies and programs.

A summary of the Draft 2023-2031 Housing Element policies and substantive revisions associated with those policies are highlighted for Planning Commission's review and consideration below.

**Policy HE 1: Maintain and Improve Existing Housing and Neighborhoods.** The objective of this policy is to protect, conserve, and enhance the City's existing housing stock. Seven programs implement this policy to address code compliance, housing rehabilitation, preservation of affordable housing units, preservation of mobile home parks, rental housing protection, rental assistance, and short-term vacation rental impacts on housing supply. Substantive changes to Policy HE 1 programs are summarized below.

- **Short-Term Vacation Rentals:** HE 1.7 is a proposed new program that requires the City to monitor the impact of short-term vacation rentals on the existing housing stock. Included are requirements for annual reporting to City Council and consideration of changes to the City's short-term vacation rental regulations, if needed, based on the annual monitoring.

**Policy HE 2: Facilitate New Housing Development to Meet Growth Needs for Persons of All Income Levels.** The objective of this policy is to facilitate a variety of residential development types commensurate with the City's RHNA and needs of the local workforce. Because the City's RHNA allocation is higher than the previous cycle and less vacant residential land remains, increased efforts to encourage development of underutilized non-residential properties will be necessary. Seven programs implement this policy, including encouraging a diverse range of new housing, linkage of housing and jobs, housing design principles for multiple-unit and affordable housing, affordable

housing development, inclusionary housing, accessory dwelling units, and funding for affordable housing. Substantive changes to Policy HE 2 programs are summarized below.

- **Mixed-use Developments:** HE 2.1(d) is revised to expand the scope of mixed-use housing zoning amendments to include design flexibility, such that housing proposals may be considered as part of the larger commercial development instead of by individual lot comprising the development. To implement this revision, Title 17 amendments are proposed for 2023.
- **Residential Densities:** HE 2.1(e) is a proposed new sub-program intended to support greater residential density by encouraging development at the maximum residential density allowed. To implement this new sub-program, requirements to amend Land Use Element subpolicy LU 2.2 and Title 17 (Section 17.03.060) are specified. The amendments would change the residential density standards methodology from applying to the net lot area to the gross lot area. This change would not guarantee greater density of residential units but would allow greater flexibility to produce additional housing as long as all other development standards, including protection of environmentally sensitive habitat areas, are met.
- **Replacement of Units Lost in Redevelopment:** HE 2.1(f) is a proposed new sub-program that highlights the City's obligation under State law to ensure residential units lost due to redevelopment are adequately addressed.
- **Live/Work Units Permitting:** HE 2.2(c) is revised to require consideration of a Title 17 amendment to remove the requirement for a Major Conditional Use Permit for live/work units.
- **Parking Standards:** HE 2.3(d) is revised to require consideration for a reduction in parking requirements for studio and one-bedroom dwelling units and clarification regarding parking reductions for affordable units and senior housing units as part of Title 17 amendments.
- **Density Bonus:** HE 2.4(a) is a new sub-program requiring the City to ensure consistent application of State density bonus law.
- **New Housing Project Engagement:** HE 2.4(b) is a new sub-program to replace the existing sub-program HE 2.4(a) to strengthen City procedures to engage with potential and new project applicants regarding housing potential, residential density allowance, incentives for housing, potential funding sources, and potential to collaborate with affordable housing providers. The program revisions add clarity regarding the timing of this engagement such that development inquiries and applicants are advised early in the process during public counter inquiries, formal Planner Consultations, and as advisory comments during the completeness review process.
- **Reduced Impact Fees:** HE 2.4(f) is a new sub-program requiring consideration of revisions to the Beneficial Projects Resolution (City Council Resolution No. 19-43)

to establish an automatic reduction or waiver of development impact fees for development that includes affordable dwelling units, with priority for 100 percent affordable, and any special needs housing projects that do not already qualify for a waiver or reduction.

- **Affordable-By-Design:** HE 2.4(g) is a new sub-program requiring City staff to research affordable-by-design principles, including in collaboration with other agencies and stakeholders, to determine potential viability in the City and pursue regulatory amendments, as warranted based on the results of the research.
- **Transfer of Development Rights:** HE 2.6 is proposed for deletion from the Housing Element because a more broadly defined transfer of development rights ordinance/program is already included in the Land Use Element (Implementation Action IA-LU-5).
- **Accessory Dwelling Units:** HE 2.6 (previously HE 2.7) is updated to reflect current State law and to quantify City objectives for ADU production. Requirements to explore incentivizing ADUs for low-and moderate-income households are added to this program. Suggested incentives for future study include funding sources and homeowner/applicant assistance tools.

**Policy HE 3: Fair Housing and Special Needs.** The objective of this policy is to promote equal housing opportunities for all persons; encourage the provision of housing for those who require special assistance, such as seniors, people with disabilities, and the homeless; and facilitate linkages between housing and services for those with special needs. Extensive new State requirements related to affirmatively furthering fair housing require a significantly higher level of analysis and programmatic actions to address this issue. Substantive changes to Policy HE 3 programs are summarized below.

- **Fair Housing:** HE 3.1 is updated to reflect extensive new State requirements regarding fair housing. The revisions seek to expand housing opportunities for lower-income households, persons with special needs, and other protected classes.
- **Low Barrier Navigation Centers:** HE 3.2(c) is a new sub-program that addresses State law requirements to allow for low barrier navigation centers by right in certain zones, subject to certain conditions. This sub-program includes required Title 17 amendments to reflect recent changes in State law including, but not limited to, definitions, permit procedures, and application review requirements.
- **Large Residential Care Facilities:** HE 3.2(e) (previously HE 3.2(d)) is revised to require the consideration of Title 17 amendments to allow large residential care facilities, where currently allowed, without the requirement for a Major Conditional Use Permit and as an allowed use in the General Commercial zoning district.

**Policy HE 4: Energy and Conservation and Sustainable Development.** The objective of this policy is to promote energy conservation by encouraging energy efficiency,

renewable energy sources, sustainable building materials, and transit-oriented development. A substantive change to Policy HE 4 summarized below responds to increased State emphasis on minimizing housing cost by reducing residential parking requirements in locations where public transportation alternatives are available.

- **Transit-Oriented Development:** HE 4.4 is revised to include opportunities to reduce required parking for transit-oriented housing developments where alternative-transportation improvements are incorporated on or adjacent to the project site through the approval of a Development Plan, Modification, or Conditional Use Permit as detailed in Title 17.

**Policy HE 5: Community Partnerships in Support of Local and Regional Housing Policies.** The objective of this policy is to enhance the effectiveness of City and regional housing policies through partnerships, collaboration, and ongoing performance monitoring. Substantive changes to Policy HE 5 programs are intended to expand opportunities for collaboration as summarized below.

- **Community and Regional Collaboration:** HE 5.2(b) is expanded to include more robust efforts to provide housing information and increase opportunities for broad engagement by all stakeholders to address issues including special needs housing. Requirements to provide public information through press releases, the City of Goleta website, GovDelivery email/text message system, Nextdoor, social media (Facebook, Twitter, and Instagram) and Goleta TV Channel 19 are added to this sub-program. Public meeting accessibility and interpretation service goals are also added to this sub-program.
- **Water Supply:** HE 5.2(f) is a new sub-program requiring the City to work with the Goleta Water District to seek additional water resources to support the development of new housing.

### **Technical Appendix:**

The Technical Appendix provides data and analysis required by State law that supports the policies and programs in the Housing Element. The Technical Appendix follows the same general format as the current Housing Element Technical Appendix, with proposed revisions as summarized below.

- I. **Housing Needs Assessment.** This section includes an analysis of the City's demographic and housing characteristics and trends and has been comprehensively updated to incorporate recent information from the U.S. Census and other relevant sources.
- II. **Resources and Opportunities.** This section analyzes the City's land, financial, and administrative resources for addressing housing needs as well as discussion of opportunities for energy conservation and sustainable housing development. The discussion of land resources reflects the updated parcel-

specific analysis of potential sites for housing development presented in Section V as described below.

- III. Constraints. This section provides a review of potential governmental and non-governmental constraints to meeting housing needs. Major changes to this section include revisions reflecting the adoption of Title 17 as well as other constraints such as current water supply limitations.
- IV. Evaluation of the 2015-2023 Housing Element. This section includes analysis of the City's progress in implementing the programs and objectives of the previous Housing Element, which has provided important guidance in updating the policies and programs for the next 8 years.
- V. Residential Land Inventory. This section identifies sites adequate to accommodate the City's RHNA allocation and has been comprehensively updated. Most noteworthy about the inventory of sites is that "underutilized" parcels that have additional housing development or redevelopment are now included because there are insufficient vacant properties to accommodate the City's RHNA allocation. A significant component of the total capacity for additional housing is in non-residential zoning districts that allow mixed-use development (see additional discussion in the following section).
- VI. Public Participation Summary. This section details the outreach efforts the City has undertaken for the Housing Element adoption process and has been comprehensively updated to describe the City's efforts to engage community stakeholders and decision makers in the process of updating the Housing Element.
- VII. Fair Housing Assessment. This new section has been added to the Housing Element in compliance with recent changes to State law. This section provides extensive additional data and analysis regarding issues of fair housing, discrimination, disproportionate housing needs of lower-income households, persons with special needs and other protected classes, and City efforts to expand housing opportunities and affirmatively further fair housing.
- VIII. Glossary. The existing Technical Appendix has a small glossary of terms. This section has been removed to avoid potential conflicts with definitions elsewhere in the Housing Element, Title 17, and potential changes to State law.

### **Sites Inventory and Regional Housing Needs:**

One of the most important components of the Housing Element is demonstrating that adequate sites are available with appropriate zoning to accommodate the RHNA allocation. The analysis must be prepared at a parcel-specific level of detail and estimate the realistic development capacity of sites based on existing conditions, market trends, and City policies and regulations. As shown in Section V of the Technical Appendix, sufficient sites with appropriate densities have been identified to accommodate the RHNA



allocation at all income levels during 2023-2031 planning period. Goleta’s future housing unit potential is comprised of four components – approved projects, vacant sites, underutilized sites, and ADUs – as summarized in the table below.

**SUMMARY OF HOUSING UNIT POTENTIAL IN GOLETA (2023–2031)**

	Income Category				Total
	Very Low	Low	Moderate	Above	
RHNA	682	324	370	461	1,837
Approved projects	59	0	0	74	133
Vacant sites	189		33	357	576
Underutilized sites	783		479	35	1,297
Future ADUs	80		11	27	118
Total estimated capacity	1,111		523	4493	2,124
Surplus (deficit)	<b>105</b>		<b>153</b>	<b>32</b>	<b>287</b>
Notes: For the analysis of housing site capacity, the very low and low income categories are combined because the zoning standards are the same for these categories. Source: City of Goleta, 2022					

As shown in this table, underutilized sites represent the largest source of potential housing development. Since housing development is a more complex process on non-vacant properties, the City’s analysis of realistic potential on each site has been estimated based on conservative assumptions that incorporated the following four steps:

- 1) The first step in the process was to delete any residentially designated land with existing development, unless the parcel was clearly well short of the maximum allowed density on the site. Only 11 residentially zoned parcels (two of which are split-zoned with commercial) met this standard and are included in the underutilized sites inventory.
- 2) The second step in the underutilized sites analysis was to remove all parcels that do not allow residential development (i.e., parcels zoned CI, VS, I-BP, IG, IS, OS-AR, OS-PR, or P-QP). Sites zoned CG were also removed because the only residential uses currently allowed in the CG zone are large residential care facilities as part of mixed-use developments.
- 3) The third step was to remove sites where constraints would significantly limit the potential for residential development, in particular, multiple-dwelling developments. Sites removed in this step include those that allow mixed-use development, but that are precluded from such development due to noise or safety restrictions related to their proximity to the Santa Barbara Airport.
- 4) In step four, the remaining sites in the CC, C-OT, and OI zone districts were examined, including local staff knowledge of site-specific information, such as long-term vacancies, expressed interest by the property owner(s) in residential development, and the status of commercial development on the site. During this fourth step of the analysis, sites smaller than 0.5 acres and greater than 10 acres were also removed from consideration, unless site-specific reasons justified

inclusion (for example, common ownership with an adjacent property). This factor is consistent with State guidance to focus on sites between 0.5 and 10 acres in size.

Based on these four steps, a total of 90 parcels were listed in the underutilized sites inventory. To estimate the realistic potential for additional housing on each site, the maximum number of units for each parcel based on development standards for the zone district was conservatively reduced by 50% for non-residential and low-density residential sites and 20% for medium and high-density residential sites from the allowable number of residential units. The underutilized sites inventory is included in the Technical Appendix as Table 10A-30.

As seen in the previous table, the sites inventory results in a surplus capacity of 287 units compared to the RHNA allocation. It is important to note that this estimated realistic capacity is based on current General Plan and zoning regulations and is significantly less than the maximum theoretical “buildout” of the General Plan.

While the sites inventory demonstrates that realistic potential exists for housing development to fully accommodate the RHNA allocation, State law also requires cities to adopt and implement programs to encourage and incentivize housing development, as discussed previously in this report.

#### **CONCLUSION:**

It is staff’s opinion that the draft Housing Element and Technical Appendix accurately reflect current conditions in Goleta and substantially comply with the requirements of State law. The primary purpose of this public meeting is to allow the Planning Commission and members of the public to review the Draft 2023-2031 Housing Element and provide additional comments to staff regarding any changes to the element that may be appropriate. Ultimately, staff seeks a Planning Commission recommendation to City Council regarding authorization to submit the Draft 2023-2031 to HCD for HCD’s 90-day review.

#### **NEXT STEPS:**

In addition to this meeting, a second Planning Commission meeting is tentatively scheduled for May 23, 2022 to continue review of the Draft 2023-2031 Housing Element in the event Commissioners require additional time for review. After review of the Draft 2023-2031 Housing Element, the Planning Commission is asked to adopt the Resolution provided as Attachment 1, recommending to the City Council submittal of the Draft 2023-2031 Housing Element to the HCD for review. The Draft 2023-2031 Housing Element is provided in Attachment 2. Refer to Attachment 3 for an underline-strikethrough changes version comparing the proposed policies and programs with the existing, adopted, 2015-2023 Housing Element policies and programs.

Once the Planning Commission and City Council have reviewed the Draft 2023-2031 Housing Element, staff will make any necessary updates, and submit the element to HCD

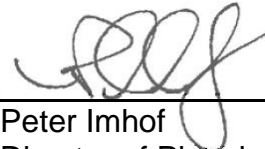
to start the 90-day initial review period. Staff continues to add information to the Housing Element Update project webpage at <https://www.cityofgoleta.org/city-hall/planning-and-environmental-review/advance-planning-division/housing-element-and-implementation/housing-element-2023-2031> and encourages the public to visit the webpage for up-to-date information and resources.

Legal Review By:



Winnie Cai  
Assistant City Attorney

Approved By:



Peter Imhof  
Director of Planning and  
Environmental Review

**ATTACHMENTS:**

1. Resolution No. 22-\_\_\_, entitled "A Resolution of the Planning Commission of the City of Goleta, California, Recommending to the City Council Submittal of the Draft 2023-2031 Housing Element to the California Department of Housing and Community Development for Review"
2. Draft 2023-2031 Housing Element
3. Underline-Strikethrough Comparing the Draft 2023-2031 Housing Element Policies and Programs to the Adopted 2015-2022 Housing Element Policies and Programs
4. Summary of 2023-2031 Housing Element Public Input (as of April 22, 2022)
5. Staff Presentation