



HOUSING IN SANTA BARBARA

According to the National Association of Home Builders, Santa Barbara County is the fifth least affordable small metropolitan area housing market in the nation. Despite the recent housing downturn, continued exorbitant housing costs make it almost impossible for most people to buy a home in southern Santa Barbara County. Adding to the problem is the tight rental market and increasing cost of rents. To find affordable places to live, many are forced to commute long distances to and from work (35-60 miles each way). Besides the negative personal impact of commuting, the housing shortage affects our local economy as companies struggle to recruit and retain skilled workers. Commute times also impact families, since parents spend hours each day commuting, rather than spending time with their children. Commuting also affects our civic life, since many workers contribute their volunteer service to the communities where they live, rather than locally.

In 2012, the Coastal Housing Coalition (CHC) sponsored a study to measure the changing demographics and trends. We believed that clear and current demographic data was necessary to fully understand the impact of the jobs/housing imbalance on our local workforce, the Coalition engaged the California Economic Forecast to undertake the study "Santa Barbara's Changing Demographics and Housing Trends" (June 1, 2012). The study provided data for all three closely-interconnected sub-regions of the County in order to better understand the region as a whole. The results of the study supported the concerns about community health as it relates to housing opportunities and economic vitality.

As demonstrated in the Study, the South County has the strongest economy in the County and the highest housing costs. Compared to California and to the nation, the availability of housing is significantly less. Although housing prices dropped significantly from the housing-bubble highs of 2005, housing is still much more expensive in southern Santa Barbara County than in California or the nation. The gap between housing costs and median income is much wider here. And, although the data suggests that a fair percentage of median-income households in the community could afford a median housing cost condominium in 2011-12, the number of such units available is small and the calculation does not attempt to account for down payment requirements or toughened current underwriting standards. In addition, housing prices have been climbing over the last six months. The jobs/housing balance is tipped to jobs, and the result is in-commuting for jobs and out-migrating for housing.

The Key trends found by the Demographic Study include the following:

Key Trend #1: Despite net out-migration, the South Coast’s population is still slowly growing due to native births.

Key Trend #2: The South Coast’s population is aging, increasingly consisting of people who are living longer and staying longer in their homes.

Key Trend #3: The percentage of middle-age households in the South Coast has dramatically decreased in the last decade, resulting in the loss of a key demographic for community health and vitality.

Key Trend #4: The South Coast population is becoming more ethnically diverse.

Key Trend #5: Since 1980, the gap between housing prices and median household income has widened dramatically in South Santa Barbara County, increasing much more here than across the state or nation.

Key Trend #6: While house prices have declined since the mid-2000’s, home affordability for middle-income households remains a challenge.

Key Trend #7: The South Coast rental market has the lowest vacancy rate in years, and rents are high.

Key Trend #8: In the South Coast, homeowners are overwhelmingly in the older age cohorts.

The Demographic Study was presented at the “Housing: The Next Frontier – Strategies and Solutions” Conference that was sponsored by Coastal Housing Coalition. The conference was held June 1, 2012 and was attended by over 120 decision-makers, land use planners, and housing advocates, affordable housing developers.

EMPLOYER/EMPLOYEE SURVEY

We believe that a key factor in reversing some of the trends identified in the 2012 demographic study is to build the right type of housing. Before CHC can effectively persuade elected officials, policymakers and planners to build more affordable workforce housing, we will need to make a compelling case that there is a clear need for such housing—and that there is a demand for particular housing solutions (e.g., attached housing, rental product).

As a follow-up to the Demographic Study, CHC is conducting an Employer/Employee Survey that will provide data about how the lack of housing is impacting our community. The research will gather *statistically reliable* information on the state of the jobs/housing imbalance in the South

Coast region, profile its impacts on various aspects of our community and quality of life, as well as identify marketable housing solutions. For example:

- To what extent are local workers being forced to rent or purchase housing outside of Santa Barbara due to lack of housing they can afford?
- Do these workers tend to cluster in certain demographic, socio-economic, and employment subgroups?
- Looking to the near future, what percent of workers who currently reside locally anticipate leaving Santa Barbara to acquire an affordable home and commute to their job in Santa Barbara?
- What impacts does the job/housing imbalance have on workers' quality of life, family, travel patterns, and emissions?
- Do local employers struggle to find and retain talented workers due to the lack of affordable housing options in Santa Barbara?
- What types of affordable housing solutions are most marketable to employees in Santa Barbara?

Answers to these and related questions will help the CHC and local policy-makers better understand the nature of the jobs/housing imbalance and develop effective, marketable strategies to mitigate the problem in the future.

SURVEY OBJECTIVES

The State of California requires that all cities and counties update their plans for future housing for the community (General Plan Housing Elements) every five years. A new cycle is starting for Santa Barbara County and all local agencies are required to update their Housing Elements in 2014. CHC's intends to use the data gained from the survey regarding solutions to our housing crisis to inform decision makers as they make policy decisions about land use and housing types and as they consider specific housing projects.

CHC's key objective is to identify the type of housing that helps to maintain; a healthy middle class, a vital economy; and a diverse community (age, ethnicity, etc.).

CHC will present results of the survey at our second housing conference in 2014 and to decision-makers throughout the County

MECHANICS OF THE SURVEY

Drawing upon the Coastal Housing Partnership's network of member companies as well as non-member employers, the first phase of research will involve surveying at least 100 Santa Barbara-area employers (professional, corporate, retail, hospitality, nonprofit) regarding their experiences with housing issues. For employers, the research will focus on the extent to which local housing issues have affected their business operations—including their ability to hire and retain skilled and experienced workers, wage escalation, and their competitiveness within their respective industries.

From this initial group of 100 employers, the second phase of the study will select a smaller number of employers (~40) that represent the diversity of businesses in the region (by industry and size) to collaborate in a survey of their employees. For employees, the online survey will profile their current housing situation, commute patterns, the types of trade-offs they perceive they are currently making with respect to their job/housing situation, as well as related issues. Of particular interest, the employee survey will also identify affordable housing solutions that are motivating employees (or will likely do so in the near future) to move out of Santa Barbara and commute to work. Using an online format will allow the survey to present descriptions and visual representations of different types of multi-family housing to determine the potential market for each solution.

WHAT IS THE COASTAL HOUSING COALITION

The Coastal Housing Coalition (CHC) and its sister organization, Coastal Housing Partnership are non-profits that are supported by 45 local employers collectively employing more than 35,000 South Coast workers and is dedicated to finding solutions to our region's housing crisis. We believe that the lack of available, affordable housing in close proximity to jobs is adversely affecting our region's economy, environment and civic life, all of which will worsen if we don't tackle this crucial problem. The goal of the Coastal Housing Coalition is to encourage an increase in the supply of housing that our local workforce can afford through:

- Public outreach, providing balanced information on housing issues
- Communicating the impact of the escalating housing crisis to elected officials and decision-makers so that employee housing is made a priority.
- Shaping housing policy so that more employee housing opportunities are created
- Endorsing well-designed, appropriately-located residential projects

To fulfill its mission, CHC periodically conducts primary and secondary research on the state of housing along the South Coast, affordability and inventory trends, demographics, public opinion, as well as patterns in employment, commuting, and other topics. In addition to profiling the nature and extent of the jobs/housing imbalance and its many impacts on the

quality of life in the region, the research can also help CHC identify effective and affordable housing solutions that will be attractive to local workers and their families.

BOARD OF DIRECTORS

CHC's board is made up of volunteers from a variety of organizations and businesses in the community. They all share one goal – advocating for more affordable workforce housing for all our community.

- Willie Brown, University of California, Santa Barbara
- John Campanella, Bermant Development Company
- Karen Dwyer, Express Employment Professionals
- Don Gilman, Gilman Consulting Group
- David Gustafson, Retired Community Development Professional
- Alissa Hummer, University of California, Santa Barbara
- Craig Minus, The Towbes Group
- Detlev Peikert, Peikert + RRM Design Group
- Lisa Plowman, Peikert + RRM Design Group
- Rochelle Rose, People's Self Help Housing
- Reyne Stapleman, Association of Realtors
- Greg Wilson, Impulse Advanced Communications

SURVEY SUBCOMMITTEE

The survey subcommittee is made up of CHC board members and well as volunteers from other outside our organizations also have a strong interest in seeing the creation of housing that is affordable to our workforce.

- John Campanella, Bermant Development Company
- Corby Gage, Coastal Housing Partnership
- Detlev Peikert, Peikert + RRM Design Group
- Lisa Plowman, Peikert + RRM Design Group
- David Gustafson, Retired Community Development Professional
- Krista Pleiser, Association of Realtors
- Rochelle Rose, People's Self Help Housing
- Dave Clark, Impulse Advanced Communications