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November 13, 2023

To: City of Santa Barbara Planning Commission

Re: Adoption Draft 2023-2031 Housing Element
(Planning Commission November 16, 2023 Agenda, Item III)

Dear Chair Bonderson and Planning Commissioners,

Allied Neighborhoods Association appreciates the opportunity to provide additional comment on the Adoption Draft (AD).

1. **Quantified Objectives** (AD, pg. 114)

"QUANTIFIED OBJECTIVES State law acknowledges that total housing needs identified through the RHNA process may exceed available resources and the community's ability to satisfy this need. Under these circumstances, the quantified objectives need not be identical to the total housing needs. The quantified objectives should estimate the number of housing units by income category that are likely to be built, rehabilitated, or conserved/preserved over the 2023-2031 Housing Element planning period. <u>The quantified objectives do not represent a ceiling on development, but rather a likely outcome based on needs, resources, and constraints.</u> While the City has identified sufficient sites to meet RHNA, the City does not anticipate having financial resources to ensure the entire need for extremely low-, very low-, low-, and moderate-income units will be met by 2031. The City's best estimate of what could actually be constructed during the 2023-2031 Housing Element planning period is based on recent residential development trends from 2013-2022 and expected redevelopment of a portion of La Cumbre Plaza during the planning period. Market conditions and property owner interest in developing or redeveloping property are major factors in providing new housing. For the extremely-low, very low-, low- and moderate-income housing, the estimate is based on past performance, current regulations, and budget assumptions from affordable housing subsidy sources." (emphasis added)

Table 49: Quantified Objectives (2023–2031)

INCOME CATEGORY	NEW CONSTRUCTION	REHABILITATION	CONSERVATION/ PRESERVATION
Extremely Low	148	0	0
Very Low	90	4	0
Low	328	158	101
Moderate	293	0	0
Above Moderate	2,224	0	0
Totals	**3,083**	**162**	**101**

Our main point is Table 49 shows 72% of new construction at Above Moderate. Not only is this very inconsistent with our Cycle 6 RHNA allocation of 37.90% for Above Moderate, but such a large percentage is not the housing we need. ***We need a course correction*** now.

Important to note our RHNA allocation for Very Low, Low and Moderate Income categories totals 62%. That's almost 2/3 of new housing.

We very much appreciate Vice Chair Baucke's comments last week that Affordable housing is the biggest issue the City has and it's so wide ranging, and now affecting the social fabric of our community. Deed-restricted housing is what we need. (for the full comments on this topic, it's during final comments at the end of the Planning Commission AUD Progress Report hearing last week, Nov. 9)

As Paseo Nuevo possible redevelopment is not mentioned in the Quantified Objectives text, we assume it's not included in the new construction totals.

2. ***Environmental Review***

Big surprise to read no draft Program EIR (PEIR) is being released (Staff Report, pg. 7). As discussed last year, the update to our PEIR was going to extend the PEIR out a few more years and include the new Housing Element and an updated Climate Action Plan.

The City website, for the past year and a half, and as recently as today, says: *"Environmental review for the Housing Element Programs is underway with a Housing Element Update Program EIR."* (Housing Element Update webpage) And, "*A Program EIR is being prepared to evaluate effects on the environment that may occur as a result implementation of the 2023-2031 Housing Element. An EIR is an informational document intended to allow the public and decision-makers to consider potential environmental impacts and any measures to avoid or lessen significant effects".* (Housing Element Update Program EIR webpage)

Between the PEIR for the 2011 General Plan and the July 2, 2020 Addendum various housing numbers were analyzed. At this current point in time - what is the estimate of the still ***outstanding*** number of housing units analyzed in these documents?

As we move forward in this manner, are we correct to assume the Quantified Objectives new construction of 3,083 units (with or without redevelopment of Paseo Nuevo site) is still within the housing analyzed in the above two documents?

3. ***Housing Plan Program work for 2024***

Identified for 2024:

Adaptive Reuse Ordinance (HE-1)
Amend Zoning Ordinance for Special Needs Housing (HE-3)
Use-By-Right Permitting (HE-4)
Objective Design Standards (HE-7)
Multi-Unit Housing Program Zoning Ordinance Amendments/AUD (HE-10)
Water and Sewer and Small Sites (HE-12, Prioritize Affordable Housing)
Evaluate Inclusionary Housing Ordinances (Study, HE-13)
No Net Loss Tracking (HE-15)
Create Affordable Housing Funds (HE-16)
Short-Term Rental Framework (HE-19)
Review Hotel Zones and Amend Zoning Ordinance (HE-20)
Evaluate Residential Units Conversion Ordinance (HE-21)
Housing Supply and Affordability Education Campaign, Awareness Campaign (HE-28)
Secure Permanent Affordable Housing Funding – Study 2024, Voter Approval Process 2024/2026 General Election (if warranted) (HE-31)

4. ***Local Bonus Density.*** The Housing Toolbox graphic in a Council PowerPoint last week is great. As it shows, Local Bonus Density is outside AUD Amendments, and AUD is only one of many items in the toolbox. (Note - AUD Amendments, in the Adoption Draft, are located in the newly added Program HE-10: Multi-Unit Housing Program, and identified in the Housing Plan work for 2024.)

We do not see Local Bonus Density in housing work for 2024. As discussed in our letter last week, we are concerned that increasing density via AUD/Multi-Unit Housing Amendments will cause land values to increase yet again. There are other methods to consider.

Evaluating/updating our Local Bonus Density needs to be on the list of 2024 housing work so we can more comprehensively consider what approach is most appropriate to accomplish our goals.

5. ***Community Benefit Housing, Rental Housing***

All rental housing, no matter how expensive, is currently designated Community Benefit housing. The designation happened in 2017 with the adoption of our new Inland Zoning

Ordinance, Title 30. (A lot has changed in the past six or seven years, especially market-rate rental rates.) We were reminded at a recent Planning Commission meeting that Council voted about two years ago for staff to prepare an ordinance amendment to change this.

We do not see updating Community Benefit Housing, speaking specifically of rental housing, in housing work for 2024. It needs to be addressed prior to any upzoning/density changes and additional considerations for density tiers via AUD/Multi-Unit Housing Amendments (which are on the housing work list for 2024).

Staff, at Planning Commission last week, seemed to be saying addressing this issue was at least two years off. And, would happen after updating in-lieu fees.

6. ***Consider Local Preference Policy*** (AD, pg. 135)

Good to read this newly added subsection in HE-12: Prioritize Affordable Housing, and the information it provides. *"Senate Bill 649 (2022) allows local jurisdictions to adopt a local tenant preference policy. Qualified rental properties using the low-income housing tax credit program and tax-exempt bonds may be allowed to prioritize units for local households facing or at risk of displacement."*

7. We appreciate and agree with John Campanella's written comment last week – *"Do not allow market ownership within the Priority Housing Overlay - should not be competing with rentals."*

Thank you for consideration of our comments.

Sincerely,
Allied Neighborhoods Association

Cc: Rosie Dyste
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