

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

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March 20, 2023

Peter Imhof, Director
Planning and Environmental Review
City of Goleta
130 Cremona Drive, Suite B
Goleta, CA 93117

Dear Peter Imhof:

RE: City of Goleta's 6th Cycle (2023-2031) Adopted Housing Element

Thank you for submitting the City of Goleta's (City) housing element that was adopted January 17, 2023 and received for review on January 24, 2023 along with revisions on March 16, 2023. Pursuant to Government Code section 65585, subdivision (h), the California Department of Housing and Community Development (HCD) is reporting the results of its review. In addition, HCD considered comments from People Self Help Housing, Habitat for Humanity of Southern Santa Barbara County, Nancy Kozak, Brownstein Hyatt Farber Schreck, LLP, Goleta Water District, YIMBY Law and Housing Trust Fund of Santa Barbara County pursuant to Government Code section 65585, subdivision (c).

The adopted housing element addresses most statutory requirements described in HCD's September 27, 2022 letter; however, additional revisions are necessary to fully comply with State Housing Element Law (Article 10.6 of the Gov. Code), as follows:

1. *An inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period to meet the locality's housing need for a designated income level, and an analysis of the relationship of zoning and public facilities and services to these sites. (Gov. Code, § 65583, subd. (a)(3).)*

Identify actions that will be taken to make sites available during the planning period with appropriate zoning and development standards and with services and facilities to accommodate that portion of the city's or county's share of the regional housing need for each income level that could not be accommodated on sites identified in the inventory... (Gov. Code, § 65583, subd. (c)(1).)

Realistic Capacity: The element generally was not revised to address this finding. The calculation of residential capacity must account for the likelihood of

residential development in zoning where 100 percent nonresidential uses are allowed. For example, the element could analyze all development activity in these nonresidential zones, how often residential development occurs and adjust residential capacity calculations, policies, and programs accordingly. Please see HCD's prior review for additional information.

Environmental Constraints: The element now discusses how environmental constraints relate to identified sites. However, the element should still discuss any other known constraints or conditions that preclude development in the planning period. Examples include parcel shape, easements, contamination, voter initiatives, coastal or other environmental policies and airport compatibility.

Nonvacant Sites: As noted in the prior review, the element must demonstrate the potential for additional development on nonvacant sites, including the extent existing uses impede additional development. While the element now discusses additional indicators of the potential for redevelopment (e.g., structure age, improvement to land value ratio, intensity of existing development), it should support the validity of these assumptions. For example, the element could describe recent trends and how those past conditions and circumstances relate to identified sites. Further, the element must discuss the extent existing uses impede additional development. The element discusses site characteristics in the three major zoning districts but should still address the extent existing uses impede additional development. This analysis should also address public comments received on this housing element review. For additional information, please see HCD's prior review.

In addition, for your information, the element relies on nonvacant sites to accommodate 50 percent or more of the housing needs for lower-income households, which triggers requirements to make findings based on substantial evidence that the existing use is not an impediment and will likely discontinue in the planning period. While the resolution of adoption includes findings, any changes to the analysis and substantial evidence should be reflected in the future re-adoption resolution of the element.

Programs: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types.

In addition, HCD's prior review found Program HE 5.2 (Community and Regional Collaboration) should be modified with specific commitment and discrete timing. In response, the Program now commits to "work" and "support" efforts by the District. However, the Program should commit to how often the City will coordinate with the

District and commit to how the City will “work” and “support” efforts. In addition, based on comments received on this review, there may be inconsistencies between the available water capacity and application of policies and ordinances. The element should resolve these inconsistencies and add or modify programs, including a mid-term evaluation of the effectiveness of this program and alternative actions, as appropriate.

2. *An analysis of potential and actual governmental constraints upon the maintenance, improvement, or development of housing for all income levels, including the types of housing identified in paragraph (1) of subdivision (c), and for persons with disabilities as identified in the analysis pursuant to paragraph (7), including land use controls... ..and local processing and permit procedures... (Gov. Code, § 65583, subd. (a)(5).)*

Address and, where appropriate and legally possible, remove governmental and nongovernmental constraints to the maintenance, improvement, and development of housing... (Gov. Code, § 65583, subd. (c)(3).)

Land Use Controls: While the element now concludes some development standards may cause challenges and modifies Program HE 2.1 to address constraints, it should still analyze land use controls to appropriately revise programs, as noted in the prior review. For example, the element should still evaluate parking requirements, three stories and allowable densities on mixed use development and lot coverages. The City could engage the development community or commenters on this letter to facilitate this analysis. For more information, please see HCD’s prior review.

Inclusionary Requirements: As noted in the prior review, the element must describe and analyze the inclusionary housing requirements and their impacts as potential constraints on the development of housing for all income levels. In response, the element states the inclusionary requirement is consistent with Government Code section 65850 and 65850.01 (AB 1505). However, regardless of AB 1505, the element must include an analysis of potential constraints on housing. For example, the element should address unit thresholds, apparent lack of alternative means of compliance and interaction with State Density Bonus Law. Please see HCD’s prior review for additional information.

Processing and Permit Procedures: The element now concludes some approval findings potentially limit residential development and modifies Program HE 2.1 to ensure densities will not be reduced. However, the element must still include analysis as noted in the prior review. For example, the element should discuss impacts on approval certainty, timing and feasibility. Please see HCD’s prior review for additional information.

In addition, the element should address public comments on this submittal and discuss compliance with the Permit Streamlining Act and intersections with CEQA and timing requirements, including streamlining determinations and add or modify programs as appropriate.

Programs: As noted above, the element requires a complete analysis of potential governmental and nongovernmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs to address and remove or mitigate any identified constraints.

3. *Promote and affirmatively further fair housing opportunities and promote housing throughout the community or communities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability, and other characteristics... (Gov. Code, § 65583, subd. (c)(5).)*

Goals, Priorities, Metrics, and Milestones: While the element includes many potentially meaningful actions to affirmatively further fair housing (AFFH), programs generally should be revised with geographic targeting and targeted outcomes related to AFFH. For example, Programs HE 1.1 (Code Compliance) and HE 1.2 (Housing Rehabilitation) could be revised with geographic targeting and AFFH related outcomes such as 100 units rehabbed in areas of relatively higher concentrations of lower-income households. In addition, the element should consider additional actions related to place-based strategies toward community revitalization and displacement risk. For additional information, please see HCD's AFFH Guidance Memo (starting on p. 72).

The element will meet the statutory requirements of State Housing Element Law once it has been revised and adopted, if necessary, to comply with the above requirements.

Chapter 654, Statutes of 2022 (AB 2339), adds specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD's memo at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf>.

For your information, pursuant to Assembly Bill 1398 (Chapter 358, Statutes of 2021), if a local government fails to adopt a compliant housing element within 120 days of the statutory deadline (February 15, 2023), then any rezoning to make prior identified sites available or accommodate the regional housing needs allocation (RHNA) shall be completed no later than one year from the statutory deadline pursuant to Government Code sections 65583, subdivision (c) and 65583.2, subdivision (c). Otherwise, the local government's housing element will no longer comply with State Housing Element Law,

and HCD may revoke its finding of substantial compliance pursuant to Government Code section 65585, subdivision (i). Please be aware, if the City fails to adopt a compliant housing element within one year from the statutory deadline, the element cannot be found in substantial compliance until these rezones are completed.

Public participation in the development, adoption and implementation of the housing element is essential to effective housing planning. During the housing element revision process, the City must continue to engage the community, including organizations that represent lower-income and special needs households, by making information regularly available while considering and incorporating comments where appropriate. Please be aware, any revisions to the element must be posted on the local government's website and to email a link to all individuals and organizations that have previously requested notices relating to the local government's housing element at least seven days before submitting to HCD.

Several federal, state, and regional funding programs consider housing element compliance as an eligibility or ranking criteria. For example, the CalTrans Senate Bill (SB) 1 Sustainable Communities grant; the Strategic Growth Council and HCD's Affordable Housing and Sustainable Communities programs; and HCD's Permanent Local Housing Allocation consider housing element compliance and/or annual reporting requirements pursuant to Government Code section 65400. With a compliant housing element, the City meets housing element requirements for these and other funding sources.

For your information, some general plan element updates are triggered by housing element adoption. HCD reminds the City to consider timing provisions and welcomes the opportunity to provide assistance. For information, please see the Technical Advisories issued by the Governor's Office of Planning and Research at: <https://www.opr.ca.gov/planning/general-plan/guidelines.html>.

We are committed to assisting the City of Goleta in addressing all statutory requirements of State Housing Element Law. If you have any questions or need additional technical assistance, please contact Tristan Lanza, of our staff, at tristan.lanza@hcd.ca.gov.

Sincerely,



Paul McDougall
Senior Program Manager