



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: January 18, 2008
AGENDA DATE: January 24, 2008
TO: Planning Commission
FROM: Planning Staff

SUBJECT: REGIONAL HOUSING NEEDS ALLOCATION PLAN (2008-2014)

Planning Staff has asked Michael Powers, Deputy Director of Planning for the Santa Barbara Association of Governments (SBCAG) to give a presentation on Regional Housing Needs Allocation (RHNA) process at the January 24, 2008 Planning Commission meeting. This RHNA process will allocate regional housing needs for the 2007 - 2014 Housing Element planning cycle.

The presentation will include information on countywide housing needs as determined by the State Department of Housing and Community Development (HCD). It will also include information on factors to be considered by SBCAG to allocate housing needs down to the local level for all cities and unincorporated areas of the County. SBCAG is seeking public input on the allocation of housing needs. Exhibit A is a copy of Mr. Powers' presentation. The presentation is also available on the SBCAG website at www.sbcag.org. The RHNA information can be found at the bottom of the main web page. It's a fairly technical process that is described in the presentation. Staff strongly suggests that Commissioners and members of the public review the presentation in advance of the January 24th meeting. We believe this will facilitate the discussion and understanding of the process.

Background

State law requires cities and counties to adequately plan to meet the existing and projected housing needs in the Housing Element of the General Plan. This includes planning to meet a fair share of the regional housing needs for all economic segments of the community.

Unlike other parts of the General Plan, State law requires that Housing Elements be updated every 5 years. Also unique to the Housing Element, State law has very specific content requirements and includes a mandatory review by State Department of Housing

and Community Development (HCD). Exhibit B is a 2-page summary of State Housing Element Law prepared by HCD.

The City's current Housing Element was certified by HCD in February 2005. It addressed and planned for housing needs for the 2001 – 2007 planning cycle. Revisions to the Housing Element to address the 2008-2014 planning cycle are due by August 2009.

2002 Regional Housing Needs Plan

As required by State law, in previous Housing Element Update cycles, the SBCAG Board adoption of the regional allocation for the cities and unincorporated areas has been highly contentious and political process. During each cycle, SBCAG Staff has worked with SBCAG's Technical Planning Advisory Committee (TPAC) to determine the appropriate allocation factors (jobs-housing issues, market demand, and high housing costs) and to develop a recommended allocation methodology for the SBCAG Board. The TPAC is comprised of the Planning Director's (or their designees) from every City in the County, the County of Santa Barbara and a representative of the County Air Pollution Control District (APCD). At the conclusion of the 2002 RHNA process, nearly everyone involved (staff, decision-makers, the public and the 06-07 Grand Jury Report) stated that the RHNA process should be handled differently in the future.

State law changed since the 2002 RHNA cycle. The current RHNA process is now required to be more inclusive and open to the public.

Since January 2006, TPAC members have been questioning SBCAG staff about developing a plan for the upcoming 2007 RHNA process. SBCAG staff consistently responded that the RHNA process is an un-funded State mandate and that the SBCAG staff recommendation to the SBCAG Board was to simply not participate in the RHNA process. SBCAG staff also responded that the SBCAG Board has been very reluctant to participate in regional planning activities opting instead to strongly support local control over land use, zoning and growth policies. As a result, any time that could have been spent planning for a more collaborative and inclusive approach to the 2007 RHNA process was instead spent pursuing the legal feasibility of refusing to participate.

Ultimately, in November 2007, SBCAG directed SBCAG staff to proceed with the RHNA process and designated the TPAC as the steering committee. As the steering committee, TPAC will be making recommendations to the SBCAG Board as to how the state-determined regional housing needs should be assigned to the cities and unincorporated areas of the County.

RECOMMENDATION

Staff recommends that the Planning Commission provide input to SBCAG staff on the RHNA process. Staff also requests that the Commission provide some initial direction to staff on the RHNA allocation factors to be used to distribute the countywide number of

units down to cities and the county unincorporated area. In particular, SBCAG staff has asked for input as to how the location of jobs and housing should be addressed in the RHNA methodology. Exhibit C is a copy of an SBCAG staff report on this issue.

This will be the Planning Commission first opportunity to comment on the process. Once a draft RHNA Plan is released for public review by the SBCAG Board, Staff will prepare a specific draft comment letter from the City to SBCAG. As has been done in the past, the letter will be prepared for PC review and comment (and public input) and then forwarded to City Council.

Exhibits:

- A. Copy of SBCAG Regional Housing Needs Allocation (RHNA) Workshop Slide Presentation
- B. State Housing Law Summary (State Department of Housing & Community Development)
- C. SBCAG Staff Report on Regional Housing Needs Allocation (RHNA) dated January 9, 2008

Regional Housing Needs Allocation (RHNA) Workshop



Purpose of Workshop

- SBCAG and local planners are seeking your input on where the countywide need for additional housing in the region should be accommodated by local agencies
- What state criteria should be used, and how should they be weighted, in allocating housing need to local jurisdictions

Outline of Workshop

- Overview of SBCAG and RHNA
- Overview of Countywide allocation of housing need by HCD
- Strategy in addressing housing allocation
- Discussion of Schedule
- Review of allocation factors
- Public input on allocation factors, which ones should we use, weighting, etc.

What is SBCAG?

- 13 member body of elected officials, eight cities and the County Board of Supervisors
- Required by state and federal law to conduct comprehensive regional transportation planning and programming
- Assigned other responsibilities by State legislature

Agency Roles in Housing Element Process

- State Housing and Community Development (HCD) determines housing need for each region
- Council of Governments (COG's) like SBCAG allocate share of region's housing need to cities and county
- Local agencies prepare Housing Elements

Why is SBCAG Required to Allocate Housing Need

- State Law
- State and county growth
- Address housing needs of all economic segments of community
- Promote improved relationships between jobs and housing
- Obligated to allocate housing need by income group to avoid concentration of low income groups

Countywide Housing Need Allocation

- Top down approach – Estimated by State HCD and assigned to COG's
- Final allocation to SBCAG is 11,600 units for 2007-2014 planning period
- Local governments must zone land to meet their housing allocation.
- Local governments are **not** responsible for ensuring that the housing is constructed

Did HCD revise SBCAG's Final Regional Housing Need Allocation?

Yes

<u>Date</u>	<u>Allocation</u>
- Prior Cycle, 2002	17,531
- Current cycle, 2007	
■ July 30 – SBCAG response	13,112
■ August 31 – SBCAG objects	12,453
■ Oct. 31 - Consultation	
■ Nov. 13 (revised final)	11,600

Countywide Housing Need Allocation is also
by Income Level

Income Category	Percentage 2000 Census	2007 Units
Very Low (<50% of median)	23%	2,666
Low (50% - 80% of median)	17%	1,973
Moderate (80% - 120% of median)	19%	2,205
Above Moderate (>120% of median)	41%	5,106
Total	100%	11,600

Can County Accommodate Housing
Allocation?

Yes

Regional Housing Allocation	11,600
Countywide Theoretical Residential Buildout	31,000

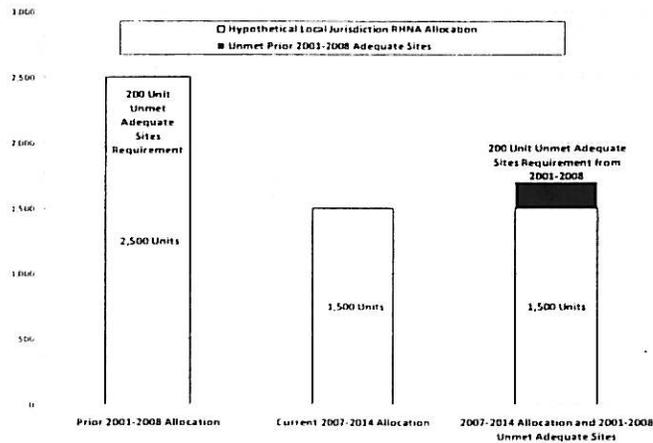
Strategy in Developing Regional Housing Needs Plan

- SBCAG Board decision to accept final county allocation (11,600) and move on with allocation to local agencies
- Involve all cities and county via. local planners, agency review, public workshops (Use local planners as Steering Cttee.)
- Address prescribed allocation factors in state law, select the factors that fit the best
- Solicit formal review by individual cities and county

Does the new RHNA replace the prior allocation?

- Yes, in general, the 2007 RHNA covers a new planning period, the new allocation replaces the RHNA allocation from the prior planning period.
- Exception: if a local agency has not completed rezoning of land it committed to in the prior RHNA period, the need carries over to the next cycle.
- County and City of Goleta only jurisdictions without a certified housing element but they are likely to be certified soon.

Does the new RHNA replace the prior allocation?



Geography

- County of Santa Barbara
- 8 cities
- Unincorporated County regions
- Housing Market Areas: South Coast, Santa Ynez, Lompoc, Santa Maria
- Challenge of addressing factors that tie in adjoining Counties

Regional Housing Needs Plan Timeline

Nov. 12, 2007	Final SBCAG Regional Housing Need Allocation by HCD
Nov. – Jan. 2008	Development of RHNA Allocation Methodology
Early Feb., 2008	Release draft allocation methodology for public review (60 day review)
March 20, 2008	SBCAG Board hearing on proposed allocation methodology

Regional Housing Needs Plan Timeline

April 17, 2008	SBCAG approves allocation methodology and releases methodology and draft plan (60 day review)
April – June	Local agency and public review of draft plan
June 26, 2008	Est. Deadline for local agency request for revision
July 17, 2008	Board holds hearing and approves (Proposed) final plan if no local appeals, if appeals....

Regional Housing Needs Plan Timeline

August 21, 2008	If appeal submitted by local agency, Board holds hearing and approves final RHNA (60 day HCD review)
Nov., 2008	Deadline for HCD consistency determination

Meetings

- All meetings will be on Wednesdays, starting at 6:30 pm
- Meetings will be held in different areas of the County in accessible locations
- Short term schedule:
 - Santa Barbara Co. Admin. Nov. 28
 - Buellton City Council Dec. 12
 - Lompoc City Council Dec. 19
 - Remaining meetings TBD in 2008

Allocation of Regional Need to Local Agencies - Allocation Factors

State Law requires Allocation to address these factors

- Market demand for housing
- Jobs-housing relationship
- Protected and preserved lands, e.g., farmland
- High housing costs
- Lack of sewer or water due to fed./state regs.
- Loss of assisted units
- Farmworker housing need
- Reduce the concentration of lower income residents to avoid impaction of low income households

RHNA Allocation Factors: How Will They Be Used?

- Factors will be used to allocate housing need to local agencies
- Spreadsheet allocation model that adds/subtracts/weights factors
 - Identify factors of emphasis
 - Opportunity to weight different factors
- Scenario/Alternative testing

RHNA Allocation Factors: Most effective input into discussion

- Quantifiable
- Available for all agencies, i.e., cities and unincorporated areas
- Accessible/Usable
- Adjustable, accounts for weighting of multiple factors
- Simple is better

Questions to consider

- What factors do you believe should be considered?
- What information sources should be consulted?
- What factors do you believe are the most important?

Factor 1: Local agency
existing and projected jobs
and housing relationship

Factor 2: Local agency
opportunities and
constraints

Factor 2: Local agency
opportunities and constraints

Sewer or water service

Availability of land suitable for urban
development or conversion

Availability for conversion to residential use

Potential for development under alternative
zoning and land use

Federal or state protected lands

County policies to preserve prime
agricultural land

Factor 3: Growth
distribution based on SBCAG
transportation Plan

Factor 4: Market
Demand for Housing

Factor 5: Agreements
between city and county
regarding growth area
targeting

Factor 6: Loss of
assisted housing
units

Factor 7: High Housing Cost
Burdens

Factor 8: Housing Needs
of Farmworkers

Factor 9: Housing Needs due
to private university, Cal
State, or UC Campus

Factor 10: Other Factors

Next Steps - Schedule

Workshops to gain input on allocation criteria (4 meetings)

- November 28 – Santa Barbara
- December 12 - Buellton
- December 13 - Lompoc
- January 9, 2008 – Santa Maria

Next Steps - Schedule

Scenario development that incorporates criteria and weighting (1 – 3 meetings)

- January 16 – Buellton
- January 23 - Buellton

Review, adjustments as needed, and recommendation on methodology and other Plan issues, e.g., annexations (1- 3 meetings)

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

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STATE HOUSING ELEMENT LAW

State law requires each city and county to adopt a general plan containing at least seven elements including housing. Unlike the other mandatory general plan elements, the housing element, required to be updated every five years, is subject to detailed statutory requirements and mandatory review by a State agency (Department of Housing and Community Development). Housing elements have been mandatory portions of general plans since 1969. This reflects the statutory recognition that the availability of housing is a matter of statewide importance and that cooperation between government and the private sector is critical to attainment of the State's housing goals. The regulation of the housing supply through planning and zoning powers affects the State's ability to achieve its housing goal of "decent housing and a suitable living environment for every California family" and is critical to the State's long-term economic competitiveness.

Housing element law requires local governments to adequately plan to meet their existing and projected housing needs including their share of the regional housing need. Housing element law is the State's primary market-based strategy to increase housing supply and choice. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land-use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development.

The Department is required to allocate the region's share of the statewide housing need to Councils of Governments (COG) based on Department of Finance population projections and regional population forecasts used in preparing regional transportation plans. The COG develops a Regional Housing Need Plan (RHNP) allocating the region's share of the statewide need to the cities and counties within the region. The RHNP should promote the following objectives to:

- (1) Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner;
- (2) Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns; and
- (3) Promote an improved intraregional relationship between jobs and housing.

Housing element law recognizes the most critical decisions regarding housing development occur at the local level within the context of the periodically updated general plan. The RHNP component of the general plan requires local governments to balance the need for growth, including the need for additional housing, against other competing local interests. The RHNP process of housing element law promotes the State's interest in encouraging open markets and providing opportunities for the private sector to address the State's housing demand, while leaving the ultimate decision about how and where to plan for growth at the regional and local levels. While land-use planning is fundamentally a local issue, the availability of housing is a matter of statewide importance. The RHNP process requires local governments to be accountable for ensuring that projected housing needs can be accommodated. The process maintains local control over where and what type of development should occur in local communities while providing the opportunity for the private sector to meet market demand.

In general, a housing element must at least include the following components:

 **A Housing Needs Assessment including:**

- Existing Needs - The number of households overpaying for housing, living in overcrowded conditions, or with special housing needs (e.g., the elderly, large families, homeless) the number of housing units that need rehabilitation, and assisted affordable units at-risk of converting to market-rate.
- Projected Needs - The city or county's share of the regional housing need as established in the RHNP prepared by the COG. The allocation establishes the number of new units needed, by income category, to accommodate expected population growth over the planning period of the housing element. The RHNP provides a benchmark for evaluating the adequacy of local zoning and regulatory actions to ensure each local government is providing sufficient appropriately designated land and opportunities for housing development to address population growth and job generation.

 **A Sites Inventory and Analysis:**

The element must include a detailed land inventory and analysis including a sites specific inventory listing properties, zoning and general plan designation, size and existing uses; a general analysis of environmental constraints and the availability of infrastructure, and evaluation of the suitability, availability and realistic development capacity of sites to accommodate the jurisdiction's share of the regional housing need by income level. If the analysis does not demonstrate adequate sites, appropriately zoned to meet the jurisdictions share of the regional housing need, by income level, the element must include a program to provide the needed sites including providing zoning that allows owner-occupied and rental multifamily uses "by-right" with minimum densities and development standards that allow at least 16 units per site for sites needed to address the housing need for lower-income households.

 **An Analysis of Constraints on Housing:**

- Governmental - Includes land-use controls, fees and exactions, on- and off-site improvement requirements, building codes and their enforcement, permit and processing procedures, and potential constraints on the development or improvement of housing for persons with disabilities.

 **Housing Programs**

Programs are required to identify adequate sites to accommodate the locality's share of the regional housing need; assist in the development of housing for low- and moderate-income households; remove or mitigate governmental constraints; conserve and improve the existing affordable housing stock; promote equal housing opportunity; and preserve the at-risk units identified.

 **Quantified Objectives**

Estimates the maximum number of units, by income level, to be constructed, rehabilitated, and conserved over the planning period of the element.

STAFF REPORT

SUBJECT: Regional Housing Needs Allocation (RHNA)

MEETING DATE: January 9, 2008

AGENDA ITEM: 6 C

STAFF CONTACT: Brian Bresolin, Michael Powers

RECOMMENDATION:

Review and discuss options to address jobs housing relationship factor in the RHNA methodology.

DISCUSSION:

The RHNA process requires that a variety of factors are addressed in allocating housing need by income group. One of these factors is the jobs housing relationship. In each previous RHNA public workshop the jobs housing relationship was a factor mentioned by several participants. As a result, this staff report is being provided for background information on this particular allocation factor with the intent that TPAC provide direction to staff in how to incorporate this factor into the RHNA methodology.

The Inter-Regional Partnership For Jobs, Housing and Mobility, a SBCAG July 2004 publication, addresses the relationship between jobs and housing. The report provides a framework to identify, evaluate and recommend strategies to improve the relationship between jobs and housing in the Ventura-Santa Barbara study area. The report suggests ways to collaborate at local, regional, and state levels to encourage more housing choices in areas rich in jobs and job creation and ways to take better advantage of local skills and human resources in areas rich in housing. While the report includes information for Western Ventura County that is not part of our RHNA Allocation, it does provide a context for the South Coast “commuter shed” that needs to be considered in examining this issue.

Development that features a variety of housing opportunities closer to job centers will more likely yield shorter commutes and a higher quality of life for our residents and workforce. Excerpts from The Inter-Regional Partnership report that describe the jobs housing relationships issue are included in this staff report. In addition, the full report can be read or downloaded from the www.SBCAG.org website.

Member Agencies

Buellton ■ Carpinteria ■ Goleta ■ Guadalupe ■ Lompoc ■ Santa Barbara ■ Santa Maria ■ Solvang ■ Santa Barbara County

The recent Regional Growth Forecast 2007 that is also available on line at the SBCAG website, also addressed this issue and is cited in this report.

Setting

California's population of over 34 million in year 2000 continues to grow by almost 600,000 people each year. There are over 12.6 million housing units in the state, or one for every 1.17 jobholders. In recent years, however, we have been building only slightly more than half of the necessary housing that the new Californians—whether they are new arrivals to the state or newborns—will need.

At the regional level, Santa Barbara County currently hosts 179,756 jobs and has 142,901 housing units, for a 1.26 jobs/housing unit ratio. Within the County, the ratio varies from a high of 2.30 jobs per housing unit in Goleta, to a low of 0.39 jobs per unit in the unincorporated Santa Maria area. Ventura County west of the Conejo Grade hosts about 197,000 jobs and has approximately 129,000 housing units, for a 1.53 jobs/housing ratio. Within West County, the ratio varies from a high of 2.09 in Port Hueneme to a low of 0.82 in Santa Paula. (*The Inter-Regional Partnership for Jobs, Housing and Mobility*)

By 2020, Santa Barbara County and Western Ventura County's population will increase by 208,000; employers will create 105,000 new jobs, and builders will construct 61,000 housing units. This is an addition of only one unit for every 3.4 people overall (compared to 1 unit for every 3.3 people overall currently). Thus, the average number of persons per housing unit will have to increase, in order to absorb the population growth. The South Coast will add one-third of the new jobs in the region, but only one tenth of the new housing units.

Definition

Jobs-housing relationships is a planning tool that local governments can use to achieve a roughly equal number of jobs and housing units or households in all or part of their jurisdiction. The notion of balancing jobs and housing goes well beyond trying to attain numerical equality. Ideally, the jobs available in a community need to match the skills of the workforce and housing should be available at prices, sizes, and locations for workers who wish to live in the area. Hence, there is a qualitative as well as quantitative component to achieving job-housing relationships.

There is no single jobs/housing ratio that is the goal for all regions. The appropriate jobs/housing ratio for a given region is a function of its employment patterns (the number of multi-income families, retired empty nesters, etc.) and of its housing patterns (the number of bedrooms in its residential units, the number of persons per household, etc.) Similarly, there is no one goal for all communities within a given region. It can be healthy to have what seems to be, at first glance, a significant community-to-community difference. Not every community either can or wishes to provide exactly the same number of jobs and job seekers. The historical development of communities has resulted in a concentration of jobs in some areas with other communities being primarily residential. However, the farther from the ratio of job holders to housing units balance that a given community has, the more commuting that will be necessary to connect workers and their jobs. Even primarily residential communities require workers, many of which are lower income maintenance, e.g., gardeners, and moderate-income public safety workers, e.g., police service. However, as housing costs have increased these workers may no longer be able to afford to live in the community.

A substantial imbalance between jobs and housing—as well as the associated issue of inter-region commuting—is a key indicator of the overall quality of life we are capable of offering residents and businesses to locate or remain here. In general, the ratio of jobs to households for most communities should be between 0.8:1 and 1.2:1 (meaning between 0.8 - 1.2 housing units for every full-time equivalent job). In the 15 cities within the area, as well as their associated unincorporated areas, the imbalance ranges from a low of 0.39 housing units per job to a high of 2.30 housing units per job (*The Inter-Regional Partnership For Jobs, Housing and Mobility*). When jobs at various income levels are matched against housing affordable to those income levels, the ratios become even more extreme.

An effective job / housing relationship requires more than simply providing an ideal ratio of housing units and jobs. In order to give people the option of living close to their jobs, it is vital that a community's housing stock match the economic profile of its workers. For example, if 15% of a community's employees are in low-income jobs, then approximately 15% of that area's housing ought to be affordable to people in that income level. However, information on employment by income level is problematic.

A better jobs / housing relationship over time would indicate that one or more underlying problems are being addressed. Studies in other areas, for example, have demonstrated that census tracts with fairly equal numbers of jobs and employed residents experience significantly shorter commute times than unbalanced tracts. Other underlying problems may still persist, however: even if a more desirable ratio is achieved, which implies a better relationship between incomes and the cost of housing, the housing may still require a higher-than-preferred proportion of total household income. In 2000, for example, one-half of all renters and one-third of all homeowners in Santa Barbara County were spending more than 30% of their income on housing. The comparable figures are considerably worse today.

Impacts

As cited in the Interregional study that focused on southern Santa Barbara County and Western Ventura County the potential risks to the region and individual communities of not successfully addressing these challenges are the following:

Western Ventura County and Northern Santa Barbara Counties will increasingly serve as bedroom communities for middle-income workers from the Santa Barbara South Coast who desire affordable single-family homes.

South Coast workers who provide basic services—including nurses, teachers, police, firefighters, and others—will continue the mass exodus already underway because they can't afford to live where they work, thus increasing health and safety factors during emergencies, amongst other issues.

Gentrification and economic stagnation will overtake much of the region due to:

- o a degradation of the business and jobs climate;
- o significant loss of moderate- to higher-paying jobs;
- o a generation of higher paid workers who retire but remain in the area, and the industries they leave are unable to backfill those positions because the wage rates cannot support the purchase of even a modest home or condominium.

Low and moderate income households – those most vulnerable to rising housing costs – face increasing overcrowding and payment of an increasing amount of their income for housing, (perhaps over 50%).

All of these changes could also lead to a loss of sense of community – loss of civic vibrancy, adaptability to change, and other strengths that diversity and engagement brings.

The region may also see increased factionalism brought about by a permanent two-tier economy, and the increasing recognition by lower-income workers that they will never be able to afford the type of housing that they desire.

Regional problems related to housing issues arise from four conditions that have worsened the historical supply/demand imbalance.

First, the region is running out of room by using low-density land use patterns to construct significant amounts of housing to respond to demand (both internal population growth, and in-migration trends).

Second, what is being built does not match what is needed in terms of housing price, type and size.

Third, much of the new housing construction is located in the wrong place to address local needs, such as proximity to key transit hubs.

And finally, much of the housing that is produced is bought by people who work elsewhere, and therefore commute from the community within which it is constructed.

Regional Growth Forecast 2007

An issue that has emerged from the update of local housing and land use plans within Santa Barbara County is the current and future relationship of jobs and housing. During the 1980's for example, commercial growth in the South Coast outpaced residential development activity that was occurring largely away from commercial centers. Following nationwide trends, this relationship has become increasingly important with longer commute times and distances among those who live further from their place of work, which influences future transportation demand as it relates to the proximity of jobs and housing. As the jobs/housing imbalance has intensified in recent years, workers have increasingly crowded into the limited available housing on the South Coast, or sought less-expensive housing in northern Santa Barbara and Ventura County. New housing developments in North county and Western Ventura County are housing a larger proportion of workers from the South Coast. Through its forecast of housing and employment, the RGF 2007 provides additional information that can be used to evaluate future changes in the jobs/housing relationship.

Table 1 compares workers and employment for county regions. Note that in some regions, such as the South Coast, there is more employment than there are workers. In contrast, the Santa Maria Region initially has more workers than employment.

Housing affordability has become a key factor in housing choice. **Table 2** below shows the disparity between median housing prices and median incomes for county jurisdictions tabulated from the 2005 UCSB Economic Forecast. While the median incomes are not significantly

different, countywide the South Coast housing costs are at least double of what they are in North County.

**Table 1
Comparison of Workers and Employment**

Workers								
Region	2005	2010	2015	2020	2025	2030	2035	2040
South Coast	92,721	97,002	98,962	101,063	102,779	103,858	104,708	105,352
Lompoc Valley	20,618	21,104	21,705	22,169	22,698	23,313	24,002	24,475
Santa Maria Valley	50,566	54,160	57,943	61,481	65,999	67,795	69,190	70,179
Santa Ynez Valley	10,346	10,681	11,148	11,543	11,794	12,096	12,427	12,682
Countywide	174,251	182,948	189,758	196,257	203,270	207,063	210,327	212,688
Employment								
Region	2005	2010	2015	2020	2025	2030	2035	2040
South Coast	110,350	115,094	119,230	122,496	125,300	126,070	126,417	126,672
Lompoc Valley	20,517	21,900	22,800	23,723	24,469	24,996	25,524	26,051
Santa Maria Valley	47,902	53,063	56,579	58,964	63,915	70,135	76,850	83,582
Santa Ynez Valley	9,432	10,144	10,691	11,117	11,664	12,149	12,635	13,120
Countywide	188,201	200,201	209,300	216,300	225,348	233,350	241,426	249,425
Difference of Workers - Employment								
Region	2005	2010	2015	2020	2025	2030	2035	2040
South Coast	(17,629)	(18,092)	(20,268)	(21,433)	(22,521)	(22,212)	(21,709)	(21,320)
Lompoc Valley	101	(796)	(1,095)	(1,554)	(1,771)	(1,683)	(1,522)	(1,576)
Santa Maria Valley	2,664	1,097	1,364	2,517	2,084	(2,340)	(7,660)	(13,403)
Santa Ynez Valley	914	537	457	426	130	(53)	(208)	(438)
Countywide	(13,950)	(17,253)	(19,542)	(20,043)	(22,078)	(26,287)	(31,099)	(36,737)

**Table 2
2005 Median Housing Costs and Household Income**

Jurisdiction	Median Housing Cost	Median Household Income
Carpinteria	1,295,000	57,610
Goleta	1,149,898	69,151
Santa Barbara	1,310,000	55,481
Buellton	583,522	58,773
Solvang	640,760	52,778
Lompoc	360,000	41,727
Santa Maria	376,635	42,220
Guadalupe	382,938	39,555

Defining the regional level at which jobs housing relationships should exist is difficult. An argument could be made, for instance, that the jobs housing relationship exists on a countywide level since this is where most working households have homes. The difficulty is that many of those homes are located so far away from the workers jobs that commuting to or from work requires a disproportionate length of time. The jobs housing relationship must include a sense of limited geographical area. This might lead some to strive for a jobs housing relationship at the city level. As politically distinct geographical units, cities have great potential to influence the relationship between the number and type of jobs through their General Plan.

Figures 1 and 2 portray the relationship between jobs and housing for a variety of geographical areas and forecast periods 2005 and 2040. In Figure 1, the existing year 2005 relationship is shown for the major county regions. Note the surplus proportion of jobs vs. housing in the South Coast in comparison to the other regions in the county that have a more even proportion of jobs and housing. As a result, there is more commuting to the South Coast for jobs.

Figure 1
2005 Jobs, Housing Relationship

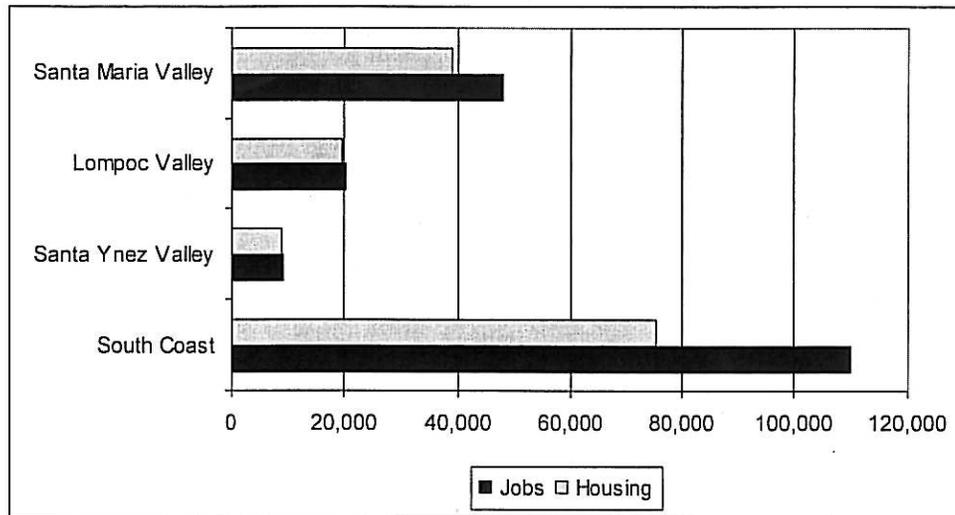


Figure 2 shows the 2040 Forecast relationship of jobs and housing resulting in a continuing higher proportion of jobs in the South Coast and an increase in the job proportion in the Santa Maria Valley region. The Lompoc and Santa Ynez Valley regions show more of an even proportion of jobs and housing. Additional workers for vacant jobs not filled by Santa Barbara County residents are assumed to come from San Luis or Ventura Counties.

Figure 2
2040 Jobs, Housing Relationship for Regions

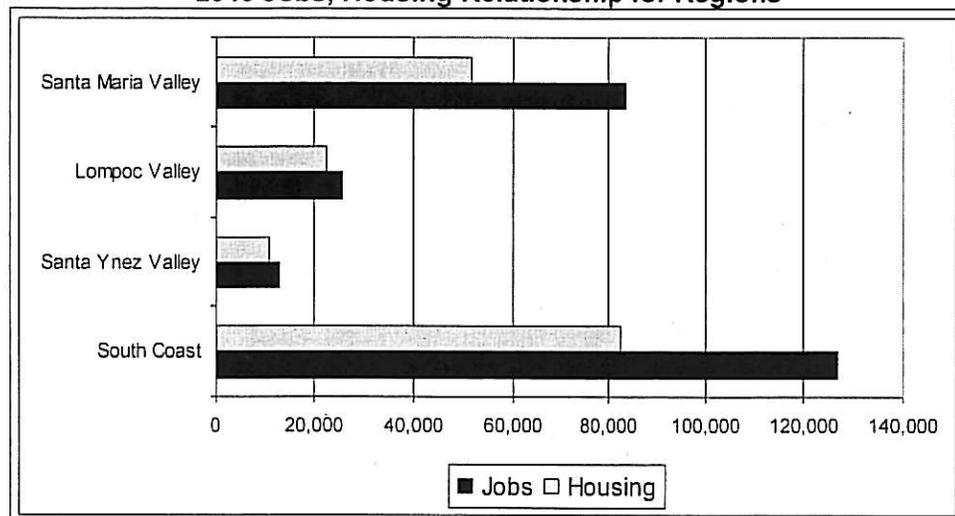


Figure 3 shows the countywide comparison for the number of jobs and housing in 2005 and 2040. The resulting comparison shows a higher proportion of jobs vs. housing in 2040. **Figure 4** shows the increase from 2005 to 2040 in jobs and housing. In some cases the jobs increase is more than double housing increase. The workers per household density increase helps provide some of the additional labor force in the slower growing housing stock.

Figure 3
2005 and 2040 Jobs Housing Relationship, Countywide

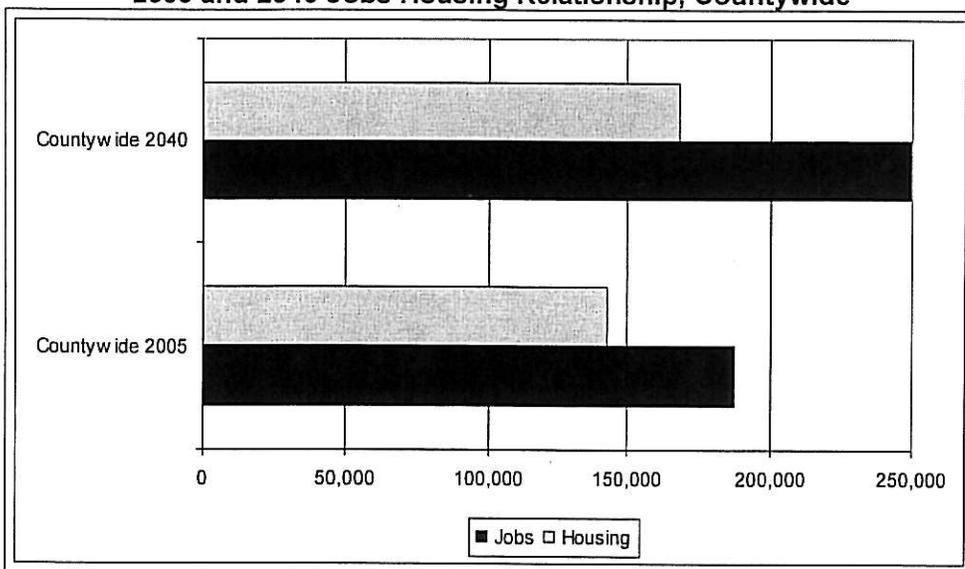


Figure 4
2005-2040 Change in Jobs, Housing

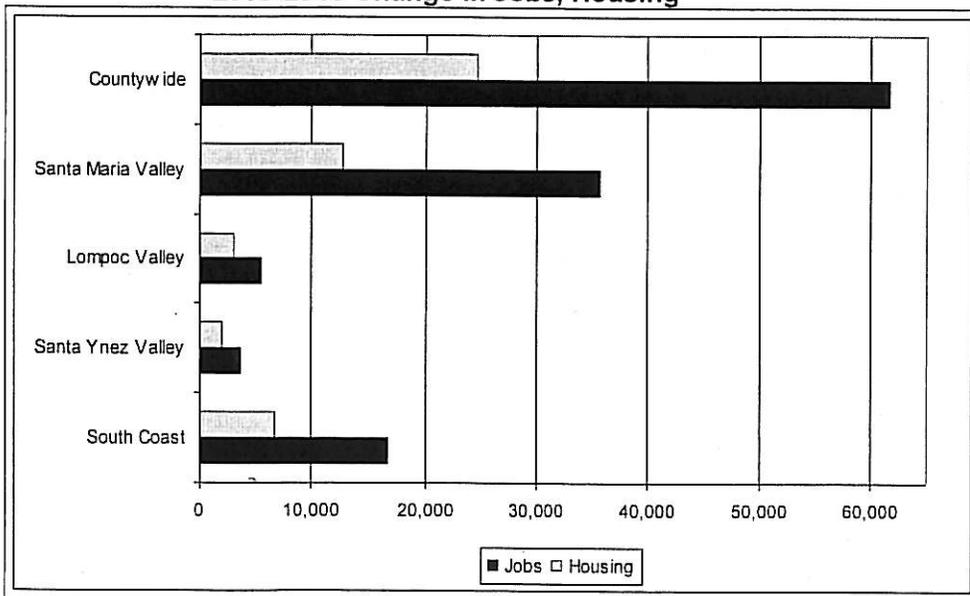


Figure 5 and 6 provide a comparison of the 2005 and 2040 relationship between jobs and workers. Over the forecast period, the Santa Maria Valley goes from a worker surplus in 2005 to a job surplus in 2040.

Figure 5
2005 Jobs Worker Relationship

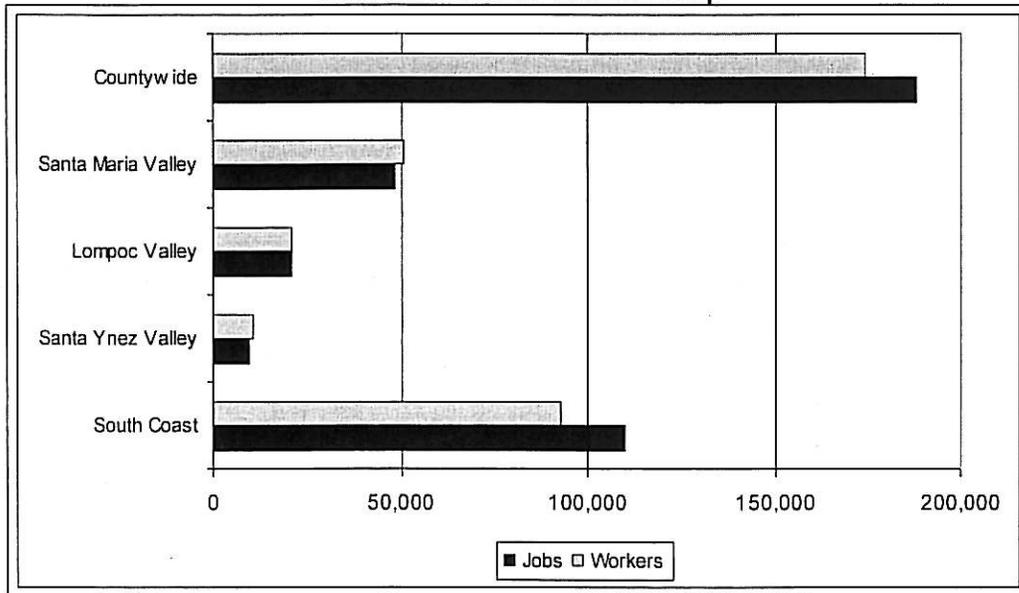


Figure 6
2040 Jobs Worker Relationship

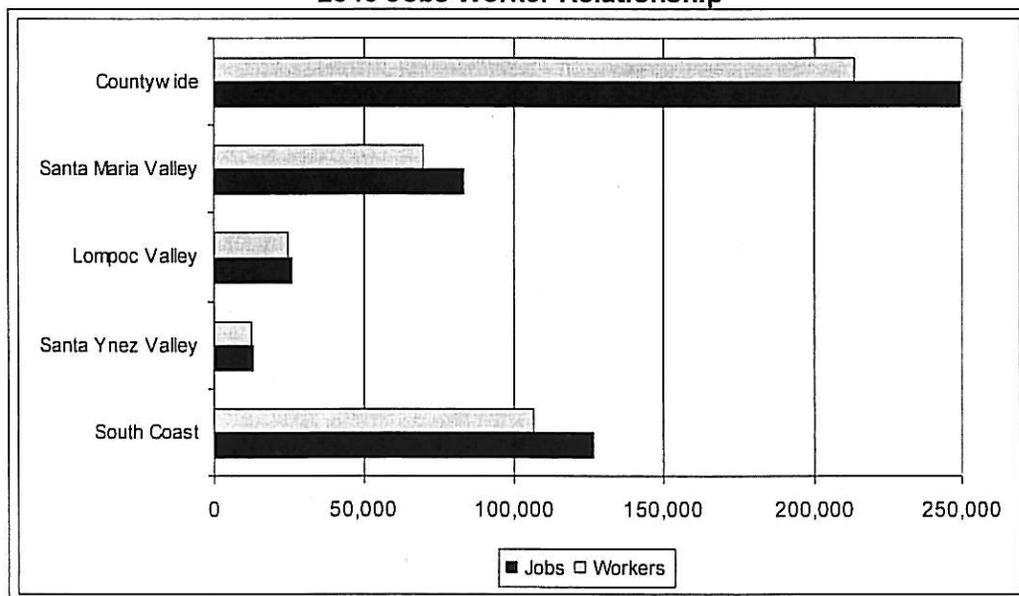


Table 3 shows the forecast jobs housing ratios for all jurisdictions in the county. These ratios are the result of dividing the employment forecast by jurisdiction by the household forecast by jurisdiction. The resulting ratios show the number of jobs per occupied housing unit.

Table 3
Jobs Housing Ratio

Jurisdiction	2005	2010	2015	2020	2025	2030	2035	2040
South Coast	1.46	1.49	1.52	1.53	1.55	1.54	1.53	1.53
City of Carpinteria	1.39	1.40	1.44	1.47	1.49	1.48	1.47	1.45
City of Santa Barbara	1.76	1.78	1.80	1.81	1.83	1.84	1.85	1.85
City of Goleta	2.07	2.07	2.10	2.11	2.09	2.02	1.97	1.98
Unincorporated	0.69	0.76	0.77	0.77	0.77	0.77	0.77	0.77
Lompoc Valley	1.07	1.12	1.14	1.16	1.17	1.17	1.17	1.17
City of Lompoc	1.03	1.11	1.13	1.16	1.17	1.17	1.17	1.18
Lompoc - Uninc.	1.16	1.14	1.15	1.16	1.17	1.17	1.17	1.16
Santa Maria Valley	1.22	1.26	1.26	1.24	1.27	1.38	1.49	1.60
City of Santa Maria	1.58	1.59	1.57	1.53	1.56	1.71	1.87	2.04
City of Guadalupe	1.16	1.04	0.97	0.90	0.86	0.84	0.83	0.82
SM - Uninc.	0.44	0.53	0.55	0.56	0.59	0.64	0.68	0.72
Santa Ynez Valley	1.12	1.15	1.16	1.16	1.19	1.21	1.23	1.25
City of Solvang	1.70	1.65	1.61	1.56	1.52	1.48	1.45	1.41
City of Buellton	1.59	1.70	1.74	1.74	1.76	1.77	1.78	1.79
SY - Uninc.	0.69	0.72	0.73	0.75	0.79	0.82	0.86	0.89
County Total	1.32	1.36	1.37	1.37	1.39	1.42	1.45	1.49

RHNA Methodology and Jobs Housing Options

The jobs housing allocation factor can be addressed in a number of different ways if the advisory group chooses to pursue this criteria. The potential options utilize data from the RGF 2007 that include job and/or household growth. Fortunately, the RGF provides estimates for the city and unincorporated geographic level so that they can be used to differentiate subtleties between each jurisdiction.

Option 1: *Allocate based on the growth in jobs* between the 2007 to 2014 RHNA planning period. This approach would ultimately allocate more housing to those areas with more job growth. In addition, it may be more effective if the housing allocation was adjusted by income level to better ensure that it matches the needs of the local workforce. For example, the need allocated to the South Coast might better address moderate-income workforce housing for the higher paid workers in this region vs. the Santa Maria Valley that may have a need for low and very low-income housing for farm workers.

Pros: Addresses future growth and alleviates exacerbation of existing imbalance of jobs and housing

Cons: Does not address existing imbalances.

Option 2: Use the existing allocation of jobs. This could address existing imbalances to some degree and provide more opportunities for commuters to relocate closer to their place of employment.

Pros: Attempts to correct existing problem

Cons: Does not account for short term change

Option 3: Use the ratio of jobs and housing. The existing as well as forecast ratio's are calculated in Table 3.

Pros: If the methodology were to utilize the existing jobs housing ratios, jurisdictions with more jobs compared to housing units would be allocated more housing need. In theory, this would help alleviate the existing imbalance. The allocation of need should also attempt to match the workforce income with the allocation housing by income level.

Cons: While the relationship of jobs and housing are important, care must be taken not to exclude other factors in the allocation criteria.

Option 4: Use ratio of residential build out capacity to commercial-retail-industrial build out capacity in local land use plans as identified in the Regional Growth Forecast, Appendix 5, Tables 1 and 2. Use ratio to increase allocation to areas that have an imbalance in their zoning for residential vs. non-residential lands.

Pros: Ties estimate to land use plans

Cons: Surrogate for jobs-housing relationship

TPAC members should indicate their preferences for a method and may also wish to provide other options for staff to quantify in the allocation methodology.