# CITY of CARPINTERIA, CALIFORNIA



September 9, 2025

Hon. Patricia Kelly
Presiding Judge of the Superior Court
2025 Santa Barbara County Grand Jury
Santa Barbara County Courthouse
1100 Anacapa Street
Santa Barbara, CA 93101

SUBJECT: 2025 Grand Jury Report, "Santa Barbara County South Coast Housing Crisis: A Call To Action"

Dear Judge Kelly and Members of the Grand Jury,

The City of Carpinteria ("City") is pleased to provide the following responses to the above referenced report issued by the Santa Barbara County Grand Jury and received by the City on June 19, 2025:

<u>Finding 1</u>: 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.

#### City of Carpinteria Response: Disagree.

The City owns approximately 130 acres of land, over three-quarters of which are dedicated for public parks and open space. Several of the City's larger public open space properties are also subject to deed restrictions or conservation easements which significantly restrict the types and intensity of development that may occur on them, ensuring their permanent protection for public open space and/or conservation purposes. The remainder of City-owned lands, which cumulatively comprise approximately 10 acres, are used for the City's three downtown public parking lots, the City Hall campus, a parcel fully developed with a flood control detention basin, and a single parcel presently developed with a 100% affordable housing development (i.e., Atrium Court Apartments). The three public parking lots are heavily relied upon by residents, employees, and visitors to the City's downtown core and adjacent public recreation and open space areas. The city hall campus (approximately 4.8 acres) contains city administrative offices, council chambers, public works incorporation yard, sheriff sub-station, a public skatepark, and surface parking lots to support those uses.

The City has, in the past, worked with affordable housing providers to make surplus City-owned lands available at little or no cost to facilitate production of affordable rental housing in Carpinteria (e.g., Atrium Court Apartments, Dahlia Court Apartments Expansion). However, having previously dedicated those limited surplus lands to such uses, the City has exhausted that resource. In light of the above information, the City does not own any remaining lands that are surplus to its operational needs.

<u>Recommendation 1a:</u> 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.

#### City of Carpinteria Response: Has been implemented.

During the development of the City's 2023-2031 Housing Element, the City identified *Candidate Sites* for possible rezoning to higher density residential uses, and existing *Underutilized Sites* that could be further developed or redeveloped to accommodate (additional) housing units. No City-owned sites were identified as Candidate or Underutilized Sites, for the reasons listed in the above response to Finding 1. As part of the initial Housing Element inventory process, the City did identify potential candidate or underutilized sites owned by other public agencies, such as the Carpinteria Unified School District (CUSD) and engaged those entities concerning the inclusion of those properties in the City's inventory. However, based on a lack of support or interest from those agencies, said lands were not included in the final inventories. Nevertheless, to the extent City resources allow, the City will continue to seek opportunities for property acquisition that could help facilitate affordable housing production.

**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.

#### City of Carpinteria Response: Has been implemented.

The City has a past successful track record of partnering with affordable housing providers to secure and construct several deed-restricted affordable housing developments, and agrees that this will continue to be an important strategy to facilitate and/or finance affordable housing construction going forward. The City is committed to continue seeking out such opportunities and funding sources in the future as they arise, and as City resources allow for. However, as noted in the above responses to Finding 1 and Recommendation 1a, the City does not currently own any lands that are surplus to its operational needs or that could presently be made available for a City partnership affordable housing project.

<u>Finding 2</u>: 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.

#### City of Carpinteria Response: Disagree partially.

The City is located entirely within the California Coastal Zone,<sup>1</sup> which necessitates most development to obtain a Coastal Development Permit (CDP) in accordance with the City's certified Local Coastal Program (LCP). The LCP is certified by the California Coastal Commission, and contains both objective and subjective policies that prioritize protection of sensitive coastal resources. Projects requiring a CDP must be reviewed for consistency with these policies and in most cases, require discretionary review and approval, which can add additional time, cost, and complexity to projects.

Despite these factors, the City has made diligent efforts to streamline and reduce costs for project applicants, including but not limited to, affordable housing developments. The City offers opportunities for pre-application consultations with planning staff and submittal of conceptual review applications as a means to allow prospective developers to receive feedback and direction from staff and/or decision-makers prior to a formal project submittal. The City also routinely reviews and processes project applications in a shorter timeframe<sup>2</sup> and at a lesser cost relative to staff time or permit fees than our neighboring jurisdictions.

Additionally, as of late 2023, the City established and staffed a dedicated Long-Range Planning division that is tasked with implementing the 2023-2031 Housing Element programs. A recent LCP Amendment rezoned approximately 20 acres of land to accommodate the City's RHNA shortfall and provide a ministerial permitting process for qualifying housing development that includes at least 20 percent low-income units and meets applicable objective standards. Other Housing Element Programs will similarly seek to offer streamlined permitting processes and/or reduced costs for certain types of housing projects. The City's Coastal Land Use Plan / General Plan (CLUP/GP) is also currently undergoing a comprehensive update which will consider re-designating additional lands for multifamily residential development, and that will further allow for streamlined development, as any projects consistent with the new CLUP/GP will be able to rely on the environmental review conducted by the City.<sup>3</sup>

Therefore, while the City generally agrees that affordable housing development in California, and particularly in the Coastal Zone, can be costly, time consuming, and complicated, Carpinteria continues to seek opportunities to reduce costs, and simplify and streamline the approval process for affordable housing. See also response to Recommendation 2d below.

<u>Recommendation 2a:</u> 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

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<sup>&</sup>lt;sup>1</sup> The California Coastal Zone is a legislatively-defined geographic region that establishes the area regulated under the Coastal Act, encompassing both land and water areas along the length of the California coastline from the Oregon border to the Mexico border.

<sup>&</sup>lt;sup>2</sup> California Department of Housing and Community Development, "Housing Element Implementation and APR Data Dashboard." https://www.hcd.ca.gov/housing-open-data-tools/apr-dashboard

<sup>&</sup>lt;sup>3</sup> See California Environmental Quality Act Guidelines Section 15183.

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.

### City of Carpinteria Response: Has been implemented.

In late 2023, the City hired a new long-range planning division. One of the primary responsibilities assigned to the division is to facilitate affordable housing development and the policy framework to support them. The long-range and current planning divisions regularly coordinate and work closely together to expedite processing applications for affordable housing projects, including regular consultation with special districts (water, sanitary, fire protection, etc.) and Public Works to ensure all agencies/departments work together to efficiently process permit(s).

While the City has not seen any applications for housing projects where all or most of the units are deed restricted for lower income households in many years, there are several active applications for housing projects with an affordable component. All such projects are prioritized and processed expeditiously such that issues are resolved quickly.

<u>Recommendation 2b</u>: 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.

#### City of Carpinteria Response: Has been implemented.

As mentioned above, part of the implementation for the City's 2023-2031 Housing Element involved rezoning land to a new Residential/Mixed Use (RMU) zone district and creating a ministerial CDP process for projects that incorporate a minimum of 20% lower-income housing units and adhere to Objective Design Standards.<sup>4</sup> Projects that meet these requirements are not required to be reviewed by the Architectural Review Board or Planning Commission and can be approved by the Planning Director. Additional Housing Element Programs commit the City to consider additional strategies to streamline certain types of housing projects and continue to offer and expand access to concessions and incentives for affordable housing projects. State housing law also implements strict timelines on certain housing projects incorporating affordable units, further prioritizing these applications in City staff's queues.

**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 seventy five percent or more of low- income housing.

# City of Carpinteria Response: Has been implemented.

The RMU zone district provides a ministerial approval process for projects with 20% or more affordable units, provided that they also meet all applicable Objective Design Standards. As part of the currently underway General Plan/Coastal Land Use Plan update, the City is

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<sup>&</sup>lt;sup>4</sup> The Objective Design Standards are codified as Carpinteria Municipal Code Chapter 14.51: https://library.municode.com/ca/carpinteria/codes/code of ordinances?nodeld=TIT14ZO CH14.51OBDEST

considering additional sites for redesignation to the RMU district which would expand the applicability of this ministerial permitting process to additional sites beyond the approximately 20 acres rezoned thus far.

**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 impact fees and find ways to waive, reduce or amortize fees for affordable housing projects.

# City of Carpinteria Response: Has been implemented.

In 2010, the City Council adopted Resolution No. 5238 which grants a 50% reduction in Development Impact Fees for affordable housing developments providing 100% of the units to low- or very-low income households for a 55-year minimum term. More recently, as part of its 2023 Development Impact Fee Nexus Study, the City transitioned its fee program to a square footage-based rate whereby new dwelling units are charged based on the amount of habitable square footage rather than application of flat rates for single family and multifamily residential construction. This new fee structure seeks to ensure Development Impact Fees are more proportionately reflective of the demands placed on City services and infrastructure.

Going forward, as part of the 2023-2031 Housing Element Programs, the City has also committed to exploring and offering additional concessions and incentives for affordable housing projects. These include, but may not be limited to, considering the granting of fee deferrals, reductions, and waivers for affordable housing projects.

**<u>Finding 3</u>**: There are insufficient funds available to develop needed affordable housing.

# City of Carpinteria Response: Agree.

The City's FY 2025-2027 Budget anticipates increased expenditures for day-to-day municipal operations as revenues remain flat, making it increasingly unlikely the City will have discretionary funds to utilize for housing development projects. Generally, City planning and building staff have observed dramatic increases in construction costs in recent years, further straining the already limited funding stream for affordable housing in the City. The City has recently contracted with a grant consultant to assist the City in seeking and applying for available grants across many fields, including affordable housing funds. While this partnership is brand new, City staff look forward to the opportunities this may bring in the coming years.

**Recommendation 3a**: The Grand Jury recommends that the City Councils of Goleta and Carpinteria establish dedicated housing trust funds, certified as Community Development Financial Institutions, to facilitate the building of affordable housing.

# City of Carpinteria Response: Will not be implemented.

The City currently contracts with the Housing Trust Fund of Santa Barbara County to manage the City's Workforce Homebuyer Down Payment Loan Program, which was funded

by a one-time settlement payment. While all funding has been granted as of the end of 2024; additional loans could be granted pending the repayment of outstanding loans.

The City does not have the staff capacity, or fiscal means to operate its own housing trust fund. City staff identified 22 similarly-sized cities in California and found that only one had its own housing trust fund.<sup>5</sup> Nevertheless, as part of its FY25/27 Strategic Work Plan, the City intends to explore options for expanding its partnership with the Housing Trust Fund of Santa Barbara County, or establishing a partnership with another existing housing trust fund, to facilitate a Carpinteria-specific program.

**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.

#### City of Carpinteria Response: Will not be implemented.

Similar to the above response, the City does not have the in-house staff capacity to solicit contributions to or manage a housing trust fund. The City remains committed to forming partnerships with organizations and the philanthropic community who can help support affordable housing opportunities or other housing resources in Carpinteria. For example, the City recently partnered with the Santa Barbara Foundation, a local 501(c)(3) organization, as a fiscal sponsor to allow charitable donations to a City-administered parks and recreation improvement fund. The fund enables individuals, businesses and philanthropic partners to make tax-deductible contributions towards priority projects. While this partnership is in its initial pilot stage, there are discussions of expanding the fund to cover additional projects, including but not limited to, affordable housing development.

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Thank you for the opportunity to comment on this Grand Jury Report.

Sincerely.

Michael Ramirez City Manager

cc: Ryan Kintz, Assistant City Manager Santa Barbara County Grand Jury

Digital Copy to: sbcgj@sbcourts.org

<sup>&</sup>lt;sup>5</sup> The City of Mill Valley, CA has a population of approximately 13,904 people and established its own housing trust fund in 2017 (<u>source</u>). Mill Valley is an affluent community with a median household income double that of Carpinteria, indicating it may have additional resources or staff to implement and fund a housing trust fund (<u>source</u>).