

Employer Sponsored Housing

One of the primary goals of the 2011 General Plan Update is to encourage the production of affordable workforce housing, specifically rental, employer sponsored housing, and limited equity cooperatives. Such housing is considered a community priority and is supported by numerous policies and programs in both the Land Use and Housing Elements. One of these programs is the Average Unit-Size Density (AUD) Incentive Program, which is specifically designed to generate workforce housing through increased densities and flexible development standards.

On April 10, 2012, the City Council initiated the necessary amendments to the Zoning Ordinance to carry out the AUD Program, including an Employer Sponsored Housing Program. The intent of this program is to produce below market residential units developed by employers and offered to South Coast employees. The success of this program is dependent on the active participation of employers, both large and small.

Employer Sponsored Housing Forum

On September 12, 2012, the City held an Employer Sponsored Housing Forum to inform local employers about the City's proposed program and to gain insight about potential opportunities and challenges. A panel discussion took place with six community members experienced in the creation of workforce housing. The Forum served as an opportunity to learn what is necessary to make this program viable and successful. The following briefly summarizes the key points discussed at the Forum.

Benefits of Program: The shortage of affordable housing continues to pose challenges in recruitment and retention of quality employees. By investing in the provision of workforce housing, employers improve recruitment opportunities and reduce turnover of employees resulting in a cost benefit to their business. Similarly, employees benefit by attaining affordable housing, reducing their commute time and costs, and increase the time spent in the community and with their family.

Challenges of Program: Employers, especially smaller businesses are not accustomed to the role of developer and/or lender. Typically, employer sponsored housing has been provided by larger employers, such as UCSB, Westmont College, and Cottage Hospital. These entities have the financial capital and land to facilitate the development of employee housing. Very few employers have the size, capacity or financing to develop real estate. In addition, navigating through the development and permitting process may challenge a small or inexperienced employer who does not possess the expertise in these areas.

Recommendations: The Program should be simple and user friendly and encourage partnerships with larger employers or developers to help navigate through the development and permitting process. The City should provide a model and/or marketing plan that contains sample covenants, development agreements, and design prototypes. Expedite the application and permitting process to help reduce development costs.