

# SMART GROWTH IN ACTION: HOUSING CAPACITY AND DEVELOPMENT IN VENTURA COUNTY

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# Smart Growth in Action: Housing Capacity and Development in Ventura County

BY WILLIAM FULTON, CHRIS WILLIAMSON, KATHLEEN MALLORY, AND JEFF JONES

## Executive Summary

Urban growth has emerged as a touchstone policy issue, particularly on the state and local levels, ushering in an unprecedented new wave of growth-management and growth-control legislation. More than a dozen states have enacted some form of statewide growth-management law, and 37 others are actively considering growth-management legislation or planning reform laws that will directly affect the pace, pattern, and quality of land development. On the local level, hundreds of growth-management initiatives make it to local and statewide ballots each election cycle. One of the more salient trends in this movement is toward “ballot-box zoning”—the process of passing growth-management legislation and mandates through popular vote. Ballot-box zoning has been particularly prevalent in California, where dozens of cities and counties have adopted urban-growth boundaries and other growth controls to limit new land development.

Growth controls, however, are not implemented in a political vacuum. Once policies are adopted, local politics figure prominently into whether planning goals will be realized. Particularly in the United States, where planning is explicitly local and must be adopted by locally elected officials, these constraints are important elements of the planning process and should be incorporated into an evaluation of their success and recommendations for further reform.

Despite the groundswell of activism and apparent public support for this new wave of growth management, remarkably little analysis has been done on whether local governments actually can, in fact, implement planning goals and visions. In part, the dearth of research is a result of the highly localized nature of growth-management initiatives. Few have yet seen the benefit of analyzing growth-management policies that are targeted toward local problems and framed by local values and issues. While the specifics of local growth-management policies may vary, the implementation issues are applicable to other cities in California and in other states.

Implementation issues, particularly assessments of the capacity of local communities to implement planning goals, are rarely addressed in the debate over Smart Growth or planning-law reform. This study begins to fill this void by examining the case study of Ventura County, California, a county of some 700,000 residents about 40 miles northwest of downtown Los Angeles and adjacent to Los Angeles County. Home to one of the most aggressive local approaches to growth management in the United States, Ventura County's experience has important lessons for all local governments that attempt to plan development. This study also provides a general framework for citizens and policymakers in other communities to assess their own capacity for accommodating future growth through their local plans and evaluating the potential implications.

Between 1995 and 2000, Ventura County voters passed a series of growth-control measures (the "Save Open-space and Agricultural Resources," or SOAR, initiative) that attempted to lock in existing land-use policies and require voter approval for conversion of agricultural, open space, or rural land to urban use. During the political campaign supporting the SOAR initiatives, proponents argued that the county, based on its current comprehensive plan, had the capacity to accommodate more than 60,000 new housing units before SOAR would expire in 2020. (A community's comprehensive plan is the primary policy document for guiding urban development, and typically outlines where, what kinds, and at what densities new development will take place.) The existence of a suitable planned capacity was a key argument, because opposition to the ballot initiative centered on whether Ventura County could adequately plan for and accommodate new housing in sufficient quantities. No one during the campaign, however, conducted an analysis of housing capacity to verify the advocates' claims.

To assess the ability and willingness of local governments to accommodate new growth, the researchers of this study reviewed housing trends, planning applications, and project approvals for all 10 cities in Ventura County. More than 120 projects, encompassing almost 12,000 approved housing units (covering more than two-thirds of the approved permits issued) were analyzed. After reviewing these projects as well as current planning policies and forecasted future demand, the authors concluded that the county is unlikely to be able to meet future housing demand, and that a crisis in housing supply will occur prior to SOAR's expiration in 2020.

Ventura County will likely need at least 312,000 housing units by 2020—a projected increase of 60,000 units (24 percent) over the 2000 housing stock of 252,000 units. This is close to the estimate that advocates of SOAR used as they urged citizens to pass the initiative. Yet, under current policies, the planned capacity of the county is targeted at somewhere between only 293,500 and 298,500 housing units—an increase of between just 41,500 and 46,500 units, or 16.5 percent and 18.5 percent over the existing housing stock. This, however, is the highest number that might be approved. Since 1996, cities in Ventura County have approved development projects at densities much lower than planned capacities, generally falling 20 percent below zoned capacities and 45 percent below General Plan capacities. Thus, the likely future housing development in the county under current planning policies and entitlement practices will generate about 33,000 units: 55 percent below the regional planning agency's housing target for 2020.

Research also found that the density of most projects was likely reduced during the pre-application stage of the project-approval process. Applications sought considerably fewer housing units than allowed under the General Plan. Then planning commissions and city councils reduced these densities by another 4 percent on average. Not all projects received equal treatment either. Affordable housing projects, multi-family projects, larger projects, and projects with plans tied to specific parcels of land were more likely to be approved at or near the capacity designated by planning policies, while smaller projects and projects in smaller cities tended

to apply for and be approved at housing densities much lower than the capacities designated by planning policies.

Cities, counties, and state legislatures across the nation are considering initiatives that will greatly increase the scope of land-use regulation at all levels of government—reforms that closely resemble the policies implemented in Ventura County. Many of these growth-management and planning reforms involve a significant increase of public participation during the development-control process. Effective implementation of these reforms requires a practical understanding of the implementation issues surrounding growth-management reforms and development control, especially the capacity of local communities to meet their planning goals and objectives.

This study suggests that there are significant deficiencies in the capacity of existing planning systems to accommodate rational planning goals. Despite passing a countywide growth-management initiative in 1998, most cities in Ventura County have not adjusted their plans or their development-approval processes to accommodate expected housing demand, creating conditions that are likely to lead to further housing-price escalation and increased political manipulation of the housing market.

The analysis of Ventura County shows that most of its cities will face significant housing shortages well before the end of the county's 25-year planning horizon. In fact, most cities in Ventura County have no more than 10 years of housing capacity left under current policies and entitlement practices.

SOAR will begin to have a major effect on new housing development between 2005 and 2010 as planned housing capacity is used up—first in a few cities, then gradually countywide. Development pressure will increase within cities to increase zoning densities, change General Plans to allow more housing, and possibly redevelop and rehabilitate existing housing. Projects that try to bring new land inside the growth boundaries for voter approval will need to be different from those approved in the past for development. Unless SOAR is changed or invalidated, the county and its cities are unlikely to meet estimated future demand for additional new housing, and tight housing market effects will increase over time. The lessons learned from the “laboratory” of Ventura County, a county with substantial experience in growth management and planning reform, could be valuable for other cities and counties across the U.S. that are wrestling with growth management.

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## Part 1

# The Rise of Smart Growth and Growth Management

Population growth and large-scale housing development have made urban growth a touchstone policy issue, particularly at the state and local levels. Although federal policy has yet to coalesce around a common, broad-based theme, the national significance of the issue is difficult to ignore. More than a dozen states have enacted some form of statewide growth-management law focused on further regulating land development and increasing the role of land-use planning in shaping the physical landscape of communities and rural areas. Many statewide growth-management laws, for example, identify curbing “urban sprawl” as an explicit policy goal. Thirty-seven states are actively considering growth-management legislation and planning reform laws that will directly influence the pace, pattern, and quality of land development.<sup>1</sup> At least eight states have endorsed a strong state role in managing growth on the local level by adopting statewide growth-management laws, and eight more have adopted comprehensive planning-reform statutes that give local governments additional planning authority and responsibilities.

The most heralded case may be Oregon, the first geographically diverse state to implement a statewide planning law.<sup>2</sup> The Portland metropolitan area has engaged in top-down regional land-use and transportation planning since 1979 and is often referred to as a national model for the contemporary wave of growth management.<sup>3</sup> It instituted a regional plan in the 1990s (the 2040 Plan) that emphasizes compact, mixed-use development that is transit-focused. Other states have taken different approaches, from top-down state action in Florida to more decentralized and bottom-up approaches in Georgia and Tennessee.

On the local level, concerns about growth have energized dozens of growth-management and growth-control proponents across the nation. Hundreds of growth-management initiatives make it to local and statewide ballots each election cycle. While some high-profile losses have been noted in the press (e.g., Arizona and Colorado), most initiatives supporting increased funding for parks, open space acquisition, and milder forms of growth management successfully passed.<sup>4</sup>

Proponents of growth management have settled on several core principles and elements under the broad rubric of “Smart Growth”. Brookings Institution urban policy analyst Anthony Downs notes that, while substantial disagreements on some issues persist (e.g., placing hard limits on outward expansion or reducing automobile use), a consensus seems to be emerging on several policy goals, including preserving large amounts of open space, redeveloping inner-city core areas, removing barriers to urban-design innovation, and the importance of creating a sense of community and regional interdependence.<sup>5</sup> In addition, while the detail and style of Smart Growth shifts, many of the common themes include a significantly expanded role for local and regional political control over growth.<sup>6</sup> Rick Rosan, president of the Urban Land Institute, notes that

“Smart Growth is an attitude, a process of collaborating and working together to create neighborhoods.”<sup>7</sup> This perspective echoes reality. As Tennessee cities and counties began developing their growth plans, Smart Growth was described as “...about finding ways to manage sprawl and improve our total quality of life.”<sup>8</sup>

Smart Growth, however, is more than a planning process. Most Smart Growth plans include an explicit goal to prevent low-density residential and commercial development, sometimes called urban sprawl. Broad-based Smart Growth reforms are also intended to create more rationality in land-use planning to ensure community goals are met. Thus, the reforms are not intended to simply increase the inclusiveness of planning process (although that might be one of many outcomes); they are also supposed to achieve specific outcomes. For example, even though Smart Growth in Tennessee is described as a way of planning for communities, the Smart Growth legislation specifies goals and objectives to be included in local government plans. The growth plans, for example, must include a unified design for development and encourage compact, contiguous, and high-density development.<sup>9</sup>

Unfortunately, few efforts have been made to evaluate the capacity of local planning processes to accommodate the goals of growth-management advocates. In part, this is because the movement itself is new and, except for a few states, highly localized. Even statewide growth-management laws with a top-down, state-driven approach still depend on local governments to plan locally and then send the plans to higher levels of government for approval. Some evidence suggests that local-plan implementation issues are significant. More than half of the comprehensive plans for Florida’s cities, for example, were rejected by the state Department of Community Affairs because they were out of compliance with the state’s growth management laws.<sup>10</sup>

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Once plans are adopted, local politics may also figure prominently in whether the goals of the plan will be achieved. Thus, growth-management reforms must also consider the political environment in which the reforms are proposed and implemented. Particularly in the United States, where planning is explicitly local and must be adopted by locally elected officials, these constraints are important elements of the planning process and should be incorporated into an evaluation of their success and recommendations for further reform. However, implementation issues, particularly an assessment of the capacity of local communities to implement a planning vision, are rarely addressed in the debate over Smart Growth or planning-law reform.

This policy study begins filling this void by examining the effects of implementing the modern wave of growth-management policies at the county level using a case study of Ventura County, California. While the specifics of the case study apply most directly to Ventura County, the analysis of how the county’s growth-management policies were adopted and the issues concerned with accommodating housing demand and supply hold important lessons for other cities, counties, and states. In addition, the study provides a general framework that can be used by citizens and policymakers in communities throughout the nation to help evaluate the impact of adopting growth-management policies with similar features. More specifically, the study focuses on the following objectives:

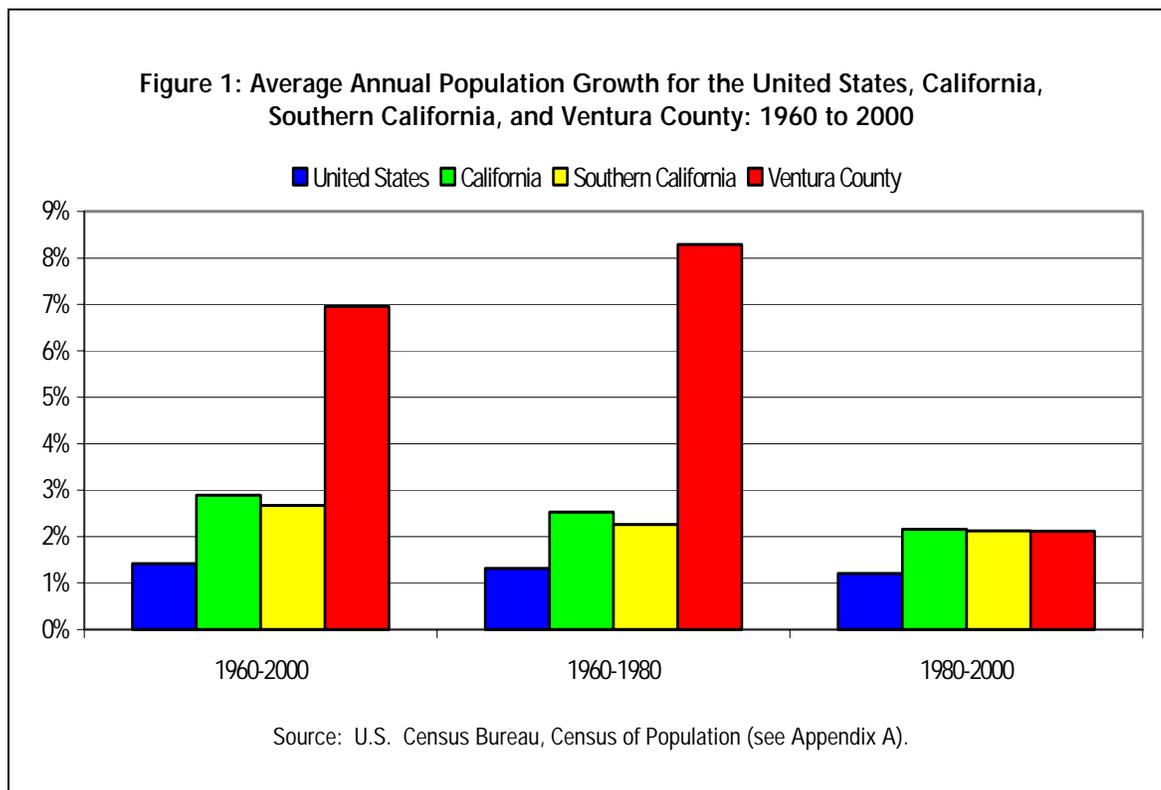
- Describing trends between 1990 and 2000 regarding the county’s population, housing, and development;

- Comparing planned housing capacity with the likely actual capacity, given the experience of recent housing projects as they worked their way through the approval process and using local comprehensive plans as a benchmark;
- Calculating likely future development “buildout” and comparing it to the projected demand; and
- Discussing possible implications, with and without county growth-management policies in place.

## Part 2

# Ventura County and Smart Growth

In many ways, Ventura County is an ideal case study of local growth-management policy. A mostly affluent county of 753,000 residents immediately north and west of Los Angeles County, it is also one of the nation's largest counties, ranking in the ninety-eighth percentile in population.<sup>11</sup> Over the past 40 years, Ventura County retained a strong agricultural tradition while accommodating a large amount of urban growth, driven, in large part, by its proximity to the city of Los Angeles and to the San Fernando Valley. Between 1960 and 2000, Ventura County's population grew at an overall annual rate of 7.0 percent, five times greater than the national average and more than twice the rate of the rest of Southern California (Los Angeles, Orange, San Bernardino, and Riverside Counties) and the state as a whole (Figure 1).<sup>12</sup> Thus, Ventura County is facing significant growth pressures, prompting grassroots support for increased growth-management efforts. More importantly, Ventura County should have the wealth and resources to successfully implement countywide planning if it chooses.



Not surprisingly, the amount of new housing built in Ventura County also increased dramatically. The number of units more than tripled between 1960 and 2000, increasing from 60,698 to 251,712 units (Table 1).

The rate of growth, however, has declined notably over the last 20 years; housing growth fell from 85 percent during the 1960s to just 10 percent in the 1990s, a pattern mirroring growth trends in population. The absolute number of housing units added each decade also dropped dramatically, from 71,000 in the 1970s (the high point) to 23,000 in the 1990s.

Year	Total Units	Addl. Units	Change
1960	60,698	—	—
1970	112,133	51,435	84.7%
1980	183,384	71,251	63.5%
1990	228,478	45,094	24.6%
2000	251,712	23,234	10.2%
Total	—	191,014	314.7%

Source: U.S. Census Bureau, Census of Housing (see Appendix A).

## A. Growth Management in Ventura County

For more than 30 years, Ventura County has also been at the forefront of California's well-known movement to manage and control urban growth at the local level. Most important is the fact that between 1995 and 2000, voters in seven of the county's 10 cities and in the county itself passed a related series of growth control measures called the "Save Open-space and Agricultural Resources" measures, or SOAR. These measures lock in current land-use policies and require voter approval for conversion of additional agricultural or open space land to urban use.<sup>13</sup> They also mimic local-level strategies adopted as part of statewide growth-management programs in states such as Oregon and Washington State.<sup>14</sup> During the 1990s, SOAR-style initiatives also proliferated throughout California. Table 2 outlines when and how Ventura County's SOAR ordinances were adopted in each jurisdiction, and how long they will remain in effect.

	Census 2000 Population	Year SOAR Approved	Percent Approval	Sunset Year	Notes
Ventura County	753,197	1998	63%	2020	
Camarillo	57,077	1998	66%	2020	
Fillmore	13,643	N/A	—	—	57.1% 'No' vote in 2000, but city officials and SOAR proponents reached an agreement in October 2001 on a proposed growth boundary.
Moorpark	31,415	1999	67%	2020	
Ojai	7,862	N/A	—	—	Firm historic support for little or no growth
Oxnard	170,358	1998	70%	2020	
Port Hueneme	21,845	N/A	—	—	Fully bounded by Pacific Ocean and Oxnard
Santa Paula	28,598	2000	55%	2020	Failed in first 1998 vote
Simi Valley	111,351	1998	70%	2020	
Thousand Oaks	117,005	1998	71%	2030	
Ventura (city)	100,916	1995	52%	2025	Formal name is San Buenaventura

Note: The sunset year is the last year in which the initiative can be in effect.

Sources: [www.ventura.org/election](http://www.ventura.org/election) and U.S. Bureau of the Census (see Appendix A),

A recent brochure compiled by the Ventura County Planning Division summarizes the scope of the SOAR initiatives:

*Generally, the cities' SOAR ordinances and initiatives establish 'City Urban Restriction Boundary' (CURB) lines around each city and requires city voter approval before any land located outside the CURB lines can be developed under the city's jurisdiction for urban purposes. The County SOAR ordinance requires countywide voter approval of any change to the County General Plan involving 'Agricultural,' 'Open Space' or 'Rural' land use map designations, or any change to a General Plan goal or policy related to those land use designations.<sup>15</sup>*

In effect, the supply of land planned and/or used for commercial, industrial, and residential development at the time of SOAR's enactment is "locked-in" through 2020 unless a majority of voters approves a change to an urban-growth boundary and/or conversion of non-urban land to urban use. Advocates emphasize that SOAR initiatives are not "no growth," arguing that current General Plans provide for approximately 60,000 additional housing units by 2020 (an increase of approximately 25 percent), which they argue "hardly equals no-growth."<sup>16</sup>

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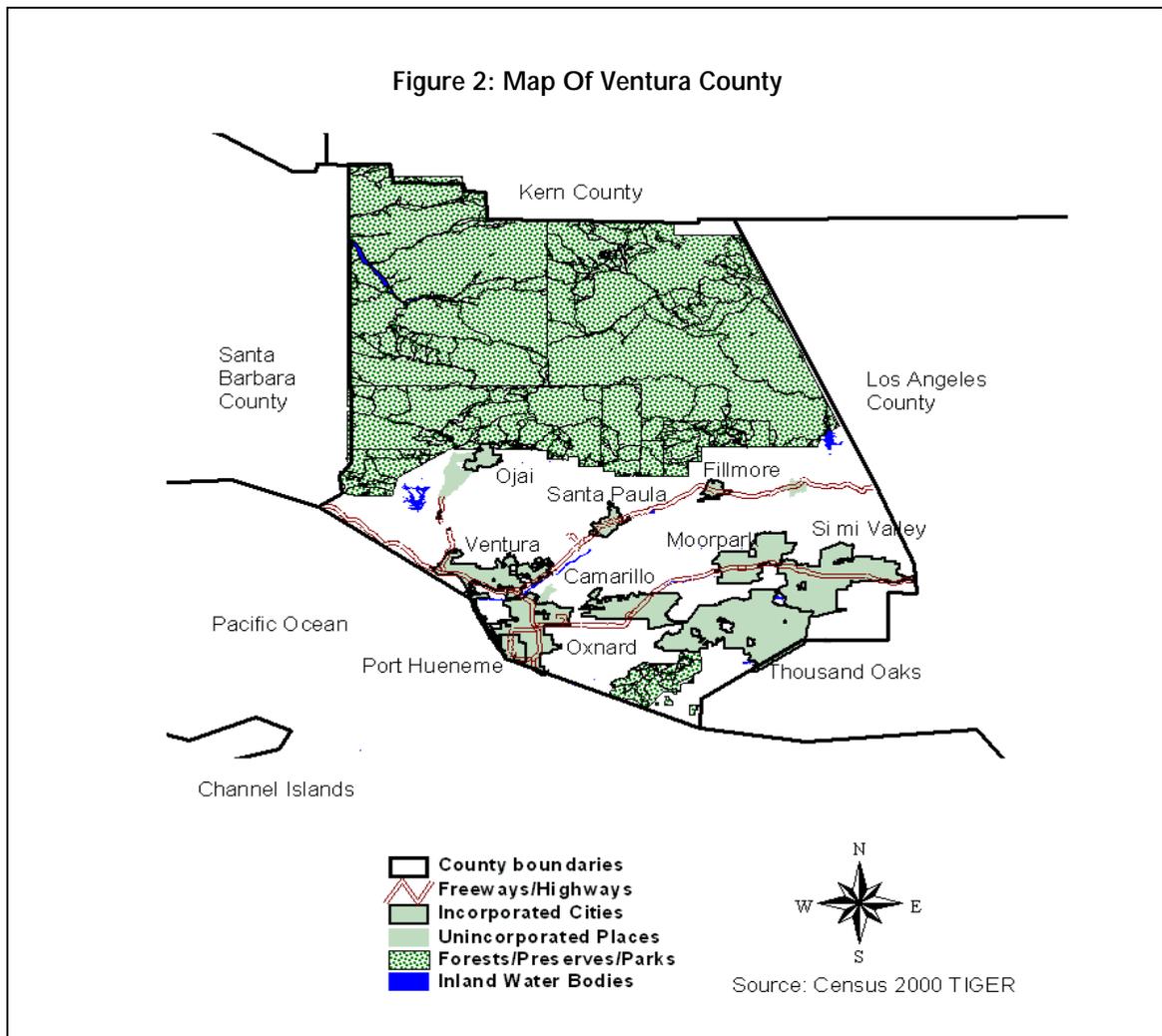
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Based on 1996 California Farmland Mapping and Monitoring Program data, almost all urbanized areas were within urbanized growth boundaries at the time the SOAR initiatives were proposed. Sizeable pockets of agriculture were also located in Oxnard, Camarillo, and the city of Ventura (see Figure 2). Thousand Oaks and Simi Valley had the largest areas of undeveloped land that were neither wetlands nor over 25 percent slope. Ventura and Santa Paula have large undeveloped areas inside their boundaries, but these areas often have steep slopes of more than 25 percent. Of those cities that have undeveloped land inside their boundaries that is not affected by a slope issue, Thousand Oaks and Simi Valley have the most.

On the other hand, some community leaders, property owners, and developers have expressed concern that the existing inventory of vacant and underutilized land within already designated urban growth boundaries and/or already designated for urban uses will not likely keep pace with actual demand for new housing and commercial space and may already be having an impact on development. If these concerns are valid, the process for managing growth and land supply becomes critical to the success of the growth-management program.<sup>17</sup>

As in most fast-growth communities, growth and land development are geographically focused. Urbanization and agricultural cultivation are centered in the southern third of Ventura County between the Los Angeles County line and the Pacific Ocean (Figure 2). The northern two-thirds of the county is comprised almost entirely of the Los Padres National Forest, a rugged mountainous area with relatively few residents. Despite a population of three-quarters of a million people, agriculture is still strong in the county, with about 120,000 acres in production, mostly in the coastal areas. Ventura County agriculture production topped the \$1 billion mark in 2000 for the second year in a row, maintaining its position as one of the top farm regions in the state. About 10 percent of the population lives in the northern section of the county while the remaining population is about evenly divided between the eastern and western sections. Freeways generally run east to west and along the coast. The Point Mugu Naval Air Station and Santa Monica Mountains form the southern edge of the county.



For the purposes of this analysis, the county is divided into three regions: North, East, and West. In the north, just south of the forests, are the three small cities of Fillmore, Ojai, and Santa Paula that remain largely agricultural in orientation. The western coastal plain includes the cities of Ventura (formally named San Buenaventura), Camarillo, and Oxnard, and each is continuing to add housing, office, and commercial development. The eastern part of the county includes the cities of Simi Valley, Thousand Oaks, and Moorpark. These emerged as middle and upper-income bedroom suburbs of Los Angeles beginning in the 1950s and are now adding employment centers as well as most of the additional housing during the 1990s. The section of Highway 101 near Thousand Oaks, for example, is an emerging “technology corridor” and home to high-tech firms such as Amgen, Inc.<sup>18</sup>

## B. SOAR and Growth Management

California has a long history of growth management and growth control. While some aspects of its growth-management system make California unique (e.g., the California Environmental Quality Act), many of the issues and tools used to manage growth are common in other parts of the nation. California cities, for example, manage growth through general (or master) plans, and zoning laws are required to be consistent

with the General Plan. Cities are also allowed to use Specific Plans to facilitate the development of large integrated phased development projects in ways similar to Planned Unit Developments (PUDs).

More importantly, California's size and diversity provide an important backdrop for assessing various types of growth-management plans. For example, Petaluma, a community north of San Francisco, tested the waters of the state's growth-management laws when it imposed a cap on housing permits pegged at 500 per year in the early 1970s.<sup>19</sup> More recently, California cities were among the nation's leaders in adopting urban-growth boundaries and using initiative and referenda for planning purposes.<sup>20</sup> Ventura County was in the forefront of these growth-management efforts. In fact, SOAR is best seen as a continuation of a 30-year history of growth control in Ventura County that more closely resembles the activist approach taken by San Francisco Bay area cities and counties.<sup>21</sup>

In 1969, Ventura County, its cities, and the Local Agency Formation Commission (LAFCO) agreed on the *Guidelines for Orderly Development* to channel urban development away from unincorporated areas and inside city boundaries.<sup>22</sup> LAFCO placed a limit on the number and geographical arrangement of new cities and also strictly controlled the cities' "spheres of influence" (SOI)—adjacent territory cities will be permitted to eventually annex when developed.<sup>23</sup> In short, the county created urban-growth boundaries in an effort to establish distinct urban communities and distinguish between rural and urban land.

Between 1967 and 1986, the county and many cities also adopted five Greenbelt Agreements that were unenforceable but politically important policy statements designed to set aside agricultural "greenbelts" and physically separate the cities from one another. In the 1980s, most cities in the county also adopted annual numerical caps on the number of new housing permits.

The agricultural industry remains an important part of Ventura County's economy and identity and protecting agricultural resources has been an important part of Ventura County's policy history. The first move toward recognizing and protecting agricultural land was the Agricultural Land Protection Program (ALPP), which began in 1982. This program was responsible for adding an agricultural component that strictly tied urban growth on agricultural land to the county's General Plan.

As a result, 30 years of Ventura County growth controls have helped create a distinctive physical landscape in which:

- There are a limited number of cities;
- No city is dominant;
- Most cities have populations of between 50,000 and 150,000; and
- Each city retains a distinct geographical identity surrounded by agricultural and open-space land.

This physical landscape is well-suited to an analysis of the implementation issues surrounding growth management. The county's long history with growth management and small number of jurisdictions facilitate data gathering and analysis. In addition, given the most recent wave of growth-management laws driven at the ballot-box, the county is still small enough to investigate the nuances associated with development control and approval at the municipal and county levels.

### Agricultural Land Planning in Ventura County

While several policies, forecasts, and plans were developed and updated between 1970 and 2000, there was no comprehensive, inter-jurisdictional review of county growth policies. This changed with the organization of the Beyond the Year 2000 Advisory Committee, established in 1988 by the Ventura County Board of Supervisors. The Committee's goal was to determine whether new growth-management policies should be considered. The Committee initiated several sub-projects to assess different aspects of land use in the county. One group, the Agricultural Land Trust Advisory Commission (ALTAC), was established in 1989 to focus on agriculture. ALTAC met for 16 months to try to determine ways to protect agricultural land more effectively. The three principal ALTAC recommendations were:

- Form a nonprofit agricultural land trust;
- Purchase (or transfer) development rights; and
- Allocate a percentage of sales tax to fund acquisition of farmlands.

The first recommendation was completed through the establishment of the Ventura Agricultural Land Trust (VALT), which started meeting in 1992 and is the only countywide conservancy. Neither of the other two tasks was implemented.

ALTAC served as a precursor to the Agricultural Policy Working Group (APWG) established by the Board of Supervisors in May 1997 to address the question: "How do we secure our agricultural lands?" Two events pushed this question to the forefront. First, Ventura city passed a voter-initiated SOAR ballot measure in 1995, and its success was pushing county officials to be more proactive about growth and agricultural issues. Second, the Hansen Trust (endowed by the last member of a long-time Santa Paula farming family) funded a report that discussed agriculture in Ventura County entitled *The Value of Agriculture to Ventura County: An Economic Analysis*. This report stimulated discussion about various aspects of the agricultural industry, and eventually moved the APWG to develop farmland preservation measures that were later endorsed through the approval of Measure A, an advisory growth-control law that was intended as an alternative to SOAR. Both Measure A and SOAR (Measure B) were on the November 1998 ballot, and both passed with about a two-thirds majority of the vote.

## Part 3

# Housing Capacity Analysis

**A**s in other areas of the nation, housing is at the center of Ventura County’s growth-management efforts. This is not surprising, since most local objections to growth in Ventura County and elsewhere are centered on housing development. Residential development constitutes the largest share of property valuation and urban acreage and generally has the largest impact on the physical landscape.<sup>24</sup> Thus, as population increases, changes in the physical environment are apparent, and these perceptions influence the planning process. Therefore, a first step toward assessing the impact of a growth-management plan or reform is to create a baseline for development trends, particularly in housing.

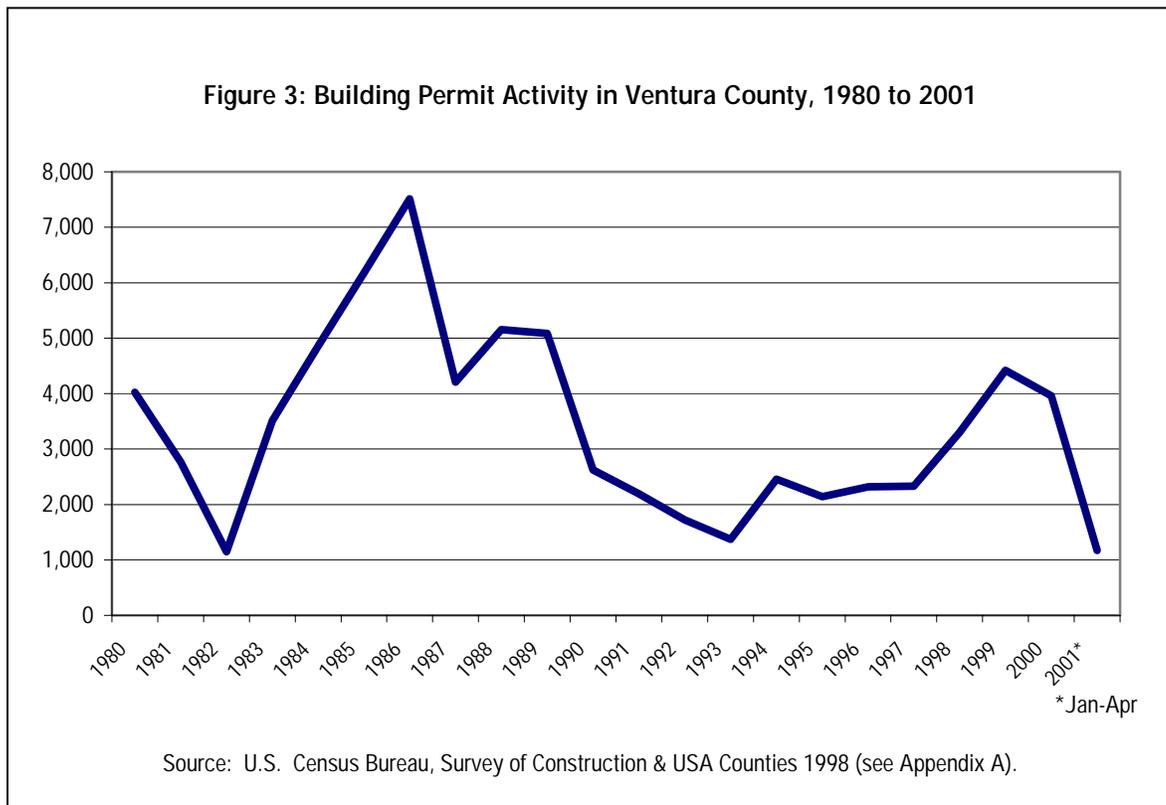
## A. Estimating Population, Housing, and Permits

Census 2000 data provides an initial look at changes in Ventura County in the 1990s, a starting point for examining planned future housing capacity and development. With more than three-quarters of a million people, Ventura County ranks as the nation’s sixty-fourth and California’s twelfth most populous county.<sup>25</sup> During the past decade, more than 8,400 persons, 2,300 housing units, and 2,500 households were added to Ventura County each year, on average (Table 3). Population and households increased faster than housing units during the 1990s, suggesting on a general level that the demand for housing may be outstripping the supply.

Ventura County	1990	2000	Net Change	Percent
Population	669,016	753,197	84,181	12.6%
Housing Units	228,478	251,712	23,234	10.2%
Households	217,298	243,234	25,936	11.9%

Source: U.S. Census Bureau, Census of Population and Housing (see Appendix A).

Figure 3 shows the number of permits for housing units issued in Ventura County each year since 1980 through the first four months of 2001.<sup>26</sup> Between 1980 to 2001, almost 3,500 permits were issued annually, on average. During the 1990s, however, the average number of permits issued annually fell to 2,647. Housing permits rebounded somewhat in the late 1990s, increasing to an annual average of 3,280 between 1996 and 2001. To some extent, this variation can be explained by the economic cycle: the economic boom of the late 1980s was followed by a steep regional recession in the early 1990s. By 1995 building-permit activity had increased and peaked in 1999, dropping off in 2000 and 2001.



Unfortunately, city-specific permit data are only available from 1996 to 2001. Nevertheless, these data show that the county's three biggest cities—Oxnard, Simi Valley, and Thousand Oaks—accounted for two-thirds of all residential construction in Ventura County (Table 4) even though they represented only half of the county's population.

<b>Table 4: Building Permits by County and City, 1996-2001</b>			
	Total Units	Annual Avg.	Mean Construction (Cost per Unit)
<i>Ventura County</i>	17,493	3,280	\$203,488
Camarillo	2,150	403	\$197,657
Fillmore	332	62	\$185,048
Moorpark	895	168	\$172,772
Ojai	35	7	\$202,547
Oxnard	3,651	685	\$155,125
Port Hueneme	41	8	\$105,971
San Buenaventura	1,081	203	\$184,666
Santa Paula	89	17	\$156,746
Simi Valley	4,154	779	\$213,063
Thousand Oaks	3,839	720	\$229,184
Unincorporated	1,226	230	\$295,520

Source: U.S. Census Bureau, Survey of Construction (see Appendix A).

## B. Step One: Estimating Planned New Housing Capacity

Under the existing planning policies of the county and its 10 cities, Ventura County has a “buildout” capacity of approximately 293,400 housing units—an increase of 41,500 (16.5 percent) from the current total. If pending development proposals for Ahmanson Ranch and the Ventura Hillside are included, this total capacity increases to 298,350 units, an increase of 46,450 (18.5 percent from the current total).

To determine the planned capacity for new housing construction, we reviewed two sets of documents for the county and for all 10 cities: the Land Use Elements of their existing General Plans, and their current or draft Housing Elements. The Land Use Element establishes broad categories of uses for all geographic areas (such as low-density housing, neighborhood commercial, open space) and is intended as a long-term policy statement (usually covering 20 years). The Housing Element has a five-year revision cycle and is supposed to include the vacant, infill, and underutilized land in each jurisdiction, thus providing the ability to estimate residential buildout beyond 2005.

The county is obligated by California law to calculate the potential housing legally allowed through zoning on all land, even if the parcel lacks utility service, is in a remote area, or is designated as open space or agriculture. This study assumes that residential development on this type of land is not likely to occur by 2020, and adjustments were made to the number of potential additional dwelling units in the unincorporated county (see Table 5).

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Population and households increased faster than housing units during the 1990s, suggesting on a general level that the demand for housing may be outstripping the supply.

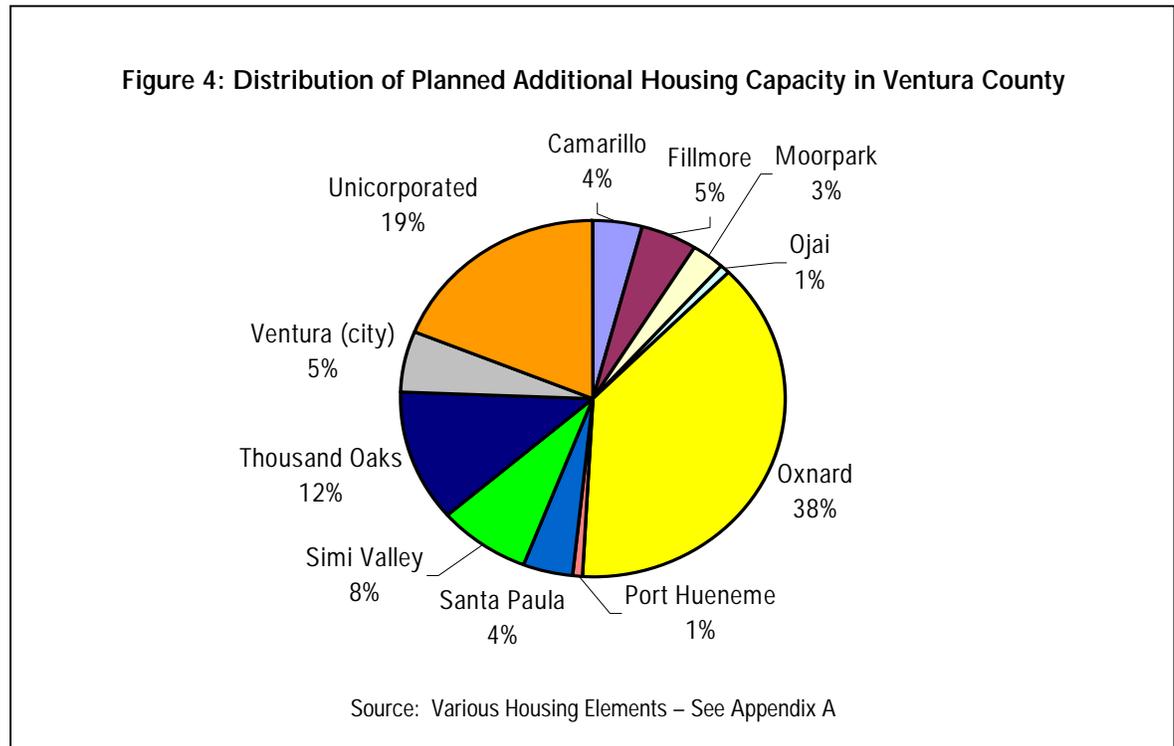
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	Units
Unincorporated county	19,329
▪ Agricultural, open space and rural	(8,423)
▪ Ahmanson Ranch	(3,050)
Adjusted unincorporated county	7,856
Incorporated cities	33,623
Ventura County as a whole	41,479

Source: Ventura County and city of Ventura Housing Elements (see Appendix A).

Housing capacities are based on current zoning in which the allowed housing density is usually less than the General Plan designation. The Housing Elements for the cities and their spheres of influence list capacity for 33,623 units; the unincorporated county has an adjusted capacity for 7,856 units. Thus, total future additional residential development capacity is 41,479 housing units, or 63.4 percent of the General Plan capacity, based on the formally approved planning documents used by Ventura County governments when regulating land development. The Ahmanson Ranch Project could add another 3,050 units and Ventura Hillside could add another 1,900 units. Neither of these projects was included in the Housing Elements. Thus, housing capacity could grow by an additional 4,950 units if the General Plans are modified and the projects are developed as proposed.<sup>27</sup>

Housing development and capacity are not evenly spread out among the county’s cities. About 40 percent (almost 16,000 units) of the estimated housing capacity is located in the city of Oxnard and its sphere of influence (Figure 4). Almost 20 percent (7,800 units) is located in unincorporated county territory. The only other cities with considerable capacity are Thousand Oaks (4,991 units, or 12 percent of the total) and Simi Valley (3,266 units, or 8 percent) of the total.<sup>28</sup>



### C. Step Two: Estimating Residential Demand

Planned capacity, however, is far below forecasted housing demand. The Southern California Association of Governments (SCAG) prepares population, housing, and employment projections in conjunction with the California Department of Finance using a range of demographic techniques and administrative data such as motor-vehicle registration and school-enrollment data. In May 2001, the Ventura Council of Governments (VCOG) adopted its version of the forecast. VCOG expects housing demand in Ventura County to grow by 60,483 units by 2020. An estimated 17,277 housing units will be needed by 2005, but the biggest surge in demand is expected between 2010 and 2020, when more than 27,000 additional housing units will be needed (Table 6).<sup>29</sup>

<b>Table 6: VCOG Forecast 2000-2020 for Ventura County</b>					
	2000	2005	2010	2020	Net change
Additional Housing Units	-	17,277	15,611	27,595	-
Total Housing Units	252,191	269,468	285,079	312,674	60,483

Source: Ventura Council of Governments (see Appendix A).

At the capacity reported in the Housing Elements, the county is approximately 19,000 units short of meeting projected 2020 demand (or 14,000 short if Ahmanson Ranch and the “hillsides” are developed as proposed). Thus, VCOG expects that housing demand will generate a need for housing one-third higher than current planned capacities.<sup>30</sup> However, housing-unit capacity and demand varies greatly among the cities of Ventura County, and some cities will be able to meet demand with their capacity farther into the future. Thus, housing shortages are likely to appear at different times and in different degrees if VCOGs forecasts are accurate.

#### **D. Step Three: Comparing Planned Capacity to Actual Development Trends**

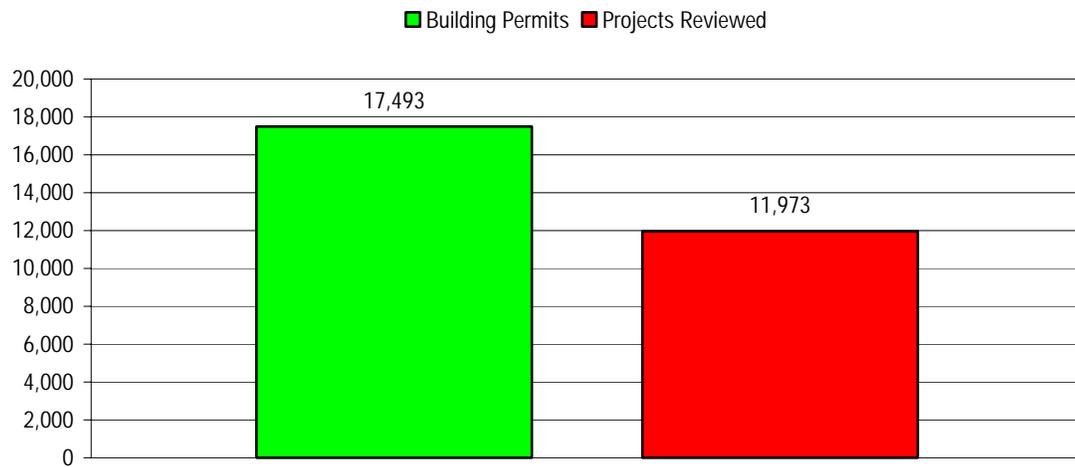
Planned capacities, however, often do not reflect the realities of the land development or the development approval (entitlement) process. Development projects are not always approved and built at the densities allowed by the General Plan (which are usually maximums) and zoning designations. Medium and large residential projects are also often subjected to environmental reviews that reduce the area or intensity of development to mitigate significant negative environmental impacts under the California Environmental Quality Act (CEQA) and other applicable state and federal regulations and laws. A developer will often meet with elected officials, community representatives, and/or planning staff in the early stages of designing a project and the formal entitlement application may be for less than the allowed number of units. The application-review process also often requires public hearings where opposition may lead to additional changes in the project. After a project is approved, an appeal opportunity exists, and the project may be legally challenged under a variety of causes of action (such as an inadequate environmental review).

Given these considerations, it seems likely that the actual housing development projects will be smaller (i.e., have fewer units) than the General Plan and/or zoning permits. In short, real housing capacity may be substantially less than planned capacity.

#### **E. Development Review in Ventura County**

To more fully analyze this trend, the entitlement process was examined for 126 residential projects, totaling more than 11,900 units, approved between January 1996 and April 2001. All cities in Ventura County were included except for Moorpark, which insisted on charging a staff “screening” fee before allowing access to the project files. Countywide estimates were used for Moorpark.

The project-based data represents more than half of all building permits in the time period (Figure 5). In order to ensure a large enough sample and still meet the project’s timetable, the review was limited to 30 in some cities. Project files were searched for the name, location, acreage, General Plan designation, zoning, and number of units approved. The resulting data were placed in a spreadsheet and sent to each jurisdiction’s planning department requesting review. Six cities responded and the data were amended to reflect their comments (see Appendix A for a complete methodology and data description).

**Figure 5: Projects Reviewed and Permits Issued 1996-2001**

Source: Solimar Research Group and U.S. Census Bureau (see Appendix A).

### The Specific Plan in California Planning

Specific Plans have emerged as an important element of the planning process in California. These provide specific guidelines and standards for developing land in geographically designated areas, giving “cities and developers the flexibility to create zoning standards appropriate to the site and the project in question.”<sup>31</sup> Unlike the General Plan, which is a policy document, Specific Plans are designed as implementation tools and function similarly to planned-unit developments in other parts of the nation. According to the Governor’s Office of Planning and Research, more than 160 cities and counties have adopted Specific Plans, most of them initiatives by local governments.<sup>32</sup> They can cover land areas as large as tens of thousands of acres or less than one acre.<sup>33</sup>

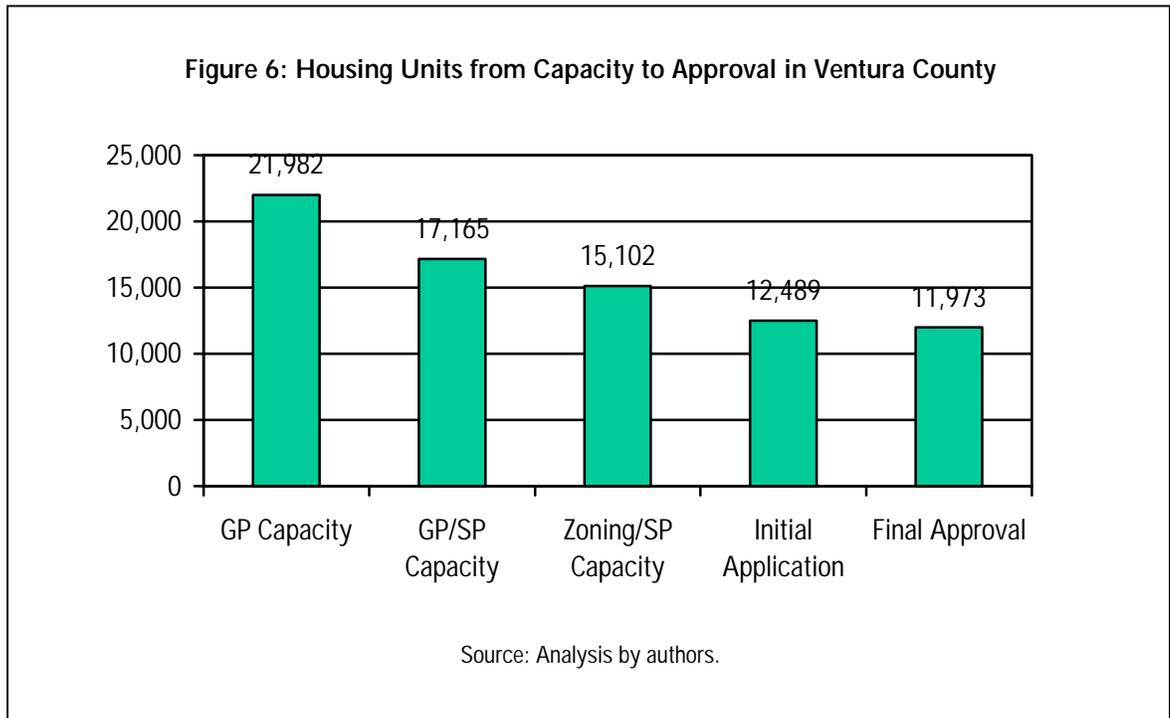
Specific Plans have become popular in the private and public sectors because they can eliminate uncertainty in the plan-approval process. Local governments can use them to provide information to the private sector about what kinds of development are politically preferred in certain areas. By tailoring development plans to these criteria, project approval could be shorter and more certain. For the private sector, the Specific Plan creation process can help negotiate a more flexible and diverse development than would be allowed under existing zoning.

While some Specific Plans have focused primarily on setting goals and policy for areas, most involve regulation of specific land uses and types. In some cases, the Specific Plans can be very detailed. A 3,000 housing unit Specific Plan for a 865-acre area just east of downtown San Jose, for example, called for detailed breakdowns of land uses, including counts for specific lot sizes (e.g., 425 lots of 4,000 square feet), development standards for different size lots, an infrastructure and finance plan, an offsite traffic mitigation plan, and guidelines for amending the plan.<sup>34</sup>

The project-based analysis compared General Plan capacity, zoning capacity, and the size of the project as it was initially proposed and then at several points in the entitlement process to more fully understand how the projects were modified as a result of the planning process. Specific Plans were important in several cities—sometimes operating more like policy-oriented General Plans, sometimes more like zoning. Based on this analysis, three measurements of capacity were created: 1) the General Plan capacity, 2) the General Plan or Specific Plan capacity depending on which was binding, and 3) the zoning or Specific Plan capacity.<sup>35</sup>

The analysis yielded the seven conclusions presented below:

1. **Projects were approved at densities between 55 percent and 79 percent of planned capacity.** The total capacity of all the parcels of land involved in the 126 projects was somewhere between 15,100 and 22,000 units, depending on whether the General Plan, Specific Plan, or zoning in various combinations were used as the measurement. However, the number of units approved was just below 12,000 units—representing just 79 percent of the hybrid zoning/Specific Plan capacity, 70 percent of the hybrid Specific Plan/General Plan capacity, and 55 percent of the General Plan capacity (Figure 6).



2. **Most of the reduction in capacity came at the time of the application; very little further reduction occurred in the approval process.** Most reduction in density occurred because the applicant chose to apply for fewer units, not because the applicant’s density was reduced in the public-review process. Again, Figure 6 shows that despite capacity of between 15,000 and 22,000 units, applicants chose to submit applications totaling only 12,500 units. During Planning Commission and City Council review, the total approved was reduced to 11,973 units, a 4 percent decline. It would appear that in many projects, density reductions occurred at the pre-application stage, not during the entitlement and approval processes. It is possible that planners and/or consultants advised developers of what is “politically feasible” density. Unfortunately, available resources did not permit an extensive examination of the source of these pre-application density reductions and whether they were market-driven or planning-driven.

3. **Cities with a population of 50,000 or more approved projects closer to the General Plan capacity than in the cities under 50,000.** Projects in larger cities were approved at a rate 20 percent higher than those in smaller cities. Smaller cities experienced virtually no change in the percentage of housing units approved whether compared to General Plan, Specific Plan, or zoning densities. It appears smaller cities rarely use Specific Plans or reduced zoning densities to alter the General Plan.
4. **Projects that were 100 percent affordable were more likely to be approved at or close to zoning capacity.** Thirteen affordable housing projects with a total of 908 units were approved at 90 percent of zoning capacity. These projects were located in six cities, ranged in size from 14 to 190 units, and represent a small sample of projects. These projects are consistently closer to their maximum housing-unit allocations than are non-affordable housing projects. This may be the result of density bonuses mandated by state laws. The result also suggests that cities will reduce an affordable housing project's underlying allowed density to ensure that, even with a density bonus, the project is just at or under the maximum allowed capacity.

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Projects in larger cities were approved at a rate 20 percent higher than those in smaller cities.

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5. **Multi-family project densities were reduced less than single-family project densities.** Multi-family projects were more likely to receive approval at or near their maximum densities than were single-family projects. Single-family projects were approved at 79 percent compared to 87 percent for multi-family projects. Generally, multi-family units “lost” during the approval process may be “recovered” with design changes since the final number of units was not as critical as the traffic generation and location and massing of the structure(s). Reductions to single-family projects, on the other hand, are not usually made up by smaller lots and/or units.<sup>36</sup>
6. **North county (Fillmore, Santa Paula, and Ojai) projects experienced a lower rate of approval than projects in the East or West County.** North county projects in Fillmore, Santa Paula, and Ojai were approved at about 61 percent of allowed zoning density compared to 89 percent in east county and 76 percent in west county cities. The increased use of Specific Plans with coordinated zoning in the east and west county cities may have played a role in the higher approval rate, and much of the east and west county development was by experienced large-scale merchant builders.
7. **Large projects were reduced less than small projects.** Large projects were reduced by 26 percent compared to 37 percent for medium-sized projects and 54 percent for small projects when comparing approved density to General Plan and Specific Plan densities. Large-scale merchant builders are experienced in the entitlement process while small-project developers may be somewhat more naïve. Small-scale infill projects would also tend to have increased community awareness and possible opposition. This suggests that smaller projects may experience planning commission-imposed “knockdowns” during the approval process rather than during the preapplication period.
8. **Specific Plan area projects were approved at close to Specific Plan densities while non-Specific Plan projects had larger reductions.** Cities adopt Specific Plans to create a more precise build-out program of a particular area. Not surprisingly, projects in Specific Plan areas have a higher density approval rate than projects not located in Specific Plan areas. Non-Specific Plan projects have a reduction rate that is 28 percent greater than projects in Specific Plan areas. Specific Plans are often proposed in cooperation with local business and community groups who then support the subsequent conforming projects. Specific Plans would have also had environmental review prior to adoption that would be reflected in their zoning, minimizing additional project-specific density reductions for environmental reasons.

## F. Calculating Buildout

Given current policies and the past history of actual applications and approvals, a more realistic housing-capacity forecast for the county was developed. The sum of all units likely to be built in the county equals 33,257 units, which is 80.2 percent of the countywide planned capacity of 41,479 units, not including the Ahmanson Ranch and Ventura “hillsides” projects.<sup>37</sup> Some 27,000 units of the likely future capacity would be located inside cities and their spheres of influence and over 6,000 would be located in the remaining unincorporated county.

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Current General Plans overstate future housing capacity by about 20 percent.

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	Census 2000 Housing Units	Planned Future Additional Capacity	Approval Rates	Likely Future Additional Capacity
<i>Ventura County</i>	251,712	41,479	80.2%	33,257
Camarillo	21,946	1,746	72.8%	1,271
Fillmore	3,852	1,936	58.6%	1,134
Moorpark <sup>38</sup>	9,094	1,184	89.3%	1,058
Ojai	3,229	320	77.3%	247
Oxnard	45,166	15,933	79.2%	12,620
Port Hueneme	7,908	273	62.1%	169
Santa Paula	8,341	1,726	70.7%	1,220
Simi Valley	37,272	3,266	85.4%	2,789
Thousand Oaks	42,958	4,991	99.3%	4,954
Ventura (city)	39,803	2,248	69.7%	1,567
Unincorporated	32,143	7,856	79.3%	6,228

Source: Analysis by authors.

Combining the realistic housing capacity with the 1996 to 2001 average annual permit rate creates a year-to-year buildout scenario, assuming the average annual number of permits issued were to continue unchanged (see Table 8). Buildout for each city and the unincorporated county is approximated in Table 8 by cumulatively adding the average annual permits until the total is close to the estimated buildout capacity.

Countywide, the supply of new residential units likely to be developed under current zoning and development approval rates will be exhausted in 2011. Most cities will run out sooner. If the Ahmanson Ranch and Ventura hillsides projects are developed as proposed at a combined total of 5,000 units, the buildout year would be extended by about two years, to 2013. Some cities, including Moorpark, Camarillo, Simi Valley, Thousand Oaks, and Ventura, will run out of capacity much sooner—between 2004 and 2008. Only three small cities and the unincorporated county are likely to have housing capacity remaining in 2020—the sunset year for most SOAR measures.

Jurisdiction	Avg. Annual Permits	2001	2002	2003	2004	2007	2008	2010	2011	2019	2020	% of Capacity	Units likely to be built
Ventura County	3,282	2,165	5,445	8,723	11,738	13,838	19,344	21,372	22,380	30,258	30,520	91.8%	33,257
Camarillo	403	266	669	1,072	Deficit	100.0%	1,271						
Fillmore	62	41	103	166	228	290	477	601	664	Deficit	Deficit	100.0%	1,134
Moorpark	168	111	279	446	614	782	Deficit	Deficit	Deficit	Deficit	Deficit	100.0%	1,058
Ojai	7	4	11	17	24	31	50	63	70	122	129	52.2%	247
Oxnard	685	452	1,136	1,821	2,505	3,190	5,244	6,613	7,297	Deficit	Deficit	100.0%	12,620
Port Hueneme	8	5	13	20	28	36	59	74	82	143	151	89.3%	169
Ventura (city)	203	134	336	539	742	945	1,553	Deficit	Deficit	Deficit	Deficit	100.0%	1,567
Santa Paula	17	11	28	44	61	78	128	161	178	311	328	26.9%	1,220
Simi Valley	779	514	1,293	2,072	Deficit	100.0%	2,789						
Thousand Oaks	720	475	1,195	1,915	2,635	3,355	Deficit	Deficit	Deficit	Deficit	Deficit	100.0%	4,954
<i>Incorporated</i>	3,052	2,013	5,063	8,112	10,897	12,767	17,583	19,151	19,930	25,969	26,001	96.2%	27,029
<i>Unincorporated</i>	230	152	382	611	841	1,071	1,761	2,221	2,450	4,289	4,519	72.6%	6,228

Source: Analysis by authors.

Another important aspect of this scenario is that each time a project is approved at a zoning density less than the maximum allowed under a General Plan, the increment of not-built housing units is permanently lost. Based on this study, housing development capacity based on the General Plan densities is usually unrealistic (with some exceptions). Based on a study of 126 project files and their actual approval rates, current General Plans overstate future housing capacity by about 20 percent. (As noted previously, this analysis does not take into account size, type, or cost of housing being developed, only a count of units.)

### G. Housing Deficits

Table 9 compares the VCOG forecasted cumulative-housing demand to realistic housing development for 2005, the ending year of the current Housing Element revision cycle. Tables 10 and 11 look at the situation in the years 2010 and 2020, respectively. In these figures, once a city achieves buildout the cumulative new housing count remains constant although the cumulative demand continues to increase. A number in bold indicates capacity was reached, and no additional construction occurs in all remaining years to 2020. In other words, to enable further development each city would have to expand its sphere of influence to bring more land into its jurisdiction or increase planned and/or approved densities within current boundaries.

By 2005, the county as a whole has fallen behind forecasted demand by about 3,500 units, with only the cities of Moorpark, Oxnard, and Thousand Oaks having more cumulative new housing development than their 2005 demand. The 10 cities as a whole are close to meeting demand while the unincorporated county is significantly behind. By 2010, halfway through the 20-year planning forecast, demand has outstripped supply in Ventura County as a whole by 35 percent, and five cities have reached their buildout: Camarillo, Moorpark, Ventura, Simi Valley, and Thousand Oaks (Table 10). By 2020, demand will exceed supply by over 29,000 units, with only Thousand Oaks having a “surplus” of 800 units (Table 11). As shown in Table 8, the county as a whole has capacity for about 3,000 more units after 2020, mostly in Santa Paula (892 units) and the unincorporated county (1,709 units).

<b>Table 9: Demand and Buildout 2005</b>					
2005	Cumulative Demand	Final Build-out	Difference	Percent Difference	Meets Demand?
Ventura County	17,277	13,838	-3,439	-20%	No
Camarillo	1,484	1,271	-213	-14%	No
Fillmore	481	290	-191	-40%	No
Moorpark	205	782	577	281%	Yes
Ojai	163	31	-132	-81%	No
Oxnard	2,659	3,190	531	20%	Yes
Port Hueneme	210	36	-174	-83%	No
Ventura (city)	1,883	945	-938	-50%	No
Santa Paula	1,156	78	-1,078	-93%	No
Simi Valley	4,860	2,789	-2,071	-43%	No
Thousand Oaks	1,783	3,355	1,572	88%	Yes
<i>Incorporated</i>	<i>14,884</i>	<i>12,767</i>	<i>-2,117</i>	<i>-14%</i>	<i>No</i>
Unincorporated	2,393	1,071	-1,322	-55%	No

Source: Analysis by Authors.

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By 2020, demand will exceed supply by over 27,000 units, with only Thousand Oaks having a “surplus” of 800 units

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In summary, only slightly more than half of the cumulative future forecasted demand (60,483 units) is met with new development (33,257 units) under this buildout scenario. The full development of the Ahmanson Ranch and Ventura Hillside projects would add 4,950 units, increasing the number of new additional units to 38,207, about 63 percent of the expected housing demand.

<b>Table 10: Demand and Buildout 2010</b>					
2010	Cumulative Demand	Final Build-out	Difference	Percent Difference	Meets Demand?
Ventura County	32,888	21,372	-11,516	-35%	No
Camarillo	3,304	1,271	-2,033	-62%	No
Fillmore	961	601	-360	-37%	No
Moorpark	409	1,058	649	159%	Yes
Ojai	364	63	-301	-83%	No
Oxnard	6,083	6,613	530	9%	Yes
Port Hueneme	210	74	-136	-65%	No
Ventura (city)	3,220	1,567	-1,653	-51%	No
Santa Paula	1,964	161	-1,803	-92%	No
Simi Valley	7,754	2,789	-4,965	-64%	No
Thousand Oaks	3,536	4,954	1,418	40%	Yes
<i>Incorporated</i>	<i>27,805</i>	<i>19,151</i>	<i>-8,654</i>	<i>-31%</i>	<i>No</i>
Unincorporated	5,083	2,221	-2,862	-56%	No

Source: Analysis by Authors.

Table 11: Demand and Buildout 2020					
2020	Cumulative Demand	Final Build-out	Difference	Percent Difference	Meets Demand?
Ventura County	61,324	32,229	-29,095	-47%	No
Camarillo	5,705	1,271	-4,434	-78%	No
Fillmore	2,528	1,134	-1,394	-55%	No
Moorpark	3,272	1,058	-2,214	-68%	No
Ojai	830	129	-701	-84%	No
Oxnard	14,036	12,620	-1,416	-10%	No
Port Hueneme	210	151	-59	-28%	No
Ventura (city)	5,910	1,567	-4,343	-73%	No
Santa Paula	3,580	328	-3,252	-91%	No
Simi Valley	10,931	2,789	-8,142	-74%	No
Thousand Oaks	4,154	4,954	800	19%	Yes
<i>Incorporated</i>	<i>51,997</i>	<i>26,001</i>	<i>-25,996</i>	<i>-50%</i>	<i>No</i>
Unincorporated	9,327	6,228	-3,099	-33%	No

Source: Analysis by Authors.

## Part 4

# Policy Implications

The policy implications of this analysis for land-use planning and growth management in Ventura County are significant. SOAR, like most ballot-box initiatives, locks in place existing General Plans and requires that changes that would convert non-urban land uses and/or extensions of urban boundaries be approved by voters (countywide in unincorporated areas, citywide in each city with a SOAR). Yet the preceding analysis demonstrates that most cities and the county fall well short of meeting forecasted demand for additional housing units, even if the demand estimates were mistakenly high and/or demand were to decline. If all these conditions persist over the next few years, the conflict between housing demand and housing capacity under current plans and SOAR will escalate. As this situation evolves, policymakers in the county and its 10 cities will be faced with three possible housing and land-use policy choices.

## A. Scenario One: Do Nothing

The first option policymakers can choose is to do nothing: retain the current General Plans and planning policies and the current SOAR boundaries, and assume housing projects will be approved at about the same reduction in density as in the past. If current trends continue and no policies or entitlement practices are changed, the following conditions and trends will likely result:

### *1. Housing Values and Rents Increase While Vacancies Decrease*

“Tight” housing market effects are widely documented in housing literature and represent typical market responses to sustained strong demand for housing with little prospect for increasing supply. The effects are:

- Housing values and rents increase faster than the general cost of living. Low- and moderate-income households have fewer choices and/or pay more of their incomes for shelter, reducing available income for other expenditures such as consumer goods, entertainment, transportation, and health care.
- Vacancy rates decline from about 5 percent—a rate that gives consumers choices—to less than 1 percent.
- Equity-rich middle-class homeowners “cash-out” and move away, replaced with high-income households with fewer children, roommate groups, and/or extended families with several wage-earners.
- Residential development is diverted to other areas. In the case of Ventura County, development would move to Santa Barbara County, north Los Angeles County, the High Desert, or the Inland Empire.
- Construction of illegal housing, such as converting garages or adding small units, increases. The existing stock of low and moderate income housing units is upgraded to a higher value and rent (i.e., “gentrification”), squeezing out more low- and moderate-income households.

- Housing becomes more crowded as households double or triple. Crowding leads to potentially negative effects on family life and educational attainment, and demand for services exceeds the local infrastructure (i.e., water, waste treatment, parking, schools, parks, etc.).
- Pressure will increase for governments to provide and/or require housing subsidies and set-asides, especially in those areas where local industries employ low- and moderate-income workers who are either traveling farther to find affordable housing or leave the area, shrinking that segment of the labor market supply.

## ***2. Redevelopment, Rehabilitation, and Infill Development Increases***

As new housing development largely “shuts down” in each area because buildout is achieved, redevelopment and rehabilitation of existing units become the main means of providing additional housing, gradually using up infill sites and generating market demand to ‘gentrify’ older neighborhoods to their maximum zoning density.

## ***3. Development Moves to Areas with Remaining Capacity***

New housing development moves to areas where additional new development capacity remains, increasing competition for project approval, increasing the pace of development, and pushing other cities to premature buildout. This likely means, as time goes on, increased pressure in the smaller cities such as Fillmore and Santa Paula, as well as increased pressure on unincorporated areas even though the county has always pursued a policy goal of channeling most urban development inside the cities.

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One possible way to increase housing production would be for applicants to apply for projects at closer to the planned densities, either on their own initiative or with the encouragement of local planning staffs.

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## **B. Scenario Two: Seek to Increase Capacity under SOAR as Currently Enacted**

Even if the SOAR measures are not changed around the county, there are still several ways in which both housing capacity and actual housing production could increase as the pressure builds. Two scenarios are likely.

### ***1. Projects Are Applied for and Approved at Closer to Planned Densities***

Our analysis indicated that projects were applied for and approved at a significantly lower density than planned capacity: 79 percent compared to zoning, 54 percent compared to General Plans. Almost all of this reduction occurred because applicants, for whatever reason, chose to apply at lower densities. One possible way to increase housing production would be for applicants to apply for projects at closer to the planned densities, either on their own initiative or with the encouragement of local planning staffs. Experience suggests that most projects are not reduced in size significantly from their applied-for densities. This, of

course, critically depends on the local political climate and willingness of communities to embrace the densities specified in their General Plans.

## ***2. Housing Capacities Are Increased on Non-SOAR Property***

SOAR applies only to properties that are currently zoned for agricultural or open-space use. It does not apply to parcels already designated for urban development. Thus, one possible response by policymakers at the local level would be to “upzone,” or increase allowable densities, on parcels already zoned for residential use. Another possibility would be to change the zoning designation on commercial or industrial parcels to residential use even though this runs counter to current tax policy that encourages commercial development. This response would likely lead to more so-called “Smart Growth” or “sustainable” development that increases densities but in a manner generally considered desirable and of higher quality design with more efficient use of public services and infrastructure compared to typical sprawl development.

## **C. Scenario Three: Change SOAR Boundaries**

The final option is to change SOAR boundaries. There would likely be three ways to do so. The first would be to propose changes in SOAR boundaries for individual properties, currently zoned for agricultural or open-space use, to accommodate specific new housing projects not currently contemplated in General Plans. The second would be a city-by-city amendment, most likely driven by Housing Element law. The third would be to propose a sweeping reform of SOAR on the same scale as the 1998 vote.

### ***1. Parcel-by-parcel Changes to SOAR***

SOAR proponents have always argued that SOAR does not suppress housing development but simply subjects changes in agricultural and open-space zoning to the additional step of voter approval. Anecdotal evidence, however, suggests that this outcome is unlikely. Ballot-box zoning increases uncertainty in the development approval process, and, as result, increases the transaction costs associated with housing development. As such, ballot-box zoning will likely have a dampening effect on housing development.<sup>39</sup>

There is, of course, little question that as the supply of land for housing becomes more constrained, some developers will go to the voters and seek rezoning of property for new housing projects. This is much more likely to occur in individual cities than in unincorporated territory since SOAR amendments in unincorporated territory require a countywide vote and election campaign.

Voters in Ventura County and its cities have expressed a willingness to amend SOAR when they believe the urban land use being requested is worthy. But, to date, the elections have been very specific, and nonresidential with little impact on land-use trends or patterns. The willingness of voters to approve SOAR amendments to accommodate housing is untested. Furthermore, the record statewide of developers seeking ballot approval for housing projects is not good. Most recently, a developer in Sacramento County seeking an amendment to that county’s urban-growth boundary for a senior housing project was soundly trounced at the ballot box.

## *2. Amending SOAR City by City*

Cities generally revise their General Plans every 10 to 15 years. In addition, they are required to update their Housing Elements every five years. The current round of Housing Elements updates will likely be certified by the state within the bounds of SOAR. However, the next round of Housing Elements—which will cover the period between 2005 and 2010—may trigger General Plan amendments or revisions in individual cities designed to increase housing capacity. These General Plan revisions may call for amendments to SOAR to convert agricultural or open space to urban use. Such revisions would require voter approval, but would likely be backed by each city’s political leadership. The support of political leaders for more housing, however, is no guarantee of voter approval. As the January 1999 vote in Moorpark revealed, in many cases voters support SOAR and reject housing proposals as a way of expressing their displeasure with political leaders they regard as too “pro-growth.” Moreover, growth controls themselves are often a reflection of broad-based resistance to further growth. Defeating a SOAR amendment to expand housing capacity would have few negative implications for current residents, particularly homeowners who might benefit from potentially higher housing prices.

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Growth controls themselves are often a reflection of broad-based resistance to further growth.

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## *3. Sweeping Reform of SOAR*

As the land supply for housing becomes more constrained under SOAR—most likely after 2010—political pressure will probably increase among business interests to mount a campaign for a comprehensive reform of SOAR prior to 2020. Under this scenario, business interests and housing advocates would craft a package of measures in both the county and in the individual SOAR cities to expand the SOAR boundaries, thus bringing new land into the housing capacity picture. A sweeping reform of SOAR holds the advantage of being a countywide campaign with local implications, as the 1998 campaign was, and might also involve other provisions (such as permanent open-space preservation) designed to win the support (or blunt the opposition) of hard-core SOAR supporters.

## Part 6

# Conclusion

Cities, counties, and state legislatures across the nation are considering initiatives that would greatly increase the scope of land-use regulation at all levels of government. Many of these growth-management and planning reforms involve a significant increase of public participation in the development control process. Effective implementation of these reforms requires a practical understanding of the implementation issues surrounding growth-management reforms and development control.

This study suggests that significant deficiencies exist in the capacity of existing planning systems to accommodate rational planning goals. Despite passing a countywide growth-management initiative in 1998, most cities have not adjusted their plans to accommodate expected housing demand, creating conditions that are likely to lead to further housing-price escalation and increased political manipulation of the housing market.

Based on the analysis of Ventura County, a county with a long history of growth management and planning reform, most cities in that county will face significant housing shortages well before the end of the 20-year planning horizon anticipated during the public campaign to approve the far reaching growth-management initiative. Most cities in Ventura County have no more than 10 years of housing capacity left under current policies and entitlement practices. SOAR will begin to have a major effect on new housing development between 2005 and 2010 as planned housing capacity is used up—first in a few cities, then gradually countywide. Development pressure will increase within cities to “up-zone” and change General Plans to allow more housing, and possibly to redevelop and rehabilitate existing. Projects that do try for a SOAR-mandated voter approval in order to bring new land into housing development will need to be different in some manner compared to past development. Unless SOAR is changed or invalidated, the county and its cities are unlikely to meet estimated future demand for additional new housing and tight housing market effects will increase over time. The lessons learned from the “laboratory” of Ventura County, a county with substantial experience in growth management and planning reform, should be valuable for other cities and counties across the nation that are wrestling with growth management.

# Acknowledgements

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## Related RPPI Studies

*Smart Growth and Housing Affordability: Lessons from Statewide Planning Laws*, by Samuel R. Staley and Leonard C. Gilroy, Policy Study No. 287, December 2001, [www.rppi.org/ps287.html](http://www.rppi.org/ps287.html)

*Urban Sprawl, Smart Growth, and Market-oriented Approaches to Growth Management*, by Samuel R. Staley, Policy Brief 20, August 2001, [www.rppi.org/pbrief20.html](http://www.rppi.org/pbrief20.html).

*Preparing for the Storm: Preserving Water Resources with Stormwater Utilities*, by Barrett P. Walker, Policy Study No. 275, January 2001, [www.rppi.org/ps275.html](http://www.rppi.org/ps275.html).

*The Vanishing Farmland Myth and the Smart-growth Agenda*, by Samuel R. Staley, Policy Brief No. 12, January 2000, [www.rppi.org/pb12.pdf](http://www.rppi.org/pb12.pdf).

*A Line in the Land: Urban-growth Boundaries, Smart Growth, and Housing Affordability*, by Samuel Staley, Jefferson G. Edgens, and Gerard C.S. Mildner, Policy Study No. 263, November 1999, [www.rppi.org/ps263.html](http://www.rppi.org/ps263.html).

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*The Sprawling of America: In Defense of the Dynamic City*, by Samuel R. Staley, Policy Study No. 251, February 1999, [www.rppi.org/ps251.html](http://www.rppi.org/ps251.html).

*Market-oriented Planning: Principles and Tools*, by Lynn Scarlett and Samuel Staley, Policy Study No. 236, November 1997, [www.rppi.org/ps236.html](http://www.rppi.org/ps236.html).

*Repairing the Ladder: Toward a New Housing Paradigm*, by Howard Husock, Policy Study No. 207, July 1996, [www.rppi.org/ps207.pdf](http://www.rppi.org/ps207.pdf).

## Appendix A

# Methodology and Data Collection

The research necessary to assess demand and capacity for new residential development in Ventura County followed a four-step process. The first step assessed regional, state, and federal data in order to derive an educated estimate of the future demand for housing. We relied heavily on the estimates provided by the Ventura County Council of Governments. The second step, determining the quantity and capacity of available land, required an in-depth review of each city's and the county's General Plan with a specific emphasis on the Housing Element section of each report. The third step of determining potential development limitations involved the on-site review of recently approved residential development projects in an effort to uncover the impact of city and county planning on approved developments. Finally, the fourth step—predicting capacity—involved analyzing the three previous steps jointly to arrive at the best possible forecast for residential development.

### A. Future Development Needs

A variety of sources were referenced in the process of generating estimates for future development needs. The U.S. Census Bureau has begun releasing state, county, and place data on population, housing units, households, and persons per dwelling unit, current through the 2000 Census. This information was compiled into a spreadsheet and historical growth rates were calculated to ascertain trends for the United States, California, Ventura County, and each of its cities.

In addition, the authors researched building-permit information from the U.S. Census Bureau back to 1990. The information compiled is more detailed for 1996 through April of 2001, providing data on the number and cost of single-family and multifamily units issued building permits in each city and the unincorporated areas of the county.

Finally, forecasts for population, housing units, households, and persons per dwelling unit have been compiled by the Ventura County Council of Governments (VCOG) which is a member of the Southern California Association of Governments (SCAG). The council's projections for 2000, 2010, and 2020 were compared to the Census 2000 numbers to determine if the county and city projections are ahead or behind, and by how much.

### B. Land Capacity

The quantity and capacity of land available for housing development was determined from the legal mandate for cities and counties to quantify the amount and capacity of vacant and under-utilized lands within their

control. Each jurisdiction is expected to accommodate a portion of the future residential growth for the entire county. Representatives from each city and the county were contacted and arrangements made to secure the General Plans which contain this data.

The Housing Elements for the 10 cities and the county contain charts and analyses that specify the number of acres available for development and corresponding dwelling unit projections based on the General Plan and zoning in place. The Housing Elements reviewed for this study, which are traditionally updated every five years to reflect changes in availability and capacity of land, cover the period from 1998 through 2005. The statistics contained within these Housing Elements also include the vacant and under-utilized land in each jurisdiction, thus providing the ability to estimate residential buildout under the current General Plan in the county.

The vacant and under-utilized acreage available for residential development within each of the cities and the county was broken out by three levels of density. “Low density” equates to 0-7 dwelling units per acre. “Medium density” comes in at 8-15 dwelling units per acre. Finally, “high density” equals anything greater than 16 dwelling units per acre. Although not specified in a majority of the Housing Elements reviewed, the acreage referred to is typically gross. A spreadsheet was designed that aggregates the acreage and dwelling units of all 10 cities and the county by vacant and under-utilized land in the city, sphere, and county for each density range.

### C. Land Supply

By far the most intensive component of the research process was that pertaining to the limitations on the supply of land. This research, generally referred to as the “Record of Development Approvals,” involved an in-depth review of residential projects approved since 1996. It should be noted that while the majority of development files reviewed were not sufficiently organized to easily locate data or often contained missing/inconsistent data, the various city planners proved informative and helpful in overcoming these barriers.

The researchers analyzed the data using the following approach:

**Research parameters.** To conduct a thorough and efficient study, it was necessary to lay out the parameters that would control the research. Each of the 10 primary cities within Ventura County would be included in the study. These cities vary in size and development activity. Four are smaller communities with very few residential developments: Fillmore, Ojai, Port Hueneme, and Santa Paula. Six larger cities that have experienced a great deal of development over the last decade are: Camarillo, Moorpark, Oxnard, San Buenaventura (city of Ventura), Simi Valley, and Thousand Oaks.

Next, the researchers set a timeframe for the development projects to be reviewed. The study covers residential projects approved for construction between January 1, 1996 and March 31, 2001. The selection of this five-year period took into account collection feasibility, contemporary relevance, and fluctuation in real-estate and economic activity.

Finally, the researchers defined the number of projects to review. Initially, they expected to evaluate all residential files in the specified timeframe. However, once cities began to send preliminary data on the projects within their jurisdiction, it became apparent that the number of applicable developments in the larger

communities would greatly exceed the study’s resources, given budgetary and time constraints. Researchers decided to review no more than 30 projects in any given locality, thus assuring a significant sample while maintaining expectations to remain on schedule.

**Data Collection.** The second methodological component was deciding what information to gather from the selected residential development files. To simplify data collection, researchers designed an Excel spreadsheet to incorporate separate sections for each city along with input cells for the categories of information, using a laptop to insert the data directly into the spreadsheet at each site to save time and reduce transmission errors. The following list details the data critical to this project:

Table A1: Variables and Descriptions Used in Statistical Analysis	
Variable	Description
City	Name of the city in which the project is located
APN	Assessor’s Parcel Number designates specific land map location of proposed project;
Tract	Number identifying geographical land location of project
Name	Name of the development company
Project Name	Name of the project
Dev Type	Whether the development is a single family or multi-family project
Final Activity Date	Date of the most recent activity on the project
Level	Level of government that approved the project
Original GP	The original land-use category for the project area (low, medium or high density)
GPA	Whether or not the General Plan was amended
Amended Use	New General Plan land use designation if amended
Specific Plan	Whether a specific plan applies to the given project
GP Min du/ac	Minimum number of dwelling units per acre according to the General Plan
GP Max du/ac	Maximum number of dwelling units per acre according to the General Plan
Zoning Permitted Max	Maximum number of permitted dwelling units per acre as specified by zoning codes
Acreage	Gross or net site acreage on which the project is located
GP Max	Calculation of the maximum dwelling units allowed using GP and project acreage
Zoning Permitted Max	Maximum dwelling units allowed using zoning and project acreage
SP du	Maximum dwelling units allowed using Specific Plan and project acreage
Initial Application du	Number of dwelling units the proposed project initially applied for—this number is from the earliest application
Final App du	Number of dwelling units the proposed project finally applied for after negotiations with development staff
PC Approved du	Number of dwelling units that were approved for the project by the Planning Commission
CC Approved du	Number of dwelling units that were approved for the project by the City Council
100% Affordable Housing	The project met 100% affordable housing requirements
Density Bonus	A density bonus was awarded to affordable housing projects
Geography	Location within the county for the project (North, West, or East)
City Size	Size of the city within which the project is located (large or small)
Project Size	Size of the project based on the number of dwelling units: small (0-29 units), medium (30-99 units), or large (100+ units).

Source: Compiled by authors.

**Implementation.** The third step in methodology was implementing the research project. In preparation for on-site research at each city's planning/development department, researchers obtained lists of potential development projects. A majority of the cities sent internal department project lists, which were reviewed and screened prior to the site visit. In the cities where selection was required the following factors determined the projects evaluated: a) mixture of project sizes, types, and years; b) projects larger than three units in size; c) consultation with planning staff; and d) projects for which all research data was available.

A date was arranged ahead of time with each city for the visit so that planning staff knew of the research team's presence, could provide space to work in, and could ensure the requested files were accessible. Researchers gathered data from a variety of points in the development approval process, including initial and subsequent applications, planning commission approval, and city council approval. The smaller cities required only one day of research while the larger sites needed three to five days to complete. In sum, 126 residential development project files were individually reviewed and recorded in the study's spreadsheet. Nearly every city required follow-up through phone calls, faxes, or repeat visits in order to correct or compensate for initially inaccessible files and missing data. One city, Moorpark, insisted on charging fees for access to their development files; after numerous attempts over several weeks to solicit their cooperation, researchers decided to move the study forward without Moorpark's participation.

**Analysis.** The final step involved organizing and evaluating the raw data. Multiple spreadsheets were created to categorize, aggregate, and summarize the collected data. Table A1 contains summary data that are referred to frequently in the research section of this study. As a final precautionary measure, researchers sent copies of the projects reviewed to each corresponding city with a request for their comments or corrections on the data collected. Six of the nine participating cities responded and the research was amended to reflect their contributions.

## D. Integration of Data Analysis

In the fourth and final phase of the research, researchers evaluated all research components together. In most instances, statistical results from one phase of the research was used in the other two phases in a series of tests designed to fine-tune the study's raw data. The assumptions behind the study's final forecasts for future residential development were also laid out. In the end, using analytical techniques to predict the impact of the SOAR ordinances on Ventura County's growth will require further research, but the existing research showed that ballot-box land-use measures change the economic landscape for development.

## Appendix B

# Regression Analysis and Results

**A**nalysts used regression analysis to more fully assess the impact of Ventura County’s growth-management laws on housing prices. Regression analysis is a statistical technique that allows researchers to examine the relationship between two variables while holding other factors constant. In this study, for example, the researchers were interested in what projects were most likely to be approved and at what densities in order to determine whether planning goals were met during plan implementation. A direct comparison of the average approved density with the planned or zoned density provided a general measure of how well planning actions conform to intentions, but other factors (e.g., the size of the project, type of housing, existing market conditions, etc.) may also influence a planning board or city council’s decision to approve a project at a certain density. Regression analysis allows analysts to examine approved densities while considering these other factors.

The analysts in this study employed a specific type of regression analysis called “stepwise regression.” Stepwise regression adds each variable (e.g., city size, project size, type, etc.) into the equation one at a time, estimating the impact of each (independent) variable on the variable they wanted to explain (the dependent variable), and then substitutes another variable into the equation to estimate the effect. In this case, the researchers wanted to know which factors were most significantly associated with the number of dwelling units approved compared to the amount allowed by the General Plan or zoning code. Thus, the dependent variable—the variable they wanted to explain—is the difference between the actual approved density and the amount allowed under planning or zoning. Thus, a larger number reflects a wider difference between the approved and allowed numbers.

The regression equations should be interpreted the following way. If multifamily projects are approved at densities consistently lower than the amount allowed in the General Plan, then the relationship would be negative: multifamily projects will be associated with a *larger* difference between the approved density and the actual density. If larger land projects are associated with higher densities, the relationship will be positive: larger projects have *smaller* differences between the approved and planned densities.<sup>40</sup>

The dependent variables were defined in the following ways:

**GP** = Percentage of actual number of residential units approved by the city council and the amount allowed under the General Plan. A higher rate indicates an approval rate closer to the maximum densities allowed in the General Plan.

**GPS** = Difference between the actual number of residential units approved by the city council and the amount allowed by the General Plan or the Specific Plan, whichever was the controlling regulation for the property. A higher rate indicates an approval rate closer to the maximum densities allowed in the General Plan.

**ZS** = Difference between the actual number of residential units approved by the city council and the amount allowed under zoning or the specific plan, whichever was the controlling authority over the project and property. A higher rate indicates an approval rate closer to the maximum densities allowed in the General Plan.

## A. General Plan Model

This model used GP as the dependent variable and the key independent variables explained 40 percent of the difference between approved and allowed densities under the General Plan. Only the variables that were statistically significant at the 95 percent level were included in the equation.

Based on the results of this analysis, we concluded the following:

- Multifamily housing projects were more likely than single-family projected to be approved at densities close to the General Plan maximums;
- Projects with more land are less likely to be approved at densities closer to the General Plan maximums;
- Projects with more units are more likely to be approved at higher densities;
- Simi Valley is more likely than Thousand Oaks (the reference city) to approve projects at higher densities;
- Affordable housing projects are more likely to be approved at a higher rate than non-affordable housing projects; and
- Ventura is less likely than Thousand Oaks to have higher approval rates.

**Table B1: Estimates for General Plan Stepwise Regression**

Variable	Beta Coefficient
MFD	0.1045
ACREAGE	-0.0038
CC_DU	0.0010
SIMIVAL	0.1104
AFFHGYES	0.1509
SANBUENA	-0.1223

Source: Authors' calculations.

## B. Model II: General Plans Versus Specific Plans

The second model compared rates of approval based on whether the General Plan or a Specific Plan had controlling authority over densities. This model explained about 32 percent of the variation in density approval rates. These results suggest:

- Projects that are in jurisdictions with Specific Plans for project areas are more likely than those that do not to be approved at higher densities;
- Ventura city is less likely than Thousand Oaks to approve projects at higher densities;
- MFD are more likely than SFD to have higher approval rates.

Table B2: Estimates for General Plan Versus Specific Plan Stepwise Regression	
Variable	Coefficient
SP_YES	0.21485
SANBUENA	-0.28065
MFD	0.18109

Source: Authors' calculations.

### C. Model III

The third model compared General Plan maximum densities to zoning or Specific Plan densities, whichever had controlling authority. This model had the least predictive power, explaining just 10 percent of the difference in density approvals. These results suggest:

- The East is more likely than the West to have higher approval rates; and
- Projects with more units are more likely to have higher approval rates than projects with fewer units.

Table B3: Estimates for General Plan Versus Specific Plan Stepwise Regression	
Variable	Beta Coefficient
EAST	0.12008
CC_DU	0.00046

Source: Authors' calculations.

## Appendix C

# Housing Elements 2005 and Compliance

**H**ousing Elements are usually updated every five years, and the current 2005 deadline for cities in Ventura County and the County itself was December 31, 2000. The chart below shows which jurisdictions are in compliance as of July 3, 2001.

Status of Housing Elements July 4, 2001			
City and county	Type	Reviewed	Compliance
Ventura County	Draft	03/26/2001	Out
Camarillo	Draft	10/27/2000	Out
Fillmore	Adopted		Due
Moorpark	Draft	11/16/2000	Out
Ojai	Draft	01/11/2001	Out
Oxnard	Adopted	05/10/2001	In
Port Hueneme	Adopted		In Review
San Buenaventura (City of Ventura)	Adopted		Due
Santa Paula	Adopted		Due
Simi Valley	Adopted	02/9/2001	Out
Thousand Oaks	Adopted	03/30/2001	In

Source: [housing.hcd.ca.gov/hpd/hrc/plan/he/status.htm](http://housing.hcd.ca.gov/hpd/hrc/plan/he/status.htm).

As shown in the preceding table, two cities are in full compliance. If the jurisdiction has an adopted Housing Element found by HCD to comply with Housing Element law, its compliance status is “In.” If HCD has determined that an adopted Housing Element does not comply, the jurisdiction is listed as “Out.” If the jurisdiction has yet to submit an element for the current planning period, it is listed as “due.” Jurisdictions that have submitted a draft element but have not formally adopted the element are listed as “out,” regardless of whether HCD found the draft element “in” or “out” of compliance with state law. Regardless of their compliance status, the Housing Elements are a current public source for the existing housing stock and opportunities for housing development (or redevelopment) prepared in a consistent manner with a common ending period of 2005, and any revisions are not likely to significantly alter their estimates of demand.

# Endnotes

- <sup>1</sup> Patricia E. Salkin, “Smart Growth: The State of the States,” presentation to the Northeast State Planning Directors Meeting, March 2000. Salkin is Professor and Director of the Government Law Center at Albany Law School, Albany, New York. See also Patricia E. Salkin, “Smart Growth at Century’s End: The State of the States,” *Urban Lawyer*, Vol. 31, No. 3 (Summer 1999), pp. 601–648.
- <sup>2</sup> The first states were Hawaii and Vermont. Hawaii has a unique political environment shaped by its plantation past and island geography. Vermont is a small, mountainous state with a large tourist and natural resource-based economy, but no large urban areas.
- <sup>3</sup> See Deborah Howe, “Growth Management in Oregon,” in *Growth Management: The Planning Challenge of the 1990s*, ed. Jay M. Stein (Newbury Park, California: Sage Publications, 1993) pp. 61–75; Gerrit Knaap and Arthur C. Nelson, *The Regulated Landscape: Lessons on State Land Use Planning from Oregon* (Cambridge, Massachusetts: Lincoln Institute for Land Policy, 1992).
- <sup>4</sup> Phyllis Myers, “Livability at the Ballot Box: State and Local Referenda on Parks, Conservation, and Smarter Growth, Election Day 1998,” discussion paper prepared for The Brookings Institution, Center for Urban and Metropolitan Policy, January 1999.
- <sup>5</sup> Anthony Downs, “What Does ‘Smart Growth’ Really Mean?” *Planning* (April 2001), [www.planning.org/pubs/plng01/april012.htm](http://www.planning.org/pubs/plng01/april012.htm).
- <sup>6</sup> See the discussion in Samuel R. Staley, “Markets, Smart Growth, and the Limits of Policy,” in *Smarter Growth: Market-based Strategies for Land-use Planning in the 21<sup>st</sup> Century*, eds. Randall G. Holcombe and Samuel R. Staley (Westport, Connecticut: Greenwood Press, 2001), pp. 201–218.
- <sup>7</sup> Rick Rosan, “Smart Growth’: It Sure Beats Ugly Urban Sprawl,” *San Fernando Valley Business Journal*, August 9, 1999, p. 27.
- <sup>8</sup> Mary R. English, Jean H. Peretz, and Melissa Manderschied, *Smart Growth for Tennessee Towns and Counties: A Process Guide* (Knoxville, Tennessee: Energy, Environment and Resources Center, University of Tennessee, February 1999), [eerc.ra.utk.edu/smart/title.htm](http://eerc.ra.utk.edu/smart/title.htm).
- <sup>9</sup> *Ibid.*
- <sup>10</sup> Florida Department of Community Affairs, Division of Community Planning, August 2001. See also the discussion in Samuel R. Staley and Leonard C. Gilroy, *Smart Growth and Housing Affordability: Evidence from Statewide Planning Laws*, Policy Study No. 287 (Los Angeles, California: Reason Public Policy Institute, 2001).
- <sup>11</sup> The nation has 3,141 counties and Ventura County’s population ranks sixty-second.
- <sup>12</sup> Recently released Census 2000 population data shows that between 1990 and 2000 the United States grew 13.2 percent and Ventura County grew 12.6 percent. However, most of Ventura County’s growth occurred prior to 1980. Since 1980, growth in the county declined to rates comparable to the region and state, and during the 1990s matched the growth rate of the nation as a whole.
- <sup>13</sup> Ventura County’s SOAR initiatives were based on growth-control measures used in the Napa Valley north of San Francisco that survived legal challenge (*DeVita v. County of Napa*, 9 Cal.4<sup>th</sup> 763 [1995]), so there is little likelihood they will be struck down in court, at least not in the short run.
- <sup>14</sup> Oregon, Washington, Florida, and other states, for example, have encouraged the use of growth boundaries and broad-based citizen participation in planning and land-use decisions.

- <sup>15</sup> Ventura County Resource Management Agency, “Questions and Answers,” *SOAR: Save Open-space and Agricultural Resources* (Ventura, California: Planning Division), PLN5128-2/99.
- <sup>16</sup> [smartgrowth.org/information/news/news\\_trends9-99.html](http://smartgrowth.org/information/news/news_trends9-99.html).
- <sup>17</sup> The long-term impact of this scale of voter-managed land-use planning is not well understood. Only three “SOAR override” elections have been held—two in the City of Ventura and one involving property in an unincorporated part of Ojai. While all three passed, none involved residential projects and their intended uses were relatively low impact. Rather, they concerned a proposed public park, a proposed church, and the proposed expansion of a convalescent home. It remains to be seen how developer-driven projects that require an override will be treated in the voting booth.
- <sup>18</sup> Our division of the county differs from the traditional division into East and West. However, we believe that the Ojai and Santa Clara valleys are geographically discrete areas, and we further note that Fillmore and Moorpark are at approximately the same east/west parallel, so we chose to place the northern valleys in a separate category. Also, the northern valleys contain only small cities, whereas the east and the west each contain large cities.
- <sup>19</sup> William Fulton, *Guide to California Planning*, second ed. (Point Arena, California: Solano Press, 1999), p. 189.
- <sup>20</sup> *Ibid.*, pp. 198-201. See also Samuel R. Staley, Jefferson G. Edgens, and Gerard C.S. Mildner, *A Line in the Land: Urban-growth Boundaries, Smart Growth, and Housing Affordability*, Policy Study No. 263 (Los Angeles, California: Reason Public Policy Institute, October 1999).
- <sup>21</sup> Ned Levine, Madelyn Glickfeld, and William Fulton. *Home Rule Local Growth...Regional Consequences*, report prepared for Metropolitan Water District and SCAG, unpublished manuscript, April 1996.
- <sup>22</sup> LAFCO is a state-mandated public agency that oversees annexation and city boundary changes as well as other responsibilities depending on the local jurisdiction. LAFCO in Ventura County is also directed to promote orderly growth and development, discourage urban sprawl while preserving open space and agricultural lands, and encourage efficient service areas for local governments.
- <sup>23</sup> LAFCO is a state-mandated local agency for each county that is directed.
- <sup>24</sup> For an examination of the role of residential property, see Dick Netzer, “Property Taxes: Their Past, Present, and Future Place in Government Finance,” in *Urban Finance Under Siege*, eds. Thomas R. Swartz and Frank J. Bonello (Armonk, New York: M.E. Shapre, Inc., 1993), pp. 51–78.
- <sup>25</sup> U.S. Bureau of the Census. The nation has 3,141 counties; California has 115.
- <sup>26</sup> The Census Bureau collects monthly construction permit data in the Survey of Construction (SOC). The number of building permits issued between 1990 and 2000 (24,865) exceeds the number issued reported in the 2000 Census additional housing units (23,234) by 7 percent. The difference is housing unit loss due to natural disaster, condemnation, or other reasons.
- <sup>27</sup> Ahmanson Ranch is located in unincorporated Ventura County and was approved by the county in 1992, prior to the SOAR initiatives, and remains controversial. The 5,900-acre Ventura Hillside, one of the largest undeveloped areas inside any city’s sphere of influence, is designated for 8,000 units in Ventura city’s General Plan but includes no units under the housing element. Landowners are currently proposing 1,900 units, but have not formally applied for approval. Ventura voters will decide if the project will require voter approval at the polls in November 2001.
- <sup>28</sup> There is likely some minor duplication in housing units between the cities’ spheres of influence and the unincorporated county, resulting in even less actual capacity. Commercial development capacity was not examined in this study, but cities will likely find ways to open up sufficient land for desirable commercial development. California cities have strong fiscal incentives to promote commercial development. The same tax incentive discourages converting commercial land to residential.
- <sup>29</sup> Appendix D contains selected documentation on how VCOG calculated housing need.
- <sup>30</sup> A word of caution is needed concerning housing analyses. The basic statistic is the housing unit, which could vary in size from a one-room “single” to a sprawling 10-bedroom estate. Each of these is

considered one housing unit, although they clearly have different capacities and costs. This study did not focus on housing by economic level or size of unit.

<sup>31</sup> Fulton, *Guide to California Planning*, p. 204.

<sup>32</sup> *Ibid.*, p. 205.

<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*, pp. 208–209.

<sup>35</sup> The data were divided into eight categories and cross-tabulated with the three capacities. Categories with either GP (General Plan), SP (Specific Plan) and/or a Z (zoning) beside them showed some ability to predict approval rates for that respective type of capacity, based on stepwise regression analysis (see results in Appendix A, Table 9 and explanation in Appendix C). The categories were: City Size, Affordable Housing (GP), Development Type (GP, SP), General Plan Amendment, Geographic Location (Z), Project Size -by units and acreage (GP,Z), Pre v. Post-SOAR, and Specific Plan Area (SP).

<sup>36</sup> Five projects were a mix of single family and multi-family units, four of which had Specific Plans in place.

<sup>37</sup> No actual projects were reviewed in Moorpark or the unincorporated county and approval rates are estimated for these two areas: Moorpark based on the average approval rate for East County cities and the unincorporated county based on the average approval rate of the 126 projects reviewed.

<sup>38</sup> The Moorpark Housing Element lists 13 “Approved/Planned” residential projects with a total of 3,098 units. It is not clear how many of these units will actually be completed nor if these units duplicate our estimates of building and planned capacity, which are much lower.

<sup>39</sup> Samuel R. Staley, “Ballot-box Zoning, Transactions Costs, and Urban Growth,” *Journal of the American Planning Association*, Vol. 67, No. 1 (Winter 2001), pp. 25–37.

<sup>40</sup> One of the weaknesses of stepwise regression is that it lacks theoretical rigor. It is essentially an “ad hoc” procedure for determining which factors are statistically more important than others. As a result, many analysts, particularly economists, are reluctant to use stepwise regression because the effects are difficult to interpret. In this case, stepwise regression was used primarily to determine empirically which factors seemed to be most significantly related (statistically) to projects on average. Theoretical considerations—understanding “why” rather “how”—were less important to the analysis.



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