



July 10, 2007

Honorable Judge Melville
Superior Court
312-M East Cook Street
Santa Maria, CA. 93455

RE: **Response to 2006-2007 Santa Barbara County Civil Grand Jury Report:**
Affordable Housing in Santa Barbara County, Myth or Reality.

Dear Judge Melville:

The Solvang City Council has considered the Grand Jury Report and offers the following comments:

Finding 3: *Funding to subsidize affordable housing is limited and not keeping pace with increased costs.*

Response: Agree.

Finding 4: *Housing Elements utilize zoning capacity and other policies to meet affordable housing requirements. However, construction of actual units is not required. Jurisdictions incur no penalty if no affordable housing units are built.*

Response: Agree, however, the development of housing is market-driven. Property values in Solvang are high, and developers choose to construct residential units that will bring them the most profit. The City can rezone land to higher densities to offer appropriately zoned areas for affordable housing and offer incentives, but it cannot force an applicant to develop his property in any certain way.

Finding 5: *Affordable housing programs vary across jurisdictions but are not always matched to local needs.*

Response: Partially Agree: Housing programs do vary across jurisdictions. However, Solvang's Housing Element Programs were tailored to fit our community's needs. The Housing Element, provides programs which provide incentives for affordable housing, local workforce housing, second unit development, non-traditional housing and a density bonus program, all of which are targeted to match local needs. The City's adopted Housing Element went through stringent review by the State Housing and Community Development Department (HCD) before it was certified. Certification by the State provides evidence that that Solvang's affordable programs and policies are responsive to local needs.

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Finding 6: *There are varying degrees of public and local government support for affordable housing programs across jurisdictions.*

Response: Agree.

Finding 7: *Regional Housing Needs Assessment goals have not been met in most jurisdictions; there is a marked shortfall in the low and very low-income categories. Guadalupe is the sole exception.*

Response: Agree. However, it is difficult to meet the low and very low-income goals in Solvang, where housing development is driven by the market. Solvang offers incentives for affordable housing development, along with density bonuses. Housing Element law uses zoning and land development capacity to meet Regional Housing Needs Assessment (RHNA) numbers. There is no requirement to actually construct the affordable units.

Finding 8: *Santa Barbara County Association of Governments does not monitor or acknowledge jurisdictional successes in meeting affordable housing goals. There is minimal effort to identify steps and patterns leading to success and to share this information with other jurisdictions.*

Response: Partially Agree. SBCAG, and the incorporated cities, along with the County have regular meetings of the Technical Planning Advisory Committee (TPAC). TPAC agendas frequently include discussion items on housing issues and members share housing related information.

Finding 9: *Non-profit organizations such as the Housing Authority of the County of Santa Barbara, the Housing Authority of the City of Santa Barbara, People's Self-Help Housing and Habit for Humanity play an important role in affordable housing programs.*

Response: Agree.

Recommendation 1: *Since there is more than one way to develop and administer affordable housing programs, jurisdictions should focus on meeting local housing needs rather than relying on one type of program (e.g., owner-occupied and rental vs. rental only).*

Response: Agree. Solvang has several programs and incentives to assist in the production of affordable housing for all segments of the community. The programs include the Affordable Housing Incentives Program, Local Workforce Housing Program, Second Unit Development Program, Non-traditional Housing Program, Density Bonus Program, Mixed-Use Development Incentives and HOME and CDBG programs.

Recommendation 2: *At least annually, each jurisdiction should hold informational community meetings to explain all aspects of its affordable housing program.*

Response: Agree. The City of Solvang is a member of the Santa Barbara County HOME Consortium and a member of the CDBG Urban County. Annual public workshops for these programs are routinely scheduled in our area by the County of Santa Barbara Housing and Community Development Department.

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Recommendation 3: Jurisdictions should focus on developing more very low and low-income housing to meet Regional Housing Needs Assessment goals.

Response: Partially agree. As noted in the findings, development in Solvang is driven by property value. Developers choose where, and what type of housing they want to construct. Those decisions are based on the profitability of the project. Solvang is 99% built-out and has very little land available for development, most of which is too small to make an affordable project feasible to attract a developer.

Recommendation 4: Santa Barbara County Association of Governments should organize regular meetings of jurisdictional representatives to share successes and problems in affordable housing programs.

Response: Partially Agree. SBCAG, the County, and all incorporated cities do meet regularly as the Technical Planning Advisory Committee (TPAC). TPAC frequently discusses and shares housing related information at these meetings.

Recommendation 5: Santa Barbara County Association of Governments should first collect data on jurisdictional performance and compare it to current Regional Housing Needs Assessments and then use this information in the next round of allocations.

Response: Agree, SBCAG does collect data on jurisdictional performance and compare it to current Regional Housing Needs Assessments and uses the information in the next round of allocations already as part of Technical Planning Advisory Committee meetings.

Recommendation 6: Jurisdictions should utilize successful non-profits as co-developers and administrators of affordable housing programs.

Response: Agree.

Sincerely,

Ken Palmer
Mayor

cc: Santa Barbara County Grand Jury
Attention: Foreperson
1100 Anacapa St.
Santa Barbara, CA 93101

Solvang City Councilmembers