

SANTA BARBARA SOUTH COAST
CHAMBER OF COMMERCE
From Goleta to Carpinteria

Roadmap to Recovery

The Road Home II



Updated July 2024

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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.


In April of 2023 the Chamber released Roadmap to Recovery Phase III: The Road Home, to provide a basic roadmap to guide us out of the current housing crisis and build consensus around the proposed solutions. Since doing so, the Chamber's proposed Employer Sponsored Housing Consortium has gained much community support and momentum as we have championed the development of this new model program.

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 co-living and micro style concepts that have yet to be realized.

The world, globally and locally, has gone through many changes in the past few years. The ability of remote work has caused us to rethink our relationship between home and work. Labor shortages have placed an emphasis on efficiencies, but also on 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. It was written for two reasons:

1. There is now a consensus among leaders, including government, and the private sector, that we do not just have a housing problem, but a housing supply 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.

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.

This paper focuses on building consensus and understanding about the local housing supply crisis and the proposed solutions, particularly the Chamber's Employer Sponsored Housing Consortium program.

Reaching consensus will mean letting go of some of our outdated beliefs, eliminating unnecessary barriers, and shifting our minds to understand supply and demand economics, allowing us to tease out the places where we make decisions out of fear or unconscious bias.

Together, we can find the road home.

Chapter 2: Employer Sponsored Housing Consortium

Workforce Housing has been an important part 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 Santa Barbara South Coast Chamber of Commerce is exploring an Employer Sponsored Housing Consortium which would allow employers to secure housing for their employees – guaranteeing that housing will go to our local workforce.

The Employer Sponsored Housing Consortium is a model where:

- Local employers enter a limited partnership structure for the purpose of:
 - Developing or acquiring one or more residential rental properties, for employees to own and/or rent.
 - Or by master leasing a particular number of units from a local housing project, for employees to rent.
- The consortium, relationships between fellow employers, developers, property owners, and employees would be managed by a third-party legal entity.
- 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 would establish their own eligibility criteria.
- Each employer retains the right to establish maximum occupancy duration.
- Under the property ownership model:
 - Though a minimum monthly rent would be required to operate the facility, each employer retains the flexibility to set the amount paid by the employee.
 - 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.

The Chamber has been working diligently on the effort to create an Employer Sponsored Housing Consortium that works for local employers, developers, and governmental jurisdictions. As of the publishing of this document in July 2024, we are approaching the creation of our first consortium and first official partnerships between the consortium and upcoming housing projects.

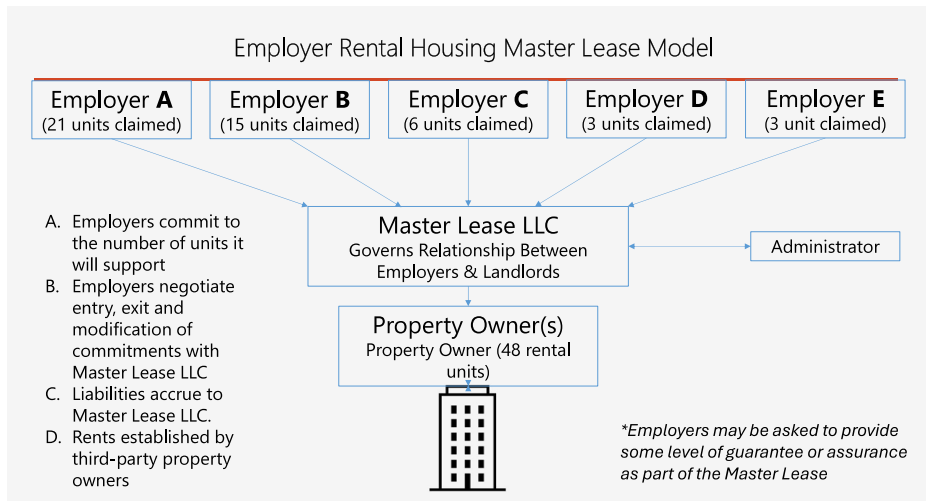
After receiving feedback from employers, developers, and government, the Chamber has settled on two models for Employer Sponsored Housing Consortiums. The model chosen will depend upon the preferences of the employers that make up said consortium, the preferences of their developer partners, and the housing stocks that make up those housing projects. The two models are a Master Lease Consortium and a Property Ownership Consortium.

Master Lease Consortium Model

Local employers form a limited liability company for the purpose of leasing units at one or more residential rental properties. Employers enter agreements with the LLC to establish the number of housing units available to their employees. Employees enter lease agreements with the LLC limited to the number of units made available by their employer.

Each employer would establish their own employee eligibility and maximum occupancy duration criteria. The Chamber will provide guidance on best practices and preferred policies. Though a minimum monthly rent would be required by the property owner, each employer retains the flexibility to set the amount actually paid by the employee. Any negative differential to be paid by the employer.

Employers are not responsible for property maintenance or operations. Entry, exit and modification of employer lease commitments are resolved through the LLC, rather than individual negotiations with property owners. The Chamber oversees and manages the consortium's creation and administration. The Chamber will assist with recruitment of additional members as needed.



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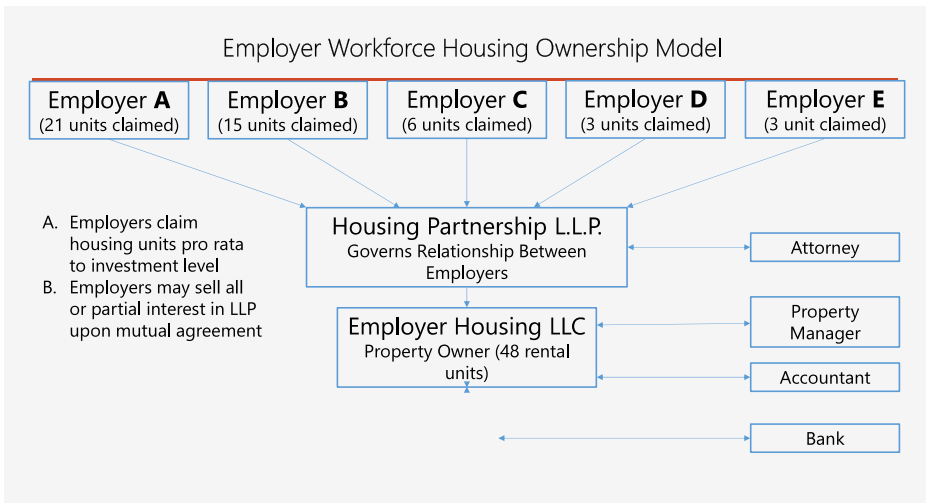


Property Ownership Consortium Model

Local employers enter into a limited partnership structure for the purpose of acquiring one or more residential properties. Dependent upon the investment level, each employer would hold the right to make a corresponding number of housing units available to their employees to purchase or rent.

Each employer will retain the right to establish their own employee eligibility and maximum occupancy duration criteria. The Chamber will provide guidance on best practices and preferred policies. Though a minimum monthly rent would be required to operate the facility, each employer retains the flexibility to set the amount paid by the employee.

Tax benefits of residential property ownership inure to the limited partnership and apportioned to employer investors, subject to tax regulations. All property and asset ownership responsibilities are assigned to a third-party general partner. Chamber to oversee and manage the consortium's creation and administration. The Chamber will assist with recruitment of additional members as needed.



Chapter 3: 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 4: The Time is Now

Advocacy

For the last 20 years, the housing shortage has been referred to as a jobs-housing imbalance, implying 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 supply 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 various development projects that maintain the identity of our communities while allowing more flexibility in local housing development and supply.
- 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, rather than create barriers.
- Continued to advocate for housing projects in the pipeline.

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.

Myths and Misconceptions

Market Rate Units Increase the Need for Affordable Housing

It's not just a memorable quote, but an observed phenomenon that if a statement is repeated often enough it becomes the truth. Such is the case with the contention we are hearing with some frequency regarding our housing shortage: "We need nine affordable homes for every one market-rate home that's built." Let us break down this statement to better understand the truth and the speculation.

More accurately, our region needs 24,856 homes that are affordable to low- and moderate-income households by 2031, according to the most recent housing needs assessment (1). This number has no correlation to the development of market-rate housing, but rather reflects the fact that demand for housing has far outstripped the supply of housing being developed at all price points. There are numerous influences impeding supply, but it must be understood that all housing must be affordable, otherwise it would remain vacant.

The challenge centers around whether regulatory requirements, neighborhood preferences, geography, and input costs allow residential development to arrive at market at prices considered affordable by those that live and work in our community. The Santa Barbara South Coast Chamber of Commerce is a vocal champion in finding balance among these issues for the benefit of a vibrant, resilient economy.

The kernel of truth underlying the statement resides in the fact that each new home built in our region does impose a need for services performed by others. Therefore, both market-rate AND income-restricted residential developments do create an additional need for housing. However, the correlation is not multiplicative, as "nine affordable for one market-rate" implies. Instead, it is fractional, closer to 0.4 affordable for one market rate.

1. https://santabarbaraca.gov/sites/default/files/2023-12/Final%20Adopted%20Housing%20Element%202023-2031_Combined_12_14_23.pdf



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.



Government and the Regional Housing Elements

All California cities and counties are required to include a housing element in their general plan that establishes housing objectives, policies, and programs in response to community housing conditions and needs. The Santa Barbara South Coast Chamber of Commerce closely followed and participated in the housing elements processes of the County of Santa Barbara, City of Goleta, City of Santa Barbara, and City of Carpinteria.

Regional Housing Needs Assessment (RHNA) is the number of housing units that every city and county in the State of California must adopt land use plans and zoning regulations to accommodate a share of the future housing needs. These numbers are prepared on an 8-year cycle concurrently and distributed to the various jurisdictions within a region. In our case, Southern Santa Barbara County.

This cycle, 2023-31, has been one of the most productive in terms of housing objectives, policies, programs, site identification, and rezones. While the implementation of these various aspects of the housing elements has yet to be realized, the Chamber is hopeful that this will lead to a notable increase in the number of realized housing projects in our region.

Read more about the different jurisdictions' housing elements at the links below:

County of Santa Barbara: <https://www.countyofsb.org/3177/Housing-Element-Update>

City of Goleta: <https://www.cityofgoleta.org/your-city/planning-and-environmental-review/advance-planning-division/housing-element-update-2023-2031>

City of Santa Barbara: <https://santabarbaraca.gov/HousingElement>

City of Carpinteria: <https://carpinteriaca.gov/city-hall/community-development/planning/housing-element-update/>



Chapter 5: 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 6: 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.

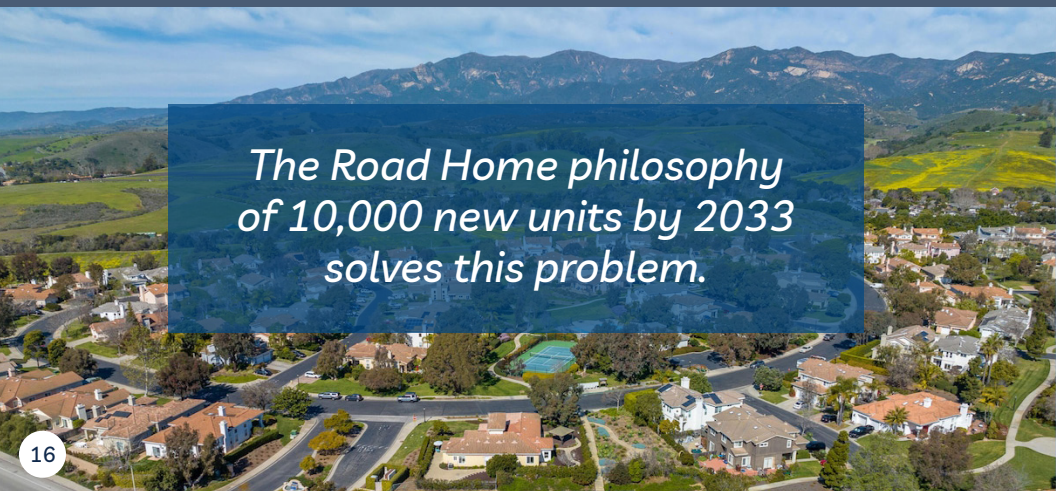
- In the current environment, the only types of housing that can effectively be brought to market in the South Coast are highly subsidized affordable units or high-priced luxury units that can generate enough revenue to offset previously mentioned costs. The “missing middle” this creates needs to be 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

A common misconception is that we don't need more market-rate housing. This is simply not true. In our community, there is a frequent argument that building more housing, especially above-moderate income units necessary for project viability, does nothing for low-income and workforce housing, or can even make them less affordable. However, this argument overlooks the law of supply and demand, which influences the housing market just as it does 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 7: The Road Home Pledge

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.



Santa Barbara South Coast Housing Champions

We could not present our latest efforts in supporting workforce housing in our community without thanking our South Coast Housing Champions. We are deeply grateful for the generous contributions of our Housing Champion Members. These visionary partners have shown their steadfast commitment to driving housing solutions through engagement and collaboration to address one of our community's most pressing issues—a lack of adequate housing supply for our workforce.

American Capital Management

American Riviera Bank

Brownstein Hyatt Farber Schreck

Chevron

Community West Bank

Glen Annie

Homes at the Caird Family Property

Oak Creek Company

San Marcos Ranch

Shelby Property

Solomon Hills

UCLA Health

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.

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. (<https://www.sbhousingtrust.org/workforce-homebuyer-program>)

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. Middle-Income Downpayment Assistance (FHLBank):

Downpayment and closing costs are significant barriers to homeownership. As home prices and interest rates have risen, middle-income households have struggled to achieve the dream of homeownership. To help put sustainable homeownership within reach for more families and individuals—including many who are among the most essential members of our community, like (but not limited to) teachers, medical assistants, and administrative workers – FHLBank San Francisco has renewed the Middle-Income Downpayment Assistance matching grant program with a \$20 million allocation in 2024.

The Bank is currently accepting requests from members to fund grants for homebuyers who meet the eligibility requirements of this program. (<https://www.fhlbsf.com/community-programs/grant-programs/middle-income-downpayment-assistance>)

5. 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.

6. 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.

The Road Home II: 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	Update as of July 2024
Bailard Workforce and Affordable Housing Project	Unincorporated County (near Carpinteria)	Rental housing; workforce component and affordable housing through Housing Authority of the County of Santa Barbara	173	Approved for Rezone as part of the County Housing Element Process, Designated for a CUSD school site and designated as surplus land in 2019.
Caird/Patterson Ag Block Property	Unincorporated County (Patterson)	Mixed-Income Housing	800	Approved for Rezone as part of the County Housing Element Process, Concept is 50% remains agriculture, 50% available for housing.
Glen Annie	Unincorporated County (Glen Annie)	Single-family, luxury market rate	1,536	Approved for Rezone as part of the County Housing Element Process, 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	Approved by Goleta City Council, 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	Mixed-Income Units	190	Rezoned per Goleta Housing Element.
State and Hope Neighborhood Project (La Cumbre Plaza)	City of Santa Barbara	Mixed-use project serving individuals, families, and seniors; Public-private partnership for workforce and affordable housing	640	In-process, formal application submitted to the City June 2024.
MTD Property	Unincorporated County (Patterson)	Multifamily rental housing + 15% income-restricted	333	In-process.
Paseo Nuevo	700-800 block of State Street, City of Santa Barbara	Mixed-use luxury housing with commercial	500	Discussing Redevelopment and Housing Options with the City of Santa Barbara.
San Marcos Ranch	Unincorporated Santa Barbara County (Turnpike)	Rental	996	Approved for Rezone as part of the County Housing Element Process.
The Shelby Property	City of Goleta (near Glen Annie)	Single and Multi-Family Housing	155	In-process, 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	4,000	Awaiting County approval of General Plan Amendment, this site was a productive oil field for last 100 years.
Tatum Property	Unincorporated Santa Barbara County (Turnpike)	Workforce and Affordable Housing	545	Approved for Rezone as part of the County Housing Element Process.
Yardi Property	City of Goleta	Rental Apartments	374	In-process, 1,000 sq ft of Office Space to be converted to rental apartment housing.

NOTE: This table reflects the Chamber's vision for sites/projects appropriate for and ready to fulfill the workforce housing needs of our region. While we strive to keep the information accurate and up-to-date, we make no representations or warranties about the completeness, accuracy, reliability, suitability, or availability with respect to the information contained herein.

