



HOUSING AFFORDABILITY IN THE SOUTH COAST

IMPACTS OF PAST POLICIES & POTENTIAL
PATHWAYS FOR THE FUTURE

You can find more in-depth information within the study – refer to page numbers on the bottom of most slides

REPORT OBJECTIVE



GOAL

To provide **data and context** on the housing supply and affordability in the South Coast to help guide future policy-making and **inform local discussions** on one of the most critical issues facing the region.



SOUTH COAST REGIONAL ANALYSIS

Economic and Demographic Drivers
of Housing Demand

Housing Supply and Limited
Availability

Affordability Crisis and
Socioeconomic Consequences

Barriers to Development and
Regulatory Environment

Strategies and Policy Pathways for
the Future

BRIEF HISTORY

- One-third of the South Coast housing stock was built between 1939 – 1959
- Environmental movement begins in 1969
- Unintended consequences



Photo credit
goletahistory.com

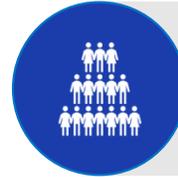
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MAJOR TAKEAWAYS

- Weak demographic trends
- Population growth slowed significantly largely reflecting the underlying lack of housing
- Fell far behind the state average
- New residents were not able to move to South Coast

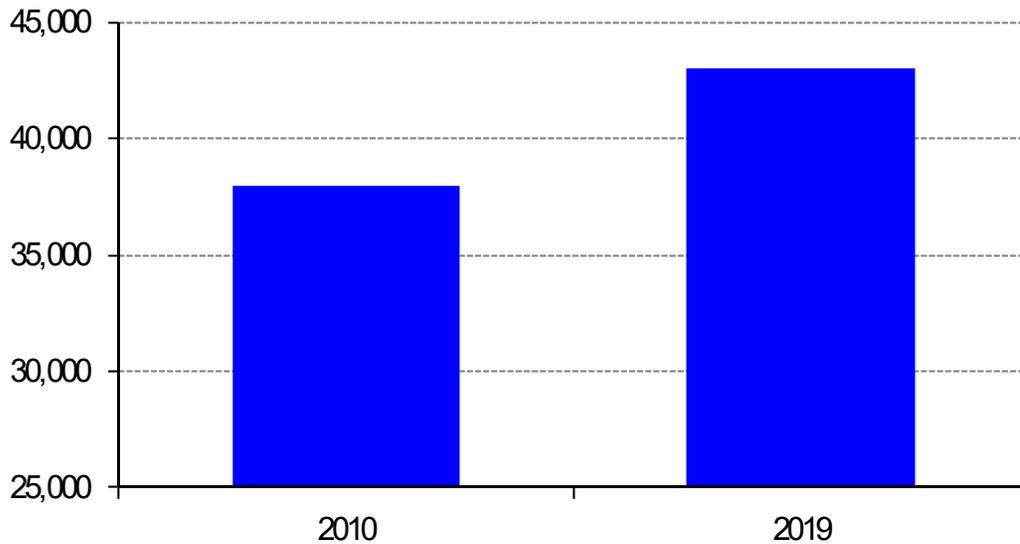


STUDENT POPULATION

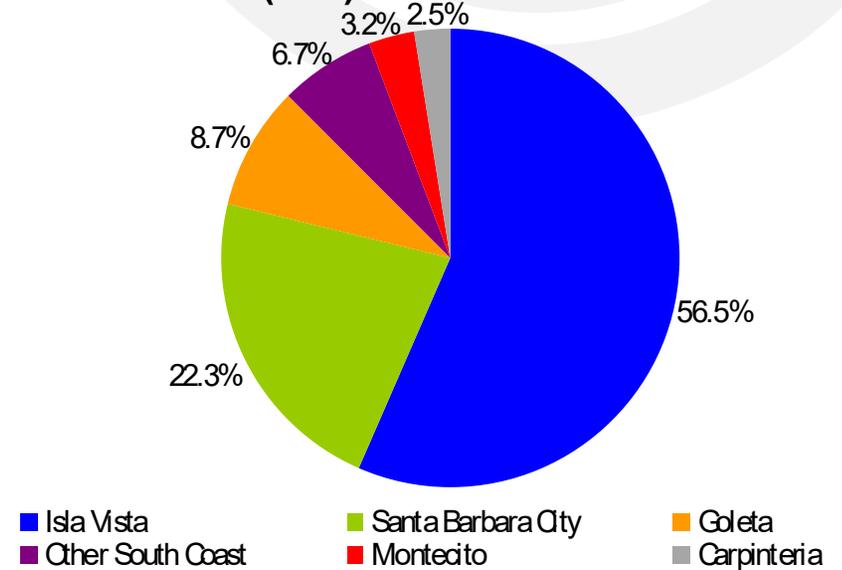


THE POPULATION OF COLLEGE AND GRADUATE STUDENTS ACCOUNTED ALMOST ONE-QUARTER OF THE TOTAL ADULT POPULATION IN THE SOUTH COAST.

Population Enrolled in College or Graduate School in the South Coast (2019)



South Coast Population Enrolled in College or Graduate School (2019)



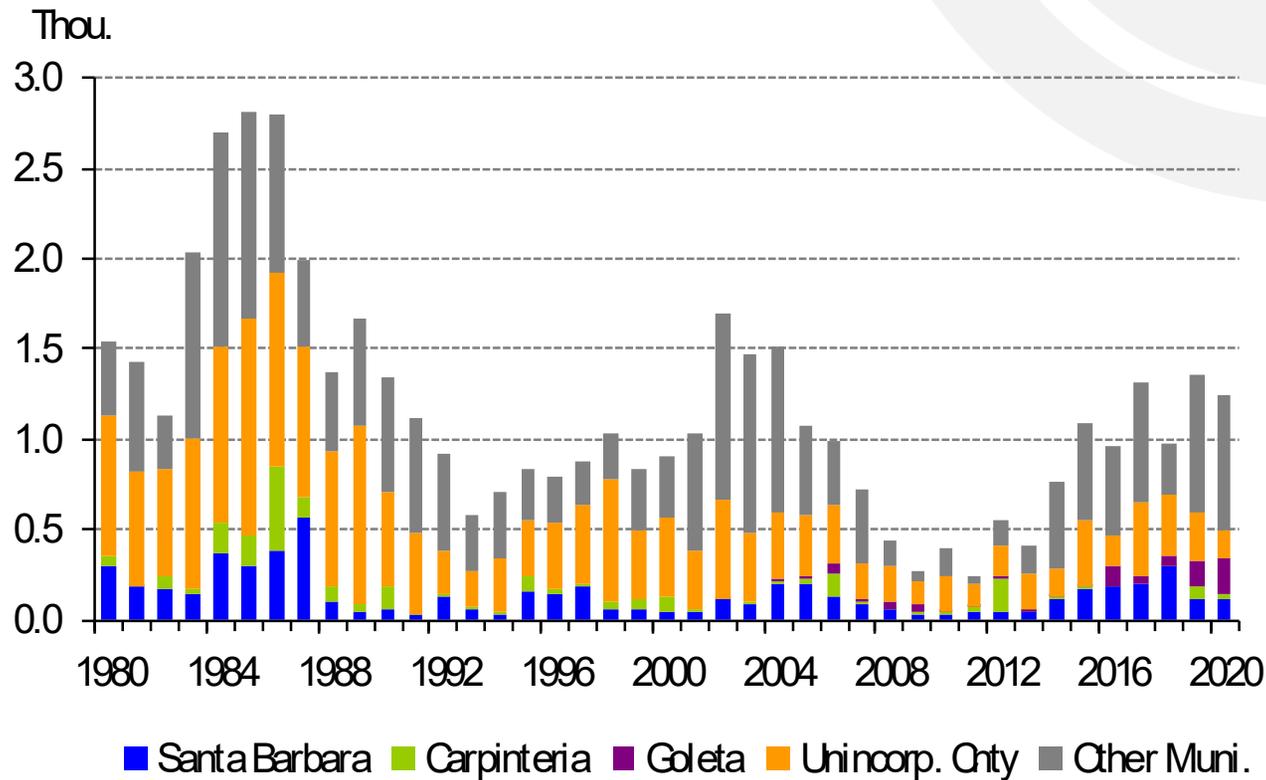
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DECLINE IN BUILDING



**ANNUAL AVERAGE PERMITTING
DECREASED BY 37.5% FROM 2000 TO 2020
COMPARED WITH 1980 TO 1999.**

Santa Barbara County Residential Permitting



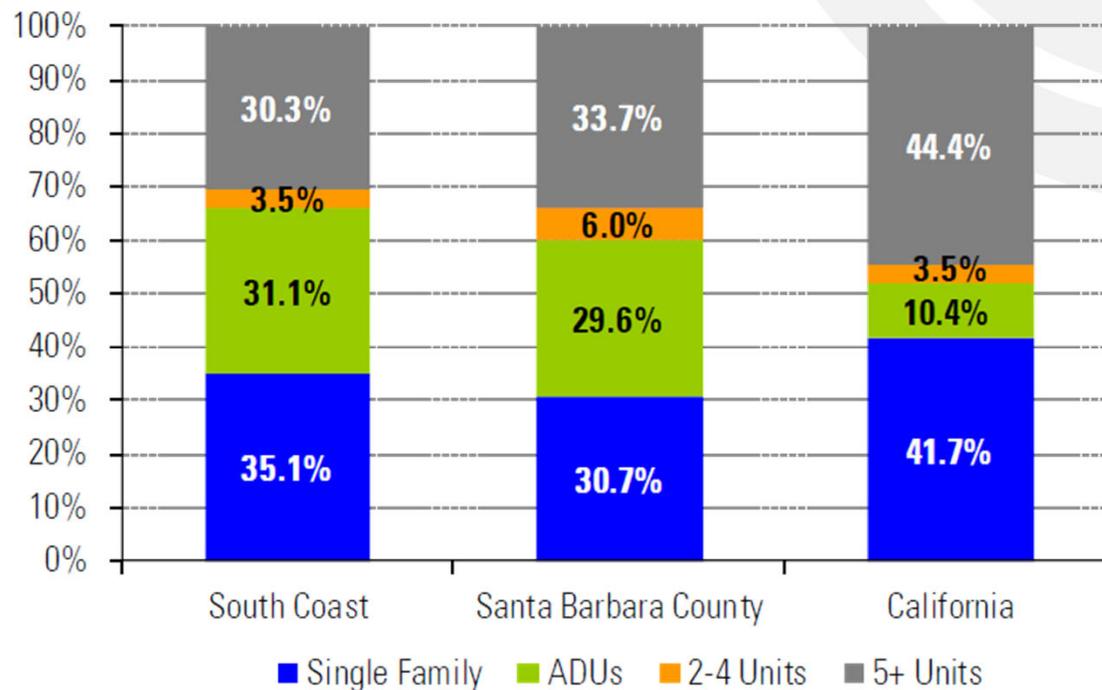
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PERMITTING TYPES



ADUS ACCOUNTED FOR APPROXIMATELY ONE-THIRD OF ALL UNITS PERMITTED IN THE SOUTH COAST

Permitting Share by Unit Type (2018-2021)

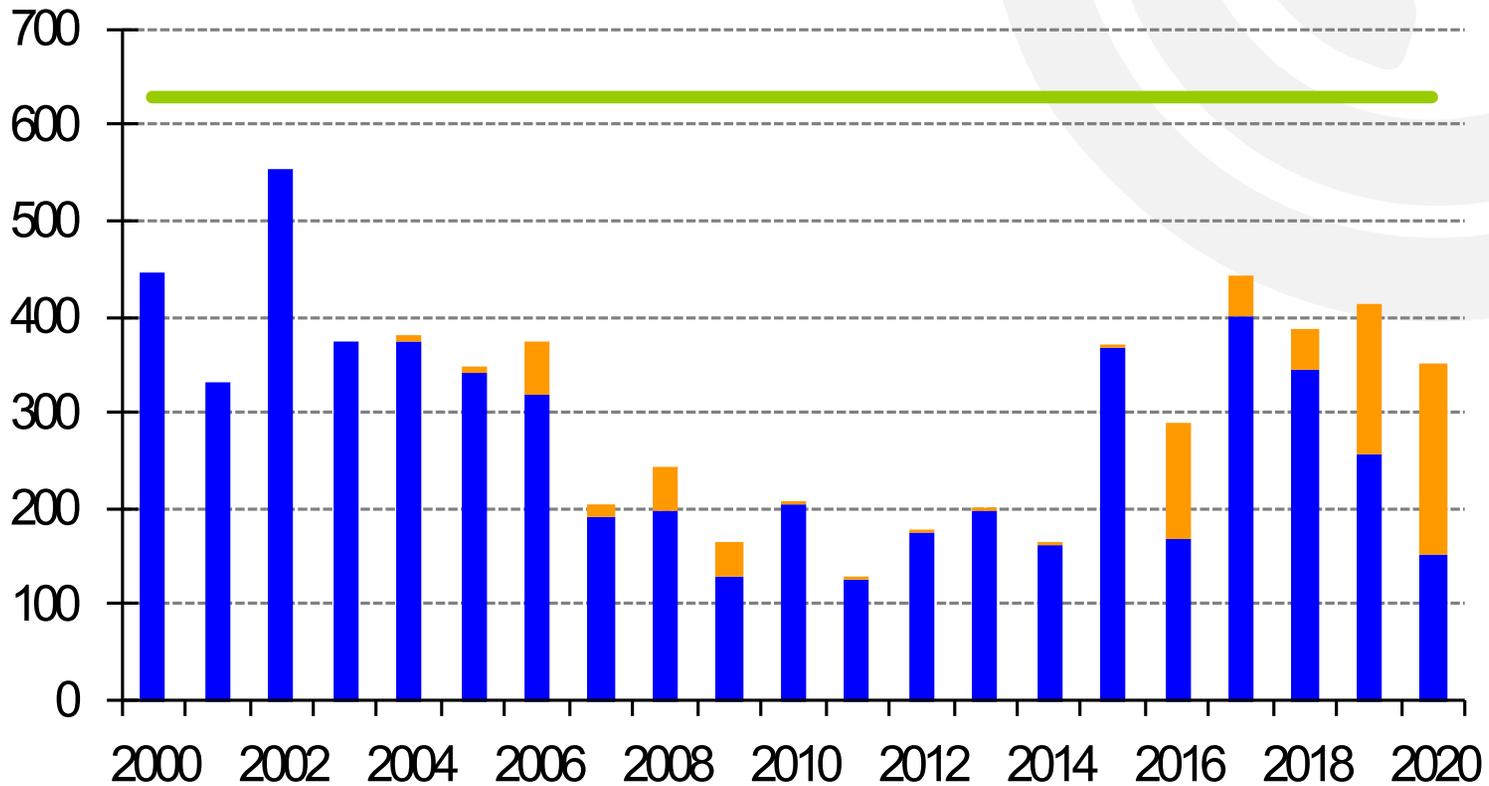


Note: Single family includes attached and detached

Sources: California Department of Housing and Community Development, RCG

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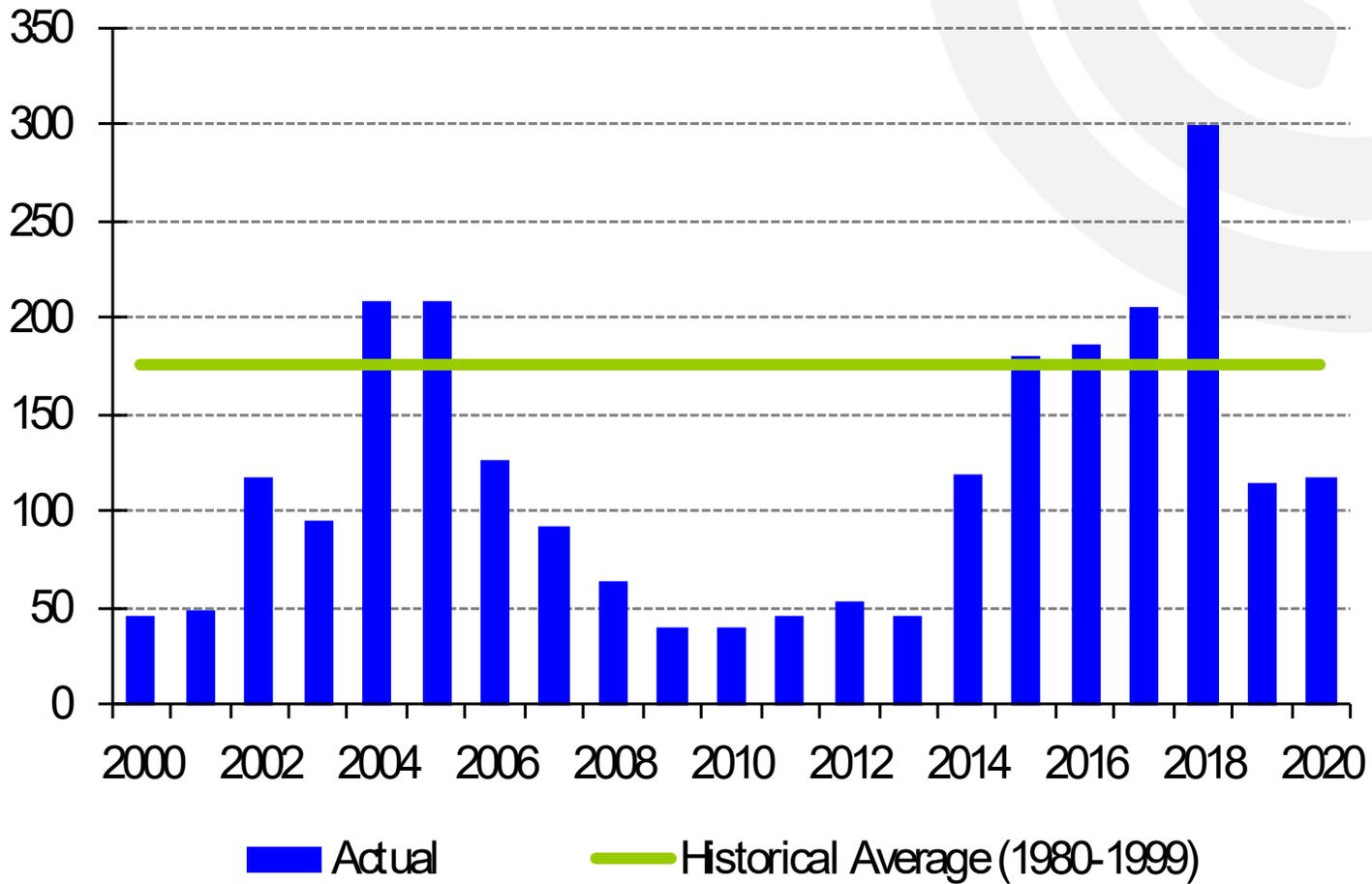
RESIDENTIAL PERMITTING GOLETA & UNINCORPORATED AREAS



■ Goleta (actual)
 ■ Unincorp. Chty (actual)
 — Historical Average (1980-1999)

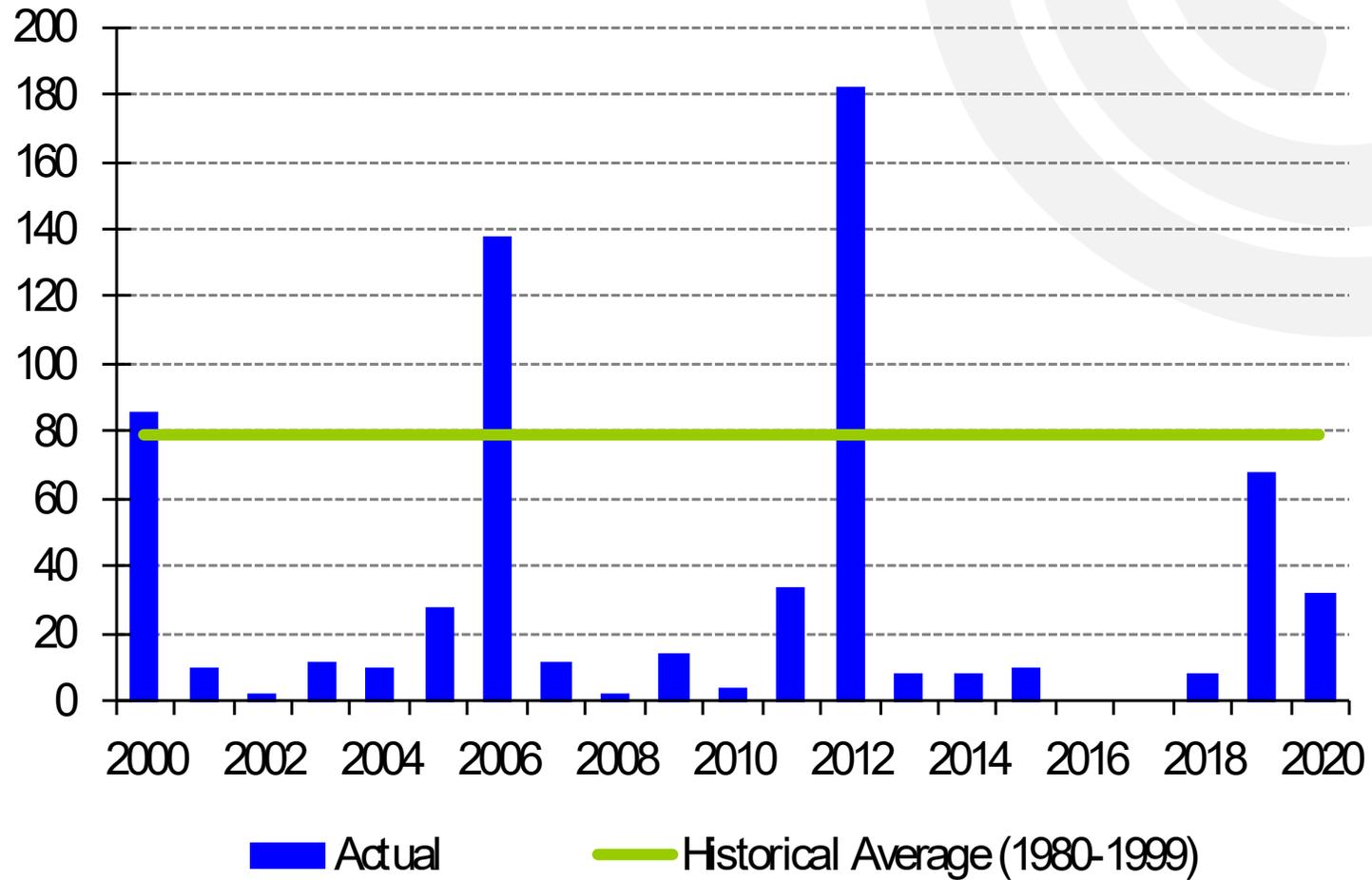
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RESIDENTIAL PERMITTING CITY OF SANTA BARBARA



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RESIDENTIAL PERMITTING CARPINTERIA

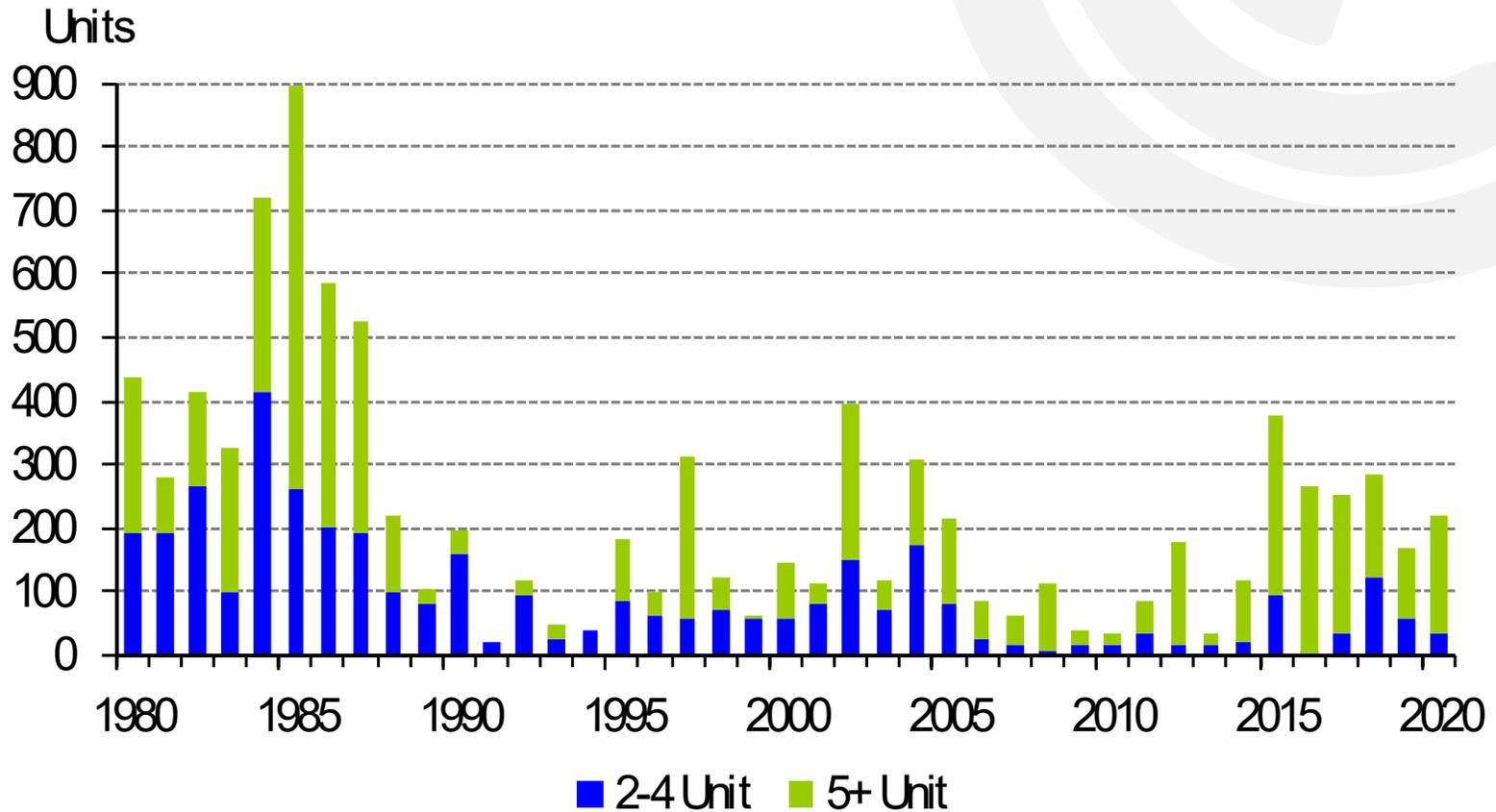


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“MISSING MIDDLE” MULTIFAMILY HOUSING PERMITTING



LARGE DECLINE IN 2-4 UNIT DEVELOPMENTS INCLUDING: TOWNHOUSES, DUPLEXES, “MOM AND POP” PROPERTIES AND SMALL APARTMENT BUILDINGS



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MAJOR IMPACTS ON HOUSING STOCK



The share of the total housing stock built in the South Coast from 2000 to 2019 was less than half of the national average, and **less than one-third of the statewide** share.

54% of South Coast housing was built prior to 1970 vs. 42% statewide and 38% nationally.



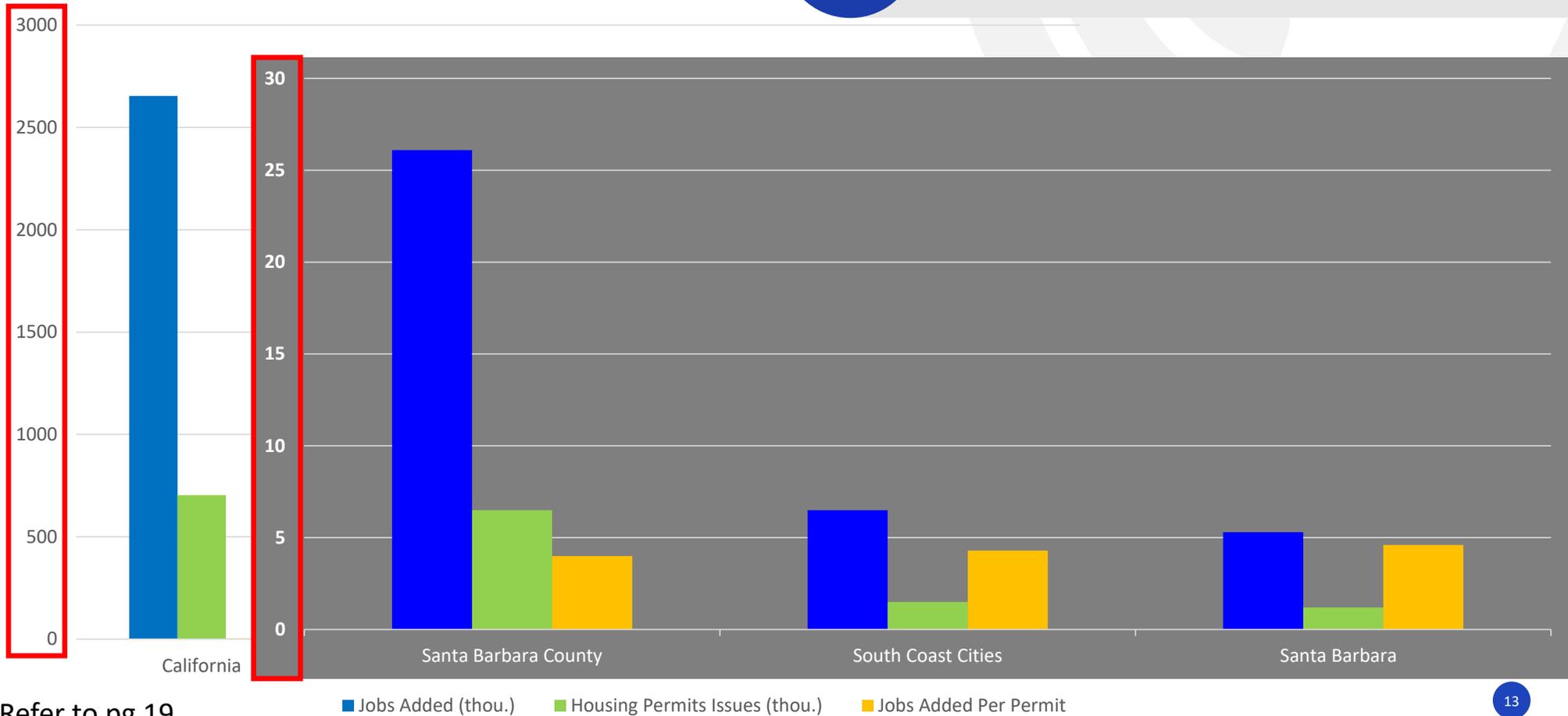
Decades of underbuilding contributed to a **lack of “filtering”** of existing housing units over time.

The lack of available supply reflects the **decades of housing underproduction**, combined with **strong demand to live in the South Coast**, both for jobs and lifestyle.

PRE-PANDEMIC (2013-2019) JOBS-HOUSING IMBALANCE



SOUTH COAST CITIES ADDED MORE THAN 4.3 JOBS FOR EACH NEW HOUSING UNIT PERMITTED.

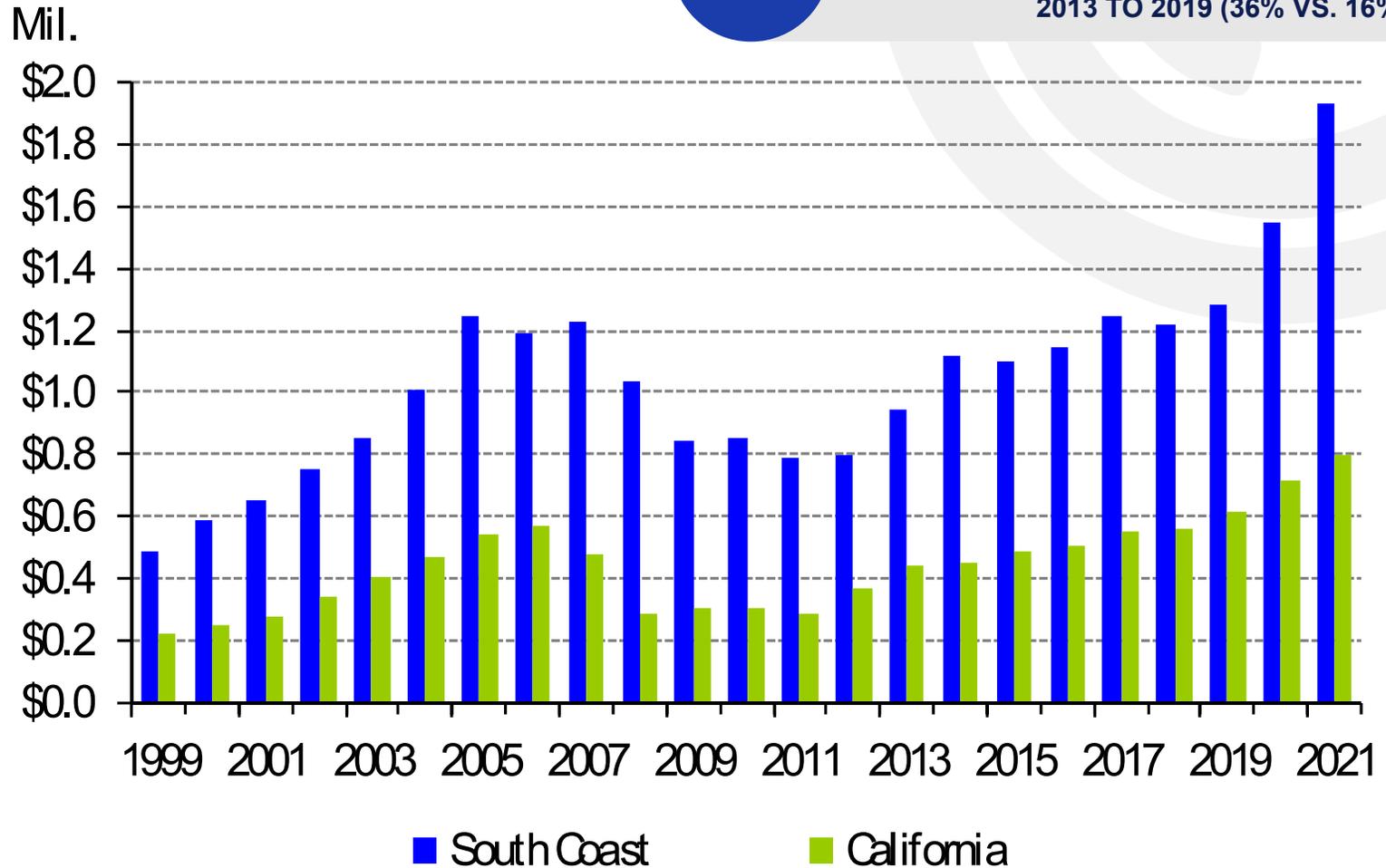


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RAPID INCREASE IN HOME PRICES



EVEN PRIOR TO THE PANDEMIC, HOME PRICES IN THE SOUTH COAST GREW MORE THAN TWICE THE PACE OF THE MEDIAN HOUSEHOLD INCOME FROM 2013 TO 2019 (36% VS. 16%).

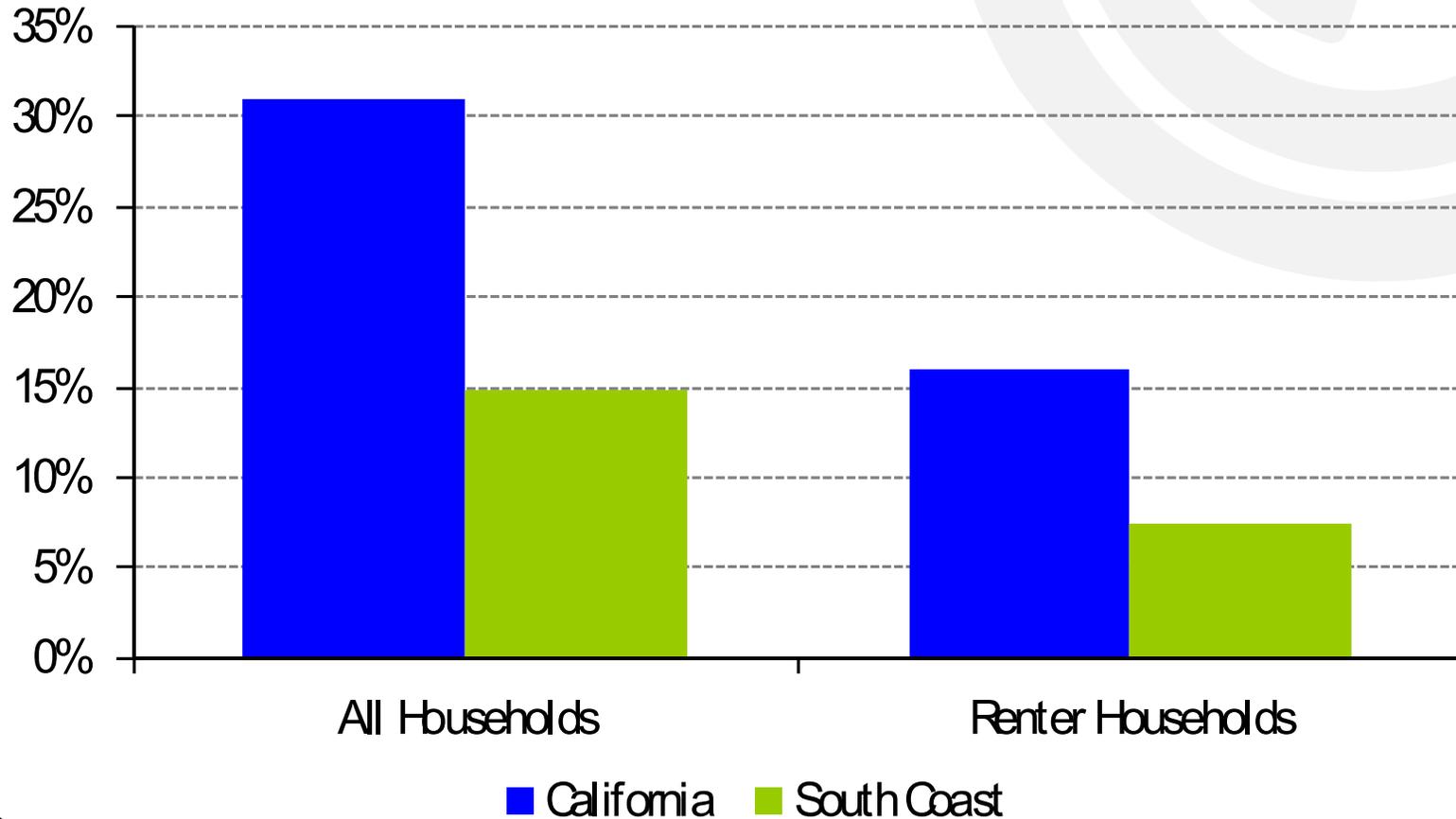


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SHARE OF HOUSEHOLDS ABLE TO AFFORD THE MEDIAN-PRICE HOME (2019)



ONLY 14.8% OF ALL HOUSEHOLDS (LESS THAN 8% OF RENTERS) WERE ABLE TO AFFORD THE MONTHLY COSTS ASSOCIATED WITH THE MEDIAN-PRICED HOME.

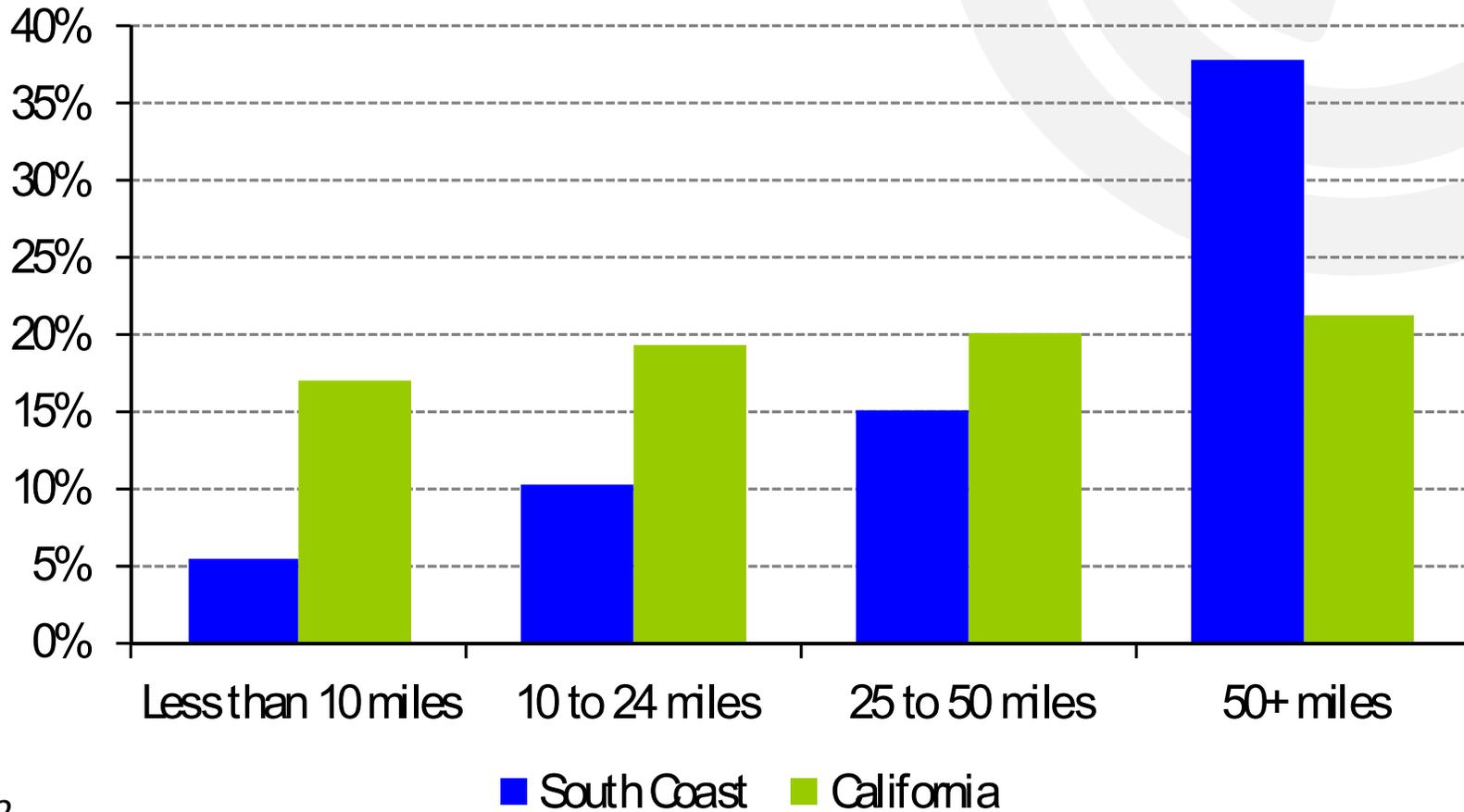


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WORKERS COMMUTING BY LENGTH OF COMMUTE (2010-2019)



COMPARED WITH THE STATEWIDE AVERAGE, NEARLY TWICE THE SHARE OF PEOPLE EMPLOYED IN THE SOUTH COAST DROVE 50+ MILES TO WORK.



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BARRIERS TO DEVELOPMENT



HISTORICAL POLICIES & GROWTH RESTRICTIONS

The report highlights numerous **local policies that directly or indirectly limited housing development** in the South Coast over the years, providing historical context for the current regulatory environment and the years of limited new development.



COSTS & IMPACTS OF THE REGULATORY ENVIRONMENT

Uncertainty and Risk
Regulatory Hurdles
Fees and Consultancy Costs
Inclusionary Zoning Requirements
Project timelines

BROAD TIMELINE OF NOTABLE LOCAL MEASURES

Selected Local Policies in the South Coast

Year	Name	Location	Impact
1968	Proposition C	Santa Barbara City	Established the Housing Authority Commission, which aims to provide affordable rental housing for low income families and seniors.
1972	Santa Barbara Redevelopment Agency	Santa Barbara City	Established the RDA to revitalize the downtown core and maintain a vibrant retail presence. The RDA was cut in 2012 by the state government for budget reasons.
1972-1997	Water Meter Moratorium	Goleta	Because of a limited water supply, the Goleta Water Board imposed a moratorium on new hookups, which halts new development.
1977	Ordinance SB 6-75	Santa Barbara City	Rezoned residential and commercial areas with the intent to limit population size to 85,000. While not binding, this ordinance did cause growth to stagnate.
1977	Historic Structures Ordinance	Santa Barbara City	Formally established the Landmarks Committee's powers and duties in historical preservation (Historic Landmarks Commission later established via Charter Amendment in 1993).
1979	Reject State Water Project Pipeline	Santa Barbara County	Voters rejected the State Water Project pipeline that would have connected them with the California Aqueduct.
1989	Measure E	Santa Barbara City	Prohibited more than 3 million square feet of new commercial space over the next 20 years and imposed traffic restrictions. This policy was modified in 2013.
1989	Growth Ceiling	Goleta	Allowed no more than 200 new homes and 80,000 square feet of commercial development per year.
1991	Accepts State Water Project Pipeline	Santa Barbara County	At the end of the 6 year drought, the County reversed their 1979 decision and connects with the California Aqueduct, allowing for more development to occur.
1991	SAFE Water Supplies Ordinance	Goleta	Imposed conditions the District must meet before approving new or additional water connections (no water rationing, meeting the Annual Storage Commitment to the Drought Buffer, etc.)
1996	Revise 1989 growth ceiling	Goleta	Eased 1989 growth cap; allows up to 120,000 square feet of commercial development per year and exempts affordable housing projects from the annual residential cap.
2010	Long Range Development Plan	Santa Barbara City	Agreement with the university to cap enrollments at 25,000 students through the year 2025 and increase on-campus housing for both students and faculty.
2013	Average Unit Density Program	Santa Barbara City	Allowed increased density in residential areas, leading to a large increase in housing supply for the first time in decade, though the units are generally high-end and not affordable.
2015	Short-Term Rental Ordinance	Santa Barbara City	Severely restricted short-term rentals in an attempt to free up housing for residents. In 2021, this policy was eased to allow short-term rentals in commercial areas zoned for hotels (but not residential areas).
2017	Resolution No. 5750	Carpinteria	Established a Development Impact Mitigation Fee schedule, applying to all types of residential and commercial units.
2018	Measure C	Santa Barbara City	Levied an additional sales tax to raise 22 million in tax dollars for general city use as a replacement for the Redevelopment Agency.

Sources: Local government websites

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LET'S DISCUSS



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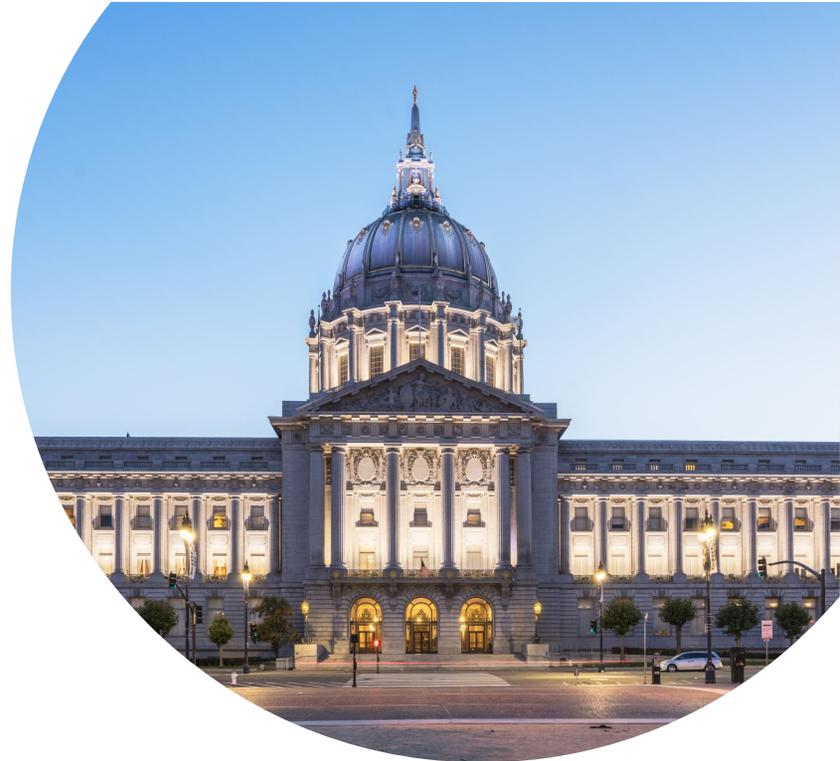
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RECENT STATE-LEVEL POLICIES

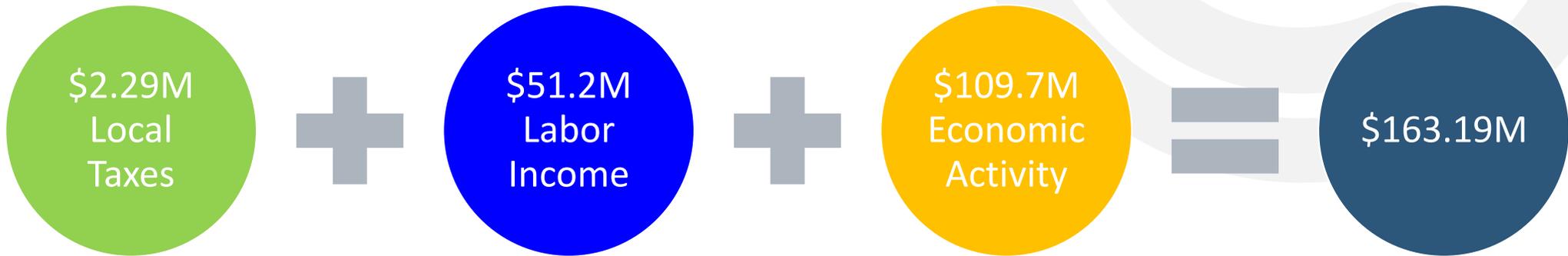
- Housing Crisis Act of 2019 – streamline
- Multiple ADU Bills
- SB 35 (2017) – multifamily ministerial approval
- SB 9 (2021) – additional unit/lot split
- SB 10 (2021) – expedited process to increase density
- AB 1297 (2021) – investment of CA Infrastructure & Economic Development Bank
- SB 290 (2021) – expand density bonus for students & moderate-income
- AB 602 (2021) – reform local impact fees
- Greater authority to Housing & Community Development Department to enforce CA Housing Accountability Act



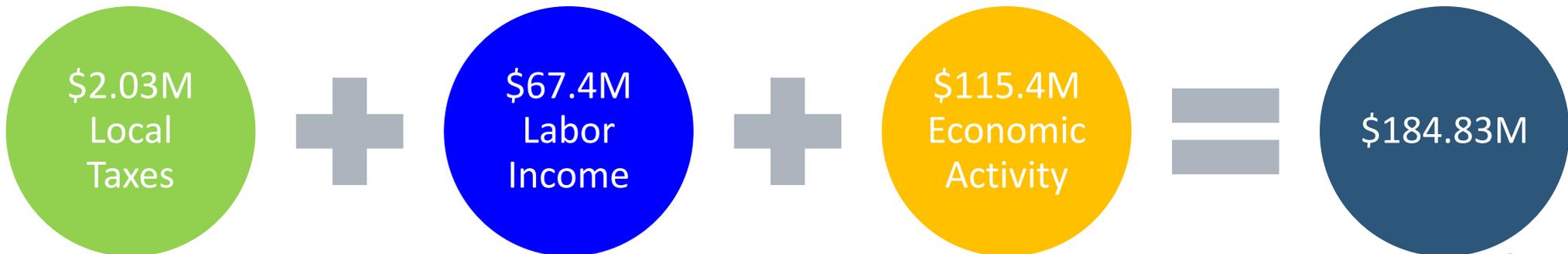
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ECONOMIC BENEFITS OF BUILDING MORE HOUSING

100 New Single-Family Homes Constructed



400 New Multifamily Units Constructed

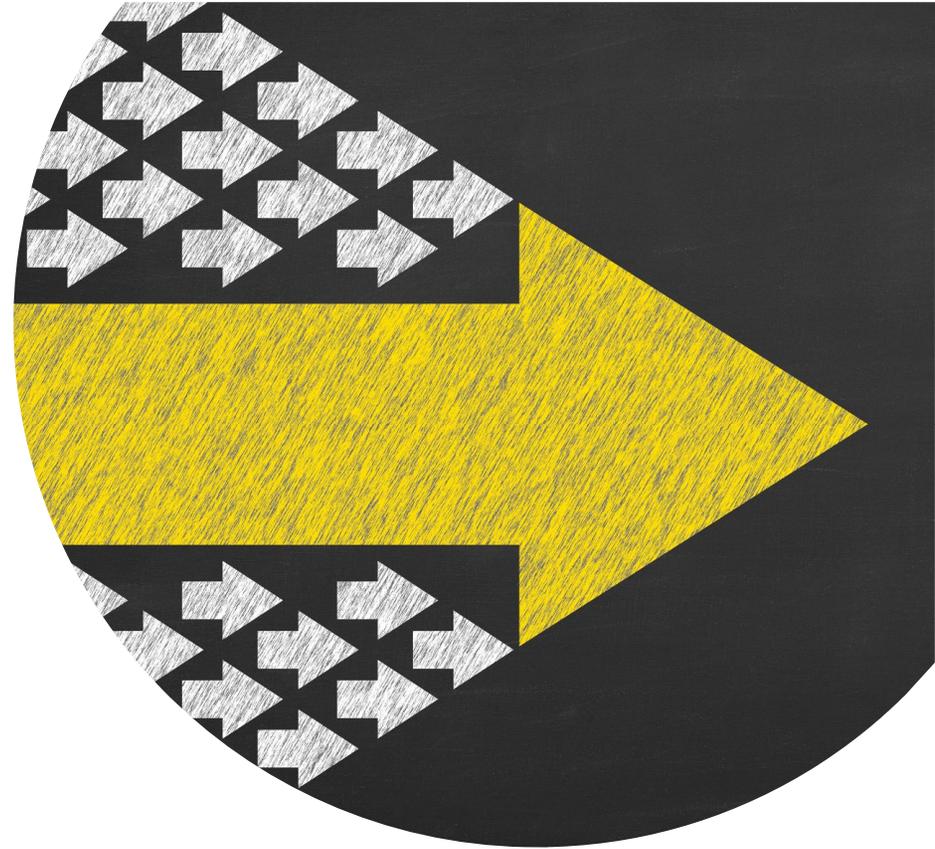


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SOLUTIONS

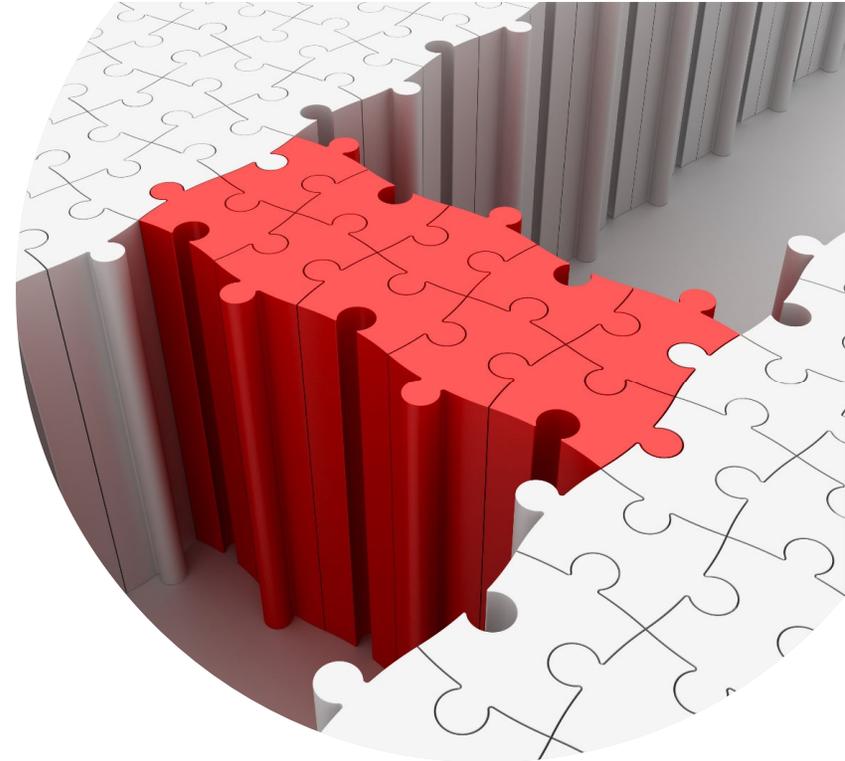
- Zoning & Density
- Increase Certainty & Consistency in Design Review
- Designate a Project Coordinator
- Streamline the Approval Process
- Property Conversions, Adaptive Re-Use, Up-Zoning
- Revitalization of Downtown Areas
- General Zoning Reforms
- Prefab & Off-Site Construction
- Support Regional Housing Authorities and Non-Profit Developers
- Public Outreach & Coalition Building

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STRATEGIES AND POLICY PATHWAYS

- Identified a wide range of **policy pathways** to **help expand the supply of housing**
- Some proposed policies are more readily attainable - others would require a more substantive **change in mindset** and **increased community support** for new development
- **Need for a regional approach**
- **There is no silver bullet - multi-pronged approach needed**
- **A series of more modest policy changes** could translate to significant strides





Santa Barbara Association of REALTORS®

STUDY INFORMATION

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