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Introduction

The 2012 State of the Region Report is brought to you by Regional Analysis & Planning Services, Inc. (RAPS), a non-profit affiliate of the Association of Monterey Bay Area Governments (AMBAG). Under the guidance of the AMBAG board of directors, RAPS provides technical assistance and data analysis support to local government agencies, non-profits organizations, and the community at large throughout the Monterey Bay Area, including the Counties of Monterey, San Benito, and Santa Cruz.

The purpose of this report is to provide an overview of the major trends affecting the region. It is intended to serve as a complement to other local, state, and federal data sources. The report is divided into chapters including demographics, housing and the economy, education, broadband access, health and public safety, transportation, and the environment.

Data for this report was collected from a variety of state and federal sources, including the California Department of Finance and the U.S. Census Bureau, among others. The data presented here are the most recent available, as of the date of publication. Data are reported at the regional and county levels only. Where appropriate, comparison figures are provided for the State of California.
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Growth & Characteristics

Over the past decade, the tri-county region grew in population from around 710,600 residents in the year 2000, to 732,700 residents in 2010. This is equal to an increase of three percent over the year 2000 and a total of 22,100 new residents. Monterey County experienced the largest absolute gains in population, with around 13,300 new residents. This is equal to a proportional increase of around 3.3 percent. Santa Cruz County had the second largest increase with a total of nearly 6,800 new residents, equal to a 2.7 percent gain. San Benito County experienced the lowest absolute change with only around 2,000 new residents. Compared to the year 2000, however, this is equal to a 3.8 percent increase. In other words, the county with the lowest absolute change in population experienced the region’s highest rate of population growth. This is primarily due to population size differentials between counties. Monterey County accounts for 57 percent of the total regional population, while San Benito County accounts for only eight percent.

Population change, such as that described above, is driven by two primary components, natural population change (i.e. births vs. deaths) and net migration (i.e. in-migration vs. out-migration). Within the AMBAG region, natural population change has remained positive over the past decade, netting an average of 7,400 new residents each year. Simultaneously, net outmigration. Because the rate of natural population growth exceeded the rate of net outmigration, the regional population
has continued to expand at a modest rate.\footnote{According to data from the U.S. Census Bureau, the population of the AMBAG region grew by only three percent between 2000 and 2010. This can be compared to a rate of roughly 10 percent for the State of California as a whole.} Due to its size, Monterey County led the region in this respect, adding nearly 5,000 new residents each year through natural population growth, while losing almost 3,700 residents through outmigration. San Benito County followed a similar trend, adding an average of 600 new residents per year, while losing about 430. Natural growth in Santa Cruz County held relatively stable over the decade, accounting for an average of 1,800 new residents per year. However, while Santa Cruz County experienced an average annual loss of 1,100 residents per year between 2000 and 2010, the county, in fact, experienced positive population growth through net migration between 2007 through 2010.

**Total Population**

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{population_bar_chart}
\caption{Bar chart showing total population for Monterey, San Benito, and Santa Cruz counties.}
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\end{figure}

Source: US Census Bureau, American Community Survey

Source: Demographic Research Unit at California Department of Finance, Tables E-2 and E-6
Age

Data from the 2010 Census illustrate that the region’s three counties are aging in very different ways. Data for Santa Cruz County, for example, show a relatively high concentration of population in the 15 to 24 age groups and the 45 to 59 age groups. These concentrations generally represent the baby-boom and boom-echo generations. Data for San Benito County show a similar distribution, except that the population is concentrated in slightly younger age categories, mainly the 10 to 19 age groups and 40 to 54 age groups. Data for Monterey County show a more uniform distribution with modest concentration in the 15 to 34 age groups. Median age figures provide a slightly different picture of the three counties, where Santa Cruz has the highest median age at 37 years, followed by San Benito with 34 years, and Monterey with 33 years. The median age for the region as a whole in 2010 was estimated at around 33’ years of age.

Source: 2010 Census

Regional Analysis & Planning Services
Race and Ethnicity

According to 2010 Census figures, the AMBAG region was somewhat less racially diverse, but more ethnically diverse, than the State of California as a whole. Whites remained the dominant racial group in both the state and the region, accounting for 58 percent and 62 percent of the residential population, respectively. “Other Races,” a catch all category for non-standard racial groups, made up the second largest concentration of residential population in both areas, with 24 percent of the regional population and 17 percent of the total state population. At the state level, individuals of Asian descent made up around 13 percent of the population, while accounting for only five percent at the regional level. The racial makeup of the three Monterey Bay area counties individually was similar to that of the region as a whole, with Santa Cruz County showing the highest concentration of white residents and Monterey County showing the smallest.

Ethnically, the AMBAG region had a higher proportion of Hispanic and Latino residents compared to the state. In the region, 47 percent of the population identified as Hispanic or Latino, compared to 38 percent.
in the state. At the county level, Santa Cruz County had the lowest percentage of residents identifying as Hispanic or Latino at only 32 percent, compared to 56 percent in San Benito County and 55 percent in Monterey County.

**Household Type and Size**

Census figures indicate that there were upwards of 237,100 households located in the Monterey Bay region in 2010. Roughly 53 percent of those were located in Monterey County, while around 40 percent were located in Santa Cruz County and another seven percent were located in San Benito County. Regionally, around 68 percent were considered family households, which was close to the state average of 69 percent. Roughly 80 percent of households were families in San Benito County, compared to 72 percent in Monterey County and 61 percent in Santa Cruz County. Regionally, 38 percent of households contained children below the age of 18, while 24 percent contained adults over the age of 65.
The average size of households in the region was calculated by dividing the total, non-institutionalized (e.g. group quarters), population by the total number of households. In the region, the average household size was approximately 2.96 persons per household, which was marginally higher than the state average of 2.89 persons per household. At the county level, both Monterey and San Benito counties had average household sizes that were larger than the regional average with roughly 3.15 and 3.27 persons per household, respectively. Santa Cruz County had the lowest average household size with 2.66 persons per household.
Land Use

The Monterey Bay Area is not a highly urbanized area. The greatest concentration of housing and jobs tends to be on the coast and in Salinas. The County of Santa Cruz has greater jobs and housing density overall than Monterey or San Benito. Monterey also has a greater percentage of renter occupied housing units than the other two counties and the state as a whole. Though the percentage of renter occupied housing units is almost 50 percent, less than 40 percent of the housing stock in Monterey County is multi-family. This suggests that single family homes are helping to meet rental market demand. In fact, regionwide the data suggests that this is the trend.
Between 2008 and 2010, the statewide percentage of renter occupied housing units was 44.1 percent, while the statewide percentage of owner occupied housing units was 55.9 percent.

San Benito County had the highest percentage of owner occupied housing units at 65 percent and the lowest percentage of renters at 35 percent.

Of the three counties, Monterey County had the highest percentage of multi-family dwellings at 38 percent; however, it does not exceed the statewide average of 41 percent. San Benito County had the largest divide between the percentage of multi-family dwellings and single-family dwellings—23 percent and 78 percent, respectively.
In 2010, Monterey County had the largest number of farmland acres and urbanized land acres. In fact, Monterey County had approximately 235,000 acres of farmland and over 55,000 acres of urbanized farm land. San Benito County had the least amount of urbanized land acres.

The farmland acres and urbanized land acres of Santa Cruz County fell relatively within a close range of 32,000 agricultural acres to 22,000 urbanized acres. Whereas Monterey and San Benito County had a greater differential between urbanized and farmland acres.

Agriculture is a vital component of the economy and saving farmland is important to the region’s vitality. However, farmland can not always be preserved. Between 2006 and 2008, Santa Cruz County lost 930 acres of farmland. San Benito County lost nearly 3,500 acres of farmland between 2008 and 2010, which is the most significant loss of the three counties. Monterey County did not show any loss of farmland.
Loss of Farmland 2006 - 2010

Santa Cruz County | 2006-2008
-930

San Benito County | 2008-2010
-3,461

Monterey County | 2008-2010
476

Source: California Department of Conservation, 2008-2010 FMMP, 2006-2008 (Santa Cruz)
Introduction

The impact of the extended economic recession is reflected in many aspects of AMBAG region’s business climate. Per capita income declined along with employment in most sectors, while the cost of living and doing business remained high. Nonetheless, the tri-county AMBAG region remains an economically diverse place.

Employment and Jobs Growth

According to data from the California Employment Development Department (EDD), industry employment in the Monterey Bay region totaled 277,000 jobs in 2010, the most recent year for which data are available. Employment, in this case, was measured as the number of jobs that are located in the region, as opposed to the number of employed residents. The majority of this employment was concentrated in Monterey County, which accounted for 166,700 jobs, or around 60 percent of the regional total. Santa Cruz County, by comparison, accounted for roughly 35 percent of regional employment with a total of 95,800 jobs, while San Benito County accounted for only five percent with 14,500 jobs.

Data suggest that regional employment growth was relatively slow, but stable prior to the Great Recession. In the year 2000, the region possessed roughly 288,600 jobs. By 2007, this had grown to 291,300 jobs, an increase of 4,400 jobs or 1.5 percent over the year 2000. However, with the housing market crash of 2007-2008 the region began to shed employment at
a rapid pace, losing a total of 14,300 jobs by 2010. As a result, total employment growth during the first decade of the new millennium was equal to a loss of nearly 10,000 jobs, a decline of around 3.5 percent compared to the year 2000.

County level data suggest that the vast majority of the region’s employment losses occurred in Santa Cruz County, which lost 9,800 jobs over the decade. This is equal to a total countywide decline of 9.3 percent over 2000. By comparison, San Benito County lost only around 400 jobs, or 2.7 percent of its total employment. Monterey was the only county of the three to experience an actual net gain in employment during the decade. While only equal to a modest 0.2 percent, the fact that the county was able to gain roughly 300 new jobs during a decade of dramatic economic restructuring is highly encouraging.

### Employment by Industry

On an industry-by-industry basis, regional employment is largely concentrated in the agricultural and governmental sectors. Total farm employment in the region accounted for roughly 56,400 jobs in 2010, or around 20 percent of the regional all-industry total. State and local government employment accounted for another 49,500 jobs and around 18 percent of the total. Other significant concentrations of employment include the leisure and hospitality sector, education and health services, and retail trade. Together, these account for nearly 110,000 jobs, with each sector representing around eight to 12 percent of the region’s total employment base. This distribution of employment across major industry sectors has remained quite stable over the past decade.
As Monterey County is home to a majority of the region’s jobs, the County’s industry employment distribution is largely similar to that of the region as a whole. For example, of the 166,700 jobs located in Monterey County in 2010, roughly 27 percent were in the agricultural sector, while 16 percent were in government and another 12 percent were in the hospitality industry. While San Benito County also had high concentrations of employment in agriculture and government, 20 percent and 19 percent respectively, it also had a high degree of specialization in the retail trade sector. Note that because of its small size, industries that represent a high proportion of total San Benito County employment may represent only a small fraction of the regional total. Employment in Santa Cruz County was much more diversified compared to the region, with 21 percent of its employment in the government sector, 14 percent in education, 12 percent in retail trade, 11 percent in hospitality, and only 10 percent in agriculture.
Labor Force and Unemployment Rate

Labor force and unemployment data provided by the EDD show that between the year 2000 and 2011, the Monterey Bay regional labor force grew from around 379,100 to 400,000 prospective workers. This is equal to growth of 5.5 percent over the year 2000 figure and an increase of around 20,900 workers. The majority of this labor force growth occurred in Monterey County, which added 9.7 percent, or 19,700 workers, to its labor force during the past decade. The Santa Cruz County labor force grew by only 1.5 percent, or 2,300 workers, during this period, while San Benito County lost around four percent of its labor force, around 1,100 workers.

Coupled with growth in the region’s labor force major employment losses suffered over the past ten years resulted in record high unemployment toward the later part of the decade. Between 2000 and 2008, the regional unemployment rate fluctuated between 6.8 percent and 9.4 percent. From 2009 to 2011, the rate was much higher, peaking at 14.9 percent in 2010. San Benito County had
the highest unemployment rate, peaking at 20.8 percent in 2010 and decreasing to 18.4 percent in 2011. Monterey County had the second highest rate in recent years, peaking at 14.5 percent in 2010 and decreasing to 14.1 percent in 2011. Santa Cruz County had the lowest comparative unemployment rate in the region, peaking at 14.4 percent in 2010 and decreasing to 13.7 percent in 2011.

**Gross Regional Product**

Another important measure of economic activity is gross regional product (GRP). This is an accounting of the contemporary market value of all goods and services produced by an economy. According to data compiled by Economic Modeling Specialists, Inc. (EMSI), the total GRP of the Monterey Bay region in 2010 was approximately $42.9 billion. The majority of this production occurred in the governmental and agricultural sectors, which accounted for 22 percent and 12 percent of the total GRP respectively. Other notable sectors included healthcare, real estate, and retail trade, each represented around seven percent of the total GRP.

At the county level, nearly 61 percent of the total GRP, around $26 billion, was generated in Santa Cruz County. This was compared to 36 percent, or $15.6 billion, in Monterey County; and three percent, or $1.2 billion, in San Benito County. In all three counties, the relative distribution of production was similar to that of the regional as a whole. For example, in Santa Cruz County, the two sectors that produced the greatest value were again the governmental and agricultural sectors. These sectors contributed roughly 20 percent and 11 percent, respectively, to the Gross County Product (GCP). These sectors, likewise, contributed 24 percent and 14 percent to GCP in Monterey County, and 17 percent and 11 percent to GCP in San Benito County. In San Benito County the manufacturing and retail trade sectors also made notable contributions totaling 20 percent and 13 percent of GCP.

**Tourism and Visitor Spending**

While the above economic indicators emphasize agriculture and government as dominant economic drivers for the region, tourism is also a well known economic force in the Monterey Bay region. According to Dean Runyan Associates, the Monterey Bay
Gross Regional Product 2010

- Agriculture, Forestry, Fishing and Hunting
- Mining, Quarrying, and Oil and Gas Extraction
- Utilities
- Construction
- Manufacturing
- Wholesale Trade
- Retail Trade
- Transportation and Warehousing
- Information
- Finance and Insurance
- Real Estate and Rental and Leasing
- Professional, Scientific, and Technical Services
- Management of Companies and Enterprises
- Administrative Support and Waste Management
- Educational Services
- Health Care and Social Assistance
- Arts, Entertainment, and Recreation
- Accommodation and Food Services
- Other Services (except Public Administration)
- Government

Santa Cruz County
San Benito County
Monterey County

Source: California Employment Development Department, 2011; Economic Modeling Specialists, Inc. (EMSI), 2011
The region captured over $2.6 billion in tourist spending in 2009. This was down from $2.8 billion in 2007, prior to the Great Recession. As of 2009, roughly 31 percent of the total regional tourist dollars went to pay for food and beverage services. Accommodations and retail sales accounted for 22 and 21 percent of total spending, respectively. The arts and entertainment industry captured another 16 percent. The remainder was split between ground transportation and food stores. Air transportation accounted for less than one percent.

In 2009, Monterey County accounted for nearly 75 percent of total regional tourist spending. This is compared to 23 percent for Santa Cruz County and three percent for San Benito County. Monterey and Santa Cruz Counties generally set the trend of tourism spending region wide, with a spending distribution similar to that of the region. The spending distribution for San Benito County was somewhat similar, with high concentrations of spending in food and beverage services, retail sales, arts and entertainment, and food
stores. San Benito, however, had uncharacteristically low spending in the accommodations sector and somewhat elevated spending in the ground transportation and fuel sector.

Two of the primary economic impacts of this tourism related spending in the Monterey Bay region are employment and Transient Occupancy Tax (TOT) receipts. Dean Runyan estimates that in 2009, roughly 30,400 jobs were directly supported by regional tourism related spending. This was down from a high of 32,000 jobs in 2006. Of the 2009 total, roughly 71 percent were located in Monterey County. This was equal to a total of around 21,500 jobs. Around 26 percent, or 8,000 tourism related jobs, were located in Santa Cruz County, while three percent, around 900 jobs, were located in San Benito County.

As TOT receipts are directly tied to tourist dollars, their distribution across the region’s three counties was similar to that described above. In total, the Monterey Bay region brought in an estimated $47 million in TOT receipts in 2009. Broken down by county, Monterey accounted for roughly $39.5 million in TOT receipts. Santa Cruz County had the second highest impact, with some $7.4 million in TOT receipts. San Benito County had the lowest tax impact with $200,000 in TOT receipts.

**Occupational Employment and Wages**

While previous sections discussed industry employment, which refers to the number of jobs located in the region, this section is concerned with occupational employment. Occupational employment, in this case, refers to the types of jobs held by area residents, regardless of whether those jobs are located in the region or outside of the region. Because EDD typically reports occupational employment data at the Metropolitan Statistical Area (MSA), county level estimates were obtained from Economic Modeling Specialists, Inc. (EMSI). Based on this data, the tri-county region had approximately 343,600 employed residents in 2011. These were primarily concentrated in sales, office, farming, and management occupations. For example, roughly 44,900 area residents were employed in sales occupations in 2011. This accounted for roughly 13 percent of total occupational employment. Likewise, office and administrative support occupations accounted for around 41,100 employed residents, or 12 percent of the total. Farming occupations accounted for just over 40,700 employed residents, or 12 percent of the total, and management occupations accounted for around 33,000 employed residents, or ten percent of the total.
Occupational Employment 2001 & 2011

Source: Economic Modeling Specialists, Inc. (EMSI), 2011
2011 average hourly wage data suggest that the three most dominant occupational categories—sales, office, and farming occupations—are all relatively low wage professions. For example, the sales and office occupations noted above had average hourly wages ranging from $16.60 per hour to $16.82 per hour, respectively. Farming occupations, by comparison, had an average hourly wage of only $10.35. Management occupations, on the other hand, had an average hourly wage of $33.97. On an aggregate level, roughly 60 percent of the region’s employed residents work in occupations that pay less than $20 per hour. Only around four percent work in occupations that pay greater than $40 per hour. This suggests that a majority of the region’s residents work at relatively low wage occupations, while a tiny minority work in high wage occupations. The remaining 36 percent work in medium wage occupations, making between $20 and $40 per hour.
Previous sections in this report talked about the number of jobs in the region, and also the type of jobs held by residents. This section reports the major employers in the Monterey Bay Area region, the county they are located in, and their number of employees. The 15 largest employers in the region account for 27,364 jobs or 6.8% of the total employment in the region.

The major employers in Monterey County are in the Cities of Salinas, Monterey, and Pebble Beach. Of the five major employers in this county, four are located in the City of Santa Cruz and one in the city of Watsonville. University of California, Santa Cruz hired 4357 employees as the top employed of the region.
Median and Per Capita Income

According to 2008-2010 American Community Survey (ACS) data, Santa Cruz County had the highest median household income in the region at nearly $63,500 per year. This can be compared to $61,600 in San Benito County and $58,200 in Monterey County. On a per capita basis, regional incomes are much lower, but follow the same general distribution. Santa Cruz County, again had the highest per capita income in the region at nearly $31,200 per year. San Benito and Monterey counties had per capita figures of $25,400 and $24,400 respectively.

Housing Affordability Index

The California Association of Realtors® Traditional Housing Affordability Index (HAI) measures the percentage of households that can afford to purchase the median priced home in a given community. This measure of housing well-being is based on certain market assumptions regarding median home price, monthly payments, and interest rates, among other factors. According to this metric, approximately 37 percent of households in Santa Cruz
County and 56 percent of households in Monterey County could afford to purchase a median priced home in their area during the fourth quarter of 2011. This represents a relative decrease in affordability in Monterey County, where the index dropped by approximately two percentage points from a year earlier. The HIA for Santa Cruz County, by comparison, rose by roughly eight percentage points during the same period. Please note that these figures do not represent a long-term trend and that substantial fluctuations in residential sales prices are relatively common due to a variety of influential factors. Data was not available for San Benito County.

H+T Affordability Index

The housing and transportation affordability index (H+T®) published by the Center for Neighborhood Technology (CNT) provides another more complete measure of affordability, beyond the standard method of assessing only housing costs. By incorporating the cost of housing, as well as the cost of transportation associated with the location of the home, the H+T accounts for the relative location efficiency of residential housing. While housing alone is traditionally deemed affordable when consuming no more than 30 percent of a household’s income, affordability according to the H+T equals a combined cost of housing and transportation that consumes
no more than 45 percent of a household’s income.

According to the H+T index, Monterey County households spent an average of 57 percent of their total annual income toward the combined costs of housing and transportation in 2009. Santa Cruz County households reportedly spent a slightly lower percentage at just over 55 percent. Data for San Benito County reported the greatest relative degree of affordability with only around 47 percent of household income going to housing and transportation. Based on the above definition of affordability (i.e. less than or equal to 45 percent of household income), the average combined cost of housing and transportation in the Monterey Bay region places an above average financial burden on area residents.

More specifically, this data suggests that nearly 184,600 households pay greater than 45 percent of their income to housing and transportation. In Monterey County, this equates to almost 89 percent of households. The burden is somewhat similar in Santa Cruz County where 78 percent households pay greater than or equal to 45 percent. San Benito has a noticeably lower burden where around 64 percent pay over 45 percent.
Median Monthly Rental Prices

Data on median monthly rental rates collected from the 2008-2010 ACS suggest that the rental costs in the region were relatively consistent between counties. Santa Cruz County had the highest median price for rental housing in the region at $1,280 per month. This was roughly $150 per month higher than in Monterey and San Benito counties which had median rates of $1,126 and $1,183 respectively. California, by comparison, had a median rental rate of $1,163 per month.

Based on the conventional definition of affordability (i.e. a total cost for housing less than or equal to 30 percent of income), the monthly income necessary to afford the median priced rental unit in Santa Cruz County was roughly $3,877. On an hourly basis, this would equal a wage of roughly $27 per hour. The income required to afford rental housing in Monterey and San Benito was lower at approximately $3,943 and $3,753 per month respectively. This would equal a wage of roughly $25 and $23 per hour.
Foreclosures and Home Sales Prices

As in many communities in California and across the country, the Monterey Bay region experienced a dramatic decline in home values following the 2007 housing market crash. This corresponded to a dramatic increase in foreclosure rates in 2008. While these rates have declined over time, they still remain above pre-recession levels. The highest rates of foreclosure were experienced in Monterey and San Benito County which had foreclosure rates of 41 and 46 foreclosures per month in 2008. These declined to roughly 19 and 17 per month by 2011. The lowest rates of foreclosure were in Santa Cruz County where the foreclosure rate was around 13 foreclosures per month in 2008, declining to just over ten per month in 2011.

Home values in the tri-county region according to Zillow© illustrate a similar dynamic. While sales prices declined in all three counties during the recession, the rate of decline was considerably less in Santa Cruz County, compared to Monterey and San Benito. In 2011, the median sales price for homes in Santa Cruz County was round $413,300, roughly $150,000 higher than in the remainder of the region. The median price in Monterey and San Benito counties, by comparison, was around $268,300 and $253,300.
New Residential Permits

According to data from the U.S. Census Bureau, an estimated 400 new housing units were permitted for construction in the Monterey Bay region in 2011. Of these, roughly 66 percent were single-family units. The remaining 34 percent were multi-family housing units.

Around 53 percent of all the permits issued were for construction projects located in Santa Cruz County. Another 39 percent were for projects in Monterey County, and only eight percent were for projects in San Benito County. In Santa Cruz County, around 48 percent of the permits issued were for single-family units, while 52 percent were for multi-family construction. In Monterey County, 83 percent of the permits issued were for single-family construction, with only 17 percent issued for multi-family construction. In San Benito County, all of the permits issued were for single-family units.
Leasable Commercial Space

Net absorption reports the change in available leasable space from one period to the next. For existing buildings it is the measure of total square feet occupied, less the total space vacated. This provides an indicator for the amount of business locating in the area by showing the demand for space. A continuous and strong rise in negative net absorption translates to a rise in the vacancy rate of leasable space.

This section reports changes in net absorption for the Metropolitan Statistical Area (MSA) of Salinas-Monterey and the MSA of Watsonville-Santa Cruz. San Benito County is included in the MSA of San Jose-Santa Clara and is not shown here.

In the Salinas-Monterey MSA a majority of the quarters from 2008 through 2012 reported a negative net absorption, peaking at a negative 753,718 square feet in the second quarter of 2009. This is largely due to
the decrease in industrial occupied space. In the Watsonville-Santa Cruz MSA, a majority of the quarters from 2008 through 2012 reported a negative net absorption as well, peaking at 534,492 square feet in the third quarter of 2009. Unlike in the Salinas-Monterey MSA, this area experienced a dramatic increase in vacancy in both the industrial and retail industries in 2009. Overall the net absorption rate in the Watsonville-Santa Cruz MSA proved to be more turbulent for the industrial and retail industries than in the Salinas-Monterey MSA.

The changes in net absorption, in general, are reflective of the turbulent economy and business closures. It is also likely that property owners acted more cautiously in regards to renting or leasing available space given the increasing number of failing businesses in that time period.
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Education

Introduction

An educated and skilled workforce is important for a strong economy. The education level of residents is a factor that businesses consider when looking to locate or expand in the region. An educated population is also more likely to open new and innovative businesses, stay up on technology and adapt to changing economic climates. With two state universities - CSU Monterey Bay and UC Santa Cruz - and many private colleges and universities the, Monterey Bay Area has the potential to excel.

School Enrollment & Degree Attainment

Throughout the region, school enrollment between the ages of five and 17 is fairly comparable in terms of percentage of children enrolled. However, for people age 18 and older not only is there a drop in the percent of enrolled students in each County, but there is a pronounced difference between Santa Cruz county and the rest of the region. As noted in the chapter on demographics, Santa Cruz County has a larger age cohort of people ages 15 to 24. This cohort is also more likely to be enrolled in college in Santa Cruz County.

Between 2008 and 2010, 19.2 percent of the population age 25 and older had Bachelor’s degree statewide. Santa Cruz County exceeds the statewide average with 22.9 and 14.2 percent of the population over 25 holding Bachelor’s and graduate degrees respectively. Both San Benito and Monterey County fall below the statewide average for Bachelor’s and graduate degrees, though they are comparable with the statewide average for Associate’s degrees held by the population over 25.
Santa Cruz County has the highest percentage of bachelors degree earners, but the lowest number of students earning high school degrees.
Dropout rates are reported by the CA Department of Education for the nation. In California, African Americans had the highest dropout rate (approximately six percent), and Asians have the lowest dropout rate (approximately one percent). Santa Cruz County had the highest dropout rate among Pacific Islanders at nearly ten percent. San Benito County had the lowest dropout rate of less than one percent among those who are White. Monterey County had a notably higher dropout rate of almost 16 percent among respondents who did not report an ethnicity or race.

Of the students enrolled in 2010 to 2011, 37.3 percent of Monterey County’s students are English learners. Santa Cruz County has the second highest percent at 28.5 percent, and San Benito has the lowest percentage of English learners with 23.2 percent.

Across all three counties, most English learners speak Spanish as their primary language.
### English Learners Who Are Not Spanish Speakers 2010-2011

- **Punjabi**: Santa Cruz County - 0.0%, San Benito County - 0.2%, Monterey County - 0.4%
- **Mandarin**: Santa Cruz County - 0.6%, San Benito County - 1.0%, Monterey County - 1.2%
- **Vietnamese**: Santa Cruz County - 0.8%, San Benito County - 1.0%, Monterey County - 1.2%
- **Arabic**: Santa Cruz County - 1.0%, San Benito County - 1.0%, Monterey County - 1.0%
- **Mixteco**: Santa Cruz County - 1.2%, San Benito County - 1.2%, Monterey County - 1.2%
- **Filipino**: Santa Cruz County - 1.2%, San Benito County - 1.2%, Monterey County - 1.2%

Source: California Department of Education Educational Demographics Office, 2012

### Percent of Students Who Are English Learners 2010-2011

- **Santa Cruz County**: 28.5%
- **San Benito County**: 23.2%
- **Monterey County**: 37.3%

Source: California Department of Education Educational Demographics Office, 2012
National Career Readiness Certificates

The National Career Readiness Certificate (NCRC™) is an industry-recognized credential that certifies essential skills needed for workplace success. This credential is used across all sectors of the economy and verifies cognitive workplace skills such as problem solving, critical thinking, and using information to solve workplace problems. The credential’s assessments measure “real world” skills that are believed to be critical to job success, and test questions are based on situations in the everyday work world. Over 17,000 jobs have been profiled through the program; this pinpoints or estimates skill benchmarks for specific job positions that individuals must meet through testing.

There are four levels of this credential that can be awarded to an individual:

- **Bronze** — Foundational Skills for 35 percent of Jobs
- **Silver** — Foundational Skills for 65 percent of Jobs
- **Gold** — Foundational Skills for 90 percent of Jobs
- **Platinum** — Foundational Skills for 97 percent of Jobs

Nearly one thousand Monterey Bay Area residents have been awarded this credential, and over half (527) of these certificates have been NCRC Silver.

Performance Index & SAT Scores

The Academic Performance Index (API) is a single number, ranging from a low of 200 to a high of 1000, which reflects a school’s performance level, based on the results of statewide testing. The API is calculated by converting a student’s performance on statewide assessments across multiple content areas into points on the API scale. These points are then averaged across all students and all tests.

The 2011 performance index score of California is 778. Santa Cruz County exceeded the State score with a score of 821. Monterey County and San Benito County had scores close to that of California with 767.
The California average SAT scores for the writing, math, and critical reading sections were around 500. Santa Cruz County was the only county that had higher average scores than the state whereas Monterey County fell slightly below the state averages.
Introduction

The internet has become an essential communications platform for work, education, social interaction, and government-related communication. Access to the internet allows residents to tap into a wealth of information, resources, products, and services. Increased access not only benefits residents, it also significantly expands the marketplace for the sale of goods and services by local businesses. This section measures the percentage of adults who have access to the Internet either at home or work in the tri-county area.

Residential Broadband Penetration Wired & Wireless

From 2007 to 2009, California experienced a slow increase in broadband penetration with 66 percent residential broadband penetration by the end of 2009. San Benito County consistently had the lowest percentage of residential broadband penetration with 51 percent in 2009. Santa Cruz County and Monterey County had penetration of 59 percent and 55 percent, respectively.
**Access to Wireline Providers**

Approximately 50 percent of the California population has access to three wireline broadband providers. In Santa Cruz County, over 60 percent of the population has access to three wireline broadband providers. Approximately 80 percent of the San Benito County population has access to two providers. A larger portion of Monterey County also has access to two providers.

**Access to Wireless Providers**

In California, 36 percent of the population has access to six wireless broadband providers. Nearly 95 percent of Santa Cruz County has access to five providers compared to the 90 percent and 84 percent of San Benito County and Monterey County to four providers.
Most residents of the AMBAG region have access to two wireline broadband providers.

Source: National Broadband Map, 2011; Steve Blum - Tellus Venture Associates
Access to Wireless Broadband Providers

Most residents of Santa Cruz County have access to 5 wireless broadband providers.

Source: National Broadband Map, 2011; Steve Blum - Tellus Venture Associates
Health & Public Safety

Introduction

This chapter looks at crime statistics, public health, and social well-being. These characteristics of the community impact both real and perceived safety and wellbeing in a community. A lack of safety can also negatively impact investment in a community.

Crimes

In 2010, the highest crimes among all three counties were larceny-theft and property crimes. In total Monterey County experienced 14,330 crimes whereas Santa Cruz documented 11,629 crimes. San Benito County encountered the least amount of larceny-theft, property crimes, and violent crimes, all of which were reported to have less than 1,000 incidents.

While Monterey County had the highest actual number of crimes, the rate of crime is highest in Santa Cruz County. In 2010, Monterey County was actually slightly below the state average for rate of crimes or the number of crimes per 10,000 people. The rate of crimes for Santa Cruz County is particularly high for larceny-theft and property crimes at 216 and 161 per 10,000 people respectively versus 138 and 141 per 10,000 in Monterey County.

Generally speaking, crime has declined over the last ten years throughout the region and throughout the State. However, in 2010 there was a slight resurgence of crime in San Benito County.
**Crimes by Type 2010**

- Santa Cruz
- San Benito
- Monterey

**Number of Crimes per 10,000 People 2000-2010**

- Santa Cruz County
- California
- Monterey County
- San Benito County

Childhood Abuse & Welfare

Childhood abuse is a difficult crime to monitor as it often goes unreported. However, the data that is available shows that the number of children with multiple allegations of abuse has remained relatively consistent over the last ten years, with the exception of Monterey County. In Monterey County there has been a gradual decline in the number of allegations since 2006. Monterey also has the lowest rate of abuse at less than thirty allegations per 1,000 children. Santa Cruz County has the highest rate of abuse at over fifty allegations per 1,000 children, a rate that is consistent with the statewide average. As the data shows the rate of allegations that are substantiated is low, and there are even fewer instances of entries into the child welfare system.

Source: Center for Social Services Research, University of California at Berkeley, 2012
Welfare to Work & CalFresh Programs

From 2009 to 2010 Monterey County had the highest number of people using the Welfare to Work program—520 two-parent families and 1,120 other families. Santa Cruz County had the lowest number of people among two-parent families (150), and San Benito County had the lowest overall number of people using the program.

The CalFresh Program, formerly known as Food Stamps and federally known as the Supplemental Nutrition Assistance Program (SNAP), helps to improve the health and well-being of qualified households and individuals by providing them a means to meet their nutritional needs.

In January 2011, approximately ten percent of people in California received CalFresh. San Benito exceeded the state percentage at 11 percent while Santa Cruz had the lowest percentage at seven percent.
Obesity & Access to Food

The United States has been facing a growing problem with obesity and its related health risks. This problem is reflected in California and in the region. In 2009 the percentages of obese preschool children and obese adults in California were 16 percent and 28 percent respectively. In the region San Benito County had the highest percentage of people suffering from obesity: 24 percent obese children and 25 percent obese adults.

Obesity in low income populations has often been linked to a lack of access to healthy foods. Easy access to a full service grocery store rather than a corner market or fast food is important to maintain healthy eating habits. In 2006 the percentage of low-income people living more than one mile from a grocery store was 14.6 percent in California. Of the three counties, San Benito County had the highest percentage of people living more than one mile from healthy food at approximately nine percent, while Santa Cruz County and Monterey County both were at seven percent.

Individuals with no car that are more than one mile from a full service grocery store may have even fewer options for healthy food if they do not live near reliable transit service. In 2006, the percentage of households with no car and more than 1 mile from a grocery store in California was approximately two percent. All counties in the AMBAG region had approximately one percent of people without a car living more than 1 mile from a grocery store. The highest percentage was in Monterey County, of 1.3.
San Benito County has the highest percentage of low income people who live more than 1 mile from a grocery store.

Low Income People Living More than 1 Mile from Grocery Store

<table>
<thead>
<tr>
<th>County</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>14.6%</td>
</tr>
<tr>
<td>Monterey County</td>
<td>7.0%</td>
</tr>
<tr>
<td>San Benito County</td>
<td>8.5%</td>
</tr>
<tr>
<td>Santa Cruz County</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

Source: USDA, Food Atlas, 2006

Households without a Car, More than 1 Mile from Grocery Store

<table>
<thead>
<tr>
<th>County</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>2.3%</td>
</tr>
<tr>
<td>Monterey County</td>
<td>1.3%</td>
</tr>
<tr>
<td>San Benito County</td>
<td>0.9%</td>
</tr>
<tr>
<td>Santa Cruz County</td>
<td>1.1%</td>
</tr>
</tbody>
</table>

Source: USDA, Food Atlas, 2006
Introduction

How residents and visitors of the region travel to and from their destinations has environmental, financial, and social implications. Gasoline-powered motor vehicles are a significant source of air pollution and one of the largest contributors of greenhouse gas emissions. This section looks at the travel patterns of the Monterey Bay Area.

The Association of Monterey Bay Area Governments prepares a Metropolitan Transportation Plan (MTP) every four years that directs transportation investment in the tri-county region over the course of twenty or more years.

The MTP balances transportation needs with available funding in order to increase overall mobility, safety and security of people and goods within the region. Additionally, as required by the California Air Resources Board, the next MTP will include strategies to reduce the region’s greenhouse gas emissions from the transportation sector by five percent per capita by 2035. The next MTP is planned for adoption in June 2014.

Vehicle Miles Traveled & Greenhouse Gases

The Monterey Bay area, as a whole, has seen an increase of approximately 3.7 million miles traveled by vehicle between 1990 and 2010, and is projected to increase to over 25 million vehicle miles traveled per year by 2035 without any action to reduce the amount of travel by automobile.
This steady increase in vehicle miles traveled (VMT) is not just an effect of population growth. In fact the amount of miles driven by each person in the region, or per capita, will continue to increase. When this is translated into greenhouse gases (GHGs) this means that in 2005 for each person in the region 14.1 pounds of GHGs were emitted on an average weekday. If nothing changes in the region’s driving patterns this will continue to climb to 16 pounds of GHGs per person on an average weekday.

Senate Bill 375, passed in late 2008, requires the 18 Metropolitan Planning Organizations in California to reduce per capita vehicle miles traveled and related greenhouse gases for their respective regions through a coordinated land use and transportation plan called the Sustainable Communities Strategy, or SCS. The SCS will comprise a new chapter in and help shape each region’s long range transportation plan, including the financing of transportation projects.

Under SB 375, the SCS must identify a regional development pattern and transportation system that can meet the regional GHG targets from the automobile and light truck sectors for 2020 and 2035. Pursuant to statute, the California Air Resources Board adopted targets for each of the 18 MPOs across the state. Based upon the recommendation issued by the AMBAG Board of Directors, CARB adopted the following targets for the Monterey Bay Area in September of 2010: a 0% increase from 2005 per capita GHG emissions by 2020 and a 5% reduction from 2005 per capita GHG emissions by 2035.
Commute Patterns

One means of reducing greenhouse gases and vehicle miles traveled is to increase the number of people using alternative modes to driving alone. Driving alone has the highest mode share for people within the region and in the nation. Increasing the mode share for alternative options requires convincing people to change their driving behavior which is not easily accomplished.

Another means of decreasing vehicle miles traveled in the region is by effecting land use in such a way that people do not have to drive as far to get their daily needs met. This means establishing a better jobs housing balance so people do not have to travel as far to get to work and providing for a more diverse set of land uses closer to were people live so residents do not have to travel as far to run errands and recreate. While we do not have data on leisure travel, we do know that a large portion of the residents in the region travel outside of their county of residence for work.

High vehicle miles traveled also increases congestion and hours of delay which decreases quality of life for

Source: Commuting Characteristics, 2008-2010 American Community Survey 3-Year Estimates
Residents. Average travel times to work vary to some degree between counties within the region. San Benito County has longest average travel time for commuters, at 29.2 minutes. San Benito County was the only area that had a higher average commute time than the California average, which is 26.8 minutes. Monterey County had the shortest average travel time to work at 21.9 minutes. Santa Cruz County had an average commute time of 25.7 minutes.

Within the Monterey Bay Area, Santa Cruz County has the highest average for hours of travel congestion, averaging an approximate total of 27,000 hours per day. Most hours of delay come from freeway and two-lane road travel. Monterey County, the area with the largest employed population, is generally less congested than Santa Cruz County, which could indicate infrastructure capacity issues in Santa Cruz County.
Environment

Introduction

This chapter covers indicators on the Monterey Bay Area’s environment and is not considered to be all inclusive of the broad range of issues that this region faces. This area is known for its sweeping ocean vistas and towering redwood trees. Maintaining the environment in the region is not only important to keep the tourist economy alive and well, but also helps to maintain a high quality of life for those people that live here.

Solar Installations

Generating energy from renewable sources reduces a community’s impact on the environment. Home and business energy use contributes significantly to greenhouse gas emissions, as well as resource supply challenges when the sources are nonrenewable. An increased proportion of energy generated from resources will help the region meet statewide greenhouse gas reduction goals while contributing to improved air quality.

Santa Cruz County is leading the way in completed solar installations (commercial and non-commercial), with approximately 1,031 installations...
Monterey County has less than half the Santa Cruz total with approximately 500 solar installations. San Benito County has fewer than 100 solar installations. Although San Benito has the fewest total solar installations, it leads the region in percentage of installations that produced over 10 kilowatts while Santa Cruz County had the smallest percentage of large solar installations. This indicates that most of Santa Cruz County’s solar energy generation comes from small residential installations.

**Alternative Fuel Vehicle Registrations**

The Monterey Bay Area saw a steep rise in alternative fuel vehicles (AFVs) from 2004-2008. Leading the tri-county area in AFV registration, Santa Cruz County saw an exponential increase in registrations, growing from just 4 AFVs in 2004 to 980 AFVs in 2010. Monterey County, even with a much larger population, had close to half the AFV registrations with 562 in 2010.
LEED Certified Buildings

LEED, or Leadership in Energy and Environmental Design, provides building owners and operators with a framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions.

LEED certification provides independent, third-party verification that a building, home or community was designed and built using strategies aimed at achieving high performance in key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality.

With 17 LEED Certified buildings, Santa Cruz County has the most LEED certifications in the Monterey Bay Area. Monterey County is close behind, with 14 certifications. Nearly half of Monterey County LEED certified buildings are homes, compared to most LEED buildings being non-residential in Santa Cruz County.

Green Jobs

Jobs related to using alternative energy, conserving natural resources, and reducing pollution have increasing economic and environmental value. Growth in green industries supports economic resiliency, environmental health, and national security.

Next to a research think tank on the economy & the environment has produced a report that provides some data on green jobs. Since the data for Santa Cruz County falls within the San Francisco Bay Area and Monterey and San Benito County fall within the Central Coast region, the charts for this data set include areas outside the AMBAG region.
Looking at both regions, the largest green segment employment was within the energy generation sector.

The dramatic drop in employment from 2003 to 2004 in the Central Coast was due to the bankruptcy of a company in the Air & Environment. Energy generation and jobs related to the air & environment tend to be the largest factors in our green economies.
Air Quality Index

Air Quality Index (AQI) indicates how clean or polluted the region’s air is, and what associated health effects might be a factor for residents given that quality. The AQI runs from 0 to 500, the higher the value, the greater the level of air pollution and the greater the health concern. For example, an AQI value of 50 represents good air quality with little potential to affect public health, while an AQI value over 300 represents hazardous air quality.

An AQI value of 100 generally corresponds to the national air quality standard for the pollutant, which is the level EPA has set to protect public health.

AQI values below 100 are generally thought of as satisfactory. Of the areas within the tri-county region, San Benito County has the highest averaged maximum index value.

of 93 and correspondingly the highest median air quality index value of 36. The County with the lowest median AQI is Santa Cruz County with an index of 31, followed closely by Monterey County with an AQI of 33.

Water Usage

Data on water usage can be difficult to find since the given large number of water suppliers in the region. However, the USGS specifically provides some insight on water usage. Monterey County had used approximately 90 percent of the total water withdrawals taken by the region in 2005. This could be indicative of the County’s large agriculture and hospitality industry.
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