

SANTA BARBARA SOUTH COAST
CHAMBER OF COMMERCE

From Goleta to Carpinteria

Roadmap to Recovery

The Road Home



Updated September 2023

Chapter 1: The Roadmap to Recovery

The Santa Barbara South Coast Chamber of Commerce is dedicated to the economic health and vitality of communities from Goleta to Carpinteria on the South Coast of Santa Barbara County.

The Chamber works to help businesses, residents, and visitors thrive by advocating for responsible public policy, offering networking and community-building opportunities, providing access to business development resources, and supporting visitor services across the region.

The COVID-19 Pandemic brought massive and unforeseen impacts to the business community in Santa Barbara County, in California, across the United States, and worldwide. The Chamber developed a plan and action steps to help get businesses, large and small, back on their feet on Santa Barbara's South Coast. This work aligns with the Chamber's mission, passion, and expertise.

Phase I of the Roadmap to Recovery was released in February 2021 and summarized challenges and set a course for goals, tactics, and milestones to get businesses reopened safely.

Roadmap to Recovery Phase II, released October 2021, addressed long-term recovery strategies, different emerging issues, and additional challenges businesses faced as the State and community reopened.

Now that our collective focus has shifted to meaningful recovery, revitalization, and long-term job growth, the Chamber is launching the third phase of its **Roadmap to Recovery: The Road Home**.

Leading the Way



The Chamber of Commerce has been one of the most ardent and effective advocates for housing on the South Coast for nearly two decades. The thorough, detailed, consensus-based feedback we have provided has resulted in the successful addition of rentals, condos, single-family homes, studio apartments, and more. We have also advocated for additional executive, or move up housing, as well as dorm-style or boarding house concepts that have yet to be realized.

The global COVID-19 pandemic brought many changes to our area. And one of the silver linings that the passionate citizens on the South Coast are adamant about is recognizing the shifting work environment. The ability of remote work has caused us to rethink our relationship between home and work. The labor shortage has placed an emphasis on efficiencies, but also a new realization for rising standards about how we work, and whom we work for. It also brought a collective awareness of the housing shortage across the nation, particularly in California, and acutely here in our county.



This paper, *The Road Home*, is the third in our series of Roadmap to Recovery projects, and we are writing it now for two reasons:

1. There is a consensus among leaders, including government, and the private sector, that we do not just have a housing problem, but a housing crisis.
2. We have reached a tipping point in the community, where residents, community members, neighbors, and friends support the idea of new housing being built.

We believe there is a new collective consciousness that understands the basic need for housing as part of our infrastructure, housing for the next generation, and housing for the people already in our community.

The idea here is to provide a basic roadmap out of the housing crisis, based on the consensus we are hearing and the current conditions.

We will discuss:

1. Strong community support for new housing in the Downtown Santa Barbara core, including at Paseo Nuevo.
2. Consensus around adaptive reuse of the La Cumbre Plaza shopping center to provide housing since the retail landscape has changed.
3. A modern, new neighborhood approach to a significant number of new homes serving North County and South County at Solomon Hills.
4. A shift toward adopting new practices around employer-sponsored housing that specifically connects forward-thinking employers with housing for their workforce.

These four concepts will lead our community to solve our housing crisis together, with a local perspective. Embracing these solutions will mean letting go of some of our outdated beliefs, eliminating unnecessary barriers, and shifting our minds to understand supply and demand economics, and will help us tease out the places where we make decisions out of fear or unconscious bias.

Together, we can find the road home.

Chapter 2: Foundational Principles

The following principles of the Santa Barbara South Coast Chamber of Commerce guide and inform this effort. We believe our community is stronger with a vibrant business sector and when our businesses are provided the opportunity to grow and expand.

The business environment is changing.

The pandemic revealed that there are a variety of environments that can work for local businesses, depending on the industry sector and specific company. These changes in work culture—from work from home, flex work, hybrid schedules, and more—have real impacts on vehicle miles traveled (VMT) and other factors which affect our businesses, employees, the environment, and our communities. While some of these impacts are positive, others present unique challenges. As we look to address the challenges faced by our local business community, it is important to acknowledge the shifting dynamics of the new modern business environment.

Our region needs diverse housing types.

The Chamber supports a range of housing types, sizes, densities, affordability levels, and designs in appropriate locations to accommodate residents of diverse ages, social and economic backgrounds, and the local workforce.

Local businesses and the Chamber have a specific interest in addressing the “missing middle” by providing options such as duplexes, fourplexes, cottage courts, and multiplexes, that offer opportunities for community members who cannot afford a single-family home but have the desire to continue working the critical middle-income jobs in our communities.

Communities thrive when people live where they work.

We believe that when teachers, doctors, nurses, public safety personnel, and other essential employees live in the community where they work, the community is more engaged, vibrant, and healthy.

Lessons from the past are guideposts for the future.

During the 1/9 Debris Flow, when the 101 freeway was shut down in both directions for two weeks, we saw significant effects on our community. Disaster service workers traveled by boat, then bus, helicopters, and planes to get to the area to serve critical needs. We saw just how important it is to have more people filling these vital roles living in south Santa Barbara County.



Addressing homelessness is a part of the housing conversation.

We cannot discuss housing without acknowledging the need for safe housing for those experiencing homelessness. Homelessness is one component in a complex housing discussion that affects the well-being of individuals and the greater community.

We are committed to collaborating on this critical issue. We recognize its impact on businesses, tourism, and the local economy.

- Regional Action Partnership (RAP) participation to connect employers with individuals exiting homelessness.
- Support for Bridge Housing (i.e., like the Dignity Moves project) is part of the Chamber's public policy platform.
- Support for a navigation center on the County's Calle Real property off of Calle Real.
- Support for new housing for projects serving low and extremely low-income residents in the County's Housing Element.
- Support for thoughtful reuse of properties that aren't contributing to the tax base through Transient Occupancy Tax (TOT) or other means.

Our local colleges and universities are working to increase housing for students. However, there is a greater community responsibility to house students of all levels, as they are a critical part of our local economy.

The student population is here to stay.

We value the institutions of higher learning that fuel our local workforce and foster the next generation of entrepreneurs, creating new jobs and economic benefits by driving new business growth. Simultaneously, we acknowledge that providing housing for the student population is a significant challenge and an important piece of the housing conversation.

Policy matters.

The Chamber continues to maintain close working relationships with the appropriate government officials, in order to collaborate on the short- and long-term policies needed to address our community's housing shortage. We support flexible policies that allow developers to provide creative and achievable solutions to today's problems.

Partnerships are vital in solving this crisis.

The challenges created by a lack of housing stock and affordable housing are not unique to our businesses. It is something that crosses all industry sectors throughout our community. We envision a significant collaboration with community partners—from business, education, and government to non-profit agencies, affordable housing proponents, and environmental and social justice advocates. Our families and our workforce need these close relationships to make progress.

Chapter 3: The Time Is Now

For the last 20 years, we've discussed a jobs-housing imbalance, which implies too many jobs and insufficient housing. The reality is that we have a housing shortage, which only continues to grow as we fail to meet the needs presented by the healthy growth of our local economies. Unfortunately, having failed to develop enough housing, as well as various housing types, our housing shortage has now evolved into a housing crisis.

During the past two decades, the Chamber has:

- Recognized and advocated for workforce housing as a critical piece of our region's economic development.
- Supported development projects that maintain the identity of our communities while allowing more flexibility in local housing development:
 - Hollister Village
 - Sumida Gardens
 - Winslowe - City Ventures
- Worked to secure partnerships with local businesses and developers to create workforce housing programs available for employees of local companies;
- Advocated for policies that would streamline development, not create barriers
- **Continued to advocate for projects in progress:**
 - Heritage Ridge, an infill housing project featuring 332 workforce and senior housing rental units in Goleta
 - Bailard Avenue Workforce and Affordable Housing Project near Carpinteria, which will provide 169 marketing rate and permanent supportive housing rental units.

But that hasn't been enough.

In the name of the "status quo" or "no growth policies," Santa Barbara County is

- Relying on people to commute long distances for more affordable housing
- Losing intellectual talent to other states
- Forfeiting business growth because employers cannot find housing for the people they want to hire
- Forcing multiple generations to share properties
- Preventing our children and grandchildren from living in Santa Barbara



“We are struggling to find highly qualified employees who are willing to move here. So our approach is to ‘grow our own’ from fresh out-of-school, local graduates. They understand Santa Barbara County is a place where you have to have two professional salaries to get started in the housing market.”

“Some of our positions require specific skills sets and we’ve been forced to hire from out of the area. In these situations, we’ve provided robust relocation support and/or bonuses. In one case, we helped find an apartment and paid for the hotel rooms until the lease began. We would prefer to invest in long-term solutions rather than react to temporary challenges.”

*Quotes from local
business leaders*

Why Now?

We are facing a housing crisis, due to years and years of not building enough housing. We cannot, as a region, ignore this issue any longer.

The Santa Barbara County Association of Governments (SBCAG) Regional Growth Forecast 2050 report anticipates growth between 2019 and 2050 to create a 15% increase in population, a 25% increase in jobs, and a 25% increase in households.

Housing is a regional problem and needs a regional approach. Santa Barbara County needs to make significant progress toward housing now so future generations can survive and thrive. Instead of saying “no” or “not now,” let’s acknowledge the problem and shift to who, as a community, we want to be and how we can get there.

Why Us?

As a community leader, the Chamber seeks to further this critical conversation rather than simply being another voice in a chorus of many. Never before has Santa Barbara experienced a time when social justice and housing organizations and the business community have aligned so closely on the need for housing in our communities.

The South Coast continues to see a trend of businesses seeking out-of-state locations instead of growing here due to a lack of housing & workforce availability. A few recent examples:

- A local medical device company is moving new jobs to Austin, TX.
- A manufacturing company is building in Salt Lake City and moving the jobs there.
- A satellite company is moving their jobs to Austin, TX & Washington, D.C.
- Another medical company is moving jobs to Ohio.
- Another manufacturing company is moving jobs to the Midwest.
- Another manufacturing company is expanding outside of Denver.

Chapter 4: The Consequences of Inaction

Housing has always been a challenge for businesses and employees on Santa Barbara County's south coast. The number one issue businesses report to the Chamber is the challenge of attracting and retaining employees due to the high cost and lack of housing stock.

Every day local businesses are paying "hidden" costs associated with the housing crisis, which affect their bottom line and ability to continue doing business in Santa Barbara County.

- Employers often must look outside of the area for new and high-quality employees, as there is already a lack of a qualified local workforce because of the housing shortage.
- Long-commutes. 35% of people commute over 50 miles (SBAOR Report) and employers often support or subsidize commuting-related expenses for employees that would ideally live in the area if there were an appropriate housing stock.
- Employers struggle to retain exemplary employees who would prefer a shorter commute and a larger home in a more affordable area.
- Employers pay a heavy opportunity cost every time they lose out on a qualified candidate who is unable to find housing. Then, when businesses do find candidates, they often provide costly relocation assistance or expense reimbursement for candidates that are willing to take the position while they continue their search for housing.
- In many industries, employers are having to offer increasingly sizeable sign-on bonuses to mitigate the risk people feel in jumping into our region's competitive housing market.
- Additionally, companies that are able to grow, cannot, because of the lack of housing for the employees, they would need to run those new operations.



All of these employer-side costs of our region's housing crisis set our local businesses back from being able to make other investments in our local economy. Rather than expending funds on temporary solutions, it would make sense to invest in a long-term strategy with a return on the investment of time and resources.

The lack of housing crisis has dire consequences for the south coast, not just for businesses, but for residents as well.

- Emergency response concerns when critical employees cannot get to work because of their commutes from out of the area.
- Increased health risks: obesity, loneliness, mental health, higher stress, and greater exposure to toxins.

The inability for people to live where they work and invest in the community through volunteer and enrichment activities.

The time to find the road home is now.

Chapter 5: Employer-Sponsored Housing

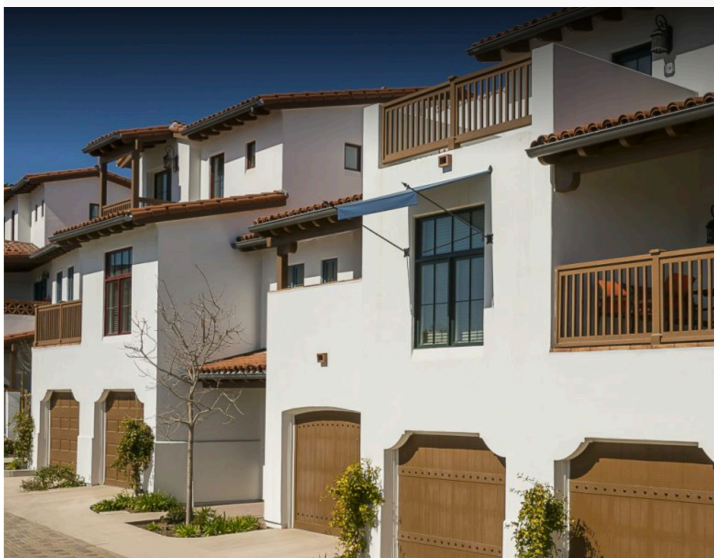
Success Stories - Bella Riviera—Cottage Hospital

Cottage Health System purchased St. Francis Medical Center in 2003 with the intent to build affordable housing for hospital employees and to attract others who may be deterred by the south coast's high cost of housing. After ten years in construction and development, they were able to offer 115 one to three-bedroom units on the six-acre parcel on Santa Barbara's Riviera.

The initial 81 units were sold to Cottage Health System employees through a lottery system, and later, on a first-come, first-serve basis. The price depended on household size and income. Prices for the market-rate homes, which make up the rest of the 115 units sold, range from \$585,000 to \$1,095,000.

The Cottage employee homes have a buyback guarantee so residents can sell their property to someone on the waiting list. If there are no offers, Cottage Health System will purchase the property to be inventoried and relisted.

Santa Barbara Cottage Hospital provides a shuttle service to and from the hospital to reduce commuter traffic in the neighborhood.





Las Barrancas - Westmont College

Starting in 1995, Westmont College built 41 residences adjacent to the Montecito campus to attract and retain world-class faculty.

It's a project that benefits the faculty, students, and the surrounding community. Faculty who live close by often walk to work, keeping cars off the roads. The project also frees up affordable housing in Santa Barbara that Westmont professors might have occupied. Students benefit because this community of homes fosters the close, informal relationships among faculty and students that lie at the heart of Westmont's residential program.

- Homes are sold at below-market prices determined by the Westmont.
- When initially developed, they were moderate-income affordable in compliance with the City of Santa Barbara's inclusionary housing ordinance.
- Faculty who purchased one of these condos from the College must sell it back to Westmont if they move or leave.

La Tejada - Westmont College

With the success of the Las Barrancas project, Westmont was able to build 13 additional faculty condos near Cottage Hospital. The College hopes to integrate the condos with the faculty homes in Las Barrancas so professors can move into larger residences if their families grow and as empty-nesters can downsize.

- Units are sold at below-market prices determined by the College.
- Some are set aside as middle-income affordable in compliance with the City of Santa Barbara's inclusionary housing ordinance.
- Faculty who purchase one of these condos from the College must sell it back to Westmont if they move or leave.

Employer-Sponsored Housing Collaborative

Employers are already paying to solve this problem through subsidized rents, company-rented units, so they have space for new employees, and extra hiring incentives.

We envision a collaboration between employers working together to solve their common housing challenges because not every employer has the capital and ability to embark on the substantial undertaking of developing their own housing. However, with a housing consortium model, multiple businesses could work together through a third-party development corporation to build and manage workforce housing for purchase or for rent. Let's move toward employer-sponsored housing so that the money they are already spending actually results in a tangible, long-term investment.

Building more housing for a wide variety of income levels, including affordable housing, is necessary to address the housing shortages in our region, as it increases overall supply, which helps to stabilize and reduce housing costs for all income levels.

Chapter 6: Capitalizing on Opportunities

Our region has several opportunities to make significant progress toward the housing deficit with three parcels—La Cumbre Plaza, Paseo Nuevo, and Solomon Hills. Developing these places could move us from the urgency of responding to a housing crisis and moving toward a more proactive and strategic approach.

Rather than cobbling together 35 units here and 300 units there, developing these areas could meet the needs of thousands of individuals who are already working in our community but in sub-standard housing or on long commutes.

If we decide as a community that we are no longer willing to settle for the status quo and have these critical conversations, we can get ahead of the curve with housing at these three sites. Their impact on housing inventory would offer a little breathing room to provide for the current needs and forecasted growth.

Let's look at each of these further.

Reuse of Mall Property

Thirty years ago, shopping malls like Paseo Nuevo and La Cumbre Plaza were thriving retail centers with low vacancy rates and highly profitable stores. Now that the retail landscape has shifted, it's time to reconsider the highest and best use of these areas and how to redevelop them to meet current and future needs.

We like the approach of redeveloping Santa Barbara's two malls for these reasons:

- There is no loss of agriculture and open space because these are existing, developed parcels.
- Both are on prime transportation corridors, providing access to transit and eliminating some of the traffic impacts.
- Today's shopping environment doesn't require this much space.
- That level of parking is no longer needed.

La Cumbre Plaza

La Cumbre Plaza is an ideal space for a mixed-use project with a variety of housing types serving individuals, families, and seniors. We envision a public-private partnership that includes workforce and affordable housing, perhaps with a permanent supportive housing element that helps serve the most vulnerable members of our community and gets them off the streets and into housing.

Looking at the surrounding neighbors, you'll find The Marc (high-end rentals), Rancho Franciscan Senior Apartments, Gardens on Hope (permanent supportive housing for low-income seniors), and Grace Village (low-income senior housing). Developing additional units in this area makes sense.

A project like this will require creative thinking to address issues like traffic mitigation and effects on local schools. But we are confident it can be done with the bright minds in our community.



Paseo Nuevo

Paseo Nuevo is a cornerstone of the downtown corridor. By sheer volume and location, its future use will have a significant impact on the success of the retail and restaurant industry, the local economy, and jobs.

We believe housing is the highest and best use of this property as well and see this transforming into this higher-end housing with some type of retail for those who prefer to live in an urban environment.

The City of Santa Barbara has an opportunity to lead or follow in the future of Paseo Nuevo.

We recognize the City cannot do a project like this alone. It will take a private investor, but the City can either let a project happen to them or with their support—and we'd like to see the latter.

We encourage the City of Santa Barbara to put together a strike team, or red team, as they used to be called, to gather the relevant players to strategize on a comprehensive and viable approach.

The Chamber is prepared to take part in ongoing discussions, present feedback, and offer potential solutions to space, balance, and leasing issues. We urge the City to move forward with any and all actions to turn this from retail-only center into a vibrant area of downtown with housing and retail.



Building more housing does not always lead to an increase in population as local residents, many of whom would be leaving the area, instead move into new housing stock. Even in cases where population does increase, this is not a reason to avoid building more housing, and instead highlights a need to consider other community plans and investments, alongside new housing stock.

Solomon Hills

Solomon Hills is a parcel of land south of Orcutt, northeast of Vandenberg Space Force Base, and 59 miles north of Goleta. For the last 100 years, it has been a working oil field. The owners plan to transition part of the property to housing—and we see this creative reuse as a regional solution to a regional problem.

The Solomon Hills proposal envisions:

- Reuse of 1,903-acre industrial property Small-scale villages reflecting central coast charm on 760 acres
- Over 1,100 acres of public trails, parks, open space, and conservation easements
- Variety of housing types (up to 4,000 units) to rent or own, with the majority for the workforce
- Village center with neighborhood-serving commercial
- Flexible work campus for businesses and employees supporting up to 2,000 jobs

We like this as a solution to the County's housing shortage for several reasons:

- With its central location, we believe this is the ideal site for up to 4,000 units to meet the forecast job growth in both the North and South County.
- It provides an opportunity for employer-sponsored housing with electric vehicle transportation to job centers.
- Because it is land that is already disturbed, similar to the shopping malls, it is a perfect place to create a new sustainable community.
- Providing more housing within the county reduces the vehicle miles traveled and would reduce congestion on the 101 between Ventura and Santa Barbara.
- With the size of the project, the owners can incorporate sustainable elements which don't pencil out at smaller scales.

We urge the County to initiate the Solomon Hills project so all of these concepts can be thoroughly studied, and the community can get answers to important questions about water, traffic, environmental impacts, and more.



Chapter 7: The Dollars and Cents/Sense of Housing

Over the last several years, California's anti-growth policies have started to shift as legislators and policymakers have acknowledged the challenges of housing the state's residents. Some of the political and community leaders along the South Coast of Santa Barbara have joined in supporting new policies to encourage new housing. Yet developing housing remains difficult.

In May 2022, the Santa Barbara Association of REALTORS® commissioned a Housing Affordability Study, which confirmed what we already suspected.

Highlights include:

- Workers commuted farther to access employment opportunities. Compared with the statewide average, nearly twice the share of people employed drove more than 50 miles to work as compared with the statewide average (approximately 31,300 workers in 2019).
- Long commutes were disproportionately concentrated among low- and moderate-income households and households of color.
- More than three-quarters of jobs added on the South Coast from 2010 through 2019 were filled by people living outside the region.
- The relative shortage of prime, working-age residents living on the South Coast limits spending, tax revenue, and economic activity and may limit the economic competitiveness of the region going forward.
- The shortfall in housing production for the Greater South Coast totaled 8,900 housing units from 2000 to 2020. Even if permitting doubled at the pace of recent years, it would take more than 15 years to fill this housing shortfall.
- In the current environment, the only types of housing that can effectively be brought to market in the South Coast are highly subsidized affordable units or high-priced luxury units that can generate enough revenue to offset previously mentioned costs. The "missing middle" this creates needs to be addressed as soon as possible to keep our region's economy functioning. We are already seeing the negative impacts of this particular issue, especially amongst our first responder/emergency services personnel.

Not only are there downsides for our employees, but there are also costs associated with the lost opportunities.

- Every 100 new single-family homes built would generate \$51.2 million in labor income and provide additional economic activity of \$109.7 million through the lifespan of the project
- The consultant estimates that every 400 new multifamily units built would generate \$67.4 million in labor income and provide additional economic activity of \$115.4 million
- Every 100 new single-family homes and 400 new multifamily units built would be expected to generate \$2.29 million and \$2.31 million, respectively, in new local tax revenue, which would go toward TK-12 education, parks, public safety, and other essential community services.

“In the current environment, the only types of housing that can effectively be brought to market in the South Coast are highly subsidized affordable units or high-priced luxury units that can generate enough revenue to offset previously mentioned costs. The “missing middle” this creates needs to be addressed as soon as possible to keep our region’s economy functioning. We are already seeing the negative impacts of this particular issue, especially amongst our first responder/emergency services personnel.” SBAOR 2022 Housing Affordability Study

The Road Home philosophy of 10,000 new units by 2033 solves this problem.



Supply and Demand

Within our community we often hear the argument that building more housing, along with the above-moderate income units that are often needed to make a project pencil out, either does nothing for low-income and workforce housing or can actually make them unaffordable. This is untrue based on the law of supply and demand, which affects the housing market just like any other good or service.

When the demand for housing is high, but supply is low, home prices often rise. However, when there is a sufficient amount of housing available in the market, homeowners may lower their prices due to the lower relative demand.

Additionally, when there is new housing available in the continuum of opportunities, some of the units become more affordable. This is called “filtering.”

Sam Khater, vice president and chief economist of Economic and Housing Research at Freddie Mac, describes filtering as the process by which properties age and depreciate in quality and price, becoming more affordable to lower-income households. He said that is the primary mechanism by which the housing market provides affordable supply.

But without new construction, people with more income don’t have anywhere to move, which translates to a lack of properties. In Santa Barbara County, we often see a retired couple living in a five-bedroom house alone and a family of five living in a two-bedroom apartment. If there were more opportunities, people could upsize and downsize as their life situations changed. If new properties were developed, it would make older properties more affordable.

The current focus of inclusionary housing policies to ensure affordable units are built is in place. The Road Home philosophy will mean allowing and supporting the addition of all types of units in a variety of forms. Increasing supply may not bring down prices in our region but will add to the supply and therefore ease the supply/demand tension we are now facing that is at the heart of the crisis.

While some are calling to only build subsidized affordable units, this is infeasible and will not address our supply problem.

“The housing shortage is a supply and demand issue. While building more housing alone will not solve our region’s housing issues, it is a critical part of the solution as it increases the supply of housing and reduces upward pressure on prices, making it more affordable for a wider range of individuals and families. In addition, even building middle to higher end homes can be beneficial at the low end to the extent that people move up the “housing ladder.” - *Peter Rupert, Professor of Economics at UC Santa Barbara*

Chapter 9: Water

Water will always be a critical resource in California, especially on the central coast, we must plan for it with great care and consideration. However, poor water policy should not be a barrier to meeting housing needs.

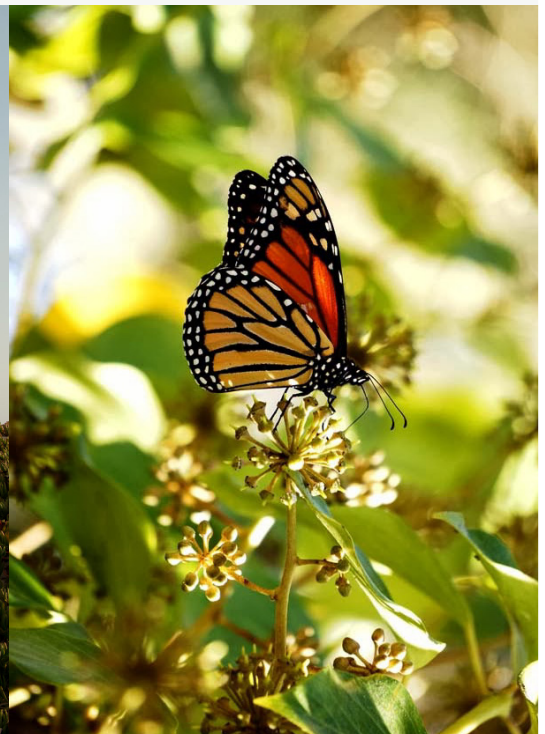
Typically, water agencies focus on securing a water supply for newly approved development. In Goleta, the SAFE Ordinance has created a backward environment where the Goleta Water District limits new water connections, effectively preventing new development. This jeopardizes the efficiency of the Goleta Water District, as the lack of new development provides less incentive to find a secure and ample water supply and find more efficient ways to use our current water resources.

However, it's important to remember that efficient use, diversification of supply, and infrastructure improvements are essential factors in guaranteeing a sustainable water supply. It is time we move on from the idea that we cannot continue to add new development and grow our economy while also maintaining a robust water supply.

It's important to consider these components of new construction.

- New construction is highly efficient, with water usage per person/day being significantly lower than existing housing. More recent regulatory requirements, as well as the realities of new construction, mean high-efficiency appliances and fixtures, little to no leaks, and more efficient, drought-tolerant landscaping.
- New landscaping can be plumbed with recycled water.

Though there is still room for improvement, over the past 20 years, the majority of our local water agencies have made significant strides in diversifying our local water supplies through desalination, recycled water, groundwater management, and State water supplies.



Chapter 10: The Road Home Pledge – 2033

The housing situation in Santa Barbara County requires creative thinking, courageous leadership, and immediate action. Commentary on paper is useful, but action is what will propel us forward.

With that in mind, we are calling on our community leaders—those elected to represent us, those who work in and lead the businesses we frequent, our local non-profit leaders, and our neighbors, to come together on a shared vision to support the production of 10,000 new units of varying sizes and income levels by 2033. **We are calling this the Road Home Pledge.**

We are also asking that our local jurisdictions find a way to implement a legally defensible local preference policy that will allow the units that come online to support the Santa Barbara County workforce.

Rather than simply responding to the State’s mandates for affordable housing production, let’s proactively and thoughtfully create the community we want and deserve. We can no longer afford to wait.



Frequently Asked Questions (FAQ):

Supply and Demand:

Q: Does building more housing as quickly as possible really do anything to address the issues that are causing our housing crisis? Is it really an issue of supply, or will that just bring more problems?

A: “The housing shortage is a supply and demand issue. While building more housing alone will not solve our region’s housing issues, it is a critical part of the solution as it increases the supply of housing and reduces upward pressure on prices, making it more affordable for a wider range of individuals and families. In addition, even building middle to higher end homes can be beneficial at the low end to the extent that people move up the “housing ladder.” - Peter Rupert, Professor of Economics at UC Santa Barbara

Affordability:

Q: Does building more housing do anything to solve our problem if it is not affordable housing?

A: Building more housing for a wide variety of income levels, including affordable housing, is necessary to address the housing shortages in our region, as it increases overall supply, which helps to stabilize and reduce housing costs for all income levels.

Increase in Population:

Q: Doesn't more housing lead to a population increase, which leads to an increased demand in services, which leads to an increase in demand for housing?

A: Building more housing does not always lead to an increase in population as local residents, many of whom would be leaving the area, instead move into new housing stock. Even in cases where population does increase, this is not a reason to avoid building more housing, and instead highlights a need to consider other community plans and investments, alongside new housing stock.

Student Housing:

Q: Why aren't our local community colleges and universities being held accountable for their impact on our local housing.

A: Our local colleges and universities are working to increase housing for students. However, there is a greater community responsibility to house students of all levels, as they are a critical part of our local economy.

Water:

Q: Have we considered the impact that more housing will have on our regional water supplies? Do we have enough water?

A: New construction is highly efficient, with water usage per person/day being significantly lower than existing housing. We need to be more focused on how we can enhance our regional water supplies, rather than using status quo as a means to ignore other community needs, especially in the context of our region’s housing crisis.

The Road Home: Housing on the Horizon

The following parcels are identified as a working list of sites with legitimate potential to impact Santa Barbara’s Housing Crisis. They are in various stages, from visionary to approved, and some are different from the sites listed in our region’s Housing Elements. The Chamber will continue to monitor their progress closely and support a robust review process.

Property Name	Area	Housing Type	# of Units	Status	History
<u>Bailard</u> Workforce and Affordable Housing Project, Carpinteria	Unincorporated County (near Carpinteria)	Rental housing: workforce component and affordable housing through Housing Authority of the County of Santa Barbara	173 units: 41 units (HABARCO), 132 market-rate units (comparable to Ventura/Oxnard rates)	Concept review at Planning Commission (Feb. 22, 2023)	Designated for a CUSD school site and designated as surplus land in 2019.
<u>Caird/Patterson</u> Ag Block Property	Unincorporated County (Patterson)	Mixed-Income Housing	800	Conceptual	Concept is 50% remains agriculture, 50% available for housing.
Glen Annie (Surrounding)	Unincorporated County (Glen Annie)	Luxury market rate, single-family	500	Conceptual	Chamber has advocated for housing around golf course, including the Shelby property. Preserving the golf course is a priority.
Heritage Ridge	City of Goleta	Multi-Family Rentals with Inclusionary Senior Units * Mixed-Income Housing	332	Pending Approval	This is the third phase of the Willow Springs Housing Complex that has been in the works in Goleta for 15 years.
Kenwood Site	City of Goleta	<u>Low income</u> units	150	Conceptual	

**This is a working list and the Santa Barbara South Coast Chamber of Commerce will continue to update it as project status changes.*

Property Name	Area	Housing Type	# of Units	Status	History
La Cumbre Plaza	City of Santa Barbara	Mixed-use project serving individuals, families, and seniors; Public-private partnership for workforce and affordable housing	500-1500	One parcel has an application in process with City of Santa Barbara	This property has multiple owners. The community has been exploring project concepts to re-use this retail site in recent years.
MTD Property	Unincorporated County (Patterson)	Multifamily rental housing + 15% income-restricted	333 units	In-process	
Paseo Nuevo	700-800 block of State Street, City of Santa Barbara	Mixed-use luxury housing with commercial	150-400	Conceptual	This property has multiple owners and separate ground leases and will require City collaboration to move forward.
San Marcos Growers	Unincorporated Santa Barbara County (Turnpike)		971	Pre-Planning	
The Shelby Property	Unincorporated County (near Glen Annie)	Single and Multi-Family Housing	80 single-family houses and 75 condo or multi-family units.	Conceptual	This concept was designed to work in tandem with the developer who would be putting homes around the golf course.
Solomon Hills	Unincorporated County (south of Orcutt)	Affordable, Multi-Family, Single-Family Rental, Single-Family for Sale, 55+ (Active Adult), and Executive	Proposed 4,000	Planning Commission Hearing (March 8, 2023)	Productive oil field for last 100 years.
Tatum Property	Unincorporated Santa Barbara County (Turnpike)		332		
Yardi Property	City of Goleta	Rental Apartments	374	Conceptual	1,000 sq ft of Office Space to be converted to rental apartment housing.

Workforce Housing Toolkit

Workforce Housing has been an important piece of the Chamber's advocacy for many years. The need for housing of various types, sizes, densities, and affordability levels for employees has been a top concern among local businesses. However, unfortunately, even when we are able to see new housing projects built there is no guarantee for a particular employer that their employees will move into one of those units. That is why the Chamber has been working with local partners to develop a toolkit of how the community can work together to ensure housing goes to our local workforce, and employers can guarantee housing for their employees.

1. Workforce Housing "Marketplace":

Creation of a local Workforce Housing "Marketplace" where developers can list units coming to market for rent or sale. Employers and HR departments can distribute information to their employees, increasing the potential of securing the units locally. Consideration of a model that gives local employers early access, increasing the chance that the units will go to their employees.

2. Down Payment Assistance Trust Fund:

A homebuyer assistance program for employees of local employers. This program provides down payment loans to help workforce homebuyers on the South Coast purchase a home, enabling them to secure conventional financing and removing financial barriers to home ownership by lowering home acquisition and carrying costs. Through a potential partnership with the Housing Trust Fund of Santa Barbara County.

3. Chamber Workforce Housing Incentive Program:

The Chamber has previously utilized a Workforce Housing Incentive Program to work with developer partners to market new housing projects to Chamber employers who then pass the opportunity onto their employees. In the past, developer partners have offered a 10% discount on 6 months of rent after their first 6 months, granted that the renter is employed by one of the Chamber employers. Not only does this program incentivize units to go to the local workforce, it also helps the Chamber and developer partners track the number of units which have gone to the local workforce, which can be showcased to local jurisdictions during the entitlement process of future projects.

4. Employer Sponsored Housing Consortium (Rental Units):

An employer sponsored housing consortium where local employers enter into a limited partnership structure for the purpose of developing or acquiring one or more residential rental properties. Depending upon the investment level, each employer would hold the right to make a corresponding number of housing units available to their employees. Each employer establishes their own eligibility criteria. A minimum monthly rent would be required to operate the facility, however, each employer retains the flexibility to set the amount paid by the employee. Each employer retains the right to establish maximum occupancy duration. Tax benefits of residential property ownership inure to employer investors on a pro rata basis. All property and asset ownership responsibilities are assigned to a third-party general partner.

5. Employer Sponsored Housing Consortium (Home Ownership):

An employer sponsored housing consortium where local employers enter into a limited partnership structure for the purpose of developing units for their employees to own. Depending upon the investment level, each employer would hold the right to make a corresponding number of housing units available to their employees. Each employer establishes their own eligibility criteria. Each employer sets their own policies related to unit buyback. One example being having a buyback guarantee so residents can sell their property to someone on the waiting list. If there are no offers, the employer will purchase the property to be inventoried and relisted. Employees must sell the units back to a waitlisted employee or the employer.

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ROADMAP TO RECOVERY