



City of Santa Barbara

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August 19, 2025

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The Honorable Patricia Kelly
Presiding Judge
Santa Barbara County Superior Court
1100 Anacapa Street
P.O. Box 21107
Santa Barbara, California 93121 – 1107

Reference: Response to Santa Barbara County Grand Jury Report titled, "Santa Barbara County South Coast Housing Crisis: A Call to Action" received June 19, 2025.

Honorable Patricia Kelly and Grand Jury Foreperson:

Please find attached the City of Santa Barbara's response to the above referenced Grand Jury report. As directed by the Grand Jury, all responses are provided in accordance with Sections 933 and 933.05 of the California Penal Code.

Should the Grand Jury have any questions regarding the City's response, or wish to follow up with the City, please contact me or City Administrator Kelly R. McAdoo.

Sincerely,

Randy Rowse
Mayor

A handwritten signature in blue ink, appearing to read "Randy Rowse", is written over a circular blue stamp that contains the text "Randy Rowse Mayor".

Cc: Santa Barbara County Grand Jury
Santa Barbara City Councilmembers
Kelly R. McAdoo, City Administrator

Attachment



Please consider the environment before printing this letter.

City of Santa Barbara's Response to the Santa Barbara County Grand Jury Report: Santa Barbara County South Coast Housing Crisis: A Call to Action
Received June 19, 2025

The City of Santa Barbara's responses below are only to the findings and recommendations that pertain to the City of Santa Barbara as identified in the Grand Jury's report.

Finding 1: Santa Barbara County and the cities of Santa Barbara, Goleta and Carpinteria own land that is surplus to their operational requirements, some of which could be used for affordable housing.

Response to Finding 1: Agree.

Recommendation 1a: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta and Carpinteria identify publicly owned properties within their jurisdiction that could be utilized for affordable housing.

Response to Recommendation 1a: *Will be implemented.* The City of Santa Barbara completed a map and inventory of City-owned land potentially available for housing in 2024. This inventory will be updated as part of the City's Housing Element (2023 – 2031) Goal 2 – Prioritize Affordable Housing, HE-14: City Land Registry. This requires the City to evaluate City-owned land, including parking lots, to determine future needs and if the publicly-owned site could be donated, leased, or sold at a reduced price to develop affordable housing. The City will then reach out to affordable housing developers to gauge interest and prioritize sites for development. This program is scheduled to start in 2026 with completion in 2027.

As mentioned in the Grand Jury Report, the City has already donated land to the Housing Authority of the City of Santa Barbara for the development of Jacaranda Court at 400 W. Carrillo Street which will include 63 units – with a mix of studios, 1 bedroom and 2-bedroom units – for low-to-middle income households. All of the units will be income- and rent-restricted under a rolling 90-year affordability covenant.

In addition, the City is exploring the possibility of using the property and land at the current Santa Barbara Police Station and Annex at 215 East Figueroa Street for City workforce housing once the new Police Station is complete at 119 East Cota Street.

Recommendation 1b: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria invite public and private developers to work with them to build affordable housing on the publicly owned land identified as available.

Response to Recommendation 1b: *Has been implemented.* The City Council is actively involved in encouraging both public and private affordable housing developers to build more affordable housing on public and privately owned land in the City. Recently, the City Council has taken bold first steps in donating a City-owned public parking lot located at 400 West Carrillo Street to facilitate a 100-percent affordable housing development. The Council has directly worked with the public developer to encourage higher levels of affordability and to build at a greater density to address the needs of providing affordable housing for the City's workforce. City staff are also working with a private developer on a proposal to develop 80 units of affordable housing at Paseo Nuevo on City Lot 2 along with 233 units of market-rate housing.

See also response above related to Housing Element Program HE-14. The 2023 – 2031 Housing Element also includes Goal H2.4 Nonprofit Partnerships to pursue partnership opportunities with nonprofit developers to develop deed-restricted affordable housing on City-owned sites, with several programs aimed to implement that goal.

Finding 2: The process for issuance of a permit for affordable housing development projects in the County and the cities of Santa Barbara, Goleta and Carpinteria is costly, time consuming, and complicated.

Response to Finding 2: *Disagree partially.* The City's commitment is to reduce and, where feasible and practical, remove unnecessary City-imposed constraints that impede housing development. It is important to acknowledge the ever-changing State laws and regulations that need to be adopted and implemented by local jurisdictions in very short timeframes, that also make the process for advancing affordable housing projects complicated and cumbersome. The City must ensure conformance to the most up to date public health and safety regulations to ensure our public remains safe by meeting regulatory standards.

The City has expanded our Accelerate Program (Accelerate 2.0) to include 100% affordable housing projects. The Accelerate Program provides priority review service to designated projects, which includes priority on design review agendas and priority building plan review.

Recommendation 2a: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta and Carpinteria each create a position to be staffed by a qualified person who can coordinate and facilitate the application and approval processes for affordable housing projects, with the authority to bring together all interested parties to arrive at an expeditious resolution of any issue.

Response to Recommendation 2a: *Has been implemented.* The City of Santa Barbara created an Ombudsman position in 2023 to assist commercial and multi-family housing applications through the design review and permitting processes. This position is available to assist affordable housing development projects and ensures progress under Accelerate 2.0 (discussed above).

Recommendation 2b: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta, and Carpinteria review their processes for development approvals to prioritize affordable housing projects.

Response to Recommendation 2b: *Has been implemented.* The City of Santa Barbara Community Development Department advances all 100% affordable housing projects to the top of the queue for plan check and design review as part of Accelerate 2.0 (discussed above).

Recommendation 2c: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta and Carpinteria apply the ministerial approval process to all development projects comprising 75% or more of low-income housing.

Response to Recommendation 2c: *Will not be implemented.* The City Council adopted Objective Design Standards in February 2025. Objective Design Standards set clear design expectations, streamline design review approval, and make the permitting process more predictable. However, the City Charter (Sections 814 and 817), which is implemented by the Municipal Code, requires that all applications for multi-unit development require design review by either the Architectural Board of Review or the Historic Landmarks Commission. Therefore, it is not possible to make these projects completely ministerial.

Recommendation 2d: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and City Councils of Santa Barbara, Goleta and Carpinteria conduct a review of all development and impacts fees and find ways to waive, reduce or amortize fees for affordable housing projects.

Response to Recommendation 2d: *Has been implemented.* The City of Santa Barbara does not have any development impact fees, which minimizes fees for all housing projects, including affordable housing. There are standard fees for connection to City services (e.g. water and sewer buy-in fees), as well as administrative fees to cover the cost of processing, plan check and inspection services.

Finding 3: There are insufficient funds available to develop needed affordable housing.

Response to Finding 3: *Agree.* From 1977 to 2012, the largest source of City affordable housing financing was the City's Redevelopment Agency (RDA). Since the California Legislature approved the dissolution of

the State's over 400 redevelopment agencies in February 2012, it has been challenging to identify funding sources for affordable housing that can support the increasing demand.

Recommendation 3c: The Grand Jury recommends that the Santa Barbara City Council further increase funding to the City of Santa Barbara Local Housing Trust Fund to facilitate the building of affordable housing.

Response to Recommendation 3c: *Will be implemented.* The Santa Barbara City Council established the Local Housing Trust Fund (SBLHTF) in January 2024 with an initial allocation of \$2.8 million. All inclusionary housing in-lieu fees were identified as the dedicated and continuous source for operations of the Fund for a minimum of the required first five years of the Fund's existence.

On September 12, 2024, the City applied to the State's Local Housing Trust Fund grant program (LHTF) for matching funds for two local affordable housing projects. The City committed the full \$2.8 million available in the SBLHTF to leverage this funding for award of matching funds, which was the original intent of setting up the SBLHTF. The City resubmitted two exceptional affordable housing projects proposed by the Housing Authority of the City of Santa Barbara and People's Self-Help Housing, with over 100 total newly developed affordable units. On June 11, 2025, the City was notified that the projects were selected for award, but the amount of award was still to be determined. When awarded, the SBLHTF funding will be matched dollar-for-dollar, effectively doubling the funding and leveraging local dollars for affordable housing as intended.

Unfortunately, the State's LHTF Program has provided notice that this was the last year of funding for the program. Therefore, the SBLHTF will no longer have this opportunity to match funding through this program moving forward and will need to rely more on philanthropic donations, foundation funds, and local partnerships.

Recognizing the need for additional funding, in June 2025, City Council adopted the FY2025 – 2026 budget which included a \$1.5 million allocation to a flexible fund dedicated to housing and homelessness as well as an additional \$3.5 million allocation to the SBLHTF. Of this \$5 million total, \$3 million will come from Measure I passed by voters in November 2024 to maintain essential City services and prioritize affordable housing, as well as \$2 million from General Fund Reserves.

Recommendation 3d: The Grand Jury recommends that the Santa Barbara County Board of Supervisors and the City Councils of Santa Barbara, Goleta and Carpinteria promote contributions to their housing trust funds by other non-governmental organizations, the philanthropic community, and the public.

Response to Recommendation 3d: *Will be implemented.* City staff are committed to facilitating quarterly meetings with local housing providers, non-profit organizations and the philanthropic community to better align investments in affordable housing and leverage a diversity of funding sources to ensure these projects are successful. The City Administrator is also prioritizing a Housing and Homelessness Action Plan that will be developed as part of the City's new Strategic Plan to be more proactive on how resources are allocated.

Moreover, the City received \$250,000 in settlement funds from a Santa Barbara property owner that was directed to the SBLHTF and Council solicited a commitment of \$1 million from a hotel property developer to be dedicated to affordable housing in support of the local workforce as their project nears completion. Opportunities to solicit additional contributions to the SBLHTF will continue to be vigorously pursued by City staff.