

Katherine Douglas *Public Comment*

**From:** Suzanne Singh <suzanne@santamaria.com>  
**Sent:** Sunday, April 5, 2026 9:19 AM  
**To:** sbcob  
**Cc:** Chamber  
**Subject:** April 7th Hearing Agenda item 1 Comments attached  
**Attachments:** April 7:26 Tax Exchange Agreement Letter.pdf

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Good morning,

Please find attached letter for comments to Agenda item 1 regarding File No. 24-08 Tax Exchange Arbitration.

Thank you,



**Suzanne Singh**  
**VP of Economic Development & Government Affairs**

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Santa Barbara County Board of Supervisors  
105 E. Anapamu Street  
Santa Barbara, CA 93101

RE: Support for Regional Housing Development and the Integrity of Tax Exchange Agreements

Dear Supervisors,

On behalf of the Board of Directors of the Santa Maria Valley Chamber of Commerce, I am writing to address the growing housing challenges facing our business community and to express our strong support for efforts that responsibly expand housing opportunities across our region. The Santa Maria Valley continues to experience steady economic growth, yet our members consistently cite limited housing availability as a major barrier to attracting and retaining employees.

#### The Impact of the Housing Shortage

Businesses across every sector—including agriculture, healthcare, education, aerospace, and technology—depend on a stable local workforce to succeed. The current housing shortage directly impacts our region's competitiveness and the quality of life for our workforce. Across the Santa Maria Valley, employers are struggling to hire not because of a lack of jobs, but because workforce housing is no longer attainable.

The consequences of stalled housing delivery are substantial:

- **Recruitment Declines:** Healthcare providers, law enforcement, and public safety agencies are facing severe recruitment challenges.
- **Economic Losses:** Delays in housing production result in millions of dollars in foregone tax revenue during periods of public budget deficits.
- **Increasing Costs:** Housing shortages cause home prices and rents to rise significantly, placing an undue burden on local residents.

#### Concerns Regarding Procedural Precedents

The Chamber is specifically concerned about the precedent set when the tax exchange process is used to hinder regional housing goals. A tax exchange agreement is a required procedural step before LAFCO, the independent body responsible for evaluating annexations, can hear a proposal.

If the County rejects neutral arbitration outcomes regarding these agreements, it establishes a troubling precedent:

- **Unilateral Control:** It allows the County to use a procedural step as a tool to block annexations it does not support, regardless of merit, by preventing them from ever reaching LAFCO.
- **Erosion of Authority:** This practice allows the County to control annexation outcomes unilaterally, despite LAFCO being the agency specifically tasked with deciding those requests.

- Infrastructure Breakdown: The structure of land use in California depends on cities being able to grow in a rational, serviced manner; if annexations are procedurally blocked at the County level, that system breaks down.

#### A Call for Cooperation

Santa Barbara County is currently tracking to meet only roughly 30% of its required housing production, having completed only a small fraction of the 5,664 units assigned to be delivered by 2031. To address this, we need collaborative agreements between jurisdictions that demonstrate the type of partnership our region needs to effectively increase housing supply.

We encourage the Board of Supervisors to support tax exchange determinations that allow housing proposals to proceed to LAFCO for full public review. Ensuring that projects can be evaluated on their merits, with transparency and public participation, is essential to the long-term health of our economy and the wellbeing of our residents.

Thank you for your thoughtful consideration.

Sincerely,



**Suzanne Singh**  
**VP of Economic Development & Government Affairs**  
**Santa Maria Valley Chamber**  
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