



September 9, 2025

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The Honorable Judge Patricia Kelly
Superior Court
312-C East Cook Street
Santa Maria, CA 93454
PKelly@sbcourts.org

RE: Response to Grand Jury Report "Santa Barbara County South Coast Housing Crisis - A Call to Action"

Dear Judge Kelly:

On June 19, 2025, the Santa Barbara County Civil Grand Jury submitted a report on affordable housing on the South Coast of Santa Barbara County for review and response. The report is entitled "Santa Barbara County South Coast Housing Crisis - A Call to Action." As an affected jurisdiction, Goleta is required to provide a response to the related findings and recommendations. In accordance with Penal Code Section 933(c), this response letter is transmitted before the 90-day response deadline on September 17, 2025.

The Grand Jury Report directs Goleta to respond to Findings 1-3 and Recommendations 1a, 1b, 2a-2d, 3a, and 3d. The City's responses are enclosed.

Sincerely,

Paula Perotte
Mayor

Enclosure

cc: Robert Nisbet, City Manager
2024-2025 Civil Grand Jury, sbcgj@sbcourts.org

City of Goleta Response to Grand Jury Report “Santa Barbara County South Coast Housing Crisis - A Call to Action” Findings and Recommendations

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.

Agree. Although the City does not have “surplus land” designated, as that term is defined in Government Code (G.C.) Sections 54220-54234, and the City has not formally declared any surplus lands under HCD Guidelines/State law, there are two City-owned properties under review for consideration for which housing may be the highest and best use, as discussed further below.

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.

Has been implemented. The City owns numerous properties within the City limits, most of which are already dedicated to public uses or City operations and thus which are not surplus to the City’s “operational requirements.” The City has identified the following two City-owned properties not already dedicated to other specific public uses, that could possibly be used for affordable housing:

1. The undeveloped, 2.43-acre property (known as the “Triangle Property”) located between Los Carneros Road and Los Carneros Way immediately north of Goleta City Hall at 130 Cremona Drive in Goleta. This property is currently designated General Commercial and zoned CG under the City’s General Plan. The City originally purchased this property for a City Hall with a small supporting commercial component and completed G.C. Section 65402 review and a Mitigated Negative Declaration environmental review document. The City’s 2025-27 Strategic Plan includes an objective to “[e]xplore and analyze the best use of the triangle property...in the short term and in the long term.”
2. The 0.42-acre site (known as Mission Leasing) located at 5551 & 5553 Hollister Avenue in Goleta (APNs 071-140-046 and 071-260-004). This property is designated Old Town and zoned OT. The site was acquired as part of the Hollister Avenue Bridge project located along the San Jose Creek Channel and the required G.C. Section 65402 and environmental review were completed for the project prior to acquisition.

Any development of these sites would need to be preceded by the permitting and General Plan processes and analysis required by the Goleta Municipal Code and state law. Other properties owned by the City of Goleta, including park and open space lands (Ellwood Mesa Open Space & Sperling Preserve, Lake Los Carneros Park, and other City parks), City Hall, the Goleta Valley Library, the Goleta Community Center, the Goleta Train

Depot, and the Public Works yard, are already dedicated to other public uses and are not available for affordable housing development.

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.*

Will not be implemented. As discussed above, the City only owns the two properties identified above, which could be used for affordable housing development. These two properties pose opportunities and constraints and are either currently in use or require further analysis. Following completion of the highest and best use analyses, if affordable housing is deemed a suitable use, then the City would need to address the following conditions before soliciting developers to partner for an affordable housing project.

- The existing Commercial General land use designation and zoning of the Triangle Property allow only limited residential uses. Development of the property for residential uses may require a General Plan amendment and rezone. A full financial feasibility and alternatives analysis of the property would need to be completed to evaluate options for the property, which include without limitation commercial retail development; mixed use commercial-residential, including affordable housing; a 100% affordable housing project; and recreational or park use.
- The City acquired the Mission Leasing property through eminent domain in the context of the Hollister Avenue Bridge Project, which is presently under construction. It is currently developed with commercial structures. The existing Old Town land use and zoning designation allow residential and commercial-residential mixed use, but the property is constrained by Stream Protection Area buffer requirements along San Jose Creek. Because the site is currently needed and in use for the Hollister Bridge project, any reuse of the site and evaluation of its highest and best use will need to wait until this pending project is completed.

The City's General Services Department is currently implementing a number of ambitious municipal projects, including the new Goleta Train Station, Goleta Valley Library renovation, Goleta Community Center Americans with Disabilities Act (ADA) accessibility improvements, and Fire Station #10. Given these existing commitments and limited available staff capacity, evaluation of these sites will not be possible within six months. However, the City remains committed to promoting affordable housing. The recent Buena Tierra project was a successful model of regional cooperation and interagency conversion of an existing motel to 60 units of affordable housing in Goleta. In addition, the City has reserved \$1,000,000 from its Affordable Housing Trust Fund (discussed further below), which has been committed to the Heritage Ridge Family and Senior affordable housing projects. Finally, the adopted Housing Element committed the City to enacting programs that identify and eliminate administrative and other barriers to the development of housing in Goleta, many of which are in progress or have already been completed.

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.

Agree. The local entitlement process incorporates state law, local policy priorities, design review and due process, making it costly, time-consuming and complicated. Development fees are set by the City Council to recover the costs of reviewing and approving projects, a cost which must be borne by the project applicant rather than City taxpayers. However, there is increased recognition statewide of the burden this local entitlement process poses for potential development, resulting in new permit streamlining requirements (e.g., State Bill (SB) 35 and SB 330), environmental review reforms (e.g., Assembly Bill (AB) 130 and SB 131), and other mandates at the state level. The City of Goleta has likewise implemented changes to remove barriers to housing production, as discussed further below.

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.

Has been implemented. The existing structure of the City's Planning and Environmental Review Department includes a Current Planning Division, which is responsible for managing the permitting and approval processes for affordable housing projects from start to finish. The Current Planning Manager and Current Planning Division staff are qualified to coordinate and facilitate these processes with interested parties. There are six staff planner positions, each acting as a project manager under authority of the Department director, to process housing and other applications. As the project manager, the planner performs the following tasks:

- Ensures that all required materials are submitted,
- Meets with City departments and other agencies (e.g., Goleta Water District, Goleta Sanitary District, Fire Department, SB MTD, SB Unified School District) to gather early input and draft the project's conditions of approval,
- Identifies and conducts the appropriate level of environmental review,
- Presents the project to the applicable decisionmaker(s), and
- Performs permit compliance following entitlement.

The creation of an additional ombudsman or similar role would increase the administrative burden and would not lead to greater efficiencies or faster approval timeframes, particularly in cases of turnover or absence of that key staff member. It would also add considerable expense at a time of increasing fiscal constraints. This expense would have to be borne by project applicants, thereby driving up the cost of housing.

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.*

Has been implemented. State Planning and Zoning Law provides permit processing requirements for residential development. Within the framework of state requirements, the City has structured its development review process to minimize the time required to obtain permits while ensuring that projects receive careful review. In 2022, the City adopted Multiple-Unit and Mixed-Use Objective Design Standards to provide clear, objective criteria for projects that qualify for ministerial streamlined processing. Per Housing Element Program 2.4(h), projects that provide 100% affordable housing¹ receive priority processing.

Various administrative improvements have been made to support the development of housing projects. In 2023, the City adopted its Affordable Housing Policies and Procedures Manual, and staff recently prepared a Density Bonus Guidelines document that was adopted by City Council on August 19, 2025. Both of these documents provide more transparency and predictability for applicants in the permitting and compliance periods. More generally, the City previously completed comprehensive improvements to its permitting processes following the 2017 CityGate report. The improvements comprised additions and modernizations including:

- Closer integration and coordination of the development review process among City departments and external agencies.
- Installation of the MAGNET permit processing system.
- Digitization of old and new permit records for greater public accessibility and transition to a paperless office.
- Conversion to all-digital plan submittal and review using BlueBeam software.
- Implementation of state law requirements for process streamlining under SB 35, SB 131, SB 330, etc.

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.*

Has been implemented. While there is no City policy that specifically targets 75% affordability, projects with a lower threshold of at least 20% affordability for lower-income households qualify for streamlined, ministerial processing under GMC 17.44, Multi-Unit and Mixed-Use Objective Design Standards. Also, projects in the City that do not require a rezone, follow certain labor provisions, and provide at least 50% of units for lower-income households qualify for streamlined processing and CEQA exemption under SB 35. (Various state laws, including SB 35 and SB 330, impose streamlined permitting

¹ For extremely low-, very low-, low-, and moderate-income households, except for unit(s) dedicated to onsite management.

processes or limit the number of hearings for qualifying affordable housing projects, having the same effect as ministerial approval processes.)

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.*

Has been implemented. Goleta City Council Resolution No. 22-68, adopted in December 2022, provides either a reduction or full waiver from the payment of development impact fees for “Beneficial Project” types, which include some affordable housing, such as special needs, transitional, and supportive housing, and projects by qualified nonprofit agencies. In compliance with Program 2.4(f) of the City’s Housing Element, the City is analyzing whether further fee reductions can be implemented for development that includes affordable dwelling units, with priority for 100% affordable and special needs housing projects not already receiving a reduction or waiver.

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

Agree.

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.*

Has been implemented. The City of Goleta has a dedicated Affordable Housing Trust Fund (AHTF), which is funded with City-allocated funds, collected fees related to housing (i.e., Affordable Housing In-Lieu Fees and Non-Residential Affordable Housing Development Impact Fees), and any donations received. AHTF monies are allocated strategically to foster the development of affordable units either through direct subsidy or as leveraged/matching funds for qualifying projects.

The AHTF is not certified as a Community Development Financial Institution (CDFI), because it is not eligible, since CDFIs must be a “non-government entity and not under the control of any government entity.”² However, the Housing Trust Fund of Santa Barbara County (HTFSBC) is a certified CDFI, and the City has provided annual grant funds to HTFSBC since 2013 to support the agency’s first-time homebuyer downpayment loan program. In 2023, the City also provided grant funds in support of HTFSBC’s development of an innovative 3D-printed house in Goleta to be used for a lower-income household.

Recommendation 3d: *The Grand Jury recommends that the Santa Barbara County Board of Supervisors and the City Councils of Santa Barbara, Goleta and Carpinteria*

² Source: U.S. Department of the Treasury Community Development Financial Institutions Fund: CDFI Certification webpage (<https://www.cdfifund.gov/programs-training/certification/cdfi>)

promote contributions to their housing trust funds by other non-governmental organizations, the philanthropic community, and the public.

Has been implemented. In 2021, the City became the first jurisdiction in the County to adopt a commercial linkage fee, in the form of a Non-Residential Affordable Housing Development Impact Fee. The fee was structured to mitigate the impacts of new development on available housing within the City by requiring that new non-residential development³ contribute to providing affordable employee housing. The fees collected are deposited in the City's AHTF to be used for the development or preservation of affordable housing. In addition, the City is able to accept monetary donations to its AHTF should members of the public wish to contribute. The City's Affordable Housing Policies and Procedures Manual lists donations as a potential source of funding for affordable housing. However, in practice, only one member of the public has inquired about donating funds for affordable housing and ultimately did not contribute funds. A formal donation process would likely need to be developed to ensure that all accepted donations comply with applicable tax codes and deduction regulations. Donations to the fund would be to support affordable housing in the interest of the general public and not any particular interest, but the City could allow for and solicit philanthropic contributions to the fund in the future.

The City acknowledges that solving the housing shortage on the South Coast will require a multi-pronged approach. For this reason, the City has adopted the housing programs and policies discussed above, provided financial support to the HTFSBC, the County Housing Authority and other nonprofit housing providers, and is supportive of innovative efforts such as the Santa Barbara South Coast Chamber of Commerce Employer Sponsored Housing Consortium to create affordable housing for those who live and work locally.

³ New non-residential development and proposed expansion or intensification of existing non-residential development, per City Council Resolution 21-46.