

Chapter III—Housing Needs Assessment

A. Overview

In accordance with Government Code Sections 65583(a) (1) and (2), this chapter discusses the current conditions and projected trends related to population characteristics and employment within the City of Santa Maria. The data presented characterizes the City of Santa Maria's local demographics, incomes, overcrowding and overpayment conditions, housing affordability, assisted housing developments, special needs populations, and housing stock conditions.

B. Census Data for Santa Maria

As of 2000, the City of Santa Maria contained all or part of nineteen census tracts identified by the Bureau of the Census. Of these census tracts, four cross City and County boundaries and fifteen are wholly contained within the City limits. The data generated through the Census differentiate City from County populations. Within each census tract, demographic information is further subdivided and much data is available at the block group level. There are 54 block groups within the nineteen census tracts of the City. Table III-1 shows the City population and income levels by census tract, as of December 2006.

1. In General

- a. As evidenced by Table III-1, the low-income households appear to be concentrated in three census tracts – Census Tracts 23.04, 24.03 and 24.04 where 80 percent of all residents are in the low- to moderate-income range (<80% Median Family Income [MFI]), and over 50 percent meet the low-income criteria (<50% of MFI) and about 30 percent qualify for very-low income (<30% of MFI).

**TABLE III-1
Population and Income by Census Tract**

Census Tract	Total Population	Total Low/Mod Population	% Low/Mod <80% Median	Total Low Inc <50% Median	% Low Inc	Total VLI <30% Median	% VLI
20.07	2,815	670	24.00%	249	9.17%	127	4.51%
20.11	2,403	699	29.08%	450	18.73%	160	6.66%
20.12	42	0	0.00%	0	0.00%	0	0.00%
21.01	3,790	1,720	45.38%	979	25.83%	477	12.58%
21.02	2,041	979	47.96%	413	20.24%	231	11.32%
21.03	3,482	2,006	57.61%	1,053	30.24%	499	14.33%
22.05	4,071	2,359	57.95%	1,519	37.31%	836	20.54%
22.06	4,009	2,642	65.90%	1,682	41.96%	893	22.27%
22.09	2,796	1,385	49.54%	759	27.15%	354	12.66%
22.10	3,997	1,510	37.78%	702	17.56%	344	8.61%
22.11	4,447	1,517	34.11%	750	16.87%	316	7.11%
23.03	6,451	4,282	66.40%	2,266	35.10%	1,074	16.60%
23.04	5,994	4,848	80.90%	3,487	58.20%	1,769	29.50%
23.05	7,100	4,367	61.50%	2,821	39.70%	1,350	19.01%
23.06	4,828	2,420	50.10%	1,072	22.20%	448	9.30%
24.02	6,433	4,632	72.00%	3,256	50.61%	1,662	25.84%
24.03	6,035	4,877	80.81%	3,630	60.15%	2,060	34.13%
24.04	6,685	5,326	79.67%	3,416	51.10%	1,897	28.38%
25.00	4	0	0.00%	0	0.00%	0	0.00%
TOTALS	77,423	46,239	59.72%	28,504	36.82%	14,497	18.72%

Source: 2000 Census

- b. Census 2000 data indicate that renter occupied housing has more persons at 3.68 per household than does owner occupied at 3.18 per household. The data also show that 82.1 percent of owner-occupied housing occurs in single-family homes while 55.2 percent of the renter-occupied housing occurs in apartments. This data suggests there is greater potential for overcrowded conditions occurring in apartments than in single family homes.
- 1,749 owner-occupied units were overcrowded in 2000. This is 14 percent of the 12,349 owner-occupied units in Santa Maria which is an increase of almost 50 percent over the 1990 rate of 9.3 percent.
 - 3,410 renter-occupied units were overcrowded in 2000. This is 35 percent of the 9,737 renter-occupied units which is an increase of 37 percent over the 1990 rate of 25.5 percent.

- c. Table III-2 was generated using Census 2000 information. The Table provides population numbers and dwelling units by Census Tract with the additional breakdown by family income levels. In addition to this information, the 2000 Census notes there were 6,785 low-income households in the City, comprising 31.7 percent of all households. Of these, 3,102, or 14.5 percent of households, were extremely low with incomes from 0 to 30 percent of the median. Census 2000 noted 4,609 renter households, or 49.2 percent of all renter households, were low-income. It was determined that 85.4 percent of the households had housing problems and 79.3 percent experienced cost burden. By comparison, 66.2 percent of all renter households had housing problems and 45 percent experienced cost burden. There were only 1,771 renter units affordable to low-income households, a shortage of 2,838 units. There were only 580 units affordable to the 2,323 renters earning from 0 to 30 percent MFI, a shortage of 1,743 units.
- d. According to the 2000 Census, there were 22,146 households in occupying 22,847 housing units. Of these units, 55.94 percent were owner-occupied while 44.06 percent were renter-occupied with a vacancy factor of 3.19 percent. Unfortunately, the Census categorical breakdowns do not match those of HUD; but, it can be established by the Census that 59.7 percent of the City's population is in the very-low and low-income (0 to 50% of MFI) range with the majority of the remainder in the moderate-income (51-80% of MFI) category. The first section of Table III-2 shows the housing needs according to the 2000 Census.

TABLE III-2

I. HOUSING NEEDS CENSUS 2000 BASELINE	OWNER	RENTER	TOTAL
A. # of existing households and housing units			
1. Households	12,349	9,737	22,086
2. Housing Units	12,389	9,757	22,847
B. Lower income households overpaying for housing			
1. Total number	3,254	4,629	7,883
2. Percent lower income	26%	47.5%	35%
C. Special housing needs analyses and estimated number of households			
1. Disabled	2,623	2,146	4,769
2. Elderly	4,694	1,267	5,959
3. Large households	2,419	3,065	5,484
4. Farmworkers	2,530	3,205	5,735
5. Families with female head	235	706	941
6. Homeless		724	724
7. Other	N/A	N/A	N/A
D. Number of overcrowded households, per 2000 Census	1,749	3,410	5,159
E. Number of housing units needing rehabilitation			445
F. Number of housing units needing replacement			25
G. Analysis of existing housing projects at-risk			122

Source: 2000 Census

TABLE III-3

E-5 City/County Population and Housing Estimates, 1/1/2009												
Santa Maria	-----POPULATION-----			----- HOUSING UNITS -----						Total Occupied Units	Percent Vacant	Persons per Household
	TOTAL	Living in Households	Living in Group Quarters	TOTAL	----- SINGLE -----		-- MULTIPLE --		Mobile Homes			
					Detached	Attached	2 to 4	5 Plus				
2009 Estimate	92,542	90,344	2,198	27,861	17,287	1,803	1,813	5,377	1,581	27,062	2.87	3.338

Data source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, 2001-2009, May 2009.

Most of the socioeconomic information in this chapter was derived from the 2000 Federal Census and remains valid for the Housing Needs analysis presented herein. In addition, the most current population and housing data are prepared by the State Department of Finance, and presented in Table III-3.

- 2. Overcrowding:** One of the issues not often discussed in relation to housing and housing needs is the state of overcrowding. Overcrowding most often involves economic, legal and cultural factors, which are presented in the Introduction. While the US Department of Housing & Urban Development (HUD) standard is one room per person, there may be individuals living together in overcrowded conditions because it is “culturally acceptable” to do so. These situations may not be traditional for most North American households and result in cultural friction that often follows changes in growing communities. Often, the crowding consists of extended families that choose to live together in the same housing unit. However, the trend of escalating housing prices and rents indicates increasing economic needs to share space because fewer choices exist for many households and families. The regional impact of increasing housing demand affects all residents who are in the housing market to rent or purchase a home. Often both renters and buyers reach out to the City for assistance in meeting the challenges of cultural and economic changes in the community.

Overcrowding is defined by the Census as having more than one person per room living in a single housing unit. Generally, a room is defined as a living room, dining room, kitchen, bedroom, or finished recreation room.

The City does not endorse illegal garage conversions as a method to create additional dwelling units. However, garage conversions are permitted as a method to increase habitable living space within a single-family residence. To avoid potentially significant health and safety impacts, the City requires building permit approval before a garage can be converted into additional living space. A garage conversion must meet the habitable living space and sanitary requirements of the Building Code and neighborhood compatibility requirements of the Zoning Ordinance. For example, the City requires that new covered parking spaces are provided to replace those covered parking spaces lost to the conversion of the garage. In some cases, the City may also require that the property owner enter into a covenant agreement. The covenant agreement clearly stipulates to the property owner and his/her successors that separate dwelling units are not permitted in the single-family zoning district in which the property is located.

**TABLE III-4
Overcrowding – City Of Santa Maria (2000)**

OWNER HOUSEHOLDS	HOUSEHOLD SIZE	RENTER HOUSEHOLDS
776	1.01 – 1.50 persons	1,140
973	1.51 + persons	2,270
1,749	<u>TOTAL</u>	3,410
14.2%	PERCENT	35.0%
Total Overcrowded: 5,159 Households = 23.3%		

Source: 2000 Census

- 3. Overpayment:** Overpayment is an important measure of the affordability of housing within a city. Overpayment for housing is based on the total cost of shelter compared to a household's ability to pay. Specifically, overpayment is defined as a household paying more than 30 percent of their gross household income for shelter. According to the US Census, shelter cost is the monthly owner costs (mortgages, deeds of trust, contracts to purchase or similar debts on the property, taxes, and insurance) or the gross rent (contract rent plus the estimated average monthly cost of utilities).

In 2000, a total of 7,883 or 35.7 percent, of all households in the City of Santa Maria pay in excess of 30 percent of their income for shelter. Based on 9,737 renters and 12,349 owners in the City in 2000, renters had a higher percentage of households overpaying with 47.6 percent, while 26.4 percent of owners overpaid for shelter. The overpayment situation is particularly critical for renters with annual incomes less than \$34,999.

**TABLE III-5
City Of Santa Maria Households Overpaying, by Income and Tenure (2000)**

ALL HOUSEHOLDS (HH)			OWNERS		RENTERS	
Income Range	Number Overpaying	Percent	Households Over paying	Percent of all Owner HH	Households Over paying	Percent of all Renter HH
Less than \$10,000	1,284	5.8%	256	2.1%	1,028	10.6%
\$10,000 -\$19,999	2,277	10.3%	449	3.6%	1,828	18.8%
\$20,000 -\$34,999	2,615	11.8%	1,044	8.5%	1,571	16.1%
\$35,000 -\$49,999	1,031	4.7%	874	7.1%	157	1.6%
Greater than \$50,000	675	3.1%	631	5.1%	45	0.5%
TOTAL OVERPAYING	7,883	35.7%	3,254	26.4%	4,629	47.6%

Source: 2000 Census

However, as noted in Table III-6, the City has a several affordable housing opportunities. The City has, and is, increasing its affordable housing stock for very low and low-income households so that fewer renters experience overpayment.

Table III-6 identifies 1,494 units associated with various site-specific housing programs in the City of Santa Maria. These units consist of 190 homes for first-time homebuyers, 117 "farmworker" apartments, 742 "large family" rental apartments, and 445 "senior" housing units—including 11 units constructed to accommodate disabled persons of any age. The associated populations include families (F), farmworkers (FW), disabled (D), seniors (SR) and homeowners (HO).

**TABLE III-6
Summary of Affordable Housing Projects Developed In Santa Maria**

Project Name	Address	No. & Type of Units	Type of Subsidy	Non-Elderly units	Elderly units	Current Owner	Earliest Date of Expiration	At-Risk
Ted Zenich Gardens		24 Large Family Rental	Tax Credits, Density Bonus, Housing Authority	24		Housing Authority of Santa Barbara County	2063	N/A
Westgate Courtyard Apartments		204 Large Family Rental	Tax Equity Tax Credits	204		Hunt Building Corporation	2058	No
Los Adobes de Maria Phase II		52 Farmworker Housing	State Farmworker Housing Grant, HOME, Santa Barbara County HOME, Tax Credits, Fed. Home Loan Bank California Community Reinvestment Corporation, Housing Corporation	52		Peoples' Self-Help Housing Corporation	2033	No
Valentine Court III		9 Units for the Disabled	HOME, CDBG, HUD Section 811, Housing Corporation		9	Peoples' Self-Help Housing Corporation	2033	No
Rancho Gardens		118 Senior Housing	Tax Credits		118		2031	No
Habitat for Humanity Homeownership Project		4 First-time Home Owners	HOME, City General Fund, Housing Corporation	4		N/A (individual sales)	N/A	No

Project Name	Address	No. & Type of Units	Type of Subsidy	Non-Elderly units	Elderly units	Current Owner	Earliest Date of Expiration	At-Risk
Valentine Court II		18 Senior Housing	HUD Section 202, CDBG, HOME, Housing Corporation		18	Peoples' Self-Help Housing Corporation	2028	No
Los Pinos Apartments		16 Large Family Rental; 7 Senior	Tax Credits, Density Bonus	16	7		2027	No
Villa Sara		27 First-time Home Owners	HOME	27		N/A (individual sales)	N/A	No
Vandenberg Senior Residence		136 Senior Housing	Tax Credits		136		2025	No
Los Adobes de Maria Phase I		65 Farmworker Housing	Farmers Home Administration Section 514/516, CDBG, Housing Corporation	65		Peoples' Self-Help Housing Corporation	2025	No
Vizcaya Apartments		236 Large Family Rental	Tax Credits	236			2022	No
Oak Valley II		70 First-time Home Owners	City General Fund, Housing Corporation	70		N/A (individual sales)	N/A	No
Oak Valley I		67 First-time Home Owners	California Housing Finance Agency, City General Fund, Housing Corporation	67		N/A (individual sales)	N/A	N/A

Project Name	Address	No. & Type of Units	Type of Subsidy	Non-Elderly units	Elderly units	Current Owner	Earliest Date of Expiration	At-Risk
Valentine Court I		35 Senior, Housing for the Disabled	HUD Section 202, CDBG, Housing Corporation		35	Peoples' Self-Help Housing Corporation	2020	No
Pepperwood		22 First-time Home Owners	CDBG, County Mortgage Revenue Bonds,	22		N/A (individual sales)	N/A	N/A
Evans Park		150 Large Family Rental	Housing Authority	150		Housing Authority of Santa Barbara County	N/A (Housing Authority)	N/A
TOTAL				1,049	445			

C. Developments at Risk of Conversion [Government Code Section 65583(a)(9)]

1. **Low-Income Housing Tax Credit Program (LIHTC):** The primary objective of the Low-Income Housing Tax Credit (LIHTC) program is to use income tax credits to build affordable housing units in the State of California. The projects are competitively ranked on the objective criteria of the LIHTC program. Applications are made to the California Tax Credit Allocation Committee (CTAC) by developers and their associates for funds. Apartments built with LIHTC financing must provide at least half their units for renters earning 50% (or less) of the HUD County median income based on household size. Typically, all the apartments must be rented to households earning less than 60% or less of the median. Most new apartment complexes being built receive tax credit financing.
2. **Locally Subsidized Low Income Units:** According to the City of Santa Maria 2005-2009 Consolidated Plan, Pepperwood, Oak Valley Homes, Valentine Court I, II, and III, Meridian Apartments, Los Adobes de Maria I and II, received local assistance. In addition to these projects, the City participated in a joint venture with the County to create a Mortgage Revenue Bond Program to assist housing development through Below Market Interest Rate (BMIR) financing.
 - a. **Pepperwood:** Completed in 1984, the 22 Pepperwood subdivision homebuyers received from \$10,000 to \$20,000 in second trust deeds at BMIR (Below Market Interest Rates)--5 percent simple interest per year. These first time buyers were qualified low and moderate-income households (earning 80 percent, or less, of the Santa Barbara County median income). The City incorporated a 10-year resale deed restriction with a sliding scale penalty on capital gains resulting from early sale of the home.
 - b. **Oak Valley Homes:** Consisting of three phases, Oak Valley provides single family housing opportunities for 207 homeowners. The project site was purchased with City General Fund monies. This project is not at risk.
 - **Phase I.** In 1990, 67 units were built through the Community Housing Corporation of Santa Barbara. 51 percent (34) of the homes were required to be affordable for households earning 80%, or less, of the Santa Barbara County median income. Continued affordability is regulated through the CHFA financing of the project.
 - **Phase II.** In 1991 and 1992, the City contracted with Peoples' Self-Help Housing Corporation to build 70 homes for first time, low-income home buyers (earning 80 percent, or less, of the Santa Barbara County median income). CDBG funds were used for Phase II on-site improvements. Additionally, the City provided deferred, 30-year interest free, third trust deeds that average \$25,000 per unit. The loans are due on sale or may be assumed by another qualified low-income buyer.
 - **Phase III.** The City sold the remaining 70 lots at market rates to individual buyers. Four lots in this phase were purchased by Habitat for Humanity with HOME funds for the purpose of building additional, affordable units in the project.
 - c. **Valentine Court I:** Peoples' Self-Help Housing Corporation, in partnership with the City of Santa Maria, sponsored, developed and manages the Valentine Court I project, which was completed in June of 1990. The project provides 35 studio or one-bedroom rental units for low-income elderly, physically handicapped, or developmentally disabled persons. Financing for the project was provided through HUD's Section 202 and Community Development Block Grant (CDBG) programs. This project is not at risk.

- d. **Valentine Court II:** Valentine Court II provides 18 studio or one-bedroom rental units for low-income elderly persons. Peoples' Self-Help Housing Corporation, in partnership with the City of Santa Maria, developed this project. Financing for the project was provided through HUD's Section 202 and HOME Investment Partnerships programs. This project is not at risk.
- e. **Valentine Court III:** Valentine Court III provides nine studio or one-bedroom rental units for low-income developmentally disabled persons. Peoples' Self-Help Housing Corporation, in partnership with the City of Santa Maria, developed this project. Financing for the project was provided through HUD's Section 811 and HOME Investment Partnerships programs, and the State's Multifamily Housing Program. This project is nearly completed and is not at risk.
- f. **Vizcaya Apartments:** In 1992, 236 apartments were financed with Low Income Housing Tax Credits (LIHTC) through the California Tax Credit Allocation Committee (CTAC). The developer received a 5-year deferral of City Recreation and Parks fees. Residency in this project is limited to those households earning not more than 60 percent of the County median income. The apartments have 55-year affordability restrictions and are not at risk of conversion until 2063.
- g. **Los Adobes de Maria I:** Farmers Home Administration (FmHA) financed the Los Adobes de Maria farmworker rental housing project, located at the southwest corner of Western Avenue and Boone Street. The project was completed in 1995. Peoples' Self-Help Housing Corporation, the project sponsor and manager, obtained a Section 514/516 Farm Labor Housing loan for 90 percent of the construction costs. The 65-unit project consists of 13 two-bedroom, 34 three-bedroom, 16 four-bedroom and two five-bedroom apartments. Services including licensed childcare, health screenings, literacy classes and recreational activities, are being provided on-site for the tenants.

The project targets families permanently residing in the area who cannot afford homeownership. Each family must earn at least 51 percent of its annual income from the agricultural industry, and the total family income cannot exceed 80 percent of the County median family income. The project will be permanently affordable; FmHA has committed rental assistance subsidies for each unit for 30 years to assure that no family will pay more than 30 percent of its income for rent.
- h. **Los Adobes de Maria II:** In 2003, the People's Self-Help Housing Corporation will open 52 additional apartments for farmworker housing as the second phase of the successful Los Adobes de Maria development. Pedestrian bridges to allow for joint use of facilities are connecting the project to Los Adobes De Maria I. The development will have a community building, a day care facility, laundry facilities, and outdoor recreational space that will be used for activities such as baseball and soccer. Financing for the project is being provided through HUD's HOME Investment Partnerships Program, the Low Income Housing Tax Credit Program, the California Community Reinvestment Corporation, the County of Santa Barbara, the Federal Home Loan Bank of San Francisco/Affordable Housing Program, and the State HCD Farmworker Housing Grant Program. This project is not at risk.
- i. **Westgate Courtyard Apartments:** In 2003, the Hunt Building Corporation constructed 204 apartments that were financed with Low Income Housing Tax Credits (LIHTC) through the California Tax Credit Allocation Committee (CTAC). Residency in this project is limited to those households earning not more than 60 percent of the County median income with about 25 percent of the units income-restricted to less than 50 percent of the HUD County median. The apartments have 55-year affordability restrictions and are not at risk of conversion until 2058.

3. Federally Subsidized Low Income Units at Risk of Conversion: No loss to the rental housing inventory is expected due to the prepayment of HUD mortgages.

One project in the City of Santa Maria, Union Plaza remains included in the Inventory of Federally Subsidized Low-Income Rental Units at Risk of Conversion, which was prepared for California Housing Partnership Corporation by California Coalition for Rural Housing Project. The project is listed as being subject to termination of Federal mortgage and/or rent subsidies in the year 2015.

According to the State Department of Housing and Community Development, housing entities are interested in a "first right of refusal" program for preserving affordable units in Santa Barbara County. A first right of refusal program cannot be imposed on the ownership component already in place and could be applied to rental and new ownership programs. The Housing Authority of Santa Barbara County contact is:

Frederick C. Lamont, Executive Director
Housing Authority of Santa Barbara County
815 West Ocean Avenue
Lompoc, CA 93436-6526
(805) 736-3423

The California Department of Housing and Community Development (HCD) identified the following list of public and private nonprofit corporations in Santa Barbara County, which have legal and managerial capacity to acquire and manage these housing developments.

- Affordable Homes – (805) 773-9628
- Foundation for Affordable Housing, Inc. – (408) 923-8260
- Housing Corporation of America – (323) 726-9672
- Long Beach Affordable Housing Coalition, Inc. – (562) 434-3333
- Many Mansions, Inc. – (805) 496-4948X25
- Nexus for Affordable Housing – (714) 282-2520
- Peoples' Self-Help Housing Corp. – (805) 781-3088
- Santa Barbara Student Housing Corp. – (805) 685-6964
- Southern California Housing Development Corp – (909) 483-2444

The State Housing and Community Development Department has identified other corporations that are qualified on a statewide basis to provide this service. The department's website is: <http://www.hcd.ca.gov/hpd/hrc/tech/presrv/hpd00-01.xls>

The Housing Authority of the County of Santa Barbara acquired the Central Plaza Apartments in 2005, which no longer remains at risk of conversion. The total cost of the Central Plaza Apartments project is \$13,176,166. The units cost \$117,644 each for the 112 family apartment project. The Housing Authority has spoken briefly to the local Teamsters Union, owners of the Union Plaza, and informed them that they are interested in purchasing the project. The Teamsters have indicated that they are not yet ready to sell the project but when they are they will contact the Housing Authority.

The land, development, and construction of the 204-unit Westgate Courtyard Apartment project cost almost \$42,000,000 (\$205,000 per unit). In terms of current dollars, the Westgate Courtyard and Central Plaza projects represent affordable housing projects with actual costs and market values. Preservation of affordable units is 175% more effective than building new affordable housing.

Public Facility land sales in the City Limits (eminent domain) resulted in \$80,000 per acre values in 2001. Undeveloped greenfield acreage in the City then sold for \$100,000 per acre in 2002. Soon after that sale, 55 acres with a tentative subdivision map approval sold for almost 100,000 per paper lot in early 2004. Public Facility and Open Space zoned school and park site appraisals have increased to \$365,000 per acre in 2004. Residential and infill office zoned acreage are carrying 2004 market asking prices of \$20 per square foot (\$871,200 per acre).

4. **Locally Subsidized Low Income Units at Risk of Conversion:** There are no locally subsidized units at risk of conversion during this Housing Element period. Based on the analysis and underlying assumptions, it is more cost effective to preserve the existing subsidized units than to build new units.
5. **Future Actions:** The City Council may modify existing programs, such as Tenant-Based and Project-Based Tenant Assistance Programs, to replace the expected loss of 30 to 40 units with additional affordable housing. HOME funds could be used to implement these assistance programs in the City. Tenant-Based programs would be administered through the County Housing Authority. Project-Based units, affordable to very low- and low-income households, may be owned by non-profit or for profit housing providers. The City Council may also opt to continue increasing the supply of residential land in the City. This action would help drive housing costs down from the supply side of the housing curve.

In addition, the Block Grants Advisory Committee adopted the following priorities for the City's Consolidated Plan period of July 1, 2005, through June 30, 2010:

- Prevent homelessness and address critical emergency needs and persons with special needs
- Provide affordable housing
- Expand educational opportunities
- Expand economic opportunities

Additional priorities include:

- Promote collaborative strategies that strengthen families
- Support opportunities for youth development
- Provide community infrastructure

D. Populations with Special Needs

The community profile contained in City's Consolidated Plan, which is incorporated by reference, provides detailed information about existing housing for groups with special needs. It is noted that there may exist multiple special needs groups in one household, which accounts for the seemingly high numbers in some groups.

- 1. Persons with Disabilities:** Persons with a disability (physically, emotionally and/or developmentally) lack an adequate supply of housing suitable for their needs. The need to eliminate physical barriers to housing is being addressed in new construction. Very few existing housing units, however, are designed to accommodate persons with a physical disability.

Marian Residence provides licensed housing for fifty-six elderly persons. This facility is managed by the Sisters of St. Francis. No intermediate care facilities exist to offer nursing care and medical treatment for persons with severe physical impairments. There are eighteen residential facilities or group homes available for board and care of developmentally disabled persons in the City – thirteen of these house sixty-nine adults aged 18 to 59 years with the remaining five housing twenty-two children ages 0 to 17. Eleven residential board and care facilities in the Santa Maria area care for the persons with mental illness. These facilities can house up to fifty-nine patients between the ages of 18 and 65.

Disabled persons lack an adequate supply of housing suitable for their needs. Based on the Census 2000, it is estimated that there is a need for 4,769 housing units to serve persons with disabilities – 2,623 owner occupied and 2,146 rental units.

The Housing Element counts the persons with mental illness as persons with disabilities. There is a need for an in-county facility to house patients returning from mental health institutions and state hospitals who need greater support services than can be offered at board and care facilities. Such a project, to provide services and support would allow mental health patients to return to the area where their families now live.

**TABLE III-7
Persons with Disability by Employment Status**

	Number	Percent
Age 5-64, Employed Persons with a Disability	6,649	10%
Age 5-64, Not Employed Persons with a Disability	5,962	9%
Persons Age 65 Plus with a Disability	3,631	5%
Total Persons with a Disability	16,242	24%
Total Population (Civilian Non-institutional)	68,785	100%

Source: Census Bureau (2000 Census SF 3: P42)

- 2. Elderly:** In the City of Santa Maria, persons aged 65 and over comprise about 11.4% percent of the population (2000 Census). This percentage has changed little compared to 1990 (about 12% age 65 and over).

The Area Agency on Aging has identified the following ten highest priority needs for the elderly population in this area: in-home services, community services, housing, transportation, health, nutrition, information and referral, nursing home placement, and senior centers.

In addition to the assisted housing project for independent low-income seniors, thirty residential board and care facilities are available in the City. These facilities house approximately 416 adults, ages 60 years and older. Four skilled nursing facilities, providing 24-hour care to chronically ill and frail-elderly people, are available in the City. In addition to the previously-listed assisted housing projects for independent low-income seniors, Vandenberg Senior Apartments and Rancho Gardens Apartments provide 245 senior units to persons 55 years or older with incomes no greater than 60% of MFI for Santa Barbara County. It is estimated that 4,694 owner and 1,267 rental units are needed to serve the senior population. The City's 2005-2010 HUD CDBG Consolidated Plan indicates a need for smaller, more affordable units to accommodate elderly households with suitable locations in terms of accessibility and proximity to needed services including healthcare and transportation.

Many community services exist to provide support to a frail elderly person who wants to live at home. These services range from transportation or house maintenance programs to routine services, such as weekly housekeeping or daily home meal delivery, to the most intense kinds of support, such as home nursing or live-in attendant care. The Santa Maria Wisdom Center, 1414 North Broadway in Santa Maria, provides adult day health care services for the frail elderly. This program is administered by LifeSteps Foundation, Inc., and serves thirty clients, five of whom may be non-ambulatory. Services include supervision, social activities, meals, exercise, transportation, counseling, on-site nursing, management of medication, physical and occupational therapy, and rehabilitation. The Wisdom Center is the only adult health day care facility or service available in Santa Maria at this time.

**TABLE III-8
Householders by Tenure by Age**

Householder Age	Owners	Renters	Total
65-74 YEARS	1,830	525	2,355
75 PLUS YEARS	2,240	501	2,183
TOTAL	4,070	1,026	4,538

Source: Census Bureau (2000 Census SF 3: H14 and P87)

- 3. Large Families:** According to Census 2000, large families (five or more persons) comprised about 21% of the owner-occupied house-holds and about 30% of the renter-occupied households in the City. However, the availability of housing to accommodate large families appears to be in short supply. The need for larger (i.e. three or more bedroom) rental units appears to be the greatest need in the rental housing market. Clearly, there is a greater need for larger rental units than for zero and one-bedroom units. The need for larger units will continue to increase as Santa Maria's average household size increases. The need for large family units is 2,419 owner and 3,065 rental units.

- 4. Agricultural Employment/Farmworkers:** Santa Maria is an agriculturally based community growing many labor-intensive crops. In 2002, 3,725 acres of strawberries and 16,667 acres of wine grapes in Santa Barbara County were harvested. In 2004, the strawberry acreage increased to 5,239 and wine grapes acreage increased to 17,408 acres respectively, marking the cyclical nature of agriculture but also showing several years of expanded growth in the wine grape industry. Increased farming production means a greater need for fieldworkers and federal immigration policies have worked to both increase and decrease the number of farmworkers living in the community. More fieldworkers are becoming permanent residents because of their inability to travel so freely back to their native country – usually Mexico. Federal, State, and/or County housing policies and regulations discourage on-site farm worker housing and push increasing burdens onto the urban communities adjacent to the fields. The number of housing units required for farmworkers is estimated to be 5,735 – 2,530 owner units and 3,205 rentals. The City of Santa Maria does not restrict the development of farmworker housing to any particular residential zoning district. As evidenced by the Los Adobes de Maria I and II projects, farmworker housing projects are permitted as the type of housing being built (i.e., multifamily or single-family) without any special conditions.

From 1980 to 1990, farming, occupations grew in number from 1,637 to 3,896—a 140 percent increase. From 1990 to 2000, the number of agricultural workers living in the City grew an additional 47 percent to 5,735. Over the same 20-year period (1980-2000), the City population employed in this sector grew from 9.7 to 14.5 to 18.7 percent. Increasing production of labor-intensive row crop agriculture in the Santa Maria Valley is the primary factor attributed to the expanding farm worker population. This becomes most evident when looking at changing crop production and long-term increases in strawberry and wine grapes in Santa Barbara County (source: <http://www.countyofsb.org/agcomm/crops.asp>).

Based on the UC Davis Farmworker Data and the Census 2000 data, Santa Maria houses 55 percent of the Santa Barbara County farmworker population. The resident baseline population is 10,600 farmworkers workers in the County and the maximum population peaks in June, adding 9,700 more workers (UC Davis, 1999-2000). The calculated demand generated by farmworkers in Santa Maria ranges between 3,100 and 4,600 dwelling units. The Los Adobes de Maria I & II projects provide 117 farmworker apartment units.

The Santa Maria Valley Vegetable Grower-Shipper Association data indicates that the median wage for farmworkers is \$7.80 per hour (2004) and that the average farmworker works 52 hours per week. The data imply that farm workers earn lower wages than the City population as a whole. The data also suggest that the household size for farm workers is larger than for the City as a whole. Agricultural laborers have lower incomes and larger families than other distinct groups of workers in the City. Farm worker housing needs differ from the needs of most other groups in the community. These needs include: larger, low cost apartments; seasonal and transitional housing for individuals and families; and support services to ease the transition into the community (i.e. interpreter services, on-site ESL classes, transportation, etc.).

The direct impact of farmworkers on the Santa Maria housing market is significant. The quantification of the impact by using the Santa Barbara County data resources does not accurately reflect the situation faced by the City of Santa Maria. By being across the southern border of San Luis Obispo County, the City of Santa Maria requires data from two counties. The UCSB Economic Forecast Project provides better local data, but it too does not cross the San Luis Obispo County border and must be augmented from various other sources. The Santa Maria Bonita School District has aggregated data to indicate locations where overcrowding exists, which is a function of wages not being able to match housing prices. This too greatly impacts the ability of low-wage workers to live in the City of Santa Maria.

Farmworkers earn lower wages than the workers in most other industries do. Lower incomes result in greater housing cost burdens and/or increased overcrowding for all low-income households. Due to fewer financial resources and the inability to pay market rates for services (i.e. health care and nutrition screening, legal aid, child care), support service needs of low income households appear to be greater. Additionally, the lack of social integration creates greater hurdles for farm workers than other low income households.

Often, a language barrier prevents effective resolution of simple business transactions. Non-English speaking persons easily become victimized within the established social structure. For these reasons, people of the same culture seek the security of familiar surroundings and familiar people.

A seasonal, or transitional, facility for farm workers and their families is needed to accommodate social integration of farm workers into the community. The facility needs to provide support services for farm workers and their families. Farm worker households need lower rents and/or more rent subsidies. The City worked cooperatively to develop the Los Adobes de Maria and Los Adobes de Maria II projects with the Peoples' Self-Help Housing Corporation. The first phase developed 65, 2-, 3-, 4-, and 5-bedroom, apartments. The second phase adds 52 more apartments, with 2 to 4 bedrooms, recreation areas, a daycare building, and a community building for use by all Los Adobes de Maria residents. The waiting list for these units far exceeds the supply of housing units of this type.

5. **Families with Female Head:** In 2000, a single parent (of either sex) headed 24.9% of the family households in the City. Single female-headed households outnumbered single male-headed households by a ratio of about 2.5 to 1. The number of housing units required for families with female head of household is 235 owners and 706 rentals for a total of 941 units.
6. **Homeless:** The Department of Housing and Urban Development defines "homeless" as "people not living in households (house, apartment, mobile home, group of rooms or single room occupied as separate living quarters) or group quarters." Based on this definition, people who camp outdoors, live in vehicles, or stay in emergency or transitional shelters are homeless. In addition, people who live in bootlegged additions to residential structures or as multiple families in single-family residences may also be considered homeless.

“A Report on Homeless Services” [the Report] describes a continuum of homeless situations: persons at risk of becoming homeless, people who are episodically homeless, and people who are chronically homeless. The Report places people who live with multiple families or in substandard housing in the “at risk” category. People who become homeless in times of economic hardship are considered episodically or transitionally homeless. It includes individuals and some families, and tends to be a younger population. “Chronic” is used to describe a homeless situation that has persisted for more than a year, and that includes sleeping outside of a residence as well as a disabling condition.

The National Coalition for the Homeless estimates that, on average, 1.5% of the nation’s people are homeless. In 2005, the Santa Barbara County Public Health Department treated 4,082 different individuals who identified themselves as being homeless. Because many people who are homeless do not use government services, it is reasonable to assume that 1.5% of the County’s total population, or 6,150 individuals, are homeless. The State Department of Finance estimated Santa Maria’s population at 92,542 as of January, 2009. If 1.5% of Santa Maria’s population is homeless, then 1,433 of Santa Maria’s people are homeless. Of these people, the Report states the episodic and chronic categories describe 80% and 10-15% of people who are homeless, respectively.

A count performed during the week of March 27, 2000, in conjunction with the Census 2000 enumeration suggested that most of Santa Maria’s homeless people are single males. Another count taken in 2008, confirmed this statistic. The number may be expected to increase during the next review period if individuals return from military combat and do not re-integrate into the community. One source notes that many of these individuals will not use the emergency and transitional housing options now offered in Santa Maria because of the need to follow strict rules as a condition of shelter. Several sources suggest that single-room occupancies are realistic and successful housing options for many of these people. This element contains a program for proposing a revised single-room occupancy ordinance to decision makers during the next review period.

According to the Report, since the mid-nineteen eighties, the number of women and children on the streets has increased dramatically. These people face a variety of issues, including drug abuse, domestic violence, and loss of children to a foster care home, mental illness, robbery and abuse. As of 2006, Domestic Violence Solutions provided shelter housing for 21 families and Good Samaritan Shelter provided shelter housing for 28 families in Santa Maria.

The 2008, count also revealed that many of Santa Maria’s people who are homeless live in vehicles. They disappear at daybreak from secluded roads or public parking lots. Approximately 200 men, women and children were observed living in vehicles on the day of the count, in an area comprising approximately 25% of the City limits.

The following Table III-9 identifies the facilities currently existing in Santa Maria that constitute housing in the form of emergency shelter [Health and Safety Code §50801(e)], transitional housing [Health and Safety Code §50675.2(h)] and supportive housing [Health and Safety Code §53260(d)]:

**TABLE III -9
Inventory of Shelter Facilities**

NAME OF FACILITY	ADDRESS	TYPE OF SHELTER	PERMANENT YEAR-ROUND CAPACITY	TEMPORARY PART-TIME CAPACITY
Good Samaritan Shelter	401 "C" West Morrison Avenue	Emergency shelter for homeless families and individuals	90	0
Good Samaritan Shelter	401 "A" West Morrison Avenue	Transitional shelter for homeless families	56	0
Good Samaritan Shelter Detox	401 "B" West Morrison Avenue	Emergency shelter and acute care for acutely ill, chemically-dependent homeless adults	12	0
Good Samaritan Shelter Overflow Shelter	401 "D" West Morrison Avenue	Dining Room / Overflow shelter for homeless families	40	0
Good Samaritan Shelter Sober Living Homes	1833 Elmwood Drive 1404 N. Lincoln Street	Transitional housing for chemically-dependent homeless adults	16	0
Transitional Center for Women & Children (TC House I)	412 "A" East Tunnell Street	Transitional housing for women and their children	16	0
Transitional Center for Women & Children (TC House II)	412 "B" East Tunnell Street	Transitional housing for women and their children	22	0
Domestic Violence Solutions Emergency Shelter	Confidential Location	Emergency shelter for battered women and their children	19	0
Domestic Violence Solutions Mariposa House	Confidential Location	Transitional housing for battered women and their children	40	0
County of Santa Barbara North County Youth Shelter Care Program	Communitywide	Emergency shelter for runaway, abused, or at risk youth, ages 10-17	3	0
Central Coast Rescue Mission	1207 North McClelland Street	Emergency shelter for homeless single men	6	0
TOTAL OVERNIGHT SLEEPING CAPACITY			320	0

As previously indicated, many people who are homeless use no government services; consequently, it is impossible to accurately count them. In Santa Maria this problem is compounded by the observation that hundreds of people on the day of the 2008 count were living in vehicles. These people may or may not be semi-permanent Santa Maria residents. An estimated 300-400 people were living in encampments on the day of the count. With these figures in mind, it is not unreasonable to use the National Coalition for the Homeless' estimate of 1.5% of total population, or 1,433 individuals, are homeless in Santa Maria. Since the City currently has **320** of beds available in shelters, transitional and supportive housing facilities, the City would need **1,113** additional beds to serve all of these individuals.

The following Table III-10 identifies the entities currently with existing facilities in Santa Maria that provide supportive services for the homeless and persons threatened with homelessness.

TABLE III-10
Inventory of Supportive Services for the Homeless and Persons Threatened With Homelessness

PROVIDER	LOCATION	SERVICES
Alliance for Pharmaceutical Access	505 East Plaza Drive	Assists and educates the disadvantaged in obtaining or securing prescribed medications directly from pharmaceutical companies at no cost. Staff helps those persons who lack prescription insurance coverage to apply directly to the pharmaceutical company. This service reduces the number of persons having to choose between life essential medications and rent, allowing them to remain housed.
Catholic Charities	607 West Main Street	Catholic Charities serves low and very low-income families and individuals in Santa Maria. The agency's overall goal is to improve the quality of life and reduce the incidence of hunger and homelessness. It is a case-managed program aimed at alleviating immediate need. Bilingual staff provides intake assessment, material assistance (nutritious food, clothing, and financial assistance) services. Clients are often helped to find employment, and/or are referred to other agencies in the immediate area whose services can further assist the customer and augment the help received at Catholic Charities. The agency is open 6 days a week to accommodate the working poor.
Center for Employment Training	509 West Morrison Avenue	Provides rental assistance and scholarships to very low-income farmworker households while family members participate in vocational training programs offered by CET to promote economic self-sufficiency.
Central Coast Rescue Mission	1207 North McClelland Street	Provides emergency shelter, drug and alcohol rehabilitation, and counseling services to homeless and very poor chemically dependent adults.
Community Action Commission	1002 East Sierra Madre Citywide	Program provides hot, nutritious meals to elderly persons on a daily basis at two congregate sites as well as delivers meals to those elderly persons who are homebound due to illness, disability or frailty. The program focuses on disadvantaged, elderly persons and strives to meet the nutritional, social and economic needs of its clients.

PROVIDER	LOCATION	SERVICES
Community Partners in Caring	111 North Vine Street	Provides services such as friendly visiting, chore services, yard work, respite care, telephone reassurance, light housekeeping, transportation, personal business aid, and translation to low income frail, elderly, disabled and homebound adults. Such services allow this population to remain independent in their own homes for the longest possible time delaying the need for long term institutional care or homelessness.
Conflict Solutions Center	120 East Jones Street, Suite 137	Provides mediation services related to fair housing complaints, tenant/landlord disputes, eviction actions, discrimination complaints, and other issues referred by Legal Aid Foundation.
Domestic Violence Solutions	Confidential Location	Provides emergency shelter, meals, household furnishings, personal hygiene supplies, crisis intervention, counseling, advocacy and support for financial, legal, housing, medical and childcare assistance for battered women and their children.
Good Samaritan Shelter	401 West Morrison Avenue	Provides emergency shelter, food, meals, household items, medical and dental screening, counseling, drug and alcohol detoxification treatment and recovery care, employment assistance, job placement, mental health guidance, tutoring, general socialization, advocacy, psychological support services, and case management.
Good Samaritan Shelter Detox Program	401 "B" West Morrison Avenue	Santa Maria Detox Program is the only in-patient residential detox program within the Santa Maria Valley that intakes clients on a walk-in, emergency basis and provides services regardless of their ability to pay.
Independent Living Resource Center	327 East Plaza Drive, Unit 3-A	Provides individualized training for persons with disabilities by staff who also have disabilities. Services include: support with adapting to a disability, applying for eligible benefits, locating affordable and accessible housing, and personal assistance training and referral.
Legal Aid Foundation of Santa Barbara County	301 South Miller Street, Suite 121	Provides civil legal assistance and representation in the areas of housing law, including tenant/landlord disputes, eviction actions, discrimination complaints, public benefit law, family law, consumer/debtor-creditor law and mediation.
North County Youth Shelter Care Program	Citywide	Provides 24-hour crisis intervention, temporary foster care placement and appropriate follow-up counseling to facilitate family reunification for runaway, abused, or out-of-control minors.

PROVIDER	LOCATION	SERVICES
Pacific Pride Foundation	819 West Church Street	Provides groceries and personal care items through a food pantry, nutrition counseling, case management, benefits counseling, legal services, access to medical, dental, pharmacy, vision, psychiatric and substance abuse services, transportation, counseling, and emergency housing assistance to HIV-positive and AIDS-diagnosed persons and their families.
Santa Barbara Family Care Center Respite Program	705 East Main Street	Provides emergency child care services for low income families of children that have been or are at risk of being abused, neglected or exploited; priority given to homeless or at-risk families.
Santa Maria Valley FISH Meals on Wheels	Citywide	Delivers hot meals on a daily basis, five days a week to low income elderly, homebound and disabled clients who have special dietary needs due to medical conditions. This is the only local agency that provides special diet meals to diabetic, renal, heart, cancer or HIV/AIDS patients who are not elderly. This service allows this population to remain independent in their own homes for the longest possible time delaying the need for long-term institutional care or homelessness.
The Salvation Army	402 South Miller Street East Fesler Street	211 Provides food, clothing, household, furnishings, rental assistance to prevent eviction, utility assistance, disaster assistance, vouchers for emergency shelter/lodging, transportation, prescriptions, personal hygiene supplies, advocacy, counseling, and hot lunch meals daily to those in need.
Transitional Center for Women & Children (TC House I)	412 "A" East Tunnell Street	Transitional living program for perinatal women and their children who are enrolled in the day treatment program (clients can live within the program for up to 18 months)
Transitional Center for Women & Children (TC House II)	412 "B" East Tunnell Street	Transitional living program that is located just two blocks North of TC House I which provides transitional living for women and their children who are enrolled in the day treatment program (clients can live within the program for up to 18 months)

7. **Others:** Students are considered in this category. Santa Maria is home to Allan Hancock Community College (AHC). The 2004 AHC student profile includes the following demographic data:

- 74.4% are part-time
- 71.0% are between the ages of 20 and 23.3
- 47% are White while 32.7% are Hispanic
- 59.6% attend between 40 and 29 hours per week
- 53.4% earn \$26,476 or more annually
- 39.6% are expect to transfer, 31.8% seek job skills and 20.5% are undecided

AHC provides Noncredit Education and Community Programs adult education classes to more than 21,000 persons per year. For purposes of this Housing Element, there are 11,000 students enrolled per semester and 10% of the student enrollment is considered in the special needs category for housing needs. The remainder of the student population is included in other income categories. This figure of 1,100 students corresponds with the number of individuals attending 40 or more class-hours per week, the enrollees expected to transfer and the students under the age of 25.

E. Local Housing Needs

Households with "housing problems" include those that occupy units meeting the definition of: (1) having physical defects; (2) being overcrowded; and/or (3) a cost burden greater than 30%. A housing unit with "physical defects" lacks a complete kitchen or bathroom. An "overcrowded" unit contains more than one person per room. "Cost burden greater than 30%" is the extent to which gross housing costs, including utility costs, exceed 30% of gross income, and "cost burden greater than 50%," or "severe cost burden" is the extent to which gross housing costs exceed 50% of gross income. Income categories used in this document are based on the MFI for the Metropolitan Statistical Area (MSA), which includes all of Santa Barbara County. Information from Tables III-11 and III-12 illustrate housing assistance needs by income group. These tables are based on the 2000 Census. Table III-11 lists low-income renter households, and Table III-12 shows with low-income owner households.

**TABLE III-11
Renter Units Affordable To Low-
And Moderate-Income (<80% Mfi) Households
2000 Census**

INCOME GROUP	0 and 1 BEDROOM	2 BEDROOMS	3 or MORE BEDROOMS	TOTAL
0 to 30% MFI	269	169	142	580
0 to 50% MFI	901	543	327	1,771
0 to 80% MFI	2,876	1,993	1,218	6,087

MFI = Median Family Income

TABLE III-12
Owner Units Affordable To Low-
And Moderate Income (<80% Mfi) Households
2000 Census

INCOME GROUP	0 and 1 BEDROOM	2 BEDROOMS	3 or MORE BEDROOMS	TOTAL
0 to 30% MFI	N/A	N/A	N/A	N/A
0 to 50% MFI	90	477	106	673
0 to 80% MFI	184	856	984	2,024

MFI = Median Family Income

Santa Maria consistently works toward increasing the supply of housing to meet local demands. Because Santa Maria sits within commuting distances of Santa Barbara and San Luis Obispo – two of the least affordable cities in the State – Santa Maria has evolved into an affordable housing region for first-time homebuyers and those seeking affordable rental housing. External forces effectively drove housing prices through the roof statewide – causing a commute to locations with better housing values. Because of relatively good housing values and high demand, Santa Maria experienced rapid housing price escalation in the late 1980's to early 1990's and again in the late 1990's and early 2000's.

- 1. Local Market for Rental Housing:** According to the 2000 Census, the median contract rent for a housing unit in Santa Maria was \$613. Table III-11 shows the results of a newspaper survey of rental units by housing type conducted in July 2003, by the Planning Division of the City of Santa Maria Community Development Department.

More recent market data comes to the Community Development Department from Low Income Housing Tax Credit applications. Each application includes a snapshot of the housing market conditions and an evaluation of the proposed affordable housing project. These housing market studies generally track the location, size (i.e., square feet), bedrooms, bathroom configurations, rent, amenities, vacancy rates, and unit turnover rates.

The Planning Division staff reviewed four recent applications for California Tax Credit Advisory Committee projects. Staff concluded that Santa Maria maintains a variety of rental opportunities, which tend to range between \$700 and \$1,700. The range of the newer (i.e., "Class A") apartment rents occur between \$1,250 and \$1,700. At the lower end of the range, the older and smaller (i.e., "Class C") apartments tend to rent for less than \$1,250 and as low as \$650.

Based on the comparison of Table III-13 and the more recent assessments of the Santa Maria/Orcutt housing market, it appears that the table remains valid. Utility allowances, which have not been added into the rent figures, are taken from the HUD Section 8 "Existing Housing Allowances for Tenant Furnished Utilities" for City of Santa Maria (January 1, 2008), provided by the Housing Authority of Santa Barbara County. While the low-end rents have increased about equal to the cost of living for the same period, the upper end of the housing market has dropped slightly. The addition of over 5,000 dwelling units between April 1, 2000, and January 1, 2009, mostly reflects new home construction, which would be in direct competition with the higher end apartment rents.

TABLE III-13
Housing Rental Price Data (2003)
And Utility Allowance Data (2008)
City Of Santa Maria

HOUSING TYPE	RANGE OF RENTS ¹ (JULY 2003)	AVERAGE RENT ¹ (JULY 2003)	MEDIAN RENT ¹ (JULY 2003)	UTILITY ALLOWANCE ² (JAN. 2008)
ROOM	\$260 - \$750	\$ 475	\$ 450	\$ 0
STUDIO	\$500 - \$675	\$ 568	\$ 525	\$ 83 - 107
APT (1 BR)	\$550 - \$850	\$ 706	\$ 750	\$90 - 125
APT (2 BR)	\$725 - \$950	\$ 838	\$ 850	\$97 - 143
APT (3 BR)	\$900 - \$1300	\$1075	\$1050	\$109 -172
CONDO (1 BR)	\$825 - \$1350	\$ 850	\$ 850	\$90 - 125
CONDO (2 BR)	\$725 - \$1400	\$1084	\$1050	\$97 - 143
CONDO (3 BR)	\$1150 - \$1800	\$1419	\$1300	\$109 -172
HOUSE (1 BR)	\$600 - \$900	\$ 756	\$750	\$119 - 162
HOUSE (2 BR)	\$725 - \$1500	\$1144	\$1150	\$131 - 185
HOUSE (3 BR)	\$850 - \$1850	\$1462	\$1450	\$148 - 219
HOUSE (4+BR) ³	\$1175 - \$2000	\$1619	\$1600	\$167 -253
HOUSE (5+BR) ³				\$186 -287

1. Source: City of Santa Maria, Community Development Department (2003). Survey of classified ads; Santa Maria Times (includes Santa Maria city and Orcutt), 6/28 - 7/27/2003. A review of two appraisals of the 2008-09 housing market shows the present rents to be similar to those of 2003.
2. Housing Authority of Santa Barbara County. Based on average utility allowance for all utilities: (heating, cooking, other electric, water heating, base charges, water, sewer, and trash). <http://www.hasbarco.org/Downloads.html>
3. Rental survey data aggregated all houses with four- or more bedrooms; the 2008 Section 8 Utility allowances segregated the 4-bedroom units into a category and aggregated all houses with five- or more bedrooms.

2. Local Homeownership: Table III-14 shows the annual gross income needed to qualify to purchase a home under FHA standards for various income levels in the County. Because this required income is substantially higher (almost double) than the median family income (MFI) for the City of Santa Maria, prospective homebuyers in Santa Maria face a significant housing affordability gap, *if they wish to purchase homes as individual households*. From this viewpoint, homes are out of the price range for most local residents – especially those in the very low- and low-income ranges. The in-migration of homebuyers who work in nearby communities shifted the demand for housing upwards – increasing the market values for all residential properties. As resale occurs, market rents increase and rental properties become less affordable until the housing market corrects itself.

Using the California Association of Realtor (C.A.R.) data for the Santa Maria, housing market, Figure III-1 shows the February 2002, through June 2009, median sales prices reported by C.A.R. members. It further illustrates the market conditions. Starting in 2002, these data show that steady upward price appreciation occurred before the period starting in early to mid-2003. From the middle of 2003, to the start of 2006, house prices appreciated at a slightly faster pace.

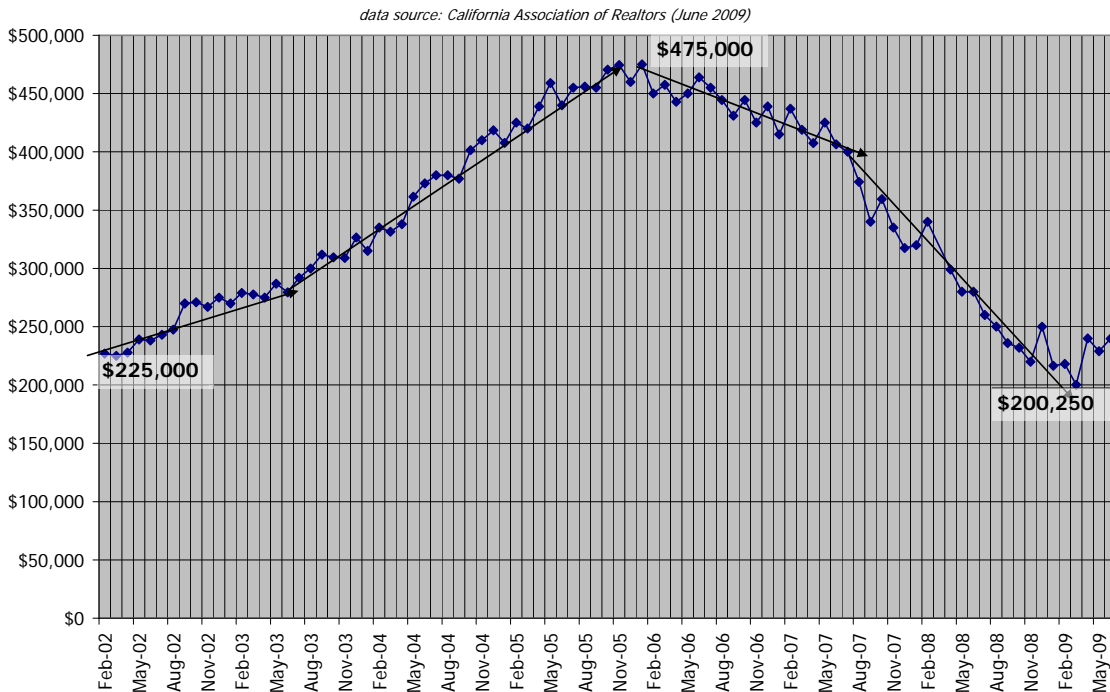
For the Santa Maria housing market, the normal correction phase followed the high (median) price recorded by C.A.R. (\$475,000) in early 2006. First, more houses were listed for sale; this increased the supply of housing in the market for sale. Second, some sellers chose to sell at a lower price. The median house price in Santa Maria started to slide downward.

By the middle of 2007, many homeowners were “upside-down”; they owed more than the property was worth. More houses were listed. An estimated 3,000 to 4,000 houses turned into negative assets; some panic sales forced the market (a reflection by the median sales price) to decline faster.

Most free market systems operate in a cyclical pattern of supply and demand. The apparent flattening of the monthly median sales prices, at or slightly above \$200,000, may indicate the start of a new growth cycle.

FIGURE III- 1

Santa Maria Median House Price 2002-2009



In Santa Maria, by the middle of 2007, new housing construction slowed to a virtual stop. Housing construction inventory became unsold housing inventory and comparable sales prices were falling. For the two-year period, from July 1, 2007, through June 30, 2009, new residential building permits virtually stopped.

According to Community Development records, an average of 600 single family houses were permitted each year, for four years, from 2001-2004. During the next four years (2005-2008), 600 single-family houses were permitted—total—which would be an average of 150 per year.

While the single-family housing slump may have bottomed out at a median price of \$200,000, the costs of construction may exceed the house values being paid under the current housing market conditions. Until new house construction can profitably compete in the existing market conditions, permits for new construction will continue to be slower than the 200 SFD (+/-) permitted each year during the 1992-1997 economic recession.

According to the 2000 Census, the median value of an owner-occupied housing unit in Santa Maria was \$145,600. This represents only a 3.25% increase over the previous ten-year period and housing prices rose rapidly after 2000. In 2003, the median home price in City was \$293,300 and by 2004 had escalated to \$366,900. The forecast is that prices will continue to escalate but at a rate more in the 2% per year range. With the median sales price at (or above) 200,000, the current housing market appears to have been sent back in time approximately 7-10 years. Due to the cyclical nature of the housing markets in general, the following Housing Cost Burden Table (Table III-12) is still a valid illustration of the income standard in this Housing Element.

TABLE III-14
Home Financing Based On Local Median Incomes
30% Housing Cost Burden

	1 MEDIAN INCOME CITY OF S.M. 2000	2 MEDIAN INCOME S.B. COUNTY 2000	3 HUD MFI S.B. COUNTY 2003	4 ESTIMATED MEDIAN HOME PRICE S.M. VALLEY 2003	5 120% OF MFI S.B. COUNTY 2003
HOME PRICE	\$160,000	\$221,250	\$242,800	\$280,000	\$300,000
DOWN PAYMENT (20%)	\$32,000	\$44,250	\$48,500	\$56,000	\$60,000
AMOUNT FINANCED	\$128,000	\$177,000	\$194,300	\$224,000	\$240,000
PROPERTY TAX (ANNUAL) (1%)	\$1,600	\$2,213	\$2,428	\$2,800	\$3,000
INSURANCE (ANNUAL)	\$480	\$525	\$575	\$600	\$600
FINANCING RATE (%)	6.5%	6.5%	6.5%	6.5%	6.5%
PRINCIPAL, INTEREST, AND PROPERTY TAX (MONTHLY PAYMENT)	\$ 982	\$1,351	\$1,515	\$1,700	\$1,818
REQUIRED GROSS ANNUAL INCOME (MAXIMUM OF 30% OF GROSS MONTHLY INCOME FOR HOUSING PAYMENT)	\$39,277	\$54,042	\$60,600	\$68,000	\$72,720

*SB = Santa Barbara County
SM = Santa Maria

- 3. Local Median Income:** In 2000, the median income for a family of four in the City of Santa Maria was \$39,277 while the median income for a family of four in the County of Santa Barbara was \$54,042. In 2000, the median per capita income in the City of Santa Maria was \$13,780 while the median per capita income in the County of Santa Barbara was \$23,059.

In 2007, the American Community Survey reported that: *“the median income of households in Santa Maria city was \$47,215. Seventy-nine percent of the households received earnings and 16 percent received retirement income other than Social Security. Twenty-five percent of the households received Social Security. The average income from Social Security was \$14,315. These income sources are not mutually exclusive; that is, some households received income from more than one source.”*

- 4. Local Housing Conditions:** Limited Census data are available regarding the condition of the existing housing stock. Table III-15 shows that the median age of all dwelling units in the City is 33.5 years as of 2000. Since the 1990 Census to present (7/2003), 3,488 housing units were added to the City and are less than 13 years of age. 1,131 dwelling units were located in structures built before 1940, and are at least 63 years old.

According to the 1992 Housing Conditions Survey, about 7.3 percent of the city housing stock was in need of some maintenance to preserve the useful life of the structure.

**TABLE III-15
Condition of Housing Stock in The City Of Santa Maria**

	1990	2000
Total number of dwelling units (occupied and vacant)	21,144	22,847
Number of occupied dwelling units	19,907	22,146
Percent of dwelling units vacant	5.9 %	3.1 %
Median age of all dwelling units (years)	30	33.5
Number of dwelling units in structures built before 1940	1,556	1,173
Percent of all dwelling units less than 10 years old (in census year)	34.3 %	14.4 %
Percent of occupied dwelling units lacking complete plumbing	0.573 %	0.829 %
Percent of occupied dwelling units lacking complete kitchen	0.859 %	1.19 %
Percent of occupied dwelling units with no telephone service	3.32 %	2.16 %

Sources: City of Santa Maria (1993). Housing Element, General Plan.
2000 U.S. Census
1990 U.S. Census, STF-3

The decline in overall housing vacancy rates from 5.9% (1990) to 3.1% (2000) indicates that housing demand has increased. However, the units lacking complete plumbing or kitchen increased. This increase either reflects on the accuracy of the Census data in 1990 or 2000, or it indicates increased (illegal) conversions of structures into multi-family units.

The conclusions indicate that 29 ("poor") dwelling units need substantial rehabilitation or replacement and 445 ("fair") dwelling units need relatively minor improvements to conserve the integrity of the housing stock. Because of a greater than average occurrence of fair and poor housing conditions, Census Tracts 23.03, 23.04, 24.03, and 24.04 have neighborhoods targeted for housing rehabilitation programs.

- 5. Local Population and Employment Trends:** The 2000 U.S. Census reported a total population of 77,423 persons residing in the City of Santa Maria. This was a 26% increase from the 1990 Census count of 61,284 people. The average annual growth rate for the ten-year period between census counts was 2.60%. The State Department of Finance estimates the City's 2009 population to be 92,542, which makes Santa Maria the largest city in Santa Barbara County.

According to the 2000 Census, the median age of the City's population is 29.2 years. This is significantly lower than the State median of 33.3 years and the national median of 35.3 years. In 1990, the median age was 29.33 years. In 1980, the median was 27.90 while the 1970 Census recorded a median age of 24.50 years. The data suggests represents an aging of the City's population from 1970 to 1990. However, 2000 Census data and recent data on the increasing number of school-age children suggest that this aging trend may be reversing and Santa Maria's population is getting younger. Table III-16 shows the percentage of three life cohorts based on the 1980, 1990 and 2000 Census data.

TABLE III-16
Population Age Range Percentages
From the 1980, 1990 and 2000 Census

AGE RANGES	1980 CENSUS	1990 CENSUS	2000 CENSUS
0-17	29.4%	29.9%	31.61%
18-64	59.9%	58.1%	57.05%
65 AND OVER	10.7%	12.0%	11.34%

The County of Santa Barbara consistently maintains lower unemployment rates than the City of Santa Maria, according to the Employment Development Department (EDD) data, the County unemployment rate for 2008, was 5.4% and the City unemployment rate was 8.6%. In 2000, the County unemployment rate was 4.4% and the City's unemployment rate was 7.0%. From 2000 though 2008, the EDD estimated that the County unemployment rate ranged between 4.0% (2006) and 5.4% (2008). Over the same period, the City unemployment rate ranged from 6.5% (2006) to 8.6% (2008).

Listed below, as a percentage of total employment, are the major employment industries in Santa Maria according to the 2000 Census. Over 70% of all employment occurs in these six sectors:

- Retail Trade 17.0%
- Professional & Related Services 17.8%
- Agriculture 21.4%
- Manufacturing/Industrial 8.7%
- Construction 6.1%
- Other 8.5%

For comparison purposes, the same sectors are shown below, using March 2003 State EDD data for the Santa Maria Valley (i.e. zip codes 93454, 55, 56, 57). It is encouraging to note that retail employment that is traditionally lower paying has decreased while higher-paying professional and related services employment has increased by more than 4%.

- Retail Trade 11.0%
- Professional & Related Services 22.0%
- Agriculture 21.0%
- Manufacturing/Industrial 7.0%
- Construction 3.5%
- Government 27.0%
- Other 8.5%

References Cited in this Chapter:

Homeless Information

- Interview (July 23, 2009) with Michael Rylant, Shelter Manager for Good Samaritan Services;
- A Report on Homelessness Services in the County of Santa Barbara (February 2006), by Roger E. Heroux;
- 10-Year Plan to End Chronic Homelessness Throughout Santa Barbara County (2006), by Sylvia Barnard and Helene Schneider
- Santa Barbara County Housing Element (February 2009)

Appendices to this Chapter: None