



**Santa Barbara County
Housing Element
2003 - 2008**
IMPLEMENTATION GUIDELINES



Revised April 2005

County of Santa Barbara 2003-2008 Housing Element

Implementation Guidelines

ADDENDUM

May 9, 2006

On May 9, 2006, the Board of Supervisors adopted the revised 2003-2008 Housing Element. Following adoption, the county began revising the Housing Element Implementation Guidelines (HEIG).

Until publication of the updated HEIG, please refer to the revised 2003-2008 Housing Element, which is available at

www.countyofsb.org/plandev/comp/program-s/housing/2003/default.asp

The May 2006 revisions affect the following program areas:

- State Density Bonus Program, p. 4
- Inclusionary Housing Program, p. 5
- The In-lieu Fee Policy, p. 7
- Residential Second Units, p. 8

Questions may also be directed to:

Comprehensive Planning. Housing Element Team

Contact: David Matson, Project Manager: dmatson@co.santa-barbara.ca.us

SANTA BARBARA COUNTY HOUSING ELEMENT 2003-2008 IMPLEMENTATION GUIDELINES

All housing projects must comply with the applicable sections of the Housing Element. The Housing Element Implementation Guidelines (HEIG) is a comprehensive summary of housing programs, policies, procedures, requirements, incentives, development standards and actions from Santa Barbara County's 2003-2008 Housing Element, adopted by the Board of Supervisors on March 29th, 2004. County staff, developers and decision makers shall adhere to these guidelines *in addition to* applicable policies contained in the Comprehensive Plan, Community Plans and/or the Coastal Plan, and applicable requirements of the Zoning Ordinance, the Building and Safety Code and any project specific conditions.

The Housing Element action items include a variety of methods to implement the goals of the adopted Element. These will be refined during the Housing Element Action Phase and are anticipated to be considered by the Board of Supervisors in 2005 and 2006. The Action Phase is summarized in *Appendix G*.

The county will update portions of this document as needed to ensure that it contains current information. Please ***be certain you are using the current version***: check with the County's Planning and Development Department (P&D) front counter or find the latest version at the county's website: ***See the entire Housing Element and related materials at P&D offices or online at www.countyofsb.org/plandev/comp/programs/housing/2003***.

APRIL 2005

COUNTY OF SANTA BARBARA



Planning & Development, 123 East Anapamu Street, Santa Barbara, CA 93101
(805) 568-2000, FAX (805) 568-2030, www.sbcountyplanning.org

Santa Barbara County Housing Element
2003-2008

Table of Contents:

I. Introduction.....	1
Many Departments Play a Role in Providing Affordable Housing.....	1
How This Document is Arranged.....	1
II. Housing Programs and Policies	2
A. Housing Programs and Policies for Development Projects.....	4
1. The State Density Bonus Program	4
2. The Inclusionary Housing Program.....	5
3. The In-lieu Fee Policy.....	7
4. The Service Worker Housing Policy.....	7
5. Other Employee Housing.....	8
6. Residential Second Units	8
7. Rental Housing.....	9
8. Mixed Use Development.....	10
9. In-fill Development.....	11
10. Homeless Facilities	12
11. Farm Employee Housing.....	12
12. Mobile Homes.....	12
13. Persons with Disabilities	13
14. Fair Housing Requirements.....	14
15. Neighborhood Compatibility and Improvement.....	14
16. Residential Design Standards	15
17. Resource Conservation.....	15
18. Mechanisms for Maintaining Affordability.....	16
19. Isla Vista Area.....	17
20. Make Affordable Housing Projects a Priority.....	17
21. Marketing Periods and Lotteries for New Affordable For Sale Units.....	18
22. Development Incentives	19
23. Preliminary Assessment of Housing Requirements	20
B. Housing Programs and Policies for Existing Development.....	21
1. Demolishing and Converting Affordable Housing.....	21
2. Mobile Home Park Closures.....	21
3. Condominium Conversions.....	21
4. Rehabilitation.....	22
C. Assisting with Financing, Land and Services.....	23
1. Accommodate Fair Share Housing Needs.....	23
2. Services District Constraint Mitigation.....	24
3. County Owned Lands.....	24
4. State and Federal Funding Sources.....	24
5. Mortgage Revenue Bonds.....	25
6. Affordable Housing Funds.....	25
D. Additional Housing Assistance and Support.....	26
1. Make Affordable Housing a Priority.....	26
2. Fair Housing Practices.....	26
3. Community Outreach.....	27
4. Cooperation with Parties Interested in Affordable Housing.....	27
5. State and Federal Facilities Cooperation.....	28
6. Annual and Periodic Reports.....	28
7. Settlement Agreements.....	28

III. Development Proposal Guidelines and Procedures.....	29
1. Determining Which Programs Apply.....	29
a. The State Density Bonus Program.....	31
b. The Inclusionary Housing Program and the In-Lieu Fee Policy.....	33
c. Other Housing Programs.....	35
d. Available Incentives.....	35
e. Zoning Requirements	37
f. Demolitions.....	37
2. Application Review.....	37
a. Priority Review.....	38
b. Project Design.....	38
c. Coordinated Review.....	38
3. Tiering From Certified CEQA Documents.....	40
4. Conditions of Approval.....	40
5. Getting Ready to Record and Build.....	41
a. Agreement to Provide Affordable Housing.....	41
b. Resale Restrictive Covenant & Preemptive Right or Rental Restrictive Covenant.....	41
c. Modifications to Housing Conditions or Agreements	42
6. Affordable Housing Sales & Rentals.....	42
a. Price Control Time Period.....	42
b. Pricing Affordable Housing.....	43
c. Marketing Affordable Units.....	45
d. Lotteries.....	45
e. Qualifying Buyers & Renters.....	47
f. Income and Eligibility Certification.....	47
7. Monitoring and Maintenance.....	49
a. Owner Occupancy.....	49
b. Investigations.....	49
c. Hardships.....	50
d. Foreclosure & Right of First Refusal.....	50
e. Resale Procedures.....	50
f. Monitoring and Filling Rentals.....	51

Tables

Table 1: Guide to Goals and Programs.....	2
Table 2: Comparing the State's Density Bonus Program with the County's Inclusionary Housing Program.....	30
Table 3: Density Bonus by Percent of Affordable or Senior Units.....	31
Table 4: Number of Incentives for State Density Bonus Projects.....	32
Table 5: Calculating the State's Density Bonus Program Requirements	32
Table 6: Inclusionary Requirements by HMA.....	33
Table 7: In-Lieu Fee Payment Schedule.....	33
Table 8: In-Lieu Fees for the Inclusionary Housing Program , Sample Table.....	33
Table 9: Calculating the Inclusionary Housing Program Requirements.....	34
Table 10: Incentives Available by Program.....	36
Table 11: County Review of Affordable Housing.....	39
Table 12: Affordable Unit Price Control Time Periods for Various Affordable Housing Programs.....	43
Table 13: Maximum Allowable Sale Prices, Sample Table	44
Table 14: Maximum Allowable Monthly Rents, Sample Table.....	44
Table 15: Area Median Income, Santa Barbara County, Sample Table.....	47
Table 16: Maximum Allowable Household Incomes , Sample Table.....	47
Table 17: Household Size Requirements per Number of Bedrooms.....	48

Tables, continued

Table A-1: Maximum Allowable Sale Prices, Current.....A-1
Table A-2: Maximum Allowable Monthly Rents, Current.....A-1
Table A-3: Maximum Allowable Household Incomes, Current.....A-1
Table A-4: Area Median Income, Santa Barbara County, Current.....A-2
Table A-5: In-Lieu Fees for the Inclusionary Housing Program, Current.....A-2
Table B-1: Sale Price Components for Moderate Income Units, Current.....B-2
Table B-2: Affordability Ranges and Targets (as percent of AMI).....B-3
Table B-3: Unit Size Adjustment Factors.....B-3
Table B-4: Household Size Adjustment Factors.....B-3
Table E-1: Zone District RequirementsE-1
Table F-1: Residential Uses Allowed by Zone DistrictF-1
Table G-1: Guide to Action Phase.....G-1

Formulas

Formula B-1: Affordable Sale Price Formula.....B-1
Formula B-2: Affordable Mortgage Amount Formula.....B-1
Formula B-3: Affordable Monthly Mortgage Payment Formula.....B-1
Formula B-4: Affordable Monthly Rent Formula.....B-2
Formula B-5: Affordable Income Formula.....B-3

QuickFacts Figures

1. What is in the Housing Element that is not in the HEIG?.....1
2. How Can Communities Benefit from Affordable Housing?.....29
3. County Review of Affordable Housing39
4. What are the Benefits of Owning an Affordable Home in Santa Barbara County?.....46

Figures

1. Sample Display Advertisement.....18
D-1. Minor Discretionary Permit Review Process Flowchart.....D-1
D-2. Major Discretionary Permit Review Process Flowchart.....D-2

Appendices

A. Current Maximum Affordable Sale & Rental Price, Income, Area Median Income and In-Lieu Fee Tables
B. Affordable Housing Formulas
C. Land Donation Criteria
D. Review Process
E. Zone District Requirements
F. Residential Uses Allowed by Zone District
G. Guide to Housing Element Action Phase
H. Funding Sources
I. Terms and Acronyms

This page left blank by intention.

I. Introduction

The Housing Element Implementation Guidelines (HEIG) are a complete summary of the components of the 2003-2008 Santa Barbara County Housing Element that require practical application to new and existing development proposals, financing or land acquisition. They are intended to give planners, engineers, other county staff and applicants a concise, usable tool to implement the county's adopted housing programs and policies.

The Board of Supervisors adopts the Housing Element to further its goal of meeting the existing and projected housing needs of all economic segments of the community. All implementing departments must provide opportunities for, and not unduly constrain, housing development, enabling the private market to meet housing needs.

QuickFacts

What is in the Housing Element that is not in the HEIG?

- Detailed analysis of projected housing needs.
- Current inventory and condition of housing.
- Detailed explanation of the Regional Housing Needs Assessment.
- Discussion of all government, non-government and environmental constraints to building housing and mitigating opportunities for each.
- In-depth evaluation of previous Housing Element objectives and achievements.
- Detailed inventory of vacant and under-developed land available for housing and affordable housing in particular, as well as an assessment of at-risk housing and housing in the Coastal Zone.
- Examination of consistency of the Housing Element with other General Plan elements as well as with Zoning Ordinances and other adopted regulations.
- Description of public participation in Housing Element preparation.

Many County Departments Play a Role in Providing Affordable Housing

The Housing Element adopted by the Board of Supervisors includes over 40 policies intended to encourage both for-profit and not-for-profit housing developers to build and rehabilitate housing, especially affordable housing, in the unincorporated areas of the county. Building affordable housing in Santa Barbara County is not easy. Land, labor, material and fuel costs are high. While the county will not compromise safety, environmental protection or sound planning principles, departments must examine standard procedures and practices to see how these might serve as a constraint or make affordable housing infeasible. *Every county department with responsibility for any aspect of the development review process must adhere to these policies and make changes in their standard practices where they are able, to encourage affordable housing.*

How This Document is Arranged

Most of the county's housing programs provide incentives for developers to produce more affordable and/or special needs housing. Some programs are designed to preserve existing affordable housing and make existing market rate units affordable, others set administrative guidelines for staff regarding permit processing, public information, inter-agency cooperation and funding acquisition. Unlike the Housing Element, in which the programs and policies are arranged by goals, this HEIG is arranged by function as follows:

- Programs and policies related to new development;
- Policies related to existing development;
- Policies for financing, land acquisition and services; and
- Detailed guidelines for applying housing policies to development proposals.

II. Housing Programs and Policies

In preparing the 2003-2008 Housing Element, the county carefully analyzed the successes and failures of the 1993 Housing Element programs. While the county achieved its overall objective for number of units, it had unmet needs in several areas including moderate income and workforce housing, farm employee housing and mixed-use projects.¹ The 2003-2008 policies and action items attempt to address many of the factors contributing to the missed objectives. Some changes include:

- A revised Inclusionary Housing Program that better responds to market conditions and county housing needs. It is intended to provide more on-site units in the moderate and workforce categories, and give developers additional in-lieu options including donating land.
- A new Mixed Use Policy to encourage mixed use development in specific areas.
- New Neighborhood Compatibility and Residential Design Standard Policies intended to address neighbor concerns, improve affordable housing quality and facilitate communication between developers and the community.
- Policies directed at housing for the unique needs of Santa Barbara County residents including farm employee housing and housing for persons with disabilities.
- Additional development incentives designed to give developers more flexibility in designing affordable housing projects while preserving Santa Barbara County’s high standards.

Guide to Goals and Programs

Goals and Programs	Pg. #	Goals and Programs	Pg. #
Goal 1: Enhance Diversity and Quantity of Housing Supply		Goal 6: Preserve Housing Stock	
<i>State Density Bonus Program</i>	4, 31	<i>Mechanisms for Maintaining Affordability</i>	16
<i>Inclusionary Housing Program</i>	5, 33	<i>Demolitions and Conversions</i>	21
<i>In Lieu Fees</i>	7, 33	<i>Mobile Home Park Closures</i>	21
<i>Service Workers</i>	7	<i>Condominium Conversions</i>	21
<i>Other Employee Housing</i>	8	<i>Isla Vista Area</i>	17
<i>Residential Second Units</i>	8	<i>Rehabilitation</i>	22
<i>Rental Housing</i>	9	Goal 7: Cooperative Relations	
<i>Mixed Use</i>	10	<i>Community Outreach</i>	27
<i>Infill</i>	11	<i>Cooperate with Other Jurisdictions</i>	27
<i>Accommodate Fair Share Housing Needs</i>	23	<i>Service District Constraint Mitigation</i>	24
<i>Make Housing a Priority</i>	17, 26	<i>State and Federal Facilities</i>	24
Goal 2: Expand Housing for Special Needs Groups		Goal 8: Efficient Government	
<i>Homeless Facilities</i>	12	<i>Make Affordable Housing a Priority</i>	17, 26
<i>Farm Employee Housing</i>	12	<i>Marketing Periods and Lotteries</i>	18
<i>Mobile Homes</i>	12	<i>Development Incentives</i>	19, 35
Goal 3: Expand Housing for Persons with Disabilities		<i>State or Federal Programs</i>	24
<i>Persons with Disabilities</i>	13	<i>Supercede County Programs</i>	24
Goal 4: Open and Fair Housing Opportunities		<i>Annual Periodic Reports</i>	28
<i>Fair Housing</i>	14, 26	<i>Settlement Agreements</i>	28
Goal 5: Quality Housing Design		<i>Preliminary Assessment of Housing Requirements</i>	20, 37
<i>Neighborhood Compatibility and Improvement</i>	14	Goal 9: Cultivate Financial Resources	
<i>Residential Design Standards</i>	15	<i>State and Federal Funding</i>	24
<i>Resource Conservation</i>	15	<i>Mortgage Revenue Bonds</i>	25
		<i>Affordable Housing Funds</i>	25
		<i>County-Owned Lands</i>	24

Table 1

The table above lists the programs and policies as they apply to the Housing Element goals, and indicates the pages on which each can be found or discussed in this document. Those that apply to new and existing development projects appear in italics.

¹ The state requires the county to identify quantified objectives for affordable housing in different categories based on need. Between 1993 and 2000, 4,124 units were built or conserved in Santa Barbara County’s unincorporated area, 125 units over the county’s objective.

Sample Program

Policy: A policy is a specific statement that guides decision-making that is based on the Comprehensive Plan's goals and objectives as well as the analysis of data. Policies should be clear and unambiguous.

Development Standards: Development standards are measures that shall be incorporated into development projects where applicable to provide consistency with certain policies of the Housing Element. Not all policies require development standards.

Note on Future Actions:

Timing: Date. Responsible Department(s): Department(s) accountable for ensuring a program or policy is carried out.

An action is a one-time or ongoing act, program or procedure that carries out general plan policy. Actions include time frames for implementation.

The 2003-2008 Housing Programs and Policies appear on the next 24 pages. All policies were adopted by the Board of Supervisors on March 29, 2004, except the Inclusionary Housing Program and the In-Lieu Fee Policy, which were adopted November 23, 2004.

A. Housing Programs and Policies for Development Projects:
All adopted March 29 2004 except Inclusionary and In-Lieu adopted Nov. 23, 2004

1. The State Density Bonus Program

The state amended its density bonus law effective January 1, 2005, after the county adopted its Housing Element. Where the county's program is inconsistent with State law, the law takes precedent. See the discussion on *page 31* for further information on revisions to density bonus law.

The County's Density Bonus Program Reads as Follows

Policy 1.1: The county shall grant a density bonus and incentives to developers of residential projects of five or more units who agree to provide very low income, low income, moderate income, or "qualifying resident" (senior) housing pursuant to Government Code §§ 65915-65918 or successor statute(s). Density Bonus projects shall comply with the requirements set forth in the Housing Element Implementation Guidelines, and the Development Standards at right.

- Development Standard 1.1.1:** For eligible projects, a density bonus of at least 25% over base density shall be provided if the project includes at least:
- 10% of total units for very low income households with rents or sales prices targeted to 50% of area median income (AMI), or
 - 20% of total units for low income households with rents or sales prices targeted to 60% of AMI, or
 - 50% of total units for senior citizens ("qualifying residents" as defined in Government Code §65915) without regard to affordability.
- Development Standard 1.1.2:** For eligible condominium projects, a density bonus of at least 10% shall be provided if the project includes at least 20% of total units for moderate income households with sales prices targeted to 120% of AMI.
- Development Standard 1.1.3:** All price restricted units developed under this program are subject to the requirements of Policy 6.1 (Mechanisms for Maintaining Affordability) of this Element and must remain affordable for a minimum of 10 years for moderate condominium income units and 30 years for all other units or longer if permitted by Government Code §§65915-65918.
- Development Standard 1.1.4:** Projects eligible for a density bonus on the basis of providing units for qualifying senior citizen residents are subject to other applicable affordable housing programs including the Inclusionary Housing Program. Projects eligible for a density bonus on the basis of providing price restricted affordable units are exempt from the Inclusionary Housing Program.
- Development Standard 1.1.5:** Projects participating in this program are eligible for fast track permit processing, and the county will market the affordable units. In addition, projects may choose one of the incentives listed below. Discretionary incentives may be requested but are subject to decision-maker approval.

Category	Incentive
Additional density increase	Discretionary increase over 25%.
Reduced common open space	Discretionary modification from 40% to a minimum of 25% of gross acreage in DR Zone District.
Reduced parking requirements	Detached units: Tandem parking allowed, Attached units: Discretionary reduction.
Reduced front setback	Discretionary modification down to 10 feet. ¹
Reduced side yard setback	Discretionary modification down to zero lot line. ¹

¹Quality design with appropriate massing will be required.

Notes on the State Density Bonus Program:

- 1) See the table comparing the State Density Bonus Program (SDBP) and the Inclusionary Housing Program (IHP) page 30 and the discussion on the SDBP beginning on page 31 and the Available Incentives discussion on pages 35 and 36.
- 2) In-lieu fees cannot replace units under the SDBP. Affordable units must be built on-site to qualify for the SDBP. To meet affordable housing requirements by paying fees rather than building affordable units on-site, projects may participate in the IHP.

2. The Inclusionary Housing Program

The County's Inclusionary Housing Program Reads as Follows:

Policy 1.2: To increase the supply of price restricted affordable housing, the county shall require the provision of units, the donation of land, and/or the payment of fees for specified types of discretionary residential projects. Projects shall comply with the requirements set forth in the Housing Element Implementation Guidelines and the following Development Standards.

Development Standard 1.2.1: This policy shall apply to all residential developments of five or more net new lots or primary units including lot sale land divisions, divisions of agriculturally designated land, projects that qualify for the Density Bonus Program on the basis of providing housing for seniors ("qualifying residents" per Government Code §65915-65918) without regard to affordability, and conversions of five or more existing residential rental units to condominiums, stock cooperatives, or community apartments.

The following projects are exempt from the Inclusionary Housing Program:

- Projects that qualify for the Density Bonus Program by providing price restricted affordable units,
- Projects in the Cuyama HMA,
- Projects on parcels under Williamson Act contract,
- Projects on parcels zoned Agriculture II with a minimum parcel size 40 acres or greater,
- Projects constructed by non-profit developers with United States Department of Agriculture funding,
- Mixed use projects of fewer than 10 residential units,
- Mixed use projects including 100% rental residential units,
- Projects that are 100% rental and built at a density of 10 units per gross acre or greater, and
- On- or off-site housing developed and controlled by employers that is dedicated for sale or rent by their employees.

Subsequent applications submitted within five years of prior approval of a project on a site that was exempt from the Inclusionary Housing Program shall be subject to inclusionary requirements for the total number of units and/or lots on that site including the proposed project and previously exempt units and/or lots.

Development Standard 1.2.2: In the South Coast and Santa Ynez HMAs the following requirements shall apply to the projects identified in Development Standard 1.2.1:

- 5% very low income units, and
- 5% low income units, and
- 10% moderate income units, and
- 10% workforce income units.

Development Standard 1.2.3: In the Santa Maria and Lompoc HMAs the following requirements shall apply to projects identified in Development Standard 1.2.1:

- 5% very low income units, and
- 5% low income units, and
- 10% moderate income units.

Development Standard 1.2.4: Existing legal units or lots in a project shall not be counted toward application of the inclusionary requirement, except where the rental units are being converted to ownership units such as condominiums, stock cooperatives, or community apartments, except as may be provided in the Local Coastal Plan for Isla Vista (Local Coastal Plan Policy 5-10).

Development Standard 1.2.5: If the number of units required for a project includes a fraction of a unit or if the project includes fewer than 10 total units, the developer shall provide either a whole unit or pay a pro-rated fee for the fractional unit.

Development Standard 1.2.6: Projects may meet inclusionary requirements by providing an equal or greater number of units in a lower income category than would otherwise be required.

Development Standard 1.2.7: Outside the Coastal Zone, all applicants may build units on-site, pay fees, donate land, or do some combination of these options to satisfy inclusionary requirements.

The County's Inclusionary Housing Program Reads as Follows:

Development Standard 1.2.8: In the Coastal Zone, pursuant to Government Code §§65590-65590.1, the inclusionary requirements must be met by building on-site. Where this is not feasible, the inclusionary requirements must be met in the county within the Coastal Zone or within three miles thereof. In rare and limited circumstances, where neither of these is feasible, such projects may meet the inclusionary requirements by paying fees.

Development Standard 1.2.9: Projects shall receive a density increase of one unit over base density for each required moderate and/or workforce inclusionary unit built on-site. If fractional moderate and/or workforce requirements are met by building a unit on-site the project shall receive a density increase for that unit. Paying fees to satisfy a portion of the inclusionary requirements in addition to building units on-site shall not prevent a project from receiving the applicable density increase for those inclusionary units that are built on-site. This density increase shall be granted unless the county makes findings that the project as proposed would have a specific, adverse impact upon public health or safety and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact other than not granting the density increase incentive.

Development Standard 1.2.10: In accordance with the development standard modification provisions in the county's Zoning Ordinance, the county shall consider granting reasonable development standard modifications that are necessary to accommodate the construction of additional units allowed through the density increase incentive. These modifications should be balanced with appropriate design revisions made by the applicant, such as a reduction in unit or lot sizes, to achieve a well designed project.

Development Standard 1.2.11: The inclusionary program is designed to encourage the payment of in-lieu fees to meet very low and low inclusionary requirements. Projects that meet very low income inclusionary requirements on-site must do so by providing rental units with the exception of projects developed by non-profit developers and restricted to very low income buyers for a minimum of 45 years.

Development Standard 1.2.12: To ensure adequate monitoring of price restricted rental housing in an otherwise for-sale project, all price restricted rental units must be managed by a professional property management company and/or have an on-site manager. Per California Code of Regulations title 25 Chapter 1 Section 42 all projects with 16 or more rental units are required to have an on-site manager.

Development Standard 1.2.13: Where the donation of land option is chosen in lieu of meeting inclusionary requirements on-site, the donation is subject to approval by CHCD and the criteria outlined in Board of Supervisors Resolution No. 04-339 and as may be amended and included in the updated Housing Element Implementation Guidelines. (See Action 1.)

Notes on the Inclusionary Housing Program:

See the table comparing the State Density Bonus Program (SDBP) and the Inclusionary Housing Program (IHP) on page 30 and the discussion on the IHP beginning on page 33.

3. In-Lieu Fee Policy

The County's In-lieu Fee Policy Reads as Follows:

Policy 1.3: Fees paid in lieu of providing affordable housing pursuant to the Inclusionary Housing Program shall be deposited in the county's Housing Trust Fund and used for the development and/or rehabilitation of affordable housing and special needs housing within the HMAs from which they are collected.

Development Standard 1.3.1: Projects that elect to meet inclusionary requirements by paying fees shall do so as described in Board of Supervisors Resolution No. 04-339 until the Housing Element Implementation Guidelines are updated. (See Action 1.)

Development Standard 1.3.2: The in-lieu fee for the very low and low income categories shall be based on the amount of funds needed by CHCD to subsidize a very low or low income unit in an HMA. The fee shall be updated based on either updated subsidy information or the percent change in the median sale price of condominiums in an HMA over a twelve month period.

Development Standard 1.3.3: The in-lieu fee for the moderate and workforce income categories shall be based on the estimated cost to build a housing unit calculated as the median sale price of condominiums in an HMA over a twelve month period less 15% to reflect applicant/developer profit.

Notes on the In-Lieu Fee Policy:

See the discussion on In-Lieu Fees beginning on page 33.

4. The Service Worker Housing Policy

This program has not yet been implemented. It will be considered as part of Action Phase.

The County's Service Worker Housing Policy Reads as Follows:

Policy 1.4: The county shall require that new construction of primary single dwelling units over 5,000 square feet and additions of 500 square feet or more that increase the total square footage of a house to over 5,000 square feet, in the South Coast and Santa Ynez HMAs, pay a fee to offset the disproportionate demand for low wage service workers that dwelling units this size are likely to create.

Future Action Pending for Service Worker Housing

Timing: Spring 2005; Responsible Department(s): P&D, CHCD

Action 1: Within one year of adoption of this Element, the county shall consider adopting an ordinance that implements the service worker housing policy and establishes the service worker housing fee.

Action 2: Within one year of adoption of this Element, the county will consider amending the Zoning Ordinance to allow the construction of an on-site service worker housing unit in lieu of paying the service worker housing fee.

5. Other Employee Housing

The County's Policy for Other Employee Housing Reads as Follows:

Policy 1.5: The county shall support the efforts of employers in the development of on- or near-site employee housing.

Notes on the Other Employee Housing Policy:

On-site and off-site employee housing is exempt from the Inclusionary Housing Program (IHP); by definition, this housing is affordable to employees. See IHP on page 5.

6. Residential Second Units

The County's Residential Second Units Policy Reads as Follows:

Policy 1.6: The county shall encourage the development of both attached and detached residential second units.

Notes on the Residential Second Units Policy:

Residential Second Units are exempt from the Inclusionary Housing Program (IHP) because they are not primary units. See IHP on page 5.

Future Action Pending for Residential Second Units

Timing: Spring 2005; Responsible Department(s): P&D

Action 1: Within one year of the adoption of this Element, the county shall consider amending the Zoning Ordinance to allow residential second units with a ministerial permit on parcels not under an agricultural preserve contract in all agricultural zone districts. Parcels under agricultural preserve contract are offered the opportunity to construct a second unit through the Residential Agricultural Units (RAU) program.

7. Rental Housing

The County’s Rental Housing Policy Reads as Follows:

Policy 1.7: The county shall encourage the development of multi-family rental housing as this housing type can be affordable by design.

Development Standard 1.7.1: The county shall offer the following incentives to multi-family housing developments that are 100% rental and developed at a density of 10 units per gross acre or greater.

Category	Incentive
Fast track permit processing	All program participants are eligible.
Reduced common open space	Discretionary modification from 40% to a minimum of 25% of gross acreage in the DR Zone District.
Reduced parking	Detached units: Tandem parking allowed, Attached units: Discretionary reduction.
Reduced front setback	Discretionary reduction down to 10 feet. ¹
Reduced side yard setback	Discretionary reduction down to zero lot line. ¹

¹Quality design with appropriate massing will be required.

Notes on the Rental Housing Policy:

100% rental housing projects at a density of 10 units/acre or higher are exempt from the Inclusionary Housing Program (IHP) because projects at this density typically meet some affordable needs already (median rent is currently affordable to moderate income households on the South Coast, and low income households in North County). See IHP on page 5 and discussion on Available Incentives on pages 35-36.

8. Mixed Use Development

The County's Mixed Use Development Policy Reads as Follows:

Policy 1.8: The county shall promote development with a mix of complementary land uses including housing, retail, office, commercial services and civic uses.

Development Standard 1.8.1: To provide flexibility in the siting and design of new developments and to encourage redevelopment, mixed use commercial projects including residential units are eligible for discretionary reductions in parking requirements and or shared parking.

Development Standard 1.8.2: The county shall encourage development of low, moderate and workforce income housing at medium to higher densities on commercially zoned sites by:

- Strongly supporting development of medium to higher density residential uses on commercial sites in a manner that contributes to a mixed use district, while respecting environmental constraints and protecting neighborhood compatibility;
- Providing priority permit processing for mixed use projects that include an affordable, special needs, or rental housing units. The housing could be above or adjacent to existing structures and/or above existing surface parking lots where feasible (candidate sites for the latter could include commercial development, schools, and churches).

Notes on the Mixed Use Policy:

All mixed use projects with 100% rental units and mixed use projects with fewer than 10 for-sale residential units are exempt from the Inclusionary Housing Program (IHP) in order to encourage mixed use projects which use land efficiently, provide housing close to transit, and can be affordable by design. See IHP on page 5 and discussion on Available Incentives on pages 35-36.

Future Action Pending for Mixed Use Development

Timing: Spring 2005; Responsible Department(s): P&D

Action 1: Within one year of adoption of this Element, the county shall consider amending the Zoning Ordinance to allow residential development to be permitted as a primary use in the Limited Commercial (C-1), Retail Commercial (C-2), Neighborhood Commercial (CN) and Shopping Center (SC) Zone Districts with the requirement that ground floor street frontage development be a commercial use.

Action 2: Within one year of adoption of this Element, the county will consider adopting a mixed use overlay or overlays which would define the character of future development in designated areas. Overlays could include:

- Old Town/Main Street Districts to encourage commercial and/or mixed use development with storefront character in the historic downtown or main street areas.
- Neighborhood Center Districts to connect residential neighborhoods with small (1 to 3 acre) neighborhood serving commercial and mixed use development.
- Community Commercial Districts to encourage mixed use within centrally located community or regional market areas that have access to transit.
- Corridor Commercial Districts to support infill and redevelopment along existing commercial corridors with various auto dependent and pedestrian uses. These districts would respect transportation functions and safety along the corridor and ensure auto and pedestrian connections to adjacent neighborhoods.

9. In-fill Development

The County's In-fill Development Policy Reads as Follows:

Policy 1.9: The county shall promote moderate to higher density residential or mixed use development on in-fill sites within the urban boundaries of the county to encourage efficient use of land and existing infrastructure.

Development Standard 1.9.1: To provide flexibility in the siting and design of new development and redevelopment that responds to changes in the marketplace, in-fill projects including residential units are eligible for discretionary reductions in parking space requirements and/or shared parking.

Development Standard 1.9.2: The county shall encourage development of low, moderate and workforce income housing at medium to higher densities on the limited remaining urban in-fill sites by:

- Strongly supporting development of medium to higher density residential uses at or near the maximum designated densities, on urban in-fill sites while respecting environmental constraints and protecting neighborhood compatibility;
- Encouraging development of Density Bonus projects on urban in-fill sites with limited constraints;
- Providing priority permit processing for development on in-fill sites that include affordable, special needs, or rental housing units.

Development Standard 1.9.3: The county shall encourage and facilitate the construction of multi-family affordable housing on underutilized urban sites, the housing could be above or adjacent to existing structures and/or above existing surface parking lots where feasible (candidate sites for the latter could include commercial development, schools, and churches).

Notes on the Infill Development Policy:

In-fill projects are built on vacant and underutilized land, often land surrounded by existing development, within existing urban areas. See discussion on Available Incentives on pages 35-36.

10. Homeless Facilities

The County's Policy for Homeless Facilities Reads as Follows:

Policy 2.1: The county shall encourage the construction or conversion of existing facilities to emergency shelters, transitional housing, and single room occupancy units to meet the needs of the homeless population.

Development Standard 2.1.1: Homeless facility projects shall be eligible for fast track permit processing.

Development Standard 2.1.2: Emergency shelters, transitional housing, and single room occupancy units designed to serve the homeless population shall be exempt from the Inclusionary Housing Program.

Notes on the Homeless Facilities Policy:

Residential facilities for the homeless are exempt from the Inclusionary Housing Program (IHP) as this housing is affordable by definition. See IHP on page 5 and Available Incentives on pages 35-36.

11. Farm Employee Housing

The County's Farm Employee Housing Policies Read as Follows:

Policy 2.2: The county shall promote and facilitate development of farm employee housing on agriculturally zoned land (including single family dwellings, mobile homes, and group quarters such as bunk houses or dormitories). Developers of such projects shall not be limited to farm worker employers.

Policy 2.3: The county shall work cooperatively with cities within the county to provide housing within urban areas that meets the needs of farm employees.

Notes on the Farm Employee Housing Policies:

Farm employee housing is exempt from the Inclusionary Housing Program (IHP) under the employee housing exemption. See IHP on page 5.

Future Action Pending for Farm Employee Housing

Timing: Spring 2005; Responsible Department(s): P&D

Action 1: Within one year of adoption of this Element the county shall consider amending the Zoning Ordinance to require only a ministerial permit for up to four (4) farm employee units and a minor conditional use permit for five (5) or more farm employee units in the Agriculture I and II (AG-I and AG-II) Zone Districts except where preempted by California Health and Safety Code §17021.6.

12. Mobile Homes

The County's Mobile Homes Policy Reads as Follows:

Policy 2.4: The county shall expand opportunities for mobile home living as this type of housing can be affordable by design.

13. Persons with Disabilities

The County's Persons with Disabilities Policy Reads as Follows:

Policy 3.1: In order to provide opportunities for persons with disabilities and their families in need of a variety of affordable housing options, the county shall encourage the expansion, construction, conversion, and retrofit of new or existing projects into a variety of housing types that include amenities, physical attributes, and/or services to persons with disabilities as defined by the Americans with Disabilities Act.

Development Standard 3.1.1: The following incentives may be available to qualifying housing projects for persons with disabilities:

Category	Incentive
Fast track permit processing	All program participants may be eligible.
Reduced common open space	Discretionary modification from 40% to a minimum of 25% of gross acreage in the DR Zone District.
Reduced parking	Parking requirement modification based on type of disability.
Reduced front setback	Discretionary modification down to 10 feet. ¹
Reduced side yard setback	Discretionary modification down to zero lot line. ¹

¹Quality design with appropriate massing will be required.

Development Standard 3.1.2: When evaluating specific project proposals including housing for persons with disabilities, the county will be supportive of and work collaboratively with applicants, recognizing the need for housing for persons with disabilities in the county.

Development Standard 3.1.3: Projects including housing for persons with disabilities are subject to the regulations of the Inclusionary Housing Program unless preempted by applicable state and federal laws.

Development Standard 3.1.4: The requirements of applicable county zoning ordinances shall be waived by the Director of Planning and Development, if necessary, to comply with federal and/or state fair housing and disability laws relating to accommodations for persons with disabilities.

Notes on the Persons with Disabilities Policy:

Note: Special Care Homes with 14 or fewer residents for persons with disabilities as defined by the Santa Barbara County Zoning Ordinance are exempt from the Inclusionary Housing Program (IHP) as the residents and operators are considered one family under Health and Safety Code Sec. 1566.3. Other types of Special Care Homes may be exempt from the IHP if they fall under other IHP exemption categories. See IHP on page 5. Also see discussion on Available Incentives on pages 35-36 and see Fair Housing policies 4.1, 4.2 and 4.3 (pages 14 and 26).

Future Action Plan for Persons with Disabilities

Timing: Spring 2005; Responsible Department(s): P&D

Action 1: Within one year of adoption of this Element, the county shall consider revisions to the Zoning Ordinance requirements for Single Room Occupancy (SRO) developments to mitigate constraints to the development of housing for persons with disabilities and groups with special housing needs. Until that time, development standard modifications will be considered on a case-by-case basis.

14. Fair Housing Requirements

The County's Fair Housing Policy Reads in Part:

Policy 4.3: An affordable or market rate housing project shall not be denied due to neighborhood incompatibility based solely on prospective occupants' ability, ethnicity, and/or socioeconomic levels, differences, or considerations.

Notes on the Fair Housing Requirements Policy:

See remaining portions of Fair Housing Policy beginning on page 26.

15. Neighborhood Compatibility and Improvement

The County's Neighborhood Compatibility and Improvement Policy Reads as Follows:

Policy 5.1: The county shall encourage compatibility of new construction, rehabilitation or renovation of existing housing units with surrounding structures and their setting in an effort to maintain or enhance harmony and balance in the community.

Development Standard 5.1.1: To the maximum extent feasible, affordable units shall be architecturally compatible in bulk and scale with market rate units in the same development and blend in as effectively as possible to be in harmony with any surrounding residential development. Projects should integrate and disperse affordable units throughout the development.

Development Standard 5.1.2: The county shall encourage compatibility with the surrounding area by identifying the best qualities, including materials and details, of the surrounding neighborhood and blending these characteristics within the project.

Development Standard 5.1.3: The design of new single-family and multi-family dwellings should recognize the setting and character that define the adjacent neighborhoods. Innovative and creative residential design concepts should be used to enhance the social and aesthetic qualities of the community.

Development Standard 5.1.4: To the maximum extent feasible, the bulk and scale of new structures shall blend in as effectively as possible to be compatible with adjoining properties with transition between established neighborhoods and newer ones, recognizing that in certain instances bulk and scale of development may be different but should be designed to be as compatible as possible. Design features should reduce visual prominence.

Development Standard 5.1.5: Front, side and rear yard setbacks should be compatible with adjoining neighborhoods transitioning to other standards in portions of projects that may be denser.

Development Standard 5.1.6: The county shall take into account public view sheds when considering new developments.

Development Standard 5.1.7: The county shall take into account solar and daylight access and views when considering new developments.

Development Standard 5.1.8: The county shall take into account the rhythm of the streetscape between existing and new developments when considering new development.

Development Standard 5.1.9: The county shall consider preservation and incorporation of unique and/or historical features of the area in the design of projects when considering new development.

Development Standard 5.1.10: Projects are encouraged to incorporate universal design standards to accommodate persons with disabilities.

16. Residential Design Standards

Residential Design Standards

Policy 5.2: The county shall promote quality residential design standards to guide residential development countywide.

Notes on the Residential Design Standards Policy:

See the project design section under Application Review on page 38.

Future Action Pending for Residential Design Standards

Timing: Spring 2005; Responsible Department(s): P&D

Action 1: Within one year of adoption of this Element, the county shall consider adopting residential design standards. The residential design standards would guide future housing development countywide, and would include prototypes on site design, housing types, mixed use, and preferred development styles and configurations.

17. Resource Conservation

The County's Resource Conservation Policies Read as Follows:

Policy 5.3: The county shall encourage well-designed, energy efficient units in new residential development that will minimize maintenance costs over time. All projects shall comply with the Development Standard at right.

Development Standard 5.3.1: All fixtures, mechanical components, roofing, and siding utilized in all newly constructed units shall meet the standards of the Uniform Building Code as adopted by the county and shall meet the standards of Title 24 for energy conservation.

Policy 5.4: The county shall balance residential and agricultural uses in urban areas by making preservation of agricultural uses on the largest urban agricultural blocks a priority. If urban agricultural lands are considered for conversion, smaller agricultural lands that have access to municipal and other services (e.g. schools, transit, commercial services, etc) shall be considered first.

Development Standard 5.4.1: If urban lands zoned for agriculture are considered for conversion to a non-agricultural use, the conversion shall maximize the public benefit (e.g., affordable housing, public services, or recreation). Depending on the location and existing constraints, densities should be medium to high to ensure converted lands are used as efficiently as possible

Development Standard 5.4.2: Any rezones of urban agricultural land located on major transportation corridors in close proximity to jobs and commercial uses shall include affordable, special needs, multi-family, and rental housing as the highest priority uses.

Policy 5.5: The county shall continue to encourage development within existing urban boundaries of the county and the preservation and/or protection of rural land uses outside the urban boundaries.

Future Action Pending for Resource Conservation

Timing: Spring 2005; Responsible Department(s): P&D

Action 2: Within one year of adoption of this Element, the county shall consider amending the Goleta Community Plan to ensure the parcels known as the South Patterson Agricultural Area, south of Hollister Avenue and west of Patterson Avenue have a land use designation of A-I for at least ten years from the adoption of this Element.

18. Mechanisms for Maintaining Affordability

The County's Mechanisms for Maintaining Affordability Read as Follows:

Policy 6.1: Where affordable housing is to be provided, required Agreements to Provide Affordable Housing for Sale and/or Rent shall be signed by the project applicant prior to map recordation (or in the case of the development of rental units where no subdivision of property has occurred, prior to land use clearance). In addition, for subdivisions, restrictive covenants shall be recorded against the title of the affected properties at the time of first sale that shall:

- Require that affordable units produced under the Inclusionary Housing Program be rented or sold at affordable levels for at least a 45-year period beginning from the date of occupancy clearance unless Policy 9.4 applies. In such cases, the time period of the agreement shall be no less than the maximum allowed by the government program. The 45-year period restarts with each resale of an owner occupied affordable unit for a maximum period of 90 years if the owner sells the unit before the end of the 45 year period.
- Be consistent with the conditions of project approval and the provisions of this Housing Element.
- Permit institutional financing and refinancing with reasonable terms and conditions, as determined by the director of CHCD.
- Subordinate to the rights of an institutional lender that is the maker of a loan secured by a deed of trust recorded in first priority in the event of foreclosure.

The Housing Element Implementation Guidelines include economic and other personal hardship provisions. The hardship provisions include information describing how and when the county will relax the standard restrictive covenant or deed restriction to accommodate specific problems

Policy 6.2: All existing Agreements to Provide Affordable Housing for Sale and/or Rent, restrictive covenants, and deed restrictions between the county and other parties that were established prior to the effective date of this Housing Element shall remain in effect in accordance with those agreements unless otherwise specified in the hardship provision section in the Housing Element Implementation Guidelines.

Policy 6.3: The county shall extend the duration of existing affordability agreements whenever feasible if such extension is consistent with requirements of other applicable laws, regulations or programs and county policies.

Policy 6.4: The county shall encourage the retention of housing specifically designed to serve the disabled population to the greatest extent feasible. The county shall use in-lieu housing funds, federal and state loans and grants, and other county or private funds, as available and appropriate, for these purposes.

Notes on the Mechanisms for Maintaining Affordability Policy:

Refer to Getting Ready to Build and Monitoring and Maintenance sections beginning on page 41.

19. Isla Vista Area

The County's Housing Policy for the Isla Vista Area Reads as Follows:

Policy 6.8: The county shall support efforts by the County Redevelopment Agency to develop housing programs that provide rehabilitated and new affordable housing in Isla Vista.

Notes on the Isla Vista Area Policy:

The Draft Isla Vista Master Plan includes a number of policies and programs related to the production of market-rate and affordable housing. The plan 1) outlines a form-based zoning district that specifies the physical form of new development, 2) includes a variable density program that allows for a more accurate accounting of land use density requirements, and 3) identifies a number of specific sites as potential locations for affordable housing projects. As a redevelopment project area, 20% of the Redevelopment Agency's tax increment must be allocated toward the production of affordable housing. For more information visit www.islavistaplan.org. Refer also to the Santa Barbara County Coastal Plan housing policies 5-1 through 5-10.

20. Make Affordable Housing Projects a Priority

The County's Policies to Make Affordable Housing Projects a Priority Read as Follows:

Policy 8.1: The county shall give high priority and/or provide exemptions for the development of affordable housing when preparing and amending land use and/or community plans, the zoning ordinance, and growth management plans, particularly with regard to policies and development standards related to the allocation of limited services and resources, including but not limited to water, sewage treatment capacity, and roadway and intersection capacity.

Policy 8.2: During the development or update of any community plan and/or the zoning ordinance, the economic consequences of design guidelines and/or development standards for affordable and special needs housing projects shall be considered.

Notes on the Policies to Make Affordable Housing Projects a Priority:

These policies apply to affordable housing applications that include a request for a General Plan amendment or rezone.

Future Action Pending to Make Affordable Housing Projects a Priority

Timing: Fall 2005; Responsible Department(s): P&D

Action 5: Within 18 months of adoption of this Element, the county will consider revisions to the Design Residential (DR) zone district to reduce or eliminate unnecessary constraints to the development of well-designed affordable housing.

Action 6: Within 18 months of adoption of this Element, the county shall consider ordinance revisions suggested by the Process Improvement Team (PIT) that improve permit process efficiency, remove redundancy, or otherwise reduce permit processing time and cost or eliminate unnecessary constraints to the development of affordable, special needs, and rental housing.

Ongoing Action Plan to Make Affordable Housing Projects a Priority

Timing: Ongoing; Responsible Department(s): CHCD, P&D

Action 7: The county shall strongly encourage the provision of affordable, special needs, multi-family, and rental housing. Recognizing the difficult economies of such housing:

- The county shall consider entering into a development agreement, rezone or other technique to allow construction of for-sale attached homes, commercial components or other land use options to improve the economics of projects.
- The county shall provide priority processing, design modifications and other incentives consistent with the Housing Element to facilitate such projects.

If these methods are insufficient to facilitate the construction of a particular affordable, special needs, multi-family, or rental housing project, the county should consider reducing impact fees based on the public benefit of the project (e.g. percentage of affordable units, other public amenities) and based on available grants to offset the loss of such fees. Prior to any reduction in fees or change of the Housing Element affordable housing program requirements, the county shall find that all other options to facilitate the project have been exhausted.

21. Marketing Periods and Lotteries for New Affordable For Sale Units

The County's Policy for Marketing Periods and Lotteries for New Affordable For Sale Units Reads as Follows:

Policy 8.3: For all new projects that include affordable units, the county or its designee shall compile a list of potentially eligible applicants who are interested in purchasing or renting an affordable unit in that project by conducting a Marketing Period for that project. If there are more applicants for a project than available units upon closure of the Marketing Period, the county or its designee shall conduct a lottery to determine which of the interested parties will be the first to be reviewed for income eligibility to purchase or rent the available affordable units. Marketing Periods and lotteries shall be conducted in a manner consistent with the project's Board of Supervisors approved Agreement to Provide Affordable Housing. Applications to purchase or rent an affordable housing unit shall be screened in a manner consistent with the county's Income Certification Guidelines.

Development Standard 8.3.1: To minimize adverse traffic and air quality impacts, the county should give preference to households that include individuals working within a specified geographic area adjacent to the project site when conducting lotteries for affordable housing. Preference decisions shall be compliant with applicable Federal and State Fair Housing Law.

Notes on the Policy for Marketing Periods and Lotteries for New Affordable For Sale Units:

Refer to Affordable Housing Sales and Rentals on pages 42-48.

22. Development Incentives

The County's Development Incentives Policies Read as Follows:

Policy 8.4: The county shall continue to develop incentives to encourage the provision of affordable, special needs, and rental housing. Application of these incentives to specific housing programs is detailed in the Development Standard at right.

Development Standard 8.4.1: The following incentives may be available to projects participating in county Housing Element programs. Details on the incentives are described under the specific programs.

Program	Density Increase	County Marketing of Affordable Units	Fast-track Permit Processing	Inclusionary Program Exemption or Reduced Requirements	Design Standard Modifications
Density Bonus Program	X	X	X	X	X
Inclusionary Housing Program	X				
Mixed Use Development Policy				X	X
In-fill Development Policy					X
Persons with Disabilities Policy			X		X
Rental Housing Policy			X		X
Homeless Policy			X	X	

Policy 8.5: Applicable county departments shall provide incentives for the development of affordable, special needs, and rental housing.

Development Standard 8.5.1: Other county departments shall encourage the development of affordable, special needs, and rental housing through incentives may include but are not limited to the reduction, modification or deferral of application, processing and/or impact fees and the modification or waiver of development standards.

Future Action Plan for Development Incentives

Timing: Spring 2005; Responsible Department(s): P&D

Action 1: Within one year of adoption of this element, to provide greater certainty in the permitting process for developers of affordable, special needs, and rental housing, the county will consider permanently modifying some development standards that are currently considered on a case-by-case basis by decision-makers. These could include but are not limited to common open space, parking, and setback requirements. The county will document any development standard modifications in the Zoning Ordinance and the Housing Element Implementation Guidelines.

23. Preliminary Assessment of Housing Requirements

The County's Policy for Preliminary Assessment of Housing Requirements Reads as Follows:

Policy 8.10: Prior to or upon determination of a complete project application, the county shall provide the applicant with a preliminary assessment of the on-site affordable housing units and/or in-lieu fees that may be required as part of the project pursuant to this Housing Element. The preliminary assessment shall include information on the number and type of affordable residential units and/or in-lieu fees that may be required and the options available under the affordable housing programs of this Element. It shall be made clear that the required number of units on an approved project may differ from the preliminary assessment based on the final determinations of the decision makers.

Notes on the Policy for Preliminary Assessment of Housing Requirements:

Refer to Determining Which Programs Apply and Application Review on pages 29-37.

B. Housing Programs and Policies for Existing Development

Protecting existing affordable housing is the most inexpensive way to provide affordable housing to those who need it. The county has four housing policies that only apply to existing housing. Existing housing may also be subject to other housing policies, particularly the Neighborhood Compatibility Policy (Policy 5.1) and the Isla Vista Policy (Policy 6.8). The policies below apply to the demolition, conversion, rehabilitation or closure of existing affordable housing.

1. Demolishing and Converting Affordable Housing

Demolishing and Converting Affordable Housing

Policy 6.5: Demolition and conversion of affordable housing in the Coastal Zone shall comply with the provisions of the county's Local Coastal Plan.

2. Mobile Home Park Closures

Mobile Home Park Closures

Policy 6.6: When approving an application to close an existing mobile home park, the county shall apply mitigation measures that will fully cover the reasonable costs of relocation for all tenants as permitted by Government Code §65863.7(e) or as may be amended.

3. Condominium Conversions

Condominium Conversions

Policy 6.7: Impacts of tenant displacement shall be minimized upon conversion of apartments to condominiums as defined in Civil Code §783, stock cooperatives as defined in Business and Professions Code §11003.2, or community apartments as defined in Business and Professions Code §11004 (but excluding limited equity housing cooperatives). Condominium conversion projects shall comply with the Development Standards identified to the right.

Development Standard 6.7.1: Residents who fail to receive notice as required by Government Code §66452.8 and who do not purchase his or her unit pursuant to Government Code §66427.1(d) shall be entitled to the amount of financial assistance specified in Government Code §66452.8(c), as may be amended, or, if the county adopts an ordinance specifying a different amount of financial assistance, that amount specified by county ordinance.

Development Standard 6.7.2: The conversion of existing buildings into condominium projects or stock cooperatives shall be subject to Government Code §§66473.5 and 66474.

Notes on the Condominium Conversion Policy:

Condominium Conversions are subject to the Inclusionary Housing Program (IHP). See IHP on page 5. See the Santa Barbara County Coastal Land Use Plan for Condominium Conversions in the Coastal Zone.

4. Rehabilitation

Rehabilitation

Policy 6.9: The county shall pursue housing rehabilitation programs as funding permits based on designated need. Such programs shall encourage private and public capital participation, preserve the residential opportunities of existing residents, and provide new opportunities for low and moderate income households.

C. Housing Programs and Policies for Assisting with Financing, Land and Services

The county's goal is to develop sufficient financial resources, provide sufficient appropriately zoned land and work with area service providers to offer a range of housing opportunities for all of the county's residents. The County Housing and Community Development Department (CHCD) works with for- and not-for profit housing developers to provide transitional housing for homeless persons, rental housing for people with low or fixed incomes, accessible housing for persons with disabilities and homeownership opportunities for households that cannot afford the market rate housing in the community. Using federal and state programs (HOME and CDBG), the Mortgage Credit Certificate Program, Housing Trust Funds including in-lieu fees, Redevelopment Agency Set Aside Funds and other resources, CHCD assists private affordable housing developers to construct or rehabilitate housing in the county, helps individuals find adequate and affordable housing and helps area homeowners rehabilitate older homes with low interest loans. See complete list of available funding sources in *Appendix H*.

1. Accommodate Fair Share Housing Needs

The County's Policy to Accommodate Fair Share Housing Needs Reads as Follows:

Policy 1.10: The county shall ensure adequate sites zoned at densities that accommodate the county's "fair share" housing needs for the current planning period (January 2001-July 2008) at all income levels and in all HMAs as defined by the Regional Housing Needs Assessment (RHNA) for Santa Barbara County (adopted December 2002).

Notes on the Policy to Accommodate Fair Share Housing Needs:

Also see policies 8.1 and 8.2, Make Affordable Housing Projects a Priority above on page 17.

Future Action Pending for Accommodating Fair Share Housing Needs

Timing: Spring 2005; Responsible Department(s): P&D

Action 1: Within one year of the adoption of this Element the county shall consider rezoning land to allow for a variety of housing types and affordability levels as follows:

- 45 acres rezoned to 14 to 20 DU/A
- 32 acres rezoned to 10 to 16 DU/A
- 32 acres rezoned to 8 to 12 DU/A

109 Total Acres

Action 2: Within one year of adoption of this Element, the county shall consider applying an overlay to appropriate sites which would establish a minimum allowed density for those sites to increase certainty and consistency in the level of development permitted on residential land.

Action 3: Within one year of the adoption of this Element, the county shall consider adopting zoning ordinance amendments to implement a variable density program to encourage the construction of greater numbers of smaller units.

2. Services

Service District Constraint Mitigation

Policy 7.3: The county will continue to work with local service districts to help determine what capital improvements are necessary to eliminate service constraints to housing development.

3. County-Owned Lands

The County's Policy Regarding County-Owned Lands Reads:

Policy 9.4: The county shall make the provision of affordable and/or special needs housing a priority when considering the future use or sale of county-owned land.

4. State and Federal Funding

The County's Policy for State or Federal Programs Superceding County Programs Reads:

Policy 8.6: For projects or portions of projects that are financed, make use of financial incentives and/or are regulated by federal or state programs, the requirements of the applicable program or regulation shall, as determined by the county, supersede any conflicting county definition for time period of affordability or subordination, maximum rent level or sales price, eligible household type, household income, occupancy, unit size or distribution, or dwelling unit quality.

The County's Policy for State and Federal Funding Reads:

Policy 9.1: The county shall actively pursue and use various sources of revenue in order to assist the development, acquisition, and rehabilitation of affordable housing and provide financing assistance to first time homebuyers.

Ongoing Action Plan for State and Federal Funding

Timing: Ongoing; Responsible Department(s): CHCD

Action 1: The county shall actively pursue federal, state, and local funding and assistance for the purpose of producing, rehabilitating, converting, and/or retrofitting affordable housing and housing for persons with disabilities.

Action 2: The county shall continue to work with incorporated cities within the county in order to form a qualifying consortium to obtain Home Investment Partnership Act (HOME) and Community Development Block Grant (CDBG) funds in order to retain and expand the supply of affordable housing.

Action 3: The county shall prepare and update as necessary any studies and/or program documents required by the federal or state government in order to qualify for federal and state funding for housing programs (e.g., Consolidated Plan).

Action 4: The county shall support the efforts of the County Housing Authority and non-profit supporters of affordable housing and housing for persons with disabilities to actively pursue federal and state housing funds.

5. Mortgage Revenue Bonds

The County's Policy for Mortgage Revenue Bonds Reads:

Policy 9.2: The county shall evaluate the existing mortgage revenue bond program periodically and recommend a program to provide assistance for first time homebuyers, and fund development of rental and special needs housing if feasible.

6. Affordable Housing Funds

The County's Policy for Affordable Housing Funds Reads:

Policy 9.3: The county shall maintain a Housing Trust Fund that shall consist of funds from the Community Development Block Grant program, Socioeconomic Impacts Mitigation Program, collected in-lieu fees, and other sources of governmental, philanthropic, and permit fee income for affordable housing. This fund shall not be used for general fund or general government purposes, but exclusively for the development and/or rehabilitation of affordable housing.

Development Standard 4.3.1: In-lieu fees collected from a project within any given HMA shall be used only within the same HMA.

Ongoing Action Plan for Affordable Housing Funds

Timing: Ongoing; Responsible Department(s): CHCD

Action 1: The county shall maintain guidelines that will be used to determine appropriate uses of the affordable housing funds.

Action 2: The county shall continue to provide support to housing developers seeking funding to reduce development costs for eligible projects. This support may include but is not limited to providing technical assistance, local gap funding or written support letters. Possible funding sources include but are not limited to: CDBG, BEGIN, Cal HOME, county in-lieu funds.

D. Additional Housing Assistance and Support

1. Make Affordable Housing a Priority

Make Housing a Priority in County Policies and Programs

Policy 1.11: Before adopting or updating community plans or other plans or programs that reduce build out on a community-wide or regional basis, the county shall make the finding that the proposed reduction in build out potential will not compromise the county's ability to accommodate its fair share of regional housing needs.

2. Fair Housing Practices

The County's Policy for Fair Housing Reads in Part:

Policy 4.1: The county shall promote equal opportunity in housing for all persons by identifying and pursuing methods of providing information on housing programs to minority and other special needs groups and shall work toward meeting and achieving a better understanding of their needs.

Ongoing Action Plan for Fair Housing

Timing: Ongoing; Responsible Department(s): CHCD

Action 1: The county shall seek federal or state funding through Community Development Block Grant (CDBG) or other programs, to establish a program to assist individuals seeking to construct special needs housing by providing assistance in the construction of housing and related facilities or the construction and/or maintenance of needed infrastructure. This program may include the development and distribution of bilingual materials, production of public service announcements, and participation in meetings of various community organizations.

Action 2: The county shall continue to identify and pursue non-discriminatory use of county funds for programs that promote equal opportunity housing.

The County's Policy for Fair Housing Continues:

Policy 4.2: The county shall comply with all federal and state fair housing laws. No goal, program, or policy in this Housing Element shall be interpreted in a way that would prohibit or discriminate against any residential development or emergency shelter because of the method of financing or the race, sex, color, religion, ethnicity, national origin, ancestry, lawful occupation, familial status, or disability of the owners or intended occupants of the residential development or emergency shelter.

Notes on the Fair Housing Policy:

See remaining portion of Fair Housing Policy on page 14.

3. Community Outreach

The County's Policy for Community Outreach Reads:

Policy 7.1: The county shall continue to engage the community in discussions about affordable and special needs housing projects and compact development, as well as provide opportunities for the community to express concerns and ideas. These public participation opportunities may include, but are not limited to, community workshops, forums and small group meetings of various community organizations. The county will also continue to outreach by producing public information materials, developing and distributing bilingual materials, updating the county's housing web page, and otherwise promoting housing policies and programs.

4. Cooperation with All Parties Interested In Affordable Housing

The County's Policy for Cooperation with Interested Parties Reads:

Policy 7.2: In order to accommodate its regional share of affordable and special needs housing, the county shall work with the public, private developers, the County Housing Authority, non-profit housing sponsors, affordable housing advocacy organizations, and incorporated cities.

Ongoing Action Pending for Cooperation with Interested Parties

Timing: Ongoing; Responsible Department(s): CHCD & P&D

Action 1: The county shall work to develop joint programs between the county and the other jurisdictions in order to share funding and RHNA credits toward units constructed and rehabilitated, and to provide special needs housing.

Action 2: The county shall assist affordable and special needs housing developers and non-profit sponsors by:

- Providing information and technical assistance throughout the development review process and fast-track processing when applicable;
- Allowing developers to apply for reduced or waived impact fees or deferred payment of permit processing fees when applicable;
- Suggesting and arranging other project incentives where appropriate, possibly including but not limited to predevelopment loans, permanent financing subsidies, and development standard modifications;
- Providing competitive opportunities for developers to receive project financing through various federal, state and local programs including the HOME Investment Partnerships Program available through participation in the Santa Barbara County HOME Consortium; and
- Allowing applicants to include supportive services and training opportunities for residents as part of their operating budget.

Future Action Plan to Make Affordable Housing Projects a Priority

Timing: Summer 2007; Responsible Department(s): P&D

Action 3: During the next Regional Housing Needs Assessment (RHNA) allocation process, the county shall work with other jurisdictions in the county and the Santa Barbara County Association of Governments (SBCAG) to strongly encourage the allocation of units near employment centers to promote a jobs/housing balance within the regions of Santa Barbara County.

5. State and Federal Facilities Cooperation

The County's Policy for State and Federal Facilities Reads

Policy 7.4: The county shall encourage and support efforts by the state and federal governments to mitigate impacts to existing affordable housing supply resulting from the expansion of state and federal facilities.

6. Annual and Periodic Reports

The County's Policy for Annual and Periodic Reports Reads:

Policy 8.7: The county shall annually prepare a report documenting residential development trends and the effectiveness of housing programs identified in the Housing Element in accordance with Government Code § 65400 and County Annual Report Guidelines.

Policy 8.8: The county shall prepare a residential land survey to determine whether an adequate amount of residential vacant or underdeveloped land exists in all residential density categories as needed.

7. Settlement Agreements

The County's Policy on Settlement Agreements Reads:

Policy 8.9: In the event that the terms of a litigation settlement agreement between a developer and the county do not comply with the requirements of the county's affordable housing programs (e.g. AHO, Density Bonus, Inclusionary programs), then the project that is the subject of such agreement shall be developed in accordance with terms and conditions set forth in such settlement agreement and any amendments agreed to by the parties.

III. Development Proposal Guidelines and Procedures

Housing projects, like all development proposals submitted to the county for consideration, are subject to a review process dictated by state and local building, zoning and environmental regulations. The differences specific to housing and affordable housing projects are called out below. Prior to submitting a formal application, prospective housing developers must consider which housing programs and policies apply to their projects. Developers may consult the Housing Element and this document, and the county strongly recommends that applicants submit a pre-application request to receive county input early—during the project design phase—on process, applicable policies, ordinances and environmental regulations. Because many applicants for housing wish to take advantage of incentives, and many incentives change project design, it is critical that applicants understand what incentives may be available for their project and which of those are discretionary.

1. Determining Which Programs Apply

Most new housing developments of five units or more will be subject to either the state mandated Density Bonus Program (SDBP) or the county’s Inclusionary Housing Program (IHP). Housing Element Policy 8.10 requires that staff provide applicants with a preliminary assessment of the number and type of on-site affordable housing units, in-lieu fees and other requirements and options available in the Housing Element. Staff will complete this assessment prior to calling an application for any housing development complete. Since most housing proposals will be subject to the SDBP or the IHP, and since these two programs are both multifaceted—applying differently to various types of housing proposals with choices for the developer, the HEIG allocates more space to explain them. However, there are a number of additional programs and policies that apply to specific housing development types such as: residential second units, farm employee housing, service employee housing and mixed use projects. Refer to the guide on *page 2* for a list of all policies and a reference to the page on which that policy appears in full. More than one program may apply to a project, and applicant choices affect which programs apply. Applicants should consider the purpose of the project, how incentives may apply and how these may affect cost, when designing projects.

QuickFact

How Can Communities Benefit from Affordable Housing?

Addressing the county’s wide-ranging housing needs can benefit the entire community in numerous ways. Providing affordable housing for all levels of workers in the community:

- Strengthens the local economy by ensuring employers have access to high quality workers;
- Reduces overall traffic congestion by enabling people to live near their workplaces, shopping and other frequently visited locations;
- Protects agriculture and natural resources by providing housing opportunities for people within urban areas as an alternative to converting sensitive habitat areas and agricultural lands to housing;
- Facilitates diversity in the local population by allowing people and households of all income levels to live in the county; and
- Reduces commuting by providing housing near employment centers; this improves the health of families, individuals and the community by enabling people to spend more time and money on health care, nutrition, education and recreation.

**Comparing the State's Density Bonus Program
with the County's Inclusionary Housing Program**

Type of Housing	State Density Bonus (Voluntary) Applies to projects of at least 5 units	Inclusionary Housing Program (Mandatory Unless Exempt) Applies to projects of at least 5 units or lots.
For-Sale	20% density bonus over base density if 1) 5% units = VL sales target 50% AMI; OR 2) 10% units = L sales target 60% AMI; OR 3) 100% units for qualifying seniors. OR 5% bonus if 10% of units in condominium project or planned development are MOD with sales target 120% AMI. Price Restriction: 30 yr or 10 yr for MOD option.	So Coast or Santa Ynez: 5% VL, 5% L, 10% MOD AND 10% WK; Lompoc or Santa Maria: 5% VL, 5% L, AND 10% MOD. Outside CZ: All requirements may be fulfilled by building on-site, paying in-lieu fees, donating land or some combination. Inside CZ: Requirements must be met on-site in most cases. Price Restriction: 45 yrs., restarting upon resale.
Rentals	Same as for sale.	Professional property management and/or on-site manager req. for on-site Inclusionary rental units. On-site manager required for rental projects of 16+ units.
Housing for Disabled or Elderly	20% density bonus over base density if 100% units for qualifying seniors in senior housing developments of at least 35 units.	Same as above, as applicable.
Residential Second Units	N/A	N/A
Incentives	One or more of the following depending on % of affordable units provided: (most discretionary): <ul style="list-style-type: none"> • Additional Density Increase. • DR zone: Common Open Space req. 25% min (vs. 40%) gross acreage. • Detached units: Tandem parking allowed. • Attached units: Potential Parking Reduction. • Front & side yard setback reductions. • Fast-track permit processing. 	Guaranteed density increase of one unit for each MOD and/or WK unit built on-site to meet IHP requirements. These apply even if applicant pays fees to satisfy fractional IHP req. in addition to on-site req.
Exemptions	Projects that provide price restricted units through State Density Bonus program are exempt from IHP.	<ul style="list-style-type: none"> • Projects providing price restricted units through State Density Bonus program; • Projects in the Cuyama HMA; • Projects on parcels under Williamson Act contract; • Projects on parcels zoned AG-II, minimum 40+ acres; • Projects constructed by non-profits with USDA funding; • Mixed use w/<10 residential for-sale units; • Mixed use w/100% res. rental units; • 100% rental built at 10 u/ac. gross or more; • On or off-site housing developed and controlled by employers that is dedicated for sale or rent to their employees (incl. farm empl. hsg.); • Emergency shelters, transitional hsg., SROs.

Note: These are abridged requirements for comparison purposes. Please see specific program language and explanations for detailed information. Table 2

Abbreviations: VL=very low income households; L=low income households; MOD = moderate income households; WK = workforce housing; AMI = Area Median Income; CZ = Coastal Zone; DR = Design Residential zoning.

a. The State Density Bonus Program (SDBP) --State amendments effective January 2005

Under this program developers may build additional market rate homes in exchange for selling or renting a percentage of the units on the same site at state designated reduced prices. The program gives projects with five or more units a guaranteed density bonus above the site’s land use designation and zoning based on the percent of affordable or senior units provided, as follows:

- 20 to 35 percent density bonus depending on the percent of the units in the project made available to very low or low income households;
- Five to 35 percent density bonus for condominium or planned development projects, as defined by Civil Code 1351 (see glossary -Appendix I- for definitions), depending on the percent of units made available to moderate income households; and
- 20 to 35 percent density bonus for projects for seniors. Senior citizen housing developments that qualify for the SDBP are also subject to the IHP but do not receive an additional density increase for the units prescribed by the IHP. To qualify as a senior citizen residential development a project must have at least 35 dwelling units as defined by Civil Code 51.3.
- A density bonus may also be granted in exchange for land donations for affordable housing or for including a child care facility on-site.

Developers may not pay fees in-lieu of building units on-site to participate in the State Density Bonus Program. However, participating projects are eligible to receive a density bonus and additional development incentives. The density bonus available to a project increases incrementally with an increase in the percent of affordable units included up to a maximum of 35%. For example, an applicant for affordable or senior housing will receive a 20% density bonus for providing 10% of total units for low income households and may receive an additional 1.5% density increase for each 1% of additional low income units provided up to a maximum density bonus of 35%. Thus, an applicant would receive a 26% density bonus for providing 14% low income units or a 35% density increase for providing 20% low income units.

Density Bonus by Percent of Affordable or Senior Units			
	Minimum Requirements		For each additional 1% affordable the following density bonus shall be granted up to a maximum of a 35% density bonus:
	% Affordable Units	% Density Bonus	
Very Low	5	20	2.5
Low	10	20	1.5
Moderate	10	5	1.0
Senior Citizen Development	N/A**	20	N/A
Land Donation*	10	15	1.0

*Land must be capable of accommodating stated percentages of very low income units and meet other provisions of Govt Code 65915. The density bonus for a land donation may be in addition to a density bonus for affordable or senior units up to a maximum of 35% density bonus. Table 3

**Units must be age restricted but are not required to be price restricted to be eligible for a density bonus.

The program also includes an incremental increase in the density bonus and number of incentives a project may receive as the percent of affordable unit increases. See table below and incentives discussion on pages 35-36.

Number of Incentives for State Density Bonus Projects by Income Category and Percent of Affordable Units			
	One Incentive	Two Incentives	Three Incentives
Very Low	5%	10%	15%
Low	10%	20%	30%
Moderate	10%	20%	30%

Table 4

Use the following examples when calculating both the number of affordable units and the density bonus units granted under the State Density Bonus Program. See the full SDBP language on page 4.

Calculating The State Density Bonus Program Requirements

Example Project with a base density allowing 44 units

Developers may choose to provide units in *one of the following categories* and receive the respective density bonus:

Category	Percent of Affordable Units Required	Density Bonus	Total Project Size
Very Low Units	$(5\% \times 44) = 2.2$ or 3 units	$(20\% \times 44) = 8.8$ or 9 units	44 + 9 = 53 units: 50 market rate, 3 very low
Low Income Units	$(10\% \times 44) = 4.4$ or 5 units	$(20\% \times 44) = 8.8$ or 9 units	44 + 9 = 53 units: 48 market rate + 5 low
Moderate Income Units	$(10\% \times 44) = 4.4$ or 5 units	$(5\% \times 44) = 2.2$ or 3 units	44 + 3 = 47 units: 42 market rate + 5 moderate
Senior Units	$(100\% \times 44) = 44$ units	$(20\% \times 44) = 8.8$ or 9 units	44 + 9 = 53 senior units

Affordability Terms

Currently all restricted units must remain affordable for a period of 30 years, except moderate income units which must remain affordable for ten years.

* **Rounding:** Always **round up to the next whole number** when calculating the required affordable units and the density bonus.

Table 5

b. The Inclusionary Housing Program and In-Lieu Fee Policy

The Inclusionary Housing Program (IHP) applies to housing projects with five or more net new lots or units (see policy for exemptions, *page 5*). To provide flexibility, the IHP allows applicants the option to satisfy its requirements by any combination of building units on-site, paying fees, and/or donating land. There are many possible developer options:

Inclusionary Requirements by HMA	
South Coast and Santa Ynez HMAs	Santa Maria and Lompoc HMAs
<ul style="list-style-type: none"> • 5% very low income units, and • 5% low income units, and • 10% moderate income units, and • 10% workforce income units. 	<ul style="list-style-type: none"> • 5% very low income units, and • 5% low income units, and • 10% moderate income units.
Affordability Terms All restricted units must remain affordable for a period of 45 years rolling to a maximum of 90 years.	

Table 6

- Projects may meet inclusionary requirements by providing an equal or greater number of units in a lower income category than would otherwise be required. For example, a developer could build all very low income units to meet low, moderate and workforce requirements;
- Projects receive a density increase of 1:1 for any required moderate and/or workforce units built on-site;
- Developers may donate or dedicate land for affordable housing development in-lieu of IHP requirements. The land must be able to accommodate affordable housing and must be dedicated to an entity willing to work diligently toward that development within a reasonable period of time. See *Appendix C* for a full list of land dedication criteria; and
- Developers may pay fees in-lieu of building affordable units on-site. In-lieu fees are paid at different points in the process depending on the type of project (see table at right). Projects involving property subdivisions pay fees in effect on the date of Final Map clearance; all other projects pay fees in effect at Building Permit issuance. Fees are typically updated annually by CHCD. Changes are based on the percent change in condominium sales prices in each HMA. For current fees see www.countyofsb.org/plandev/comp/programs/housing/2003.

In-Lieu Fee Payment Schedule	
Type of Project	Timing of Fee Payment
Projects with no map	Building permit
Projects with map and development plan	Map clearance or building permit (with security at map clearance, e.g. bond or letter of credit)
Projects with map only	Map clearance

Table 7

This example table contains 2004 data. See www.countyofsb.org/plandev/comp/programs/housing/2003 or Appendix A for current figures.

In-Lieu Fees for the Inclusionary Sample Table		
	Very Low and Low	Moderate and Workforce
South Coast HMA	\$110,000	\$422,700
Santa Ynez HMA	\$110,000	\$324,700
Lompoc HMA	\$80,000	\$182,800
Santa Maria HMA	\$80,000	\$205,700

Table 8

The following examples illustrate likely scenarios. Use these examples and the notes when calculating both the number of affordable units and the additional units granted under the IHP. See the IHP language in full beginning on page 5.

Calculating The Inclusionary Housing Program Requirements

Example Project 1: Condominium project in South Coast HMA with a base density allowing 32 units

The IHP requires that applicable projects provide 30% affordable housing. The affordable requirements must be distributed among the income categories with minimum percentages for certain income categories (see table 4 above). The requirements can be met in several ways, not limited to the 3 options shown below. Developers may choose to build units to meet the requirements in all of the categories or may pay fees to meet requirements in some or all of the categories. Please read the whole table including the rounding requirements.

Category	Inclusionary Requirements	Option 1: Combination of Fees and On-Site Units	Option 2: Combination of Fees and On-Site Units	Option 3: All Fees
Very Low Income Units	5% x 32 units = 1.6 units	Very Low: In-Lieu Fees \$110,000 x 1.6 units = \$176,000	Very Low: In-Lieu Fees \$110,000 x 1.6 units = \$176,000	Very Low: In-Lieu Fees \$110,000 x 1.6 units = \$176,000
Low Income Units	5% x 32 units = 1.6 units	Low: In-Lieu Fees \$110,000 x 1.6 units = \$176,000	Low: In-Lieu Fees \$110,000 x 1.6 units = \$176,000	Low: In-Lieu Fees \$110,000 x 1.6 units = \$176,000
Moderate Income Units	10% x 32 units = 3.2 units	Moderate: On-Site plus Fees for Fractional Requirement Build 3.0 units and pay fee for fraction = \$420,800 x 0.2 = \$84,160.*	Moderate: On-Site including Fractional Requirement Build 4 Moderate Units: 3.2 moderate requirement + 0.2 fraction of the workforce requirement = 3.4 units which are then rounded up to 4 moderate units.*	Moderate: In-Lieu Fees \$420,800 x 3.2 units = \$1,346,560
Workforce Income Units	10% x 32 units = 3.2 units	Workforce: On-Site plus Fees for Fractional Requirement Build 3.0 units and pay fee for fraction = \$420,800 x 0.2 = \$84,160.*	Workforce: On-site including Fractional Requirement Build 3 Workforce Units: No rounding required because the fraction was moved to moderate, above.*	Workforce: In-Lieu Fees \$420,800 x 3.2 units = \$1,346,560
Totals		Total Fee: \$520,320 Project Size: 38 units (32 market + 6 affordable units)	Total Fee: \$352,000 Project Size: 39 units (32 market + 7 affordable units)	Total Fee: \$3,045,120 Project Size: 32 market rate units

* **Rounding:** If the number of affordable units required for a project includes a fraction of a unit, applicants shall either round down to the nearest whole unit and pay a pro-rated in-lieu fee for the remaining fractional unit (option 1 above), or round up to the next whole number and build that unit on-site (option 2 above). The fractional unit requirements of a higher income category may be moved to a lower income category before rounding if doing so results in fewer total affordable units and no greater fees paid. In option 2 above, if the moderate and workforce fractions were rounded separately, the developer would be required to build 4 moderate and 4 workforce units. By moving the workforce fraction to the moderate category before rounding, the developer builds 4 moderate and 3 workforce units. Table 9

Calculating The Inclusionary Housing Program Requirements cont.

Example Project 2: Lot Split in Santa Maria HMA 6 total lots (5 net new lots created)

Since this example assumes no new dwelling units are constructed as part of the project, the developer will likely choose to pay fees to meet program requirements in all categories:

Category	Inclusionary Requirements	Option 1: Combination of Fees and On-Site Units	Option 2: All Fees
Very Low Income Units	5% x 5 lots = 0.25 unit	This option is not financially beneficial since the total units required = 1 or less.	Very Low: \$80,000 x 0.25 unit = \$20,000
Low Income Units	5% x 5 lots = 0.25 unit		Low: \$80,000 x 0.25 unit = \$20,000
Moderate Income Units	10% x 5 units = 0.5 unit		Moderate: \$205,700 x 0.5 moderate = \$102,850
			Total Fee: \$142,850

Note: Workforce units are not required in Lompoc or Santa Maria HMAs

Table 9

c. Other Housing Programs

The county has many other housing policies that apply to new housing development or conversions of existing rental units to condominiums. The policies apply to specific development types such as rental housing, farm employee housing, housing for the homeless and for persons with disabilities. These policies are designed to encourage housing within state-designated “special needs” categories. In addition, the county has policies intended to address issues specific to Santa Barbara County communities such as encouraging mixed use and in-fill development to address both housing and transportation needs, and service employee housing to meet the needs of this growing South Coast employment sector.

d. Available Incentives

Many development projects are eligible for one or more incentives that encourage affordable housing by providing the developer with design options or administrative assistance. Housing developers should examine these closely and discuss them with planners during the preliminary assessment. The number of available incentives and the density increase and design standard modification incentives vary by program or policy. Specific incentives are listed in the development standards portion of the program or policy language. Some incentives are guaranteed and others, such as development standard modifications related to project design, require decision maker approval. The county offers the following incentives described below:

Incentives Available by Program

(see individual programs for details e.g. applicability; exemptions; discretionary vs. non-discretionary)

Program	Density Increase	County Marketing of Affordable Units	“Fast-track” Permit Processing	Inclusionary Program Exemption or Reduced Requirements	Design Standard Modifications
Density Bonus Program (pg 4)	X	X	X	X	X
Inclusionary Housing Program (pg 5)	X				
Mixed Use Development Policy (pg 10)				X	X
In-fill Development Policy (pg 11)					X
Persons with Disabilities Policy (pg 13)			X	X*	X
Rental Housing Policy (pg 9)			X		X
Homeless Policy (pg 12)			X	X	

* Special care homes with 14 or fewer residents for persons with disabilities (see page 13).

Table 10

Density Increase: Both the State Density Bonus Program (SDBP) and the county’s Inclusionary Housing Program (IHP) offer a density increase over the maximum allowed by the designated land use. The SDBP offers a minimum 20% increase for very low and low income housing and a minimum 5% increase for moderate income housing; the guaranteed increase can go up to 35% over base density for projects that provide a higher percent of affordable units as specified by the program. The IHP offers a 1:1 increase for moderate and/or workforce units built on-site to meet inclusionary requirements.

County Marketing of Affordable Units: Developers may request that the county market rental and for-sale affordable units built under the State Density Bonus Program. Details are available beginning on *page 45*.

“Fast-track” Permit Processing: Housing projects that build affordable units on-site are given priority for case review even during times of increased case load. Details are provided below under Application Review beginning on *page 37*.

Inclusionary Program Exemption or Reduced Requirements: Certain projects that are affordable by their design or meet other county goals are exempt or have reduced requirements for Inclusionary Housing (*see pages 5,30 and 33*).

Design Standard Modifications: These include a number of modifications to required setbacks, parking and open space standards. Allowed modifications vary by program. They include:

- Reduce **common open space** requirements from 40% to a minimum of 25% of gross acreage for projects in the Design Residential (DR) Zone District.
- Reduce the number of **parking spaces** required for attached residential units and/or allow **tandem parking** (only for spaces that serve the same unit) to meet parking requirements for attached or detached residential units. The appropriate reduction will vary depending on the type of project and/or anticipated residents (e.g. housing specifically for people with disabilities or senior housing may require fewer parking spaces than other types of projects).
- Allow **“shared parking”** for mixed use and infill projects. Shared parking assumes that some residents will use vehicles to travel to their jobs during the day leaving those spaces available for customers or employees for businesses with daytime hours. Mixed use projects, by their nature, may have staggered hours of peak demand. Therefore more than one user—the resident and the customer or employee—may be permitted to share the space allowing parking facilities

to be used more efficiently. In cases where adequate parking exists in close proximity to in-fill projects, shared parking may be allowed.

- Reduce **front setbacks** down to 10 feet from right-of-way.
- Reduce **side yard setbacks** down to zero. This could allow structures within a project to be shifted to the edge of the lots, resulting in greater usable private outdoor space for each unit.

In addition, the county offers further incentives for projects participating in the Innovative Building Review Program, which promotes energy-efficient building design. For more information go to www.countyofsb.org/plandev/bldg-safety/ibrp.

e. Zoning Requirements

Two additional tools in *Appendices E and F* of this document help staff and applicants: One is a *Zone District Requirements* table that includes setbacks, coverage, open space and parking requirements, and the other is a table showing *Residential Uses Allowed by Zone District* in each Zoning Ordinance. It is important to note that zoning ordinances are amended regularly. Compare the dates of the tables with that of the Zoning Ordinance to be sure you are working with current information. Also note that the tables contain abridged information and you should consult the Zoning Ordinance for complete information.

f. Demolitions and Conversions in the Coastal Zone

When converting rental units to condominiums, state law requires that applicants notify existing and prospective tenants at least 60 days prior to submitting their application or pay all tenants who do not receive required notice \$500 for moving expenses. Planners with a condominium conversion pre-application should remind applicants of this law (GC Sec. 66427.1 and 66452.8-66452.9, Housing Element Policy 6.7). Applicants must submit proof they complied with these provisions with their application submittal, as decision-makers cannot make a finding for approval without proof of compliance. In addition, once the project is approved, GC Sec. 66427.1 requires applicants to give tenants 180 days notice to vacate. The Housing Element requires that all demolitions in the Coastal Zone comply with the Coastal Land Use Plan which requires that applicants replace demolished unit(s). See *pages 21-22* for policies that apply to demolition and conversion of affordable housing.

2. Application Review

Once an applicant submits an application for housing development, the county must determine whether the application is complete or incomplete within 30 days. As a part of that determination, the county will provide the applicant with a preliminary assessment of the number and type of on-site affordable housing units and/or in-lieu fees that may be required as part of the project and the options available under the county's affordable housing programs. This may have been addressed during pre-application submittal; however, since project descriptions often change between pre-application and formal application submittal, the planner will confirm or revise the pre-application assessment at this time. Planners will remind the applicant that the approved number of units on a project may differ from the recommended preliminary assessment based on the final action of the decision-makers.

a. Priority Review

Affordable housing projects that build affordable units on-site under the Rental, Persons with Disabilities or Farm Employee Housing policies are treated as a priority by all county review agencies. Projects using the State Density Bonus Program may get priority processing if that incentive is selected by the applicant. P&D strives to process all applications in a timely manner, however, when case loads exceed available staff time, affordable housing projects continue to receive priority assignment. Many of the county's affordable housing policies offer "fast track permit processing" as an incentive for applicants. When new applications arrive, P&D assigns affordable housing projects a priority rating. This information is passed on to other departments with regulatory responsibilities for the project.

b. Project Design

The county's Housing Element contains three policies that address design issues:

- Policy 5.1 Neighborhood Compatibility and Improvement;
- Policy 5.2 Residential Design Standards; and
- Policy 5.3 Resource Conservation.

These are found on *pages 14-15*. In general these policies promote urban infill, efficient site use and quality design with affordable housing designed to be compatible with surrounding structures and neighborhoods. The Housing Element Action Phase foresees countywide Residential Design Standards including prototypes on site layout, housing types, mixed use and preferred architectural styles.

The county will promote high quality design that is compatible with surrounding neighborhoods by: 1) encouraging partnerships between the community, developers and the county, 2) facilitating early neighborhood meetings with prospective developers, and 3) reevaluating the requirements of the Design Residential (DR) zone district (the county's primary multi-family zone district) to make it more effective (Policy 8.2, Action 5). While affordable units are not required to be exactly the same as market rate units in the same development, Policy 5.1 (Neighborhood Compatibility) requires that structures be compatible in size, design and scale.

c. Coordinated Review

Staff from several different county departments may review an application: P&D staff in the Development Review Division are the project managers for requests for affordable housing projects, however, depending on the site and specific aspects of the proposal, staff in the Building and Safety and Comprehensive Planning divisions of P&D and staff from other departments (see table below) will review the application as well. All county staff reviewing an aspect of an affordable housing project will work collaboratively to meet county requirements while being flexible with project design for efficient land use. Affordable housing projects have a smaller profit margin than traditional development proposals and therefore may require space saving designs that are inconsistent with common practice, yet consistent with codes. An example is designing flood control areas to double as common open space rather than requiring separate, fenced detention basins.

QuickFacts	County Review of Affordable Housing	
	Specific Proposals	In General
Development Review Division of P&D	Project manager for application. Communicates early and often with applicants and coordinates other county staff and agencies reviewing the project. Considers all zoning and policy issues, conducts environmental review, works with Comprehensive Planning staff to find best options for affordable housing; applies necessary conditions and agreements. Makes recommendation to decision-makers. Monitors compliance with conditions.	Suggests changes to policies, procedures and the zoning ordinance to remove obstacles to affordable housing and continuously improve permit processing.
Comprehensive Planning Division of P&D	Timely assistance with policy interpretation and affordable housing calculations; assistance with application of conditions.	Solicits community input on planning issues. Proposes changes to policies for decision-maker consideration when necessary to improve affordable housing opportunities; updates HEIG.
County Housing and Community Development (CHCD)	Conducts lotteries and income certifications; administers sales and rentals and re-sales of affordable units; assists with marketing affordable units. Assists with dispute resolution. Prepares agreements and covenants for County Counsel and P&D review.	Updates affordable income, price and rent guidelines; updates in-lieu fees; leverages fees to assist developers of affordable housing. Works with the County Housing Advisory Committee (HAC) to identify additional ways to address affordable housing need.
County Counsel	Reviews the language of findings, conditions, agreements, and overriding considerations to ensure these meet the intent of the decision-makers. Interprets law when complicated legal issues arise.	Reviews changes in state law and advises on application of law. Reviews and revises standard agreement, covenant and condition language as needed.
Other Departments Including: Public Works, Fire, Parks, Air Pollution Control, and Public Health	Review specific aspects of development proposals in a timely manner. Ensure project flood control measures, drainage, septic, open space, road widths, air quality, fire access, suppression and safety measures meet all required regulations and standards.	Encourage the development of affordable, special needs, and rental housing through incentives which may include but are not limited to the reduction, modification or deferral of application, processing and/or impact fees and the modification or waiver of development standards. (Policy 8.5)

Table 11

3. Tiering from Certified CEQA Documents

The California Environmental Quality Act (CEQA) requires that the county conduct an environmental review for discretionary projects. Some smaller housing projects (e.g. residential second units, some farm employee dwellings) and conversions of existing development may be found to be exempt from CEQA; however, almost all multi-unit affordable housing proposals will require environmental analysis through either a Negative Declaration (ND) or an Environmental Impact Report (EIR). One measure the county has taken to reduce the costs and time required for the environmental review aspect of application review is to use an existing EIR, such as a community plan EIR, and create a “mini” or “tiered” EIR. While using existing certified documents is a good common sense practice, it does not alleviate the need for new or project specific analysis. The amount of new analysis needed will vary by project and depend on the age and scope of the originating work. Several examples: 1) a certified EIR may use older traffic analysis. The Public Works Department routinely measures intersection and roadway congestion, and staff must use the most current information available, 2) the original EIR may have missed a resource (e.g. a previously unknown archaeological or biological site discovered during project site analysis), 3) if much time has passed since the original environmental analysis, the setting could have changed (e.g. traffic, water or air quality), and this may affect how much analysis and what mitigation is required, and 4) again, if much time has passed, new regulations, policies or thresholds may apply.

4. Conditions of Approval

Every discretionary project approved in the county will have conditions of approval. Some will be mitigation for environmental effects, others will be required to ensure the project is consistent with policy or ordinance requirements, and others will be standard to a permit-type and/or required by the county for indemnification or other purposes. All affordable projects will have conditions requiring that agreements and covenants be recorded with the property title. These bind the property owners to affordable housing price, sales or rental requirements and ensure that potential buyers are fully informed of and held to these same requirements. The language of these standard conditions is updated when policies change. Copies are available at P&D.

Planners apply the standard conditions for affordable housing projects depending on whether the project is using the State’s Density Bonus program, the Inclusionary Housing Program or paying in-lieu fees. Due to changes in state law and local regulations, conditions for projects with recorded maps differ depending on when the project application was called complete, the affordability level of the project, and whether the units will be for sale or rent. Standard conditions are written for each scenario; planners choose the applicable conditions from a menu.

In addition to conditions setting affordability, income, and time limits, conditions for affordable units within a project can require that preference be given to households with individuals who work within a defined geographic area around the site. This option requires a level of demographic diversity in that defined geographic area that is similar to the demographics of the county or region. The county’s HMAs are sufficiently diverse for this purpose. For example, first preference for affordable units at a site in unincorporated Goleta could be given to applicants who work within the South Coast HMA. This preference could be conditioned, and the project lottery would be set up to reflect this preference.

The county can restrict affordable units on county-owned land exclusively to county employees and/or other public employees. On land not owned by the county, the county can give “preference” to established employment categories for affordable units. This preference could be established as a tiered system that would make units available to a defined preference group first and then other members of the community second, as long as the preference groups specified do not violate Fair Housing Laws. For example, when affordable units become available, the first option could be given to some “critical workforce” employment category, defined by the Board of Supervisors and sufficiently diverse to meet Fair Housing Practices.

5. Getting Ready to Record and Build

For most affordable housing projects, applicants must record required agreements and covenants before the project may be constructed. Any affordable housing agreements and covenants required by condition on projects that include a tract map (TM) or tentative parcel map (TPM) must be recorded with the County Clerk-Recorder concurrent with final map clearance (before map recordation). If the project does not include a TM or TPM, as in the case of some multi-family rental housing, these conditions are recorded prior to land use clearance. In either case, this is when the planner carefully reviews the conditions and ensures that all necessary agreements are completed, reviewed by County Counsel, signed by all parties, executed and approved by the Board of Supervisors, and recorded properly. County approved samples of each are found at www.countyofsb.org/housing/docs.asp.

a. Agreement to Provide Affordable Housing

The *Agreement to Provide Affordable Housing* binds the property owners to affordable housing sale price or rental rate requirements for the time period required by law or county policy at the time the application was called complete (for projects with maps) or at the time the project was approved (for projects without maps). Recorded agreements appear in the title report ensuring that potential buyers are informed and current and future owners are held to the requirements which include:

- The number of affordable units, their size, their affordability level and the income level at which they must be rented or sold;
- Marketing and lottery requirements; and
- *A Resale Restrictive Covenant and Preemptive Right or a Rental Restrictive Covenant.*

CHCD staff draft the agreement from standard language and the conditions of approval. CHCD then obtains the necessary county approvals and the applicant’s signature. All agreements must be reviewed and approved by County Counsel. Allow four weeks for this review process. CHCD then prepares a short letter and schedules the item on the Board’s administrative agenda. The Agreement is recorded prior to or concurrent with map recordation for TM or TPM projects, however, once a TM or TPM is recorded, the Development Review planner issuing land use clearance for individual lots must ensure that the *Agreement has been recorded prior to land use clearance on each affordable lot*. The county’s standard Agreement may be found at www.countyofsb.org/housing/docs.asp.

b. Resale Restrictive Covenant and Preemptive Right or Rental Restrictive Covenant

These covenants are appended to the Agreement to Provide and recorded at the same time. The recorded covenants then appear in the title report ensuring that potential buyers are informed and current and future owners are held to the requirements within which include:

- Securing the affordability level of the units for a minimum 10, 30 or 45 years. Some covenants ensure that the time period restarts with each resale for a maximum of 60 or 90 years depending on the program under which the housing was approved and the type of housing project. The number of years will have been specified in the conditions of approval.
- Ensuring subsequent sales and rentals of an individual unit may only be to income-qualified households and at prices within the original income range of affordability.
- Requiring both a *Notice of Sale* and *Notice of Default* be recorded on the property title so the county may monitor subsequent sales and exercise its first right of refusal when a property is offered for sale.
- Specifying that affordable units must be occupied only by the owner or tenant who has qualified for the affordable home. Subletting any portion of the unit is prohibited except under special circumstances and with the approval of CHCD.

CHCD staff draft the covenant from standard language and obtain the necessary county approvals and the applicant's signature. All covenants must be reviewed and approved by County Counsel before inclusion as an appendix in the *Agreement to Provide*. Covenants are signed by CHCD, County Counsel and later, by the purchaser of an affordable home. The covenant is recorded along with the deed and other home sale documents. The county's standard covenant may be found at www.countyofsb.org/housing/docs.asp.

c. Modifications to Housing Conditions or Agreements

County decision-makers may grant a modification of condition(s) on the sale or rental terms of a recorded *Agreement to Provide Affordable Housing* under the circumstances specified in the *Agreement*. Any modification or amendment must be consistent with the intent of the original conditions of approval to provide affordable housing. CHCD will take any requests for agreement modification to the Board after consulting with P&D to ensure the changes are consistent with policy and with all conditions placed on the project. Planners issuing land use clearance for individual lots must ensure a signed covenant has been recorded. Modifications to conditions must be made by the Board of Supervisors. Modifications to agreements must be approved and executed by the Board and must be recorded with the County Clerk-Recorder.

6. Affordable Housing Sales & Rentals

Most of the affordable housing approved by the county is price controlled for a specified period of years through an affordable housing agreement (*see above*), and sold or rented to individuals in specified income categories (*see Qualifying Buyers and Renters, page 47*). Exceptions may include homeless shelters, dormitories or bunkhouses that are considered "affordable by design."

a. Price Control Time Period

Price control time periods vary by program, depend on whether the restricted units are rentals or for ownership, and, since affordable housing programs have changed over the years, the time periods vary depending on when the application was deemed complete (for projects with maps) or when the project was approved (for projects without maps) Beginning in 2002, some ownership units under the IHP and

AHO programs became subject to a restarting or “rolling” price and income restriction period. Any affordable unit approved and constructed under these programs that is resold before the end of the original time restriction (30 years for older projects and 45 years for newer projects) must be sold to a qualified affordable income household. The 30 or 45-year clock then restarts at the date of the transfer. This “rolling” continues at each resale until a maximum deadline (60 years for older projects and 90 years for newer projects) has passed. See *Table 12* below.

Affordable Unit Price Control Time Periods for Various Affordable Housing Programs*		
State Density Bonus Projects		
Prior to January 1, 2003	30 years	
January 1, 2003 – December 31, 2004	Very Low & Low units: 30 years Moderate condos: 10 years	
January 1, 2005 or after	Very Low & Low units: 30 years Moderate condos and units in planned developments: 10 year shared equity	
Inclusionary and Other Affordable Housing Projects		
	South Coast HMA	Other HMAs
Prior to May 16, 2002	AHO Projects: 30 years, restarting for up to 60 years on resale for ownership units Other Projects: 30 years -- with shared equity for ownership units	AHO Projects: 30 years, restarting for up to 60 years on resale for ownership units Other Projects: 30 years for rental units; 10 year shared equity for ownership units
May 16, 2002 – April 27, 2004	30 years; restarting for up to 60 years on resale for ownership units	AHO Projects: 30 years, restarting for up to 60 years on resale for ownership units Other Projects: 30 years -- with shared equity for ownership units
April 28, 2004 or after	45 years; restarting for up to 90 years on resale for ownership units	

*Projects with maps are subject to the terms in effect at the time applications are complete. Projects without maps are subject to the terms in effect at the time the project receives final approval. Table 12

b. Pricing Affordable Housing

The county sets maximum allowable sale and rental prices for affordable units based on a number of factors including Area Median Income (AMI), unit size, and target income. AMI is updated annually by State HCD. Sale and rental prices are based on the percent of AMI that a hypothetical household in each income category can afford. To account for differences in unit size, CHCD uses a **unit size adjustment factor** that considers the number of bedrooms in a unit. A **target income** is an established percent of the AMI that is within the range of each income category. Maximum allowable sale prices and rents vary between the State Density Bonus Program and Inclusionary Housing Program based on different target incomes for some income categories (e.g. the low income target is 60 percent of AMI under the SBDP; 75 percent of AMI for IHP and other county programs). See *Appendix B* for details about these factors.

The **maximum sale price** in each category must be affordable to a hypothetical buyer in that income category. The price is set such that after a five percent down payment the buyer’s monthly

payments for mortgage, taxes, and insurance do not exceed 30 percent of the buyer’s target income. The formula includes assumptions for interest rate, property taxes and insurance, which can be updated annually based on market changes. It also varies with changes in the AMI. CHCD updates assumptions annually following State HCD’s update of the AMI (typically in February of each year) or as necessary. The county will use an interest rate equal to the average 10-year treasury constant maturity rate over the most recent 24 months, plus 200 basis points (2.0 percent). Note: CHCD also adjusts the price for projects that include Homeowners Association (HOA) fees, which vary widely from project to project. See *Appendix B* for the maximum sale price formula and a sample calculation table.

The **affordable monthly rent formula** is simpler because rents are not impacted by factors like interest rates. The formula for maximum rents assumes that the landlord pays all utilities. If the tenant is required to pay some or all of the utilities, the maximum rents are reduced in accordance with the County Housing Authority utility allowance for Section 8 housing. See *Appendix B* for the formula and Section 8 adjustment instructions.

The following tables are examples of maximum allowable sale prices and rents for each income category, unit size and housing program. See *Appendix A* for current figures.

Maximum Allowable Sale Prices Sample Table
(by unit size and income category)

Unit Size	Very Low	Low		Moderate		Workforce ²
	(50% of AMI)	(60% of AMI)	(75% of AMI)	(120% of AMI)	(110% of AMI)	(160% of AMI)
<i>Applies to:</i> ¹	SDBP & IHP	SDBP	IHP	SDBP	IHP	IHP
Studio	\$78,300	\$95,200	\$120,500	\$196,400	\$179,500	\$263,800
1	\$90,300	\$109,600	\$138,600	\$225,300	\$206,000	\$302,400
2	\$102,400	\$124,100	\$156,500	\$254,100	\$232,400	\$340,800
3	\$114,500	\$138,600	\$174,600	\$283,100	\$258,900	\$379,300
4 or more	\$121,900	\$147,600	\$185,800	\$301,000	\$275,500	\$403,400

Note: CHCD will reduce maximum sale price to reflect homeowner association fees on applicable projects.

Table 13

¹SDBP = State Density Bonus Program, IHP = Inclusionary Housing Program

²The workforce category does not apply to the State Density Bonus Program.

These example tables contain 2005 data. See www.countyofsb.org/plandev/comp/programs/housing/2003 for Appendix A for current figures.

Maximum Allowable Monthly Rents Sample Table
(by unit size and income category)

Unit Size	Very Low	Low		Moderate		Workforce
	(50% of AMI)	(60% of AMI)	(75% of AMI)	N/A ²	(110% of AMI)	N/A ²
<i>Applies to:</i> ¹	SDBP & IHP	SDBP	IHP	SDBP	IHP	SDBP & IHP
Studio	\$490	\$580	\$730	Not Applicable	\$1,070	Not Applicable
1	\$610	\$730	\$910		\$1,330	
2	\$730	\$870	\$1,090		\$1,600	
3	\$860	\$1,030	\$1,290		\$1,890	
4 or more	\$970	\$1,160	\$1,460		\$2,140	

¹SDBP = State Density Bonus Program; IHP = Inclusionary Housing Program

Table 14

²The SDBP does not apply to moderate income rental units. Workforce rents exceed current market rents in SB County.

c. Marketing Affordable Units

The *Agreement to Provide Affordable Housing* spells out the marketing and lottery requirements designed to ensure the fair distribution of the affordable units. Under the *Agreement*, developers are required to prepare Marketing and Lottery Plans (MLP); however, in practice, CHCD has been preparing the plans for the developers as part of the county’s marketing incentives. CHCD prepares an MLP designed to provide prospective buyers or renters with accurate and complete information. It includes newspaper ad copy (sample at right) and developer and prospective buyer information packets. These describe the affordability terms of the project and individual affordable units, income certification and lottery procedures, current income and price guidelines, and other information prospective buyers or renters need to determine their rights and responsibilities and to make informed decisions. The *Agreement to Provide Affordable Housing* includes sample Marketing and Lottery Plans as exhibits and specifies that the county will complete income certifications and conduct the lottery. The Board of Supervisors specifies tenant selection criteria for affordable rental projects at the time of project approval. These criteria are included in the MLP for rental projects.

New Homes

Enter a Lottery for a Chance to Purchase a Home

If you qualify, your chance to own an affordable home in Santa Barbara County may be here. New Home Developer and Santa Barbara County announce two new affordable, attached homes priced at **\$194,100**. Applications will be available beginning October 15, 2004 at the New Home’s sales office located at 222 New Home Drive.

New Homes are approximately 1,265 sq. feet, have three bedrooms, two bathrooms, and an attached one-car garage. These homes are subject to the County’s Resale Restrictive Covenant for 45 years. Please review the Buyer Information Packet for Resale Restrictive Covenant details. Owner occupancy and rental restrictions apply.

Who is Eligible?

Residents of Santa Barbara County, or those who commute to work in Santa Barbara County, and meet the income eligibility requirements below may qualify. Applicants must be first-time homebuyers. Interested households with 37 people and whose income is less than the maximum incomes shown below are encouraged to apply. Potential buyers of these affordable homes will be chosen by a lottery of applicants subject to income certification.

Number of People in Household	Maximum Allowable Income	Maximum Allowable Assets
Current figures would be included		

How Can I Get More Information?

Beginning Oct. 15th, Buyer Information Packets and County Income Certification Applications may be obtained between 8am -5pm at Santa Barbara County’s Housing and Community Development offices in Santa Barbara at 105 E. Anapamu Street; and in Santa Maria at 511 East Lakeside Parkway. Applications are also available on-line at www.countyofsb.org/housing/docs.asp

How Can I Apply?

Completed applications must be submitted to New Home’s sales office in Santa Barbara County **no later than 5:00pm on Deadline, 2005**.

Santa Barbara County and New Home Developer are committed to providing equal housing opportunity for all people regardless of race, color, gender, religion, national origin, familial status, or disability. If you believe you have been a victim of discrimination, contact the U.S. Dept. F of HUD’s Fair Housing Hotline (800-669-9777).



Figure 1

d. Lotteries

To be eligible for most affordable housing in Santa Barbara County, applicants must meet state income eligibility standards and county standards for assets per household, and they must either work or reside in Santa Barbara County. Applicants for for-sale housing must not have owned a home for the past three years. In addition, a lottery for affordable units can be modified, on a case by case basis, to give preference to households with individuals who work within a defined geographic area around a housing site, so long as there is a level of demographic diversity in that defined geographic area that is similar to the demographics of the county or region. The county’s HMAs are sufficiently diverse for this purpose. For example, first preference for affordable units at a site in unincorporated Goleta could be given to applicants who work within the South Coast HMA.

New affordable rental and for-sale housing is distributed by a lottery the first time it is available. Interested applicants fill out the county’s application and submit the following information as well as supporting financial information to CHCD:

- Proof of residency or employment in SB County;
- Three years of tax returns including W-2's; and
- Statements from all open bank accounts.

CHCD ensures that the applications are complete. Applicants who have submitted complete applications with no discrepancies are eligible for the lottery. CHCD posts a list of those eligible at specified county locations for 10 days prior to the lottery. Prospective buyers or renters who are not on the list may inquire and complete their applications within this time period. After 10 days, CHCD conducts the lottery using random number selection in EXCEL. A witness from the County Auditor-Controller's office is present and signs a declaration that the lottery was conducted according to procedures and was completely random. The county posts the lottery results for 10 days and notifies the number of buyers or renters for whom units are available.

CHCD keeps a list of individuals and families interested in affordable housing projects and sends postcards to these people when new units come available.

QuickFacts

What are the Benefits of Owning an Affordable Home in Santa Barbara County?

Land and home prices in Santa Barbara County are so high that the majority of people earning less than \$273,000/yr. cannot afford a home on the South Coast (\$102,500 in Lompoc and Santa Maria). Even working professionals and executives are having difficulty entering into home ownership. The county's affordable housing program is designed to provide safe, adequate, and affordable housing for those who live and work in Santa Barbara County. While price restrictions on affordable units mean affordable owners will not receive the same windfall profits that some owners receive when they sell their home, there are many other benefits to affordable home ownership:

- 1) Buyers are able to get into a market that they could not otherwise enter, giving them the pride of ownership.
- 2) Affordable home buyers qualify for purchase based on their income at the time of purchase. As their income rises their buying power increases, and in the meantime they enjoy many benefits not available to renters.
- 3) Affordable owners may be able to save because they are not overpaying for housing.
- 4) Affordable owners benefit from the tax write off from their home loan.
- 5) Affordable owners, unlike renters, have an opportunity to gain equity. The equity gain is based on the Area Median Income (AMI) rather than on the open housing market, however, the AMI has more than doubled in the last twenty years, as have affordable housing sales prices.
- 6) Affordable home owners can sell their home for a profit, though generally not as great a profit as market rate homes. Since the purchase price was subsidized, a smaller profit margin is reasonable. If an affordable buyer purchased a unit 20 years ago (1984), they could sell it today (2004) to a new affordable buyer at a 103% profit. If a buyer purchased 10 years ago (1994) they would have a 33% gain if they sold today. For 5 years (1999) the gain would be 24%. For comparison, the average equity gain over the last 5 years in the US was 48%. In California it was 100%.

Some feel that purchasing an affordable home "traps" the buyer in a home that they cannot sell at market rate. As shown above, these owners, who otherwise could not purchase at all, are able to save while they own their affordable home and make modest gains when they sell. In Santa Barbara County home prices are rising so quickly that many buyers of market rate housing are "trapped," unable to purchase another larger home as their family grows—after only a year or so in a home.

e. Qualifying Buyers & Renters

Eligibility for affordable housing is based on household size and income level as a percentage of Area Median Income (AMI). The federal government recalculates AMI annually, and the county adjusts rental and sales prices annually to reflect these changes; see

www.countyofsb.org/plandev/comp/programs/housing/2003 for current AMI and Eligibility Limits.¹

Household Size	Area Median Income
1	\$45,300
2	\$51,750
3	\$58,250
4	\$64,700
5 or more	\$69,900

Table 15

This example table contain 2005 data. See www.countyofsb.org/plandev/comp/programs/housing/2003 or Appendix A for current figures.

The county uses an **affordable income formula** to determine eligibility for affordable housing for each income category. The formula, adjusted for household size, yields the income eligibility limits below. Both the income formula and the household size adjustment factors are located in *Appendix B*.

Household Size	Very Low	Low	Moderate	Workforce	Area Median Income (AMI)
	(0-50%)	(above 50-80%)	(above 80-120%)	(above 120-200%)	
1	\$22,650	\$36,250	\$54,350	\$90,600	\$45,300
2	\$25,900	\$41,400	\$62,100	\$103,500	\$51,750
3	\$29,100	\$46,600	\$69,850	\$116,450	\$58,250
4	\$32,350	\$51,750	\$77,650	\$129,400	\$64,700
5 or more	\$34,950	\$55,900	\$83,850	\$139,750	\$69,900

Table 16

This example table contain 2005 data. See www.countyofsb.org/plandev/comp/programs/housing/2003 or Appendix A for current figures.

f. Income and Eligibility Certification

CHCD begins income certification procedures for applicants who are at the top of the lottery list. In addition to the items required to qualify for the lottery, applicants must:

¹ For detailed discussion of affordability and income categories and their calculation see 2003-2008 Housing Element, page 34.

- Meet both maximum income limits for affordability and minimum income limits (twice the annual maintenance cost including mortgage or rent, insurances, taxes and Homeowners Association dues if applicable);
- Pre-qualify for a home loan through a certified lender and have sufficient funds to meet down payment requirements (for-sale units);
- Identify gifts and certify that they do not exceed 20% of the down payment amount;
- Prove that total household assets do not exceed one-half of the purchase price (or estimated purchase price for rentals);
- Prove they have not owned a home for the previous three years (for-sale) or for rentals, do not currently own a home in California ;
- Meet household size requirements for the available unit(s); and
- Prove U.S. citizenship or legal residency.

To ensure that the applicant is eligible for the affordable unit, CHCD compares the income certification submitted to the county with tax forms and loan applications and investigates any anomalies. CHCD verifies income with the applicant’s employer(s). Applicants may be removed from the lottery list if their application contains false information or if they do not meet any one of the criteria above. When a name is removed from the list, CHCD contacts the next eligible applicant and begins income certification procedures on their application.

Applicants who are eligible may proceed with loan approval through a federally insured lending institution. CHCD compares the loan application information with the original income certification application as a final check against income fraud. If discrepancies are found, CHCD removes the applicant from the lottery list.

The county must allocate the limited supply of affordable housing efficiently. The following are the county’s minimum **household size requirements** per bedroom:

Household Size Requirements per Number of Bedrooms	
Household Size (No. of persons)	Number of Bedrooms in Unit
1	0
1-3	1
2-5	2
3-7	3
4-9	4
5-11	5

Table 17

A single-person family household selected through a lottery could only qualify for a studio or one-bedroom unit, and a two-person family household could only qualify for a one or two-bedroom unit. The maximum occupancy limit to purchase a home is equal to twice the number of bedrooms in the home plus one person. For example, the maximum allowable for a two bedroom home is five persons: $(2 \times 2) + 1 = 5$.

7. Monitoring and Maintenance

For affordable units created under the Inclusionary or State Density Bonus programs, the county requires that the developer record a covenant outlining resale or rental restrictions on each property title. When they submit an application for affordable housing to the county, and again during title search, prospective buyers and their lenders are informed of all of the restrictions in the covenant. Buyers sign an assumption agreement which informs them of the covenant on the property. The covenant requires owners of a unit to occupy that unit on a full time basis and not rent out any portion of the unit. “Full time” is defined as living in the unit at least 10 months out of the year. The covenant also limits the owners’ ability to offer their homes for rent and sets out the resale conditions for the unit. The covenant further specifies the enforcement terms for violations. These vary by project due to modifications over time.

a. Owner Occupancy

Once a year, CHCD sends a notice to the owner(s) of each affordable unit requesting an Occupancy Status Report. The letters, sent via certified mail, include “Do Not Forward” and “Owner Signature Only” notices; the owner will not receive the letter if he or she is not living in the affordable unit and is not able to provide a signature to the postal worker. The Occupancy Status Report advises homeowners that their responses must be truthful and accurate to the best of their knowledge under penalty of perjury. When the owners return the Occupancy Status Report, the county compares the certified mail receipt signatures against the signatures from the original application on file with the county. The county keeps the new signatures on file as well to compare with subsequent mailings.

b. Investigations

If CHCD receives no response within 10 days of the Owner Status Report’s delivery, if the validity of the signatures on the returned documents is in question, or if the county hears of an alleged violation of the owner occupancy requirement (typically through a phone call or letter from a neighbor or homeowners’ association), the county opens an investigation, notifying the owner via another certified letter that the county may take one or more of the following steps initially:

- Visit the unit at random times of the day to determine occupancy;
- Solicit testimony from neighbors regarding who is occupying the owner’s unit; and/or
- Require that the owner submit copies of most recent paycheck stubs (or other verification from employer) demonstrating the owner’s current place of employment and any other information CHCD reasonably requires.

If the above steps do not reveal the occupancy status, the county may seek entry into the unit and, if not granted, may seek an inspection warrant. If warranted after further investigation, CHCD, with County Counsel support, may issue notices of default to owners of affordable units found in violation of the covenant. The county’s enforcement abilities include, but are not limited to, financial penalties for rents collected in excess of the maximum allowable and a requirement that the home be sold by the owner not in compliance. Specific enforcement terms vary by covenant.

c. Hardships

Hardships, defined in the covenant, may enable an owner to rent their unit while attempting to sell it. Owners must apply to CHCD for a “hardship exemption.” These may be granted by CHCD when one or more of the specific circumstances outlined in the covenant result in an economic hardship (i.e. staying in the unit would result in a substantial and irrevocable loss). CHCD must make their determination within 30 days of receiving a request. Hardship circumstances include:

- Long-term illness or injury of owner or a member of the immediate family;
- The death of a member of the immediate family;
- A job transfer or loss of job;
- Insurance will not compensate for the loss; or
- Liquidation of the owner’s assets would create a “severe financial hardship” as well.

If CHCD grants the hardship, the owner may rent the unit provided that the rent does not exceed the current maximum monthly rent for the original income category for that unit as listed in the county’s income and price guidelines for affordable housing units (see *Appendix A*). The homeowner must disclose to CHCD the name of the tenant, the amount of rent collected, and submit a copy of a separate written lease for each tenant. The owner of the unit must keep the unit on the market for sale and demonstrate to CHCD a good faith effort to sell the unit.

d. Foreclosure “Right of First Refusal” Notification

Under the Resale Restrictive Covenant, the county has an “Option to Purchase” any affordable property that goes up for sale or falls into foreclosure. As a part of the covenant, a *Request for Notice of Default* and a *Request for Notice of Sale* are recorded with the title and the original deed for all affordable units. These insure the county will be notified by the title company in the event of a pending sale or default and subsequent foreclosure. The county then has 30 days (15 days in some older covenants) to consider acting upon the *Option to Purchase* provision of the covenant. Where feasible, the county will acquire and resell foreclosed units subject to new Resale Restrictive Covenants.

e. Resale Procedures

There are currently two types of for-sale affordable housing agreements in the county. Most are income and price restricted, where a purchaser must qualify for the housing and is then restricted to selling the home to other qualifying individuals for a price determined by the county using the county’s formulae. These restrictions apply for either 30 or 45 years depending on when the project was approved. The other is an equity share, where, if the original owner sells the unit within an established period of time (usually 10 or 30 years), the owner may sell at market rates, but must share the profit with the county. These profits go to the county’s Housing Trust Fund to purchase or build additional affordable housing.

The covenant recorded on the title outlines the terms under which an affordable unit may be sold. The owner must notify CHCD in writing of their intent to sell an affordable unit prior to putting

their unit on the market. The county has a safeguard in the event an owner fails to notify the county of their intent to sell. The county records a *Notice of Sale* on the deed of all affordable units, which ensures that the title company will notify the county of any pending sale. The county has “*Right of First Refusal*” on any affordable unit sold in the county. The county has 30 days (15 days in some older covenants) to respond once notified by the owner of their intent to sell. If CHCD does not exercise its *Right of First Refusal*, CHCD sends the owner an information packet that includes the current maximum sales price and income certification applications for prospective buyers. The seller may sell the unit “by owner” or use any realtor they choose. Once a homeowner finds a potential buyer, the county completes an income certification for the new buyer.

If an owner attempts to sell a unit outside of the affordable housing program, a routine title search will produce the covenant, which alerts the prospective buyer and the lender of the sales restrictions. If, despite all of the precautions, a seller is able to sell the property for more than the maximum allowed, or attempts to sell the property without first notifying the county, the county will be notified of the sale by the escrow company. If the seller has sold the unit for more than the maximum allowed sales price, the seller will owe the county twice the difference between the maximum allowed sales price and the price for which they sold the home. If the seller sold to an unqualified buyer, the county would assess the seller three times the difference between the maximum income allowed and the buyer’s actual income at the time of sale.

f. Monitoring and Filling Rentals

CHCD conducts income certification and other checks other qualifications for initial occupancy of new (or converted) affordable rental units. Once the units are occupied, the owner is responsible for recertifying occupant income annually. In the event that the income of a household living in a price restricted affordable rental unit exceeds the maximum income allowed for the unit, the owner shall rent the next available unit in the subject property to a qualifying household at no more than the Maximum Monthly Rent as provided for in the *Agreement to Provide and Rental Restrictive Covenant*. The new unit becomes a restricted unit under the *Covenant* and the unit occupied by household whose income exceeded the threshold is no longer considered a restricted unit. The owner may then increase the rent on the original unit. Owners of restricted affordable rental housing must file a reports with CHCD by March 1st of each year showing compliance with these provisions of the *Agreement to Provide and Rental Restrictive Covenant* for the preceding calendar year.

Price-restricted rentals become available both when an eligible household moves on and when an existing household’s earnings increase, so that they no longer qualify for the income category. When a price-restricted rental unit becomes available, the unit’s property manager runs an advertisement in the local paper announcing the vacancy. Persons who call regarding the vacancy are given an Income Certification application. The county reviews and certifies prospective renters. The first person who qualifies has the opportunity to rent the unit.

This page left blank by intention.

2003-2008

Appendix A: Current Maximum Affordable Sale & Rental Price, Income, Area Median Income and In-Lieu Fee Tables

Maximum Allowable Sale Prices, 2005
(by unit size and income category)

Unit Size	Very Low	Low		Moderate		Workforce ²
	(50% of AMI)	(60% of AMI)	(75% of AMI)	(120% of AMI)	(110% of AMI)	(160% of AMI)
<i>Applies to:</i> ¹	<i>SDBP & IHP</i>	<i>SDBP</i>	<i>IHP</i>	<i>SDBP</i>	<i>IHP</i>	<i>IHP</i>
Studio	\$78,300	\$95,200	\$120,500	\$196,400	\$179,500	\$263,800
1	\$90,300	\$109,600	\$138,600	\$225,300	\$206,000	\$302,400
2	\$102,400	\$124,100	\$156,500	\$254,100	\$232,400	\$340,800
3	\$114,500	\$138,600	\$174,600	\$283,100	\$258,900	\$379,300
4 or more	\$121,900	\$147,600	\$185,800	\$301,000	\$275,500	\$403,400

Note: CHCD will reduce maximum sale price to reflect homeowner association fees on applicable projects.

Table A-1

¹SDBP = State Density Bonus Program, IHP = Inclusionary Housing Program

²The workforce category does not apply to the State Density Bonus Program.

Maximum Allowable Monthly Rents, 2005
(by unit size and income category)

Unit Size	Very Low	Low		Moderate		Workforce
	(50% of AMI)	(60% of AMI)	(75% of AMI)	N/A ²	(110% of AMI)	N/A ²
<i>Applies to:</i> ¹	<i>SDBP & IHP</i>	<i>SDBP</i>	<i>IHP</i>	<i>SDBP</i>	<i>IHP</i>	<i>SDBP & IHP</i>
Studio	\$490	\$580	\$730	Not Applicable	\$1,070	Not Applicable
1	\$610	\$730	\$910		\$1,330	
2	\$730	\$870	\$1,090		\$1,600	
3	\$860	\$1,030	\$1,290		\$1,890	
4 or more	\$970	\$1,160	\$1,460		\$2,140	

¹SDBP = State Density Bonus Program, IHP = Inclusionary Housing Program

Table A-2

²The SDBP does not apply to moderate income rental units. Workforce rents exceed current market rents in Santa Barbara County.

Maximum Allowable Household Incomes, 2005
(eligibility limits by household size and income category)

Household Size	Very Low	Low	Moderate	Workforce	Area Median Income (AMI)
	(0-50%)	(above 50-80%)	(above 80-120%)	(above 120-200%)	
1	\$22,650	\$36,250	\$54,350	\$90,600	\$45,300
2	\$25,900	\$41,400	\$62,100	\$103,500	\$51,750
3	\$29,100	\$46,600	\$69,850	\$116,450	\$58,250
4	\$32,350	\$51,750	\$77,650	\$129,400	\$64,700
5 or more	\$34,950	\$55,900	\$83,850	\$139,750	\$69,900

Table A-3

Area Median Income for 2005 Santa Barbara County	
Household Size	Area Median Income
1	\$45,300
2	\$51,750
3	\$58,250
4	\$64,700
5 or more	\$69,900

Table A-4

In-Lieu Fees for the Inclusionary Housing Program Last updated November 23, 2004		
	Very Low and Low	Moderate and Workforce
South Coast HMA	\$110,000	\$422,700
Santa Ynez HMA	\$110,000	\$324,700
Lompoc HMA	\$80,000	\$182,800
Santa Maria HMA	\$80,000	\$205,700

Table A-5

Appendix B: Affordable Housing Formulas

The **affordable sale price** assumes a standard 30 year fixed interest rate mortgage and is calculated using the following formulas:

Affordable Sale Price Formula

*Affordable Mortgage Amount + 5% Down Payment
Round to the nearest hundred dollars.*

Formula B-1

where:

Affordable Mortgage Amount Formula

Affordable Monthly Mortgage Payment $\times ((1 + R \text{ value})^{360 \text{ payments}} - 1) \div ((R \text{ value}) \times (1 + R \text{ value})^{360 \text{ payments}})$

R value = Annual Mortgage Interest Rate $\div 12 \text{ months}$

Formula B-2

where:

Affordable Monthly Mortgage Payment Formula

$(30\% \times (\text{Target Annual Income} \div 12 \text{ months})) - (\text{Insurance Payment} + \text{Property Tax Payment} + \text{HOA Dues})$

Note: All payments are assumed to be monthly.

Formula B-3

The following table depicts a sample calculation of the maximum sale price of moderate income units using the formulas above.

**Affordable Sale Price Components
for Moderate Income Units, 2005**

Number of Bedrooms	Studio	1	2	3	4
Maximum Income (% of AMI)	120%	120%	120%	120%	120%
Target Income (% of AMI)	110%	110%	110%	110%	110%
Unit size adjustment factor	0.7	0.8	0.9	1.0	1.0625
Housing cost/income ratio	30%	30%	30%	30%	30%
Down payment	5%	5%	5%	5%	5%
Mortgage interest rate	6.21%	6.21%	6.21%	6.21%	6.21%
Target income for affordability	\$49,820	\$56,940	\$64,050	\$71,170	\$75,620
Max payment for housing expenses	\$1,246	\$1,424	\$1,601	\$1,779	\$1,891
Insurance	\$40	\$40	\$40	\$40	\$40
Property tax payments	\$164	\$188	\$212	\$237	\$252
Mortgage payments	\$1,042	\$1,196	\$1,349	\$1,502	\$1,599
Amt of mortgage this will amortize	\$169,951	\$195,068	\$220,023	\$244,977	\$260,798
Plus down payment	\$8,945	\$10,267	\$11,580	\$12,894	\$13,726
Maximum sale price (rounded to the nearest hundred dollars)	\$178,900	\$205,300	\$231,600	\$257,900	\$274,500

Note: The formula does not include an assumption for homeowner association (HOA) fees as these vary widely. If a project includes HOA fees, the monthly affordable mortgage payment will be **reduced** by the amount of the HOA fee; the maximum sale price will be calculated based on the adjusted monthly affordable payment. **Contact CHCD for assistance in determining maximum sale price for a specific project once HOA fees are established.** Table B-1

The **affordable monthly rent formula** assumes that the landlord pays all utilities. If the tenant is required to pay some or all of the utilities, the maximum rents are reduced in accordance with the County Housing Authority utility allowance for Section 8 housing which is updated annually. See www.hasbarco.org/Utility%20Allowances.htm for current figures. If the Section 8 Existing Housing Rental Assistance Program or other similar rental subsidy program is used, maximum monthly rent is equal to the Fair Market Rent levels established by HUD or by the specific subsidy program.

Affordable Monthly Rent Formula

*30% x Affordability Target x Area Median Income x Unit Size Adjustment Factor (see below) ÷ 12 months.
Round to the nearest ten dollars.*

Formula B-4

Target incomes are used when calculating affordable rents and sale prices. Target incomes are an established percent of the Area Median Income (AMI) that is within the range of each income category. These targets vary by affordable housing program as follows:

Affordability Ranges and Targets (as percent of AMI)

Income Category	Income Ranges	Inclusionary Program	State Density Bonus Program
Very Low	50% or less	50%	50%
Low	51–80%	75%	60%
Moderate	81–120%	110%	120%
Workforce	121–200%	160%	N/A

Table B-2

Unit size adjustment factors are used when calculating affordable rents and sale prices. Unit size adjustment factors are based on the number of bedrooms in a unit as follows:

Unit Size Adjustment Factors

Unit Size (No. of bedrooms)	Rental Unit Size Adjustment Factor	For Sale Unit Size Adjustment Factor
Studio	0.6	0.7
1	0.75	0.8
2	0.9	0.9
3	1.0625	1.0
4 or more	1.2	1.0625

Table B-3

The **maximum affordable income formula** used for purposes of determining eligibility for affordable housing for each income category and household size is:

Affordable Income Formula

$$\text{Area Median Income (AMI)} \times \text{Percent of AMI (for the relevant income category)} \times \text{Household Size Adjustment Factor}$$

Formula B-5

The median income is adjusted for **household size** when determining eligibility for affordable housing. The household size adjustment factors, established by the federal Department of Housing and Urban Development (HUD) and State HCD, are as follows:

Household Size Adjustment Factors

Household Size (No. of persons)	Adjustment Factor
1	0.7
2	0.8
3	0.9
4	1.0
5 or more	1.08

Table B-4

This page left blank by intention.

Appendix C: Land Dedication Criteria

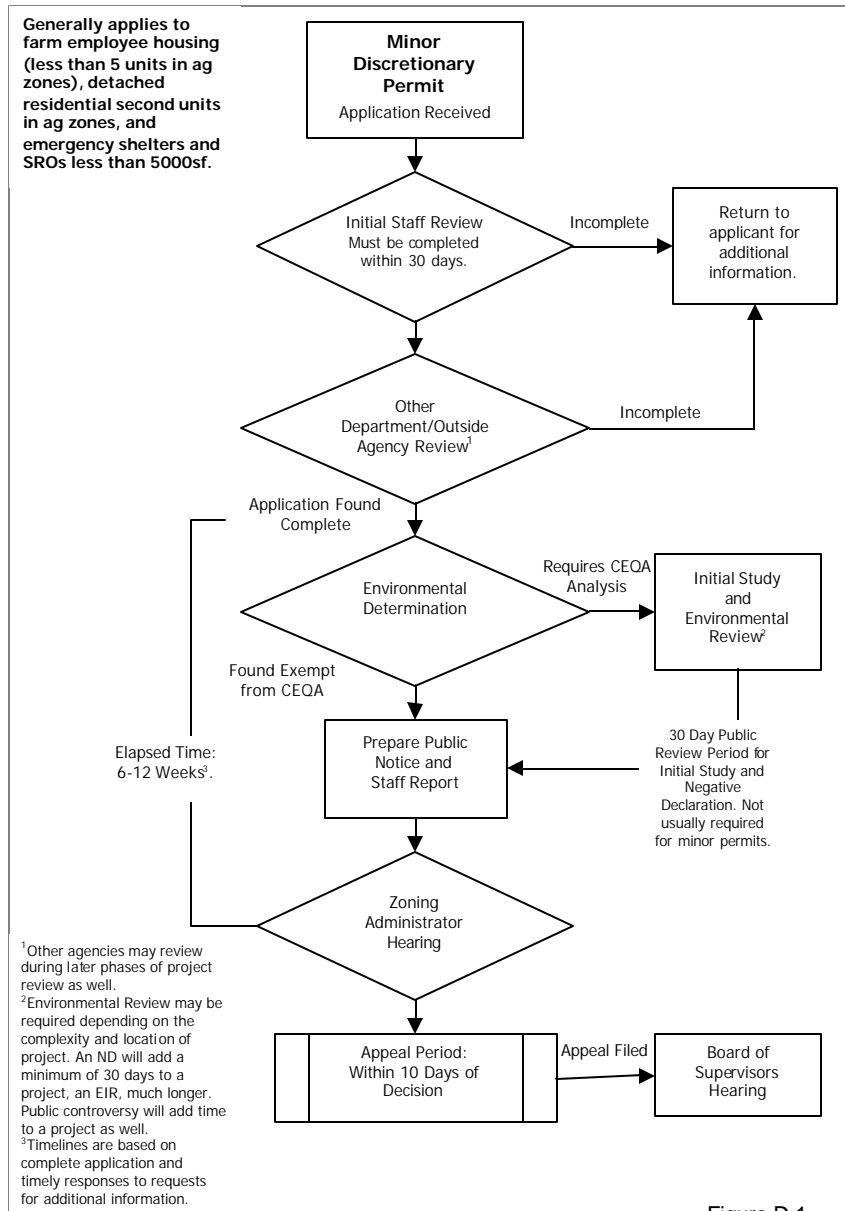
The following criteria guide the dedication of land for affordable housing development which may be used to meet Inclusionary Housing Program requirements. The criteria requires the developer to ensure that the land is able to accommodate affordable housing and that it is dedicated to an entity willing to work diligently toward that development within a reasonable period of time.

1. The land must be donated to the County Housing Authority or a county-approved non-profit or for-profit developer that is willing to work diligently toward the development of affordable housing on the site.
2. Adequate documentation showing that the land to be donated is capable of accommodating the number of inclusionary units that would otherwise be required to be built on the original project site consistent with existing Land Use designation and Zone District base density. A development agreement would provide flexibility with regard to the Zone District requirements.
3. Environmental review for the project that includes analysis of units to be transferred to the donated site at a level of detail based on information known at the time.
4. The developer(s) must provide evidence that no hazardous materials on the land exist that would preclude residential development.
5. Units built on the donated site that are in addition to the units transferred from the original site shall be subject to Inclusionary Housing Program requirements.
6. The donated land must be in the same HMA as the proposed development.
7. Developers may pool land to meet inclusionary requirements for multiple developments subject to county approval.
8. The county shall hold a covenant on the land that includes a provision granting the county a right to purchase the property for \$1.00 if the property has not been developed, an application has not been submitted and the developer is not working diligently toward development of the transferred units within a specified period of time. The time limit shall be determined on a case-by-case basis but shall not exceed five (5) years. The county may approve one extension of one year if the developer has been and continues to demonstrate reasonable progress, as described above.
9. If the land is purchased by the county as described above, the county shall then donate the land to another county-approved non-profit or for-profit developer that is willing to accept it and work diligently toward the development of affordable housing on the site.
10. The land donation must also comply with any other county established criteria regarding land given to the county.

This page left blank by intention.

Appendix D: Review Process

The application review process differs depending on the size and scope of the project. The two flow charts below show the process from application submittal through decision-maker hearing and appeal (if filed) for both minor discretionary projects and major discretionary projects.



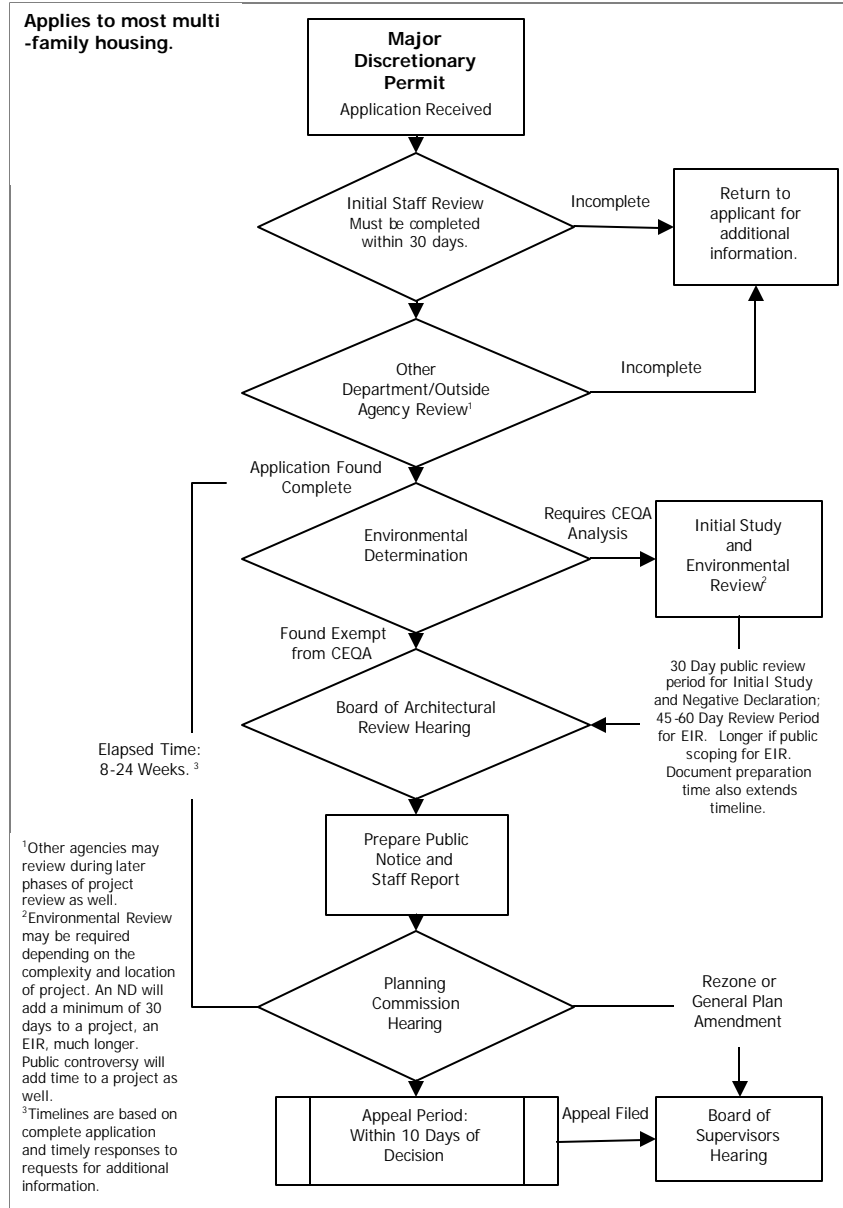


Figure D-2

Appendix E: Zone District Requirements

Zone District Requirements, April 2005

Santa Barbara County Zoning Ordinance Articles II (Coastal), III (Inland) and IV (Inland Montecito)

	Minimum Lot Size	Front Setback	Side Setback	Rear Setback	Height	Building Coverage	Common Open Space	Parking Requirements ²	Notes
Agriculture I (AG-I)	Art III, II: 5-40 ac, as specified; Art IV: 5-10 ac, as specified	50 ft from centerline and 20 ft from right-of-way	20 ft	20 ft	35 ft	Art III: none; Art II & IV: 65-75% of net area, varies by lot size	None		Subject to maximum gross floor area requirement if RSU approved
Agriculture II (AG-II)-Art II & III only	40-320 ac, as specified	50 ft from centerline and 20 ft from right-of-way	None	None	Art III: 35 ft Art II: None	None	None		
Art III: Residential Ranchette (RR) Art II: Rural Residential (RR)	5-100 acres, as specified	50 ft from centerline and 20 ft from right-of-way	20 ft	20 ft	35 ft	None	None		Subject to maximum gross floor area requirement if RSU approved
Single Family Residential (R-1/E-1)	Art III & IV: 7,000 sf – 10 ac, as specified; Art II: 7,000 sf – 5 ac as specified	50 ft from centerline and 20 ft from right-of-way	10% of lot width (not less than 5 ft or more than 10 ft)	25 ft; Art III & II: 15 ft if yard abuts open space or no-access street	Art III & IV: 35 ft Art II: 25 ft	None	None	Art IV only: Tandem parking allowed on lots of 7,000 sf or less	Subject to maximum gross floor area requirement if RSU approved
Two Family Residential (R-2)	7,000-30,000 sf, as specified; Art IV: 7,000 sf	50 ft from centerline and 20 ft from right-of-way	10% of lot width (not less than 5 ft or more than 10 ft)	25 ft; Art III & II: 15 ft if yard abuts open space or no-access street	Art III: 35 ft Art II & IV: 25 ft	None	None		
One-Family Exclusive Residential (EX-1)-Art II and III only	1.5-3.5 ac, as specified	75 ft from centerline and 125 ft from right-of-way	25 ft	25 ft	Art III: 30 ft Art II: 25 ft	None	None	Minimum of 6 off-street parking spaces	Subject to maximum gross floor area requirement if RSU approved
Design Residential (DR)	Art III & II: 1,452 sf - 10 ac, as specified; Art IV: 3,540-24,200 sf as specified	Art III & IV: 20 ft from right-of-way; Art II: 50 ft from centerline and 20 ft from right-of-way	Art III & IV: 10 ft from property line; Art II: One-half height of structure	Art III & IV: 10 ft from property line; Art II: One-half height of structure	35 ft	Maximum 30% of net area	Art II: Minimum 40% of gross acreage; Art III & IV: Minimum 40% of net area	Uncovered parking shall be setback 15 ft from right-of-way and 5 ft from lot line	Art III & IV only: requires minimum 200 sf private outdoor patio or balcony and 180 cubic ft storage space per dwelling unit

Santa Barbara County Housing Element 2003-2008

Zone District Requirements, April 2005

Santa Barbara County Zoning Ordinance Articles II (Coastal), III (Inland) and IV (Inland Montecito)

	Minimum Lot Size	Front Setback	Side Setback	Rear Setback	Height	Building Coverage	Common Open Space	Parking Requirements ²	Notes
Planned Residential Development (PRD)	None	None	None	None	35 ft	Maximum 30% of net area	Minimum 40% of gross area		
Small Lot Planned Development (SLP)-Art III only	4,000 sf	50 ft from centerline and 20 ft from right-of-way	5 ft (except 10 ft where abutting road, parking, or walk)	10 ft	25 ft	Maximum 60% of net area	Minimum 15% of gross area	2 parking spaces for each lot, one may be in common parking area; Common parking areas may not be closer than 10 ft of any lot line; Carports or garages must be set back 15 ft from property line	
Medium Density Student Residential (SR-M)-Art II Only	7,000 sf	50 ft from centerline and 20 ft from right-of-way	10% of lot width (not less than 5 ft)	25 ft	25 ft	None	None	Parking to be within 500 feet of building; Number of spaces based on bedroom density; May be on site nearby; Up to 30% compact car spaces; Setback and tandem parking modifications in certain circumstances	
High Density Student Residential (SR-H)-Art II Only	7,000 sf	50 ft from centerline and 20 ft from right-of-way	10% of lot width (not less than 5 ft)	25 ft	35 ft	Maximum 30% of net area	Minimum 15% of net area	Parking to be within 500 feet of building; Number of spaces based on bedroom density; May be on site nearby; Up to 30% compact car spaces; Setback and tandem parking modifications in certain circumstances	
Limited Commercial (C-1)-Art II & III only	If SFD is only use, 7,000 sf; Summerl and: 5,000 sf	30 ft from centerline and 15 ft from right-of-way	10% of lot width (not less than 5 ft or more than 10 ft)	10% of lot depth (not more than 10 ft except 25 ft if abutting residential)	Art III: 35 ft Art II: 25 ft	None	None		
Retail Commercial (C-2)-Art II and III only	None	30 ft from centerline and 10 ft from right-of-way (42 ft from centerline if 4+ lanes)	None	10% of lot depth (not more than 10 ft Art III only; except 25 ft if abutting residential)	35 ft	None	None		

Santa Barbara County Housing Element 2003-2008

Zone District Requirements, April 2005

Santa Barbara County Zoning Ordinance Articles II (Coastal), III (Inland) and IV (Inland Montecito)

	Minimum Lot Size	Front Setback	Side Setback	Rear Setback	Height	Building Coverage	Common Open Space	Parking Requirements ²	Notes
General Commercial (C-3)-Art II & III only	None	30 ft from centerline and 10 ft from right-of-way (42 ft from centerline if 4+ lanes)	Art III: None Art II: 5 ft	10% of lot depth (not more than 10 ft, except 25 ft if abutting residential)	35 ft	None	None		
Service Commercial (C-S)- Art III only	None	30 ft from centerline and 10 ft from right-of-way (42 ft from centerline if 4+ lanes)	None	10% of lot depth (not more than 10 ft, except 25 ft if abutting residential)	35 ft	None	None		
Highway Commercial (CH)—Art II and III only	None	15 ft from right-of-way	None	None	35 ft	Maximum 40% of net area	None		
Neighborhood Commercial (CN)-Art III & IV only	None	50 ft from centerline and 20 ft from right-of-way	5 ft	10% of lot depth (not more than 10 ft, except 25 ft if abutting residential)	35 ft	Maximum 30% of net area	None		Art IV: FAR maximum of 0.25
Resort/Visitor Serving Commercial (C-V)	None	50 ft from centerline and 20 ft from right-of-way	20 ft; 50 ft if abutting residential	20 ft; 50 ft if abutting residential	35 ft; Art II: No more than 2 stories if surrounded by residential; Art IV: 2/3 of new or reconstructed guest rooms limited to 16 ft	Art III & II: If surrounded by residential, Art III: not more than 30% of net area; Art II: not more than 1/3 of gross area Art IV: Maximum 30% of net area	Minimum 40% of net area		Art IV: FAR maximum of 0.10

Zone District Requirements, April 2005
Santa Barbara County Zoning Ordinance Articles II (Coastal), III (Inland) and IV (Inland Montecito)

	Minimum Lot Size	Front Setback	Side Setback	Rear Setback	Height	Building Coverage	Common Open Space	Parking Requirements ²	Notes
Shopping Center (SC)- Art II and III only	None	20 ft from right-of-way	Art III: 10 ft Art II: None Both: except 50 ft if abutting residential (reduced to 20 ft for convenience center)	Art III: 10 ft Art II: None Both: except 50 ft if abutting residential (reduced to 20 ft for convenience center)	35 ft	Maximum 30% of net area	None		
Professional and Institutional (PI)- Art II and III only	None	45 ft from centerline and 15 ft from right-of-way	15 ft	15 ft	35 ft	Maximum 40% of net area	None		
Industrial Research Park (M-RP)-Art II and III only	1 ac	80 ft from centerline and 50 ft from right-of-way	10 ft	10 ft (except 50 ft if abutting residential)	35 ft	Maximum 35% of net area	None		
Service Industrial-Goleta (M-S-GOL)-Art II only	None	50 ft from centerline and 20 ft from right-of-way	10 ft	10 ft (except 50 ft if abutting residential)	35 ft	None	None		
Light Industry (M-1)-Art II and III only	None	50 ft from centerline and 20 ft from right-of-way	10 ft	10 ft (except 50 ft if abutting residential)	45 ft	Maximum 50% of net area	None		
Coastal Dependent Industry (M-CD)-Art II Only	None	50 ft from centerline and 20 ft from right-of-way	10 ft	10 ft (except 50 ft if abutting residential)	45 ft	None	None		
Coastal Related Industry (M-CR)-Art II & III only	None	50 ft from centerline and 20 ft from right-of-way	10 ft	10 ft (except 50 ft if abutting residential)	45 ft	None	None		
Mixed Use (MU)-Art III only	None	50 ft from centerline and 20 ft from right-of-way	Perimeter: 50 ft from centerline and 20 ft from right-of-way	Perimeter: 50 ft from centerline and 20 ft from right-of-way	35 ft	Maximum 40% of net area	Minimum 40% of net area	Conjunctive use may be allowed with Major CUP	

Santa Barbara County Housing Element
2003-2008