

# Workforce Housing Study

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Board of Supervisors  
April 8, 2025



# Recommended Actions



- ❖ Receive a presentation on the Workforce Housing Study
- ❖ Direct staff to prepare a Request for Proposals (RFP) for housing at the current site of the Probation building, and return to the Board for authorization to issue the RFP
- ❖ Provide direction to staff whether to focus on development of housing or installation of solar panels in the downtown campus; if housing is selected, direct staff to examine the feasibility of utilizing the site for housing
- ❖ Determine that the proposed action does not constitute a "Project" within the meaning of the California Environmental Quality Act (CEQA)

















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- ❖ Community Need
- ❖ Stakeholder Input
- ❖ Analysis Performed
- ❖ Implementation Recommendations



# COMMUNITY NEED

Workforce Housing Income					
Workforce Category	Extremely Low Income	Very Low Income	Low Income	Moderate Income	Above Moderate "Missing Middle" Income
Area Median Income %	< 30%	30% - 50%	51% - 80%	81% - 120%	121% - 200%
Household Income (<= 4 people) <sup>1</sup>	< \$48,800	< \$81,300	< \$130,350	< \$142,900	< \$238,200
Occupation Examples <sup>2</sup>	 Agriculture workers			 Retail workers	
	 Hospitality workers			 Architects	
	 Teachers			 Engineers	
	 Nurses			 Firefighters	
	 Public Administration			 Law Enforcement	
				 School Principals	
				 Doctors	

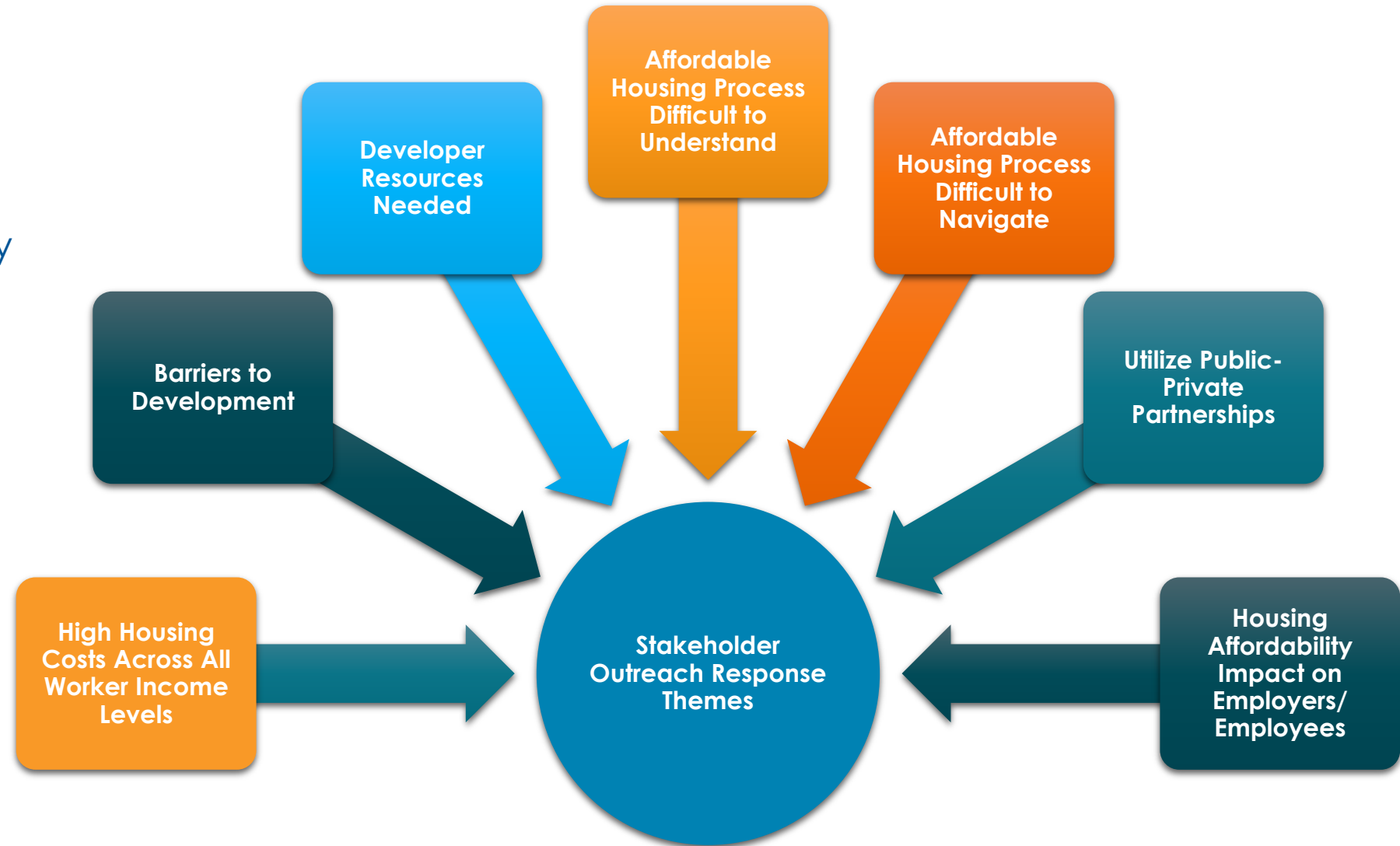
<sup>3</sup><https://www.hcd.ca.gov/sites/default/files/docs/grants-and-funding/income-limits-2024.pdf>

# STAKEHOLDER OUTREACH



Stakeholder participation:

- Housing Developers
- Housing & Community Advocates
- Housing Authorities
- Chambers of Commerce
- School Districts



# ANALYSIS PERFORMED



**Rental and Homeowner  
Affordability Gap**



**Analysis of Existing County  
Programs and Model  
Program**



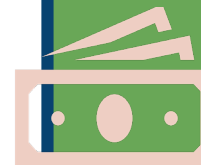
**Preservation and Retention  
of Affordable Housing  
Stock**



**Employer Sponsored  
Housing Models for  
Replication**



**County Housing  
Opportunity Sites**



**Funding Opportunities and  
Financing Resources**

# Affordability Gap: Rental

'Workforce' income levels were redefined for rental housing to encompass households earning 30-120% of Area Median Income.



# Affordability Gap: Homeownership

Given the affordability gap, findings suggest the existing definition of 'Workforce income' is applicable to ownership housing at 121% - 200% of the area median income.



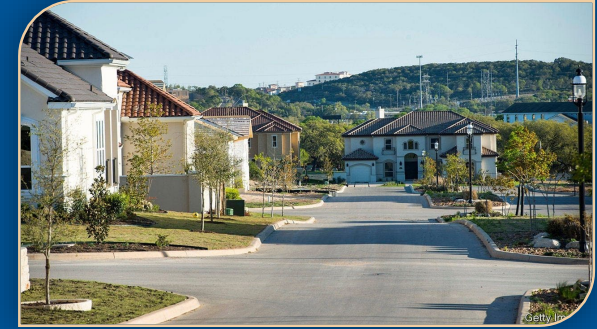
Rental or Ownership	Workforce Category	Area Median Income %	Area Median Income \$ for a 2-person household
Rental	Very Low Income Workforce	30-50%	\$47,650
	Low Income Workforce	51-81%	\$76,200
	Moderate Income Workforce	81-120%	\$114,350
Ownership	Above Moderate Income Workforce	121-200%	\$190,550

# Analysis of Existing County Programs and Model Program

Analysis of:

- efficacy of existing County programs
- model programs in similar communities

**Analysis of 16 successful workforce housing projects** identified which projects had features to be replicated in future Santa Barbara County workforce housing developments.

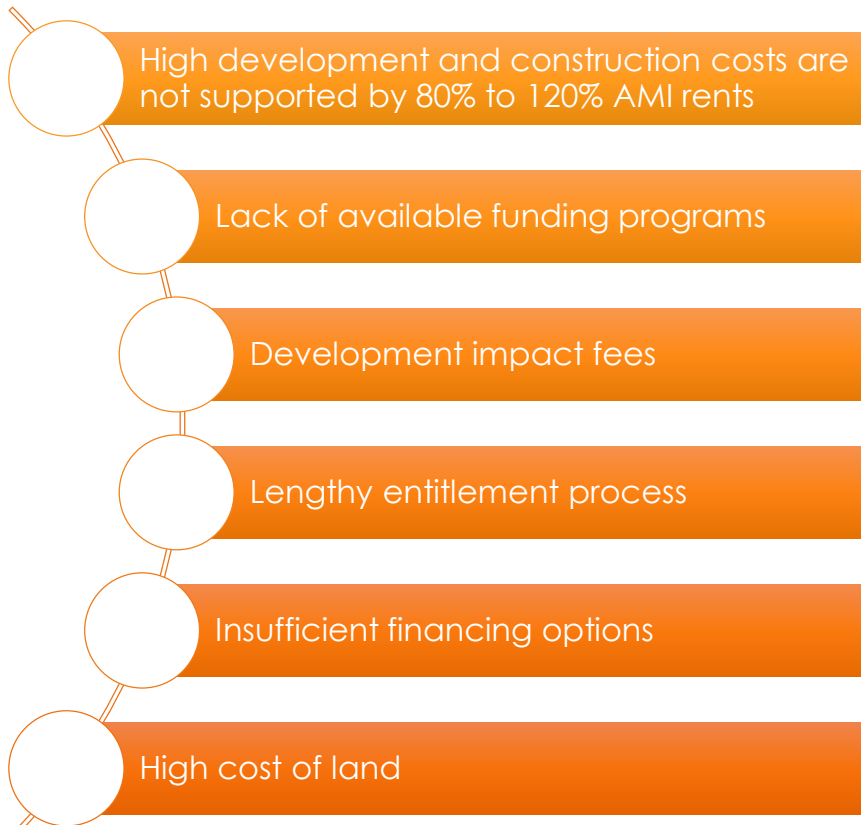


- ✓ Revise Webpages to Clarify and Highlight Existing Housing Programs and Impact of Past Housing Programs
- ✓ Review Model Programs in Similar Communities
- ✓ Implement Policies to Incentivize Workforce Housing Development / Mitigate Existing Challenges
- ✓ Employer Sponsored Housing Models for Replication
  - Affordable Housing Programs Sponsored by Local Employers
  - Private Equity Projects



# Funding Opportunities and Financing Resources

## ROADBLOCKS



## *Public and private funding opportunities and financing strategies for workforce housing development and creation*

- ✓ Pursue opportunities/strategies in which the County is an eligible applicant:
  - Private Equity
  - Grant Funding
  - Joint Powers Authority (JPA)
  - Certification of Participation
- ✓ Meet with the developer community to pursue opportunities for partnership and funding if the County is not an eligible applicant:
  - California Housing Finance Agency
  - National Equity Fund Workforce Housing Fund
  - 4% Low-Income Housing Tax Credit
  - Non-Low Income Housing Tax Credit Forward Commitment

# County Housing Opportunity Sites

*Initial filtration using GIS data, focusing on factors such as flood and fire hazard, environmental sensitivity, landslide susceptibility, and coastal zone status.*



Twenty-one sites were analyzed for potential housing development to serve the workforce population ranging from 30% to 200% of Area Median Income.

Topography

Infrastructure,  
Accessibility, Parking,  
and Transportation

Existing Structures,  
Uses, and Leases

Potential Public  
Opposition

Developable Site  
Area

Proximity to  
Resources/Amenities



# County Housing Opportunity Sites

Tier 1: High potential to redevelop in the near future	Tier 2: Likely high potential to redevelop in the near future pending mitigation of minor constraints	Tier 3: Moderate redevelopment potential with timing or other manageable constraints	Tier 4: Moderate/low redevelopment potential with significant constraints	Tier 5: Low redevelopment potential with significant constraints
Probation (current building in Santa Barbara)	Food Bank (likely available in 7 <sup>th</sup> Cycle Housing Element)	County Admin, Engineering, HR in Santa Barbara	Property adjacent to the SB County Education Office	Isla Vista Community Center and clinic/office building
Betteravia Government Center		Flag lot (currently occupied by DignityMoves Santa Barbara Street Village)	Page Youth Center rear parking lot	Isla Vista Solar Panel parking lot
		La Posada	Hedges House of Hope in Isla Vista	Sweeney campus near Lompoc
		Calle Real Campus	Lompoc Veterans Memorial Building	Parcels near Solvang
			County Admin complex in Lompoc	Waller Park and open space in Santa Maria
			County facilities and open space near Foster Rd in Santa Maria	North County Jail campus

# County Housing Opportunity Sites

## Current Probation building

123 East Carrillo Street, City of Santa Barbara



Direct staff to prepare a Request for Proposals (RFP) for a lower- to moderate-income workforce affordable housing development at the current site of the Probation building, and return to the Board for authorization to issue the RFP

## County Administration, Engineering, and Human Resources buildings

105 East Anapamu Street and 1226 Anacapa Street, City of Santa Barbara



Provide direction to staff whether to focus on development of housing or installation of solar panels in the downtown campus parking lot; if housing is selected, direct staff to examine the feasibility of utilizing the current site of the Engineering building, Human Resources building, and the Administrative building parking lot for housing







# Core Implementation Actions

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*The analysis conducted identified a core group of implementation actions. County staff recommends the following prioritization:*

## Consultant Recommendations to be pursued

1. Pursue Prohousing Designation
2. Inclusionary Housing Ordinance Update to Enhance the Stock of Workforce and Affordable Housing
3. Revise the Short Term Rental Ordinance



# Prohousing Designation Program

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- Grant funding can help the County bridge financial between increasing costs of affordable housing development and the decrease in state and federal funding received.
- Obtaining Prohousing Designation allows local governments to:
  - receive priority consideration for funding,
  - enhance developer interest,
  - provide state recognition,
  - and increase housing production...by streamlining the approval process and removing barriers.

***Staff will present a full report on this issue to the Board on May 13, 2025, and will seek Board authorization to submit an application to the State for the County to receive Prohousing Designation.***





# Inclusionary Housing Ordinance Update to Enhance the Stock of Workforce and Affordable Housing

## Update the Inclusionary Housing Ordinance

- Change inclusionary requirements for ownership housing
- Add inclusionary requirements for 100% rental housing projects and mixed-use development projects
- Change the term and definition of “Workforce”
- Provide flexible options to meet inclusionary requirements

## Perform an initial financial feasibility analysis (“Nexus Study”)

Include current market factors for each Housing Market Area.

## Update available incentives

Density bonus that exceeds the sliding scale mandated by recent state legislature (Assembly Bill 1287, 2023).



# Revise the Short-Term Rental Ordinance

Program 19 in the County's 6th Cycle Housing Element proposes **amending zoning ordinances to regulate coastal short-term rentals**, aiming to balance affordable lodging options with local workforce housing preservation.

*It is recommended Program 19 include analysis of the following actions:*

- **Require and Enforce Annual Registration**
- **Require Hosts to Collect and Remit Hotel Taxes**
- **Grandfather in Existing Unregistered Short-Term Rentals**
- **Establish an Annual Cap on the Number of Units Registered or Unhosted Nights Per Year**
- **Prohibit Licenses from Transferring with Property Sales**
- **Regulate Operation in Residential Areas of the Coastal Zone**



# Core Implementation Actions

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*The analysis conducted identified a core group of implementation actions. County staff recommends deferring the following recommendations:*

## **Consultant Recommendations to be deferred**

- 1. Pursue Partnerships with Private Equity Firms**
- 2. Consider Establishing a Community Land Trust (CLT)**
- 3. Revise/Expedite Implementation of 6th Cycle Housing Element Programs**

*To the extent the Board is interested expediting implementation of some programs more quickly than the schedule identified in the Housing Element, staff suggests the annual progress report or the Long Range Work Program would be the appropriate time to determine which programs, if any, should be considered for expedited action, and provide direction to staff accordingly.*



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