

**WFH Annual Progress Report
on Implementation of the Housing Element
General Plan Report requirement pursuant to
Section 65400 of the Government Code**

Jurisdiction: City of Buellton

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Report Period: January 1, 2009, to December 31, 2009

The following information should be included in the report:

A. Progress in meeting Regional Housing Need

1. Total number of new housing permits issued
2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing unit.
3. Compare units added to regional housing need allocation by income category (very low, lower, moderate, and above moderate)

See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"

B. The effectiveness of the housing element in attainment of the community's housing goals and objectives

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program
2. Assess effectiveness of actions and outcomes

See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"

C. Progress toward mitigating governmental constraints identified in the housing element.

See Attached Report Entitled "City of Buellton -- Annual Report on Status of the General Plan and Programs in Support of Affordable Housing"

CITY OF BUELLTON
Annual Report on Status of the General Plan and Programs in Support of
Affordable Housing
Reporting Period 1/1/2009 through 12/31/2009

BACKGROUND

By law, every community in California is required to adopt a General Plan as the policy framework by which to guide future growth and development. At a minimum, each such Plan must contain seven mandatory elements (Land Use, Circulation, Housing, Conservation, Open-Space, Noise and Safety). Once adopted, zoning and development regulations that follow must be consistent with the policies of the General Plan.

Section 65400(a) of the California Government Code requires that an annual report be furnished to the City Council regarding the status of General Plan implementation. Annual reports are due on April 1st of each year and must be submitted to the State Office of Planning and Research ("OPR"), the Department of Housing and Community Development ("HCD"), and the Buellton City Council.

For Buellton, the annual report is also used as barometer in evaluating progress in meeting the City's fair share of regional housing needs.

ANALYSIS

General Plan Overview: The Land Use and Circulation Elements were revised in 2005. The Conservation and Open Space, Economic Development, Noise, Parks and Recreation, Public Facilities and Services, and Safety Elements were revised in 2007. None of these elements were revised in 2009. The Housing Element was adopted in 2009 and certified by the State Housing and Community Development Department on January 20, 2010. The complete Buellton 2025 General Plan is available for review on the City's website, www.cityofbuellton.com. Electronic copies are also available by contacting the Planning Department at 805-688-7474.

Housing Element Overview: The Regional Housing Needs Allocation ("RHNA") process is part of a statewide mandate to address housing related to future growth in the State. The needs assessment process sets numeric targets with the overriding goal of assuring an equitable geographic distribution of needs and responsibilities. The number assigned to the City of Buellton in July 2008 for 2007-2014 is 279, of which roughly 56% is assigned to target income groups. Table 1 reflects the current adjusted requirement, taking into account construction that has occurred since the beginning of the current RHNA planning cycle.

TABLE 1: RHNA GOALS AND AFFORDABLE HOUSING PRODUCTION			
	Unadjusted Goal	2007 to 2009 Completed Construction	Adjusted Goal
Extremely Low	32	0	32
Very Low	32	11	21
Low	47	9	38
Moderate	46	0	46
Above Moderate	122	85	37
Total	279	105	174
DEFINITIONS:			
Extremely Low Income: Households with incomes between 0% and 30% of the areawide median.			
Very Low Income: Households with incomes between 30% and 50% of the areawide median.			
Low Income: Households with incomes between 50% and 80% of the areawide median.			
Moderate Income: Households with incomes between 80% and 120% of the areawide median.			
NOTES:			
2007-2009 Completed and New Construction figures are derived from building permit records for the period between January 1, 2007, through December 31, 2009. See Exhibit "C" attached hereto.			

The 2009 Housing Element relies upon four basic means by which to address the City's RHNA goals: Second Dwellings, Multifamily Infill, Mixed Use Development, and the Affordable Housing Overlay Zone ("AHOZ"). Of these, the establishment of an AHOZ is viewed as the principal means for accommodating the City's RHNA goals. A detailed description of these programs, as well as those programs which affirmatively further other affordable and fair housing objectives, accompany this report as Exhibit "A."

Housing Performance Assessment: Ordinance No. 05-05 was adopted by the City Council on October 13, 2005, and established the AHOZ and the sites to which the AHOZ will initially apply. This timeframe is consistent with the year-end deadline (December 2005) established by HCD in their certification of the 2004 Housing Element. The City has begun to actively market the AHOZ sites for affordable housing development through e-mails to affordable housing developers and proponents and via an AHOZ brochure to hand out to interested parties. The 2009 Housing Element has kept the AHOZ program in place and is the basis for the "Adequate Sites" requirement. However, the City will be reducing the number of AHOZ sites to reflect the City's reduced RHNA allocation from the last RHNA cycle (Program 1).

As a summary, the AHOZ shall: (i) allow "stand alone" residential projects irrespective of the underlying zone designation with a minimum base density of 25 units/acre; (ii) grant a 2:1 density bonus (two market rate units above the base density for each affordable low and very low income unit) up to a maximum combined density of 50% above the base; (iii) impose an inclusionary requirement, mandating that at least 20% of the base density be affordable to very low, low and moderate income households; (iv) compute the distribution of inclusionary units based on the apportionment of net RHNA goals (as defined and determined below); and (v) institute a bifurcated land use entitlement process that allows for streamlined processing for projects that meet specified criteria.

In August 2006, the City Council approved the first AHOZ project on AHOZ Site V (Juliette Walk). The project consists of 44 condominium units of which four are affordable to very low income persons and three are affordable to low income persons. An \$85,635 housing in-lieu fee was also collected. All units have been constructed and occupied.

In April 2008, the Zoning Administrator approved a second AHOZ project on AHOZ Site IV. The project consists of 53 apartment units of which five are affordable to very low income persons, three are affordable to low income persons, and the remainder, since they are apartments, would qualify as moderate income units. Building permits have not been issued for this project at this time.

A listing of all 2009 Housing Element programs is provided in Exhibit "B." Since the 2009 Housing Element was adopted in the latter part of 2009 and certified by the State in January 2010, the City is in the process of implementing these new and updated programs.

Annual Programmatic Calibrations: Since Ordinance No. 05-05 (AHOZ) was adopted in October 2005, two AHOZ project with nine very low income units, six low income units, and 45 moderate income units have been approved. One of these projects also included a housing in-lieu fee of \$85,635. Construction has been completed on one project (Juliette Walk, refer to Exhibit "C). In addition, interest has been shown in developing other AHOZ sites. Based on the interest shown for the AHOZ concept, it appears that it is an effective method for providing affordable housing in the City of Buellton.

Ordinance No. 06-10 implementing several 2004 Housing Element Programs has been in effect for over two years. However, no projects have been submitted during this reporting period that have taken advantage of these revised standards. The City has formed a Community Development Block Grant Committee to review applications and has funded two social service programs during the last funding cycle. No capital project funding requests were submitted. It is too early to evaluate the effects of reducing the lot sizes for secondary dwelling units. Status of this item will be discussed in future reporting cycles.

In compliance with State HCD reporting requirements, a general accounting of permits issued and construction completed during the current Housing Element cycle is set forth in Exhibit "C." Three projects that have been completed.

- Vintage Walk is a commercial/residential mixed use project and contains 11 market rate residential condominiums along with six affordable apartments that are managed by the Housing Authority of Santa Barbara County. Four units are for very low income persons and two units are for low income persons. The units are fully occupied. Preferences are being given for Buellton residents.
- Valley Station consists of 36 market rate single family homes and a commercial/residential component with seven affordable housing units (three very low and four low). These units are fully occupied. The City has also subsidized two of the low income units so that very low income tenants could

occupy the units. These units are now owned and managed by the Housing Authority of Santa Barbara County. Preferences are being given for Buellton residents.

- Juliette Walk is a 44 unit condominium project developed under the AHOZ regulations. Four of the units are designated as very low income and three are designated as low income. All seven are for sale condominiums. All units have been completed and occupied.

In regard to removal of constraints that impede the production of affordable housing, two initiatives were adopted following adoption of Ordinance No. 05-05. Most noteworthy is the implementation of a streamlined permit process that was included as part of establishment of the AHOZ. A companion action is the adoption of a standard set of project conditions that will expedite project approvals (March 2006). In addition, processing under the California Environmental Quality Act ("CEQA") will be simplified and become less costly by using the General Plan Update Environmental Impact Report as the basis for "tiering" future AHOZ projects. One AHOZ project, Polo Village, benefited from the streamlined procedures by being approved by the Zoning Administrator as opposed to either the Planning Commission or City Council.

EXHIBIT "A"

HOUSING ELEMENT IMPLEMENTING ACTIONS

1. **Affordable Housing Overlay Zone (Housing Element Programs 1 and 6).** The City will maintain this program but will consider removing certain properties from its AHOZ program in accordance with the reduced housing goals of the 2007 RHNA allocation. The remaining AHOZ sites shall be able to accommodate a total of 785 residential units. The AHOZ sites shall continue to have a minimum density of 25 units per acre to ensure affordability and a 20% inclusionary requirement. If any of those properties is developed with a non-residential project or any development that does not meet the requirements of the AHOZ, a comparable acreage shall be rezoned to the AHOZ designation to offset the loss. In addition, for AHOZ sites in excess of two acres, the City will encourage and give favorable consideration to land divisions and specific plans resulting in parcel sizes that facilitate the development of affordable housing projects in light of state and federal funding programs that typically favor projects of between 50 and 150 units. The City will facilitate the development of these sites for low income housing using the methods described in Programs 8 and 9 (Targeted Assistance and Public-Private Partnerships).

The identification of the AHOZ sites to be removed will be determined as part of a comprehensive review and update of the City's zoning ordinance in 2010. At this time, it appears that three AHOZ sites are candidates for removal from this program. Removal of these three sites would result in a capacity of 1,068 residential units which is above the minimum RHNA requirement of 785 residential units. The actual sites to be removed will be determined by the City Council in 2010 and the Housing Element will be amended concurrently with the zoning ordinance amendment to fully identify the adequate sites requirement of State Law.

2. **Mixed Use Development (Program 2).** The City Council will review the mixed use concept, re-evaluate the density, and possibly establish a 100 unit limit for mixed use projects. Fostering mixed-use development serves multiple objectives including: (i) implementation of the land use strategy set forth in the Avenue of Flags Urban Design Plan; (ii) recycling blighted and underutilized property; (iii) producing affordable housing; and (iv) promoting smart growth and new urbanism principles. If a limit for mixed-use residential units is established, the Housing Element will be amended to analyze the limit as a potential constraint on affordable housing, and if necessary, include programs to address the constraint. The limit will not become effective until or unless concurrent amendment of the Housing Element has been completed.
3. **Secondary Unit and Multifamily Infill (Programs 3 and 7).** The City has the capacity to accommodate secondary dwellings on the majority of single family zoned lots. In addition, 33 multifamily units could be developed on existing under developed multifamily zoned parcels. Intensifying the development of under-built properties would provide for more efficient use of a limited land resource while dispersing affordable housing over a larger geographic area. The City shall: (i) maintain the current secondary unit regulations that allow secondary units on smaller lot sizes and exempts them from

the inclusionary housing requirements; (ii) continue to provide a 2:1 density bonus for infill multifamily units up to a maximum increase of 50% above the base density; and (iii) continue to allow a reduction in development standards for infill multifamily units by discretionary review as an additional density bonus incentive under the current affordable housing regulations.

4. **Inclusionary Housing and Density Bonus (Program 5).** The City shall continue to implement the ordinance requiring a 15% inclusionary requirement for all residential projects (except for AHOZ projects which have a 20% inclusionary requirement). The inclusionary requirement shall be accomplished by on-site construction, payment of in-lieu fees, or equivalent actions prescribed in the Affordable Housing Ordinance. The distribution of inclusionary units among target income groups shall be based on the apportionment of RHNA goals. The City shall also continue to implement its ordinance required density bonus requirements that are consistent with State Law and shall update the regulations as State Law changes.
5. **Inclusionary Housing (Programs 6 and 7).** Amend the current Affordable Housing Ordinance to: (i) broaden the existing 15% inclusionary requirement to encompass all property regardless of zoning; (ii) provide a 2:1 density bonus for each affordable low and very low income unit produced; (iii) update State density bonus provisions to reflect recent statutory changes for moderate income condominiums and provision of child care facilities; (iv) compute the distribution of inclusionary units based on the apportionment of net RHNA goals; (iv) allow inclusionary units to offset replacement housing requirements on a 2:1 basis; and (v) exempt secondary dwellings from inclusionary requirements in exchange for agreement by property owners to affirmatively market secondary units to income qualifying tenants under the Section 8 HAPP.
6. **Land Use Modifications – Special Needs Housing (Program 10).** The City shall amend its existing use regulations (codified at Sections 19.02.110 and 19.02.210 of the Municipal Code) to: (i) allow emergency shelters as an allowed use, which only requires a Zoning Clearance, in the CR zoning district and as a conditional use in the RM, CS, and M zoning districts; (ii) allow SRO and congregate units as an allowed use in the RM and CR zoning districts; (iii) allow transitional housing as an allowed use in the RS and RM zoning district and as a conditional use in the CR and CS zoning districts; and (iv) allow farm employee housing as an allowed use with up to 36 beds in a group quarters or 12 units or spaces in the OS zone and a conditional use in all other zones. Emergency shelters shall be subject to the same development and management standards that apply to all other uses allowed within the CR zone. Transitional housing shall only be subject to restrictions that apply to other residential uses allowed within the RS and RM zones.
7. **Special Needs Housing (Program 13).** As a member of the Santa Barbara County HOME Consortium, the City actively supports the County in administering a Continuum of Care Homeless Assistance Program. In addition, the City provides financial assistance to Santa Ynez Valley People Helping People in furnishing food and emergency services to Buellton residents. Information regarding services to assist homeless persons is routinely provided by the City as appropriate. Persons needing such services are typically referred to the County Sheriff (which administers a fund for food, gas and emergency

shelter) or to People Helping People (which administers various social services). A substation of the County Sheriff is located adjacent to City Hall and People Helping People operate in nearby Solvang. To address these needs, the City shall: (i) continue its involvement and support of the Consortium of Care and People Helping People Homeless Programs; (ii) continue to disseminate information on services and resources; and (iii) evaluate amnesty provisions for using motels for limited residential purposes.

8. **Property Rehabilitation (Program 15)**. In response to the need for property rehabilitation, the City shall: (i) continue its financial support of the mobile home repair program; (ii) continue its financial support of the low income single family home repair program (the Housing Conservation Program) (iii) evaluate expansion of emergency repair assistance to encompass adaptive retrofit needs of disabled persons and inclusion of energy conservation features; (iv) conduct a focused outreach to owners of substandard rental property to identify interest/willingness to engage in cooperative rehabilitation; (v) establish a budget and seek grant funds to underwrite these endeavors; and (vi) prioritize funds according to the severity of need and link affordable housing covenants to the amount of funds required.

9. **Code Enforcement (Program 16)**. There are an undetermined number of motel rooms (concentrated in the area of Avenue of Flags) that may be in violation of zoning regulations by virtue of their long-term residential use. To protect tenants without compromising land use policies or vested property owner rights, the City shall amend its Municipal Code to: (i) clarify the definition of hotel and motel uses with respect to duration of occupancy; (ii) allow for a reasonable number of long-term visitor stays; (iii) provide for a reasonable amortization of existing non-conforming use; and (iv) make allowances for relocation payments in the event of tenant displacement. As part of the Municipal Code amendment, the City shall: (i) undertake an analysis of candidate properties; (ii) ascertain the breadth and magnitude of potential non-conforming conditions; and (iii) evaluate the feasibility of an amnesty program whereby limited residential use may be continued in exchange for affordable housing covenants.

EXHIBIT "B"

HOUSING ELEMENT PROGRAM PERFORMANCE (2009)

PROGRAM SUMMARY		HOUSING ELEMENT PROGRAMS		
Housing Program		Five-Year Objective	Implementation Time Frame	Status of Implementation
ADEQUATE HOUSING SITES	1	Affordable Housing Overlay Zone (AHOZ)	Maintain AHOZ Sites	Ongoing Program being maintained and implemented. One project constructed and one approved.
	2	Mixed Use Development	Implement the Mixed Use Regulations	Ongoing Moratorium on mixed use developments in place until 2010 public visioning process is completed.
	3	Secondary Units and Multifamily Infill	Amended Zoning Ordinance	Ongoing for Secondary Units and 2010 for Zoning Ordinance Amendments Maintain and implement existing regulations and modify zoning ordinance as appropriate.
	4	RHNA Allocation	Amended Zoning Ordinance	2009 Zoning ordinance to be amended in 2010.
AFFORDABLE HOUSING SUPPLY	5	Inclusionary Housing and Density Bonus	Affordable Housing Units	Ongoing Programs to be maintained and implemented.
	6	Affordable Housing Overlay Zone	Maintain AHOZ	Ongoing Program being maintained and implemented. One project constructed and one approved.
	7	Secondary Dwelling and Infill Inducements	Financial Assistance Programs	Ongoing Support State and Federal Grants for Secondary Units, and Tax Increments for Multifamily Infill
	8	Targeted Assistance	Capitalization of Housing Trust Funds	2010 for Affordable Housing Ordinance and 5-Year Implementation Plan Amendment Ongoing for Grant Applications and Non-Profit Collaboration 5-Year Implementation Plan adopted in 2010. Balance of activities ongoing.
	9	Public-Private Partnerships	Affordable Housing Projects	Ongoing City Continues to Confer with Developers and Non-Profit Housing Sponsors on Affordable Housing Opportunities.

EXHIBIT "B": (Continued)		HOUSING ELEMENT PROGRAMS			
Housing Program		Five-Year Objective	Implementation Time Frame	Status of Implementation	
HOUSING IMPEDIMENTS	10	Land Use Modifications-Special Needs Housing	Amended Zoning Ordinance	2009-2010	Zoning ordinance to be amended in 2010 to implement this program.
	11	Multi-Family Infill	Amended Municipal Code	2009-2010	Program to be reviewed as part of the 2010 public visioning process and ordinance amended as appropriate.
	12	Development Constraints	Amended Zoning Ordinance	2010-2011	Program to be reviewed as part of the 2010 public visioning process and ordinance amended as appropriate.
	13	Special Needs Housing	Development of Special Needs Housing Units	2011 for Residential Motel Amnesty Program, Ongoing for other services	Continue to maintain and implement this program.
	14	Persons with Disabilities	Continuation of the Adaptive Retrofit and Universal Design Programs	2010 for Code Amendment, Ongoing for other programs	Continue and maintain programs.
CONSERVATION & REHABILITATION	15	Property Rehabilitation	Emergency Repairs & Property Rehabilitation	Ongoing for Emergency Mobile Home Repair Program and Housing Conservation Program; 2010-2011 for Program Expansion to Rental Properties	City has Appropriated Funds for Continuation of both Programs.
	16	Code Enforcement	Amended Municipal Code and Affordable Housing Ordinance & Residential Motel Amnesty Program	2011	Program to be implemented in 2011.
	17	Energy Conservation	Increased Energy Awareness	Ongoing	City has and will continue to pursue energy conservation grants.

EXHIBIT "B": (Continued)		HOUSING ELEMENT PROGRAMS		
Housing Program		Five-Year Objective	Implementation Time Frame	Status of Implementation
EQUAL HOUSING OPPORTUNITIES	18	Fair Housing Services	Local Access to Fair Housing Services	2010 City will maintain HOME and CDBG Programs to fund these services.
	19	Information & Referral	Distribution of Information Regarding Equal Access to Housing	2010 for Fair Housing Seminar; 2010 for Mailing & Website; Ongoing for Information Dissemination & Interagency Cooperation Outreach and Referral is Ongoing.
	20	Public Participation and Monitoring	Integrative Policy Development and Performance Review	Ongoing 5-Year RDA Implementation Plan was adopted in 2010. Noticing and Annual HCD Reports are Ongoing.
PRESERVATION OF AT RISK UNITS	21	Affordable Housing Monitoring	Annually Updated "At Risk" Units List and Notification of Central Gardens I	Ongoing for Annual Year-End Reports, 2010 for Notification of Central Gardens I Noticing and Annual HCD Reports are ongoing.

EXHIBIT "C"
HOUSING PRODUCTION (2007-2009)

Construction Completed

Project	Residential Units					Total
	Extremely Low	Very Low	Lower	Moderate	Above Moderate	
Vintage Walk (Mixed Use)	0	4	2	0	11	17
Valley Station (Mixed Use)	0	3	4	0	36	43
Juliette Walk (AHOZ)	0	4	3	0	37	44
Miscellaneous	0	0	0	0	1	1
TOTAL	0	11	9	0	85	105

Building Permits Issued

Project	Residential Units					Total
	Extremely Low	Very Low*	Lower*	Moderate	Above Moderate	
Central Avenue Condos	0	0	0	0	10	10
Miscellaneous	0	0	0	0	1	1
TOTAL	0	0	0	0	11	11

* In-lieu affordable housing fee paid (equivalent to 1.5 units)

Approved Entitlements – No Building Permit Issued

Project	Residential Units					Total
	Extremely Low	Very Low	Lower	Moderate	Above Moderate	
Polo Village Apartments (AHOZ)	0	5	3	45	0	53
TOTAL	0	5	3	45	0	53

Specific Plan Approved**

Project	Residential Units					Total
	Extremely Low	Very Low	Lower	Moderate	Above Moderate	
Village Specific Plan	0	21	15	13	195	244
TOTAL	0	21	15	13	195	244

** Income breakdown corresponds to the conditions of approval imposed on the adoption of the Specific Plan.

NOTES:

1. Second dwellings are counted towards Moderate Income RHNA Goals based on the 2009 Housing Element.
2. Apartments are counted towards Moderate Income RHNA Goals based on the 2009 Housing Element.