

## Chapter 2: Population and Economy

This chapter profiles Shandon's population and socioeconomic characteristics and describes past trends, present conditions and future projections. The following population and demographic profile has been prepared using information obtained from the San Luis Obispo County Housing Element, the U.S. Census data, and the San Luis Obispo Council of Governments (SLOCOG).

When communities undertake a long-range planning program such as a community plan, a critical part of the entire process is projecting future growth. Data is assembled describing the existing population and base economy, a land use alternative is selected, and absorption forecasts are made. The community plan is then designed to accommodate anticipated growth resulting from the land use plan (Figure 3.1).

### 2.1 Population

Shandon's population as of the 2000 U.S. Census was 986, an increase of 25.3% from 1990, which is an annual growth rate of 2.3%. Shandon's population, based on the 2010 U.S. Census, was 1,194, an increase of 21.1% from 2000, which is an annual growth rate of 1.9%. San Luis Obispo County's population increased 14% between 1990 and 2000 and 13.5% between 2000 and 2010. San Luis Obispo County's growth *rate* has been declining since the 1980's, with a greater portion of the growth due to net migration. Birth rates have declined along with a decrease in young professionals with families. Net migration accounted for approximately 75% of the county's growth in the 1990's and approximately 80% since 2000. Growth in Shandon has been attributed to an intensification of agricultural activity in the region combined with a housing shortage countywide. Shandon is relatively affordable when compared to surrounding communities.

The potential population of Shandon could increase from an existing population of about 1,200 to 5,260 at plan buildout. Table 2.1 shows the population projection under this Community Plan. Projected development in the URL could result in 1,078 additional dwelling units under the 25-year buildout of the Community Plan. Population is based on 3.66 persons per household. Buildout is an estimate that may vary depending on a variety of factors such as actual development density, physical constraints and market demand.

Year	Total Population	Percent Increase	Annual Growth Rate
1990	787	---	---
2000	986	25%	2.3%
2010	1,194	21%	1.9%
2035	5,260	341%	6.1%

Note: The 2010 population has been adjusted from the information provided by the 2010 Census because the Census Designated Place (CDP) for Shandon is larger than the Shandon URL.



### Population Highlights

In general, Shandon has a younger population than the county as a whole, with a significantly lower percentage of senior citizens. According to the 2010 U.S. Census, about 42% of Shandon's population was under the age of 25, while only about 7% of the population was over the age of 64. For the county as a whole, these age groups were about 34% and 15% of the population, respectively. The percentage of working-age residents (25 to 64 years old) is essentially the same as the county as a whole at about 51%. Knowing a community's age-distribution can aid the community in providing adequate services for the various age groups.

## 2.2 Economic Development

Historically, most businesses in Shandon have been agriculturally related. Although Shandon is served by a post office, an elementary school, a high school, a branch County library and two small markets, much of the community's business and service needs are not met locally. This is evident by the number of employees that commute out of Shandon each day and by the need to drive to Paso Robles or other communities to obtain basic commodities and services.

Based on the 2010 Census, 88.0% of Shandon's labor force was employed, which is virtually the same as the countywide figure of 87.9%. See table 2.5. Table 2.5 also shows that Shandon had a higher percentage of its population participating in the labor force than the county as a whole. As shown in Table 2.6 a significant portion of the Shandon labor force works out of town. Therefore, it is important for the Shandon Community plan to provide the opportunity for people to live and work in Shandon. This is done by providing the land use areas, public services and infrastructure to accommodate economic growth.

**Table 2.2 Labor Force Comparison**

	Labor Force in 2000*				Labor Force in 2010**			
	Shandon		SLO County		Shandon		SLO County	
Employment Status	Number	Percent	Number	Percent	Number	Percent	Number	Percent
In Labor Force	434	63.0%	116,869	58.3%	552	62.0%	132,997	59.0%
Employed	408	94.0%	109,669	93.8%	486	88.0%	116,949	87.9%
Unemployed	14	6.0%	6,911	5.9%	66	12.0%	15,716	11.8%
Not in Labor Force	255	37.0%	83,704	41.7%	338	38.0%	92,344	41.0%
Population over 16	689	100.0%	200,572	100.0%	890	100%	225,341	100%

Source: \*2000 Census of Population and Housing. \*\*Based on 2010 American Community Survey (ACS) for SLO County with estimates for Shandon (2010 ACS information for Shandon's labor force not available).

### Economic Development Issues

The economic development challenges facing Shandon residents include:

- High percentage of out-commuting by residents due to lack of jobs within the community
- Lack of shopping opportunities in Shandon
- Distance from the Highway 101 corridor
- Infrastructure costs
- Low population
- Lack of visitor traffic through the community and visitor-serving uses
- Lack of regional identity and agricultural tourism

### Employment

Of those Shandon residents who are employed, about 25% work within Shandon and about 75% of the population works outside of Shandon; of those, approximately 87% work within San Luis Obispo County and 13% outside of San Luis Obispo County. Table 2.6 shows that Shandon has a significantly higher amount of employees working out of town than the countywide figure.

Job	Shandon		SLO County	
	Number	Percent	Number	Percent
Work in County of Residence	438	90.2%	103,796	88.8%
Work in Town	109	24.5%	41,969	40.4%
Work out of Town	319	65.7%	61,827	48.4%
Work out of County of Residence	48	9.8%	13,153	11.2%
<b>Total</b>	<b>486</b>	<b>100.0%</b>	<b>116,949</b>	<b>100.0%</b>

Source: Based on 2010 American Community Survey (ACS) for SLO County with estimates for Shandon (2010 ACS information for Shandon's workers by place of work not available).

Table 2.7 shows the distribution of jobs by industry. Most of the jobs in Shandon are in agriculture (37%). Manufacturing at about 9% is second, slightly higher than services and retail. This differs from jobs in the county as a whole, of which only 3.3% are in agriculture and 6.7% in manufacturing. The county as a whole provides a wide range of jobs in education, healthcare, retail, and entertainment/recreation. Economic growth within Shandon will depend on future buildout of the community, which is expected to result in housing, goods and services for local residents.

<b>Table 2.4 Estimate of Workers by Industry</b>				
<b>Job</b>	<b>Shandon</b>		<b>SLO County</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Ag, Forestry, Fishing, and Hunting	180	37.0%	3,874	3.3%
Mining	5	1.0%	885	0.8%
Construction	24	4.9%	9,382	8.0%
Manufacturing	43	8.8%	7,791	6.7%
Wholesale Trade	7	1.4%	2,074	1.8%
Retail Trade	35	7.3%	15,981	13.7%
Transportation and Warehousing	8	1.7%	2,461	2.1%
Utilities	2	0.5%	1,804	1.5%
Information	2	0.5%	3,772	3.2%
Finance, and Insurance	3	0.6%	2,044	1.7%
Real Estate, and Rental and Leasing	2	0.5%	2,328	2.0%
Other Professional Services	27	5.6%	13,269	11.3%
Educational Services	31	6.4%	10,582	9.0%
Health Services	34	6.9%	14,876	12.7%
Ent. And Recreation	35	7.1%	13,722	11.7%
Public Administration	26	5.4%	7,015	6.0%
Other Services	21	4.4%	5,089	4.4%
<b>Total Industrial</b>	<b>486</b>	<b>100.0%</b>	<b>116,949</b>	<b>100.0%</b>

Source: Based on 2010 American Community Survey (ACS) for SLO County with estimates for Shandon (2010 ACS information for Shandon's workers by industry not available).

## Income

The estimated median household income in Shandon between 2005 and 2009 was about \$47,400 (U.S. Census Bureau, 2005-2009 American Community Survey). The cost of living is higher in other parts of the county, and for the county as a whole, the median household income between 2005 and 2009 was about \$55,500. During that time period, about 31.9% of the population was below the poverty line in Shandon, much higher than the 13.6% in San Luis Obispo County as a whole.

The housing market in the county has seen generally increasing values, despite a substantial decline in values after about 2006. According to the U.S. Census Bureau's 2005-2009 American Community Survey, the median home value in Shandon between 2005 and 2009 was \$264,100, while the median home value in the county as a whole during that period was about \$534,300. Comparing the median home values from the 2005-2009 American Community Survey to the 2000 Census, there was an increase in value of about 150 percent in Shandon (from \$105,900 to \$264,100) and about 130 percent in the county as a whole (from \$230,000 to \$534,300). In contrast, from 2000 to the period of 2005-2009, the median household income in Shandon increased by only about 35 percent (from \$35,000 to about \$47,400), while it increased by about 31 percent in the county as a whole (from 42,400 to about \$55,500). The increase in home values in recent years has made it increasingly difficult for very-low to moderate-income families to afford buying a home.

Income	Shandon		SLO County	
	Number	Percent	Number	Percent
Less than \$10,000	55	18.3%	6,568	6.4%
\$10,000 to \$14,999	0	0.0%	5,832	5.7%
\$15,000 to \$24,999	28	9.3%	10,669	10.4%
\$25,000 to \$34,999	26	8.6%	9,802	9.5%
\$35,000 to \$49,999	42	14.0%	13,666	13.3%
\$50,000 to \$74,999	114	37.9%	19,422	18.9%
\$75,000 to \$99,999	30	10.0%	12,629	12.3%
\$100,000 to \$149,999	3	1.0%	14,360	14.0%
\$150,000 to \$199,000	3	1.0%	5,232	5.1%
\$200,000 or more	0	0.0%	4,483	4.4%
Median Household Income (dollars)	\$47,404	X	\$55,555	X
<b>Total</b>	<b>301</b>	<b>100.0%</b>	<b>102,663</b>	<b>100.0%</b>

Source: U.S. Census Bureau, 2005-2009 American Community Survey

<b>Table 2.6 House Value - Owner Occupied</b>				
<b>Value</b>	<b>Shandon</b>		<b>SLO County</b>	
	<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
Less than \$50,000	2	1.0%	1,629	2.6%
\$50,000 to \$99,999	4	2.1%	1,263	2.0%
\$100,000 to \$149,999	6	3.1%	1,069	1.7%
\$150,000 to \$199,999	51	26.7%	1,680	2.7%
\$200,000 to \$299,999	49	25.7%	4,146	6.6%
\$300,000 to \$499,999	59	30.9%	18,989	30.2%
\$500,000 to \$999,999	20	10.5%	27,832	44.3%
\$1,000,000 or more	0	0.0%	6,186	9.9%
Median House Value (dollars)	\$264,100	X	\$534,300	X
<b>Total</b>	<b>191</b>	<b>100.0%</b>	<b>62,794</b>	<b>100.0%</b>

Source: U.S. Census Bureau, 2005-2009 American Community Survey

## 2.3 Population and Economy Policies

- PEP-1 Promote Shandon’s cultural advantages to attract prospective residents.
- PEP-2 Support private efforts to enhance Shandon’s downtown.
- PEP-3 Support the maintenance and enhancement of agricultural production in the surrounding area.
- PEP-4 Provide opportunities for appropriate commercial goods, services and employment in a timely manner to serve the growing population.
- PEP-5 Encourage development that provides a variety of housing types for all income levels.
- PEP-6 Foster a climate in which business can prosper, and actively promote economic development opportunities.
- PEP-7 Maintain a positive, small-business climate, and strengthen the County’s tax base by encouraging environmentally sensitive development with tax generation potential.
- PEP-8 Encourage cooperative distribution and marketing of products, either locally produced or locally consumed, and services that meet a local need.

- PEP-9 Promote agriculturally-related technology and opportunities for “back office” uses and specialty manufacturing.
- PEP-10 Enhance aspects of the community that help economic development and draw residents to Shandon, including small-town ambiance; educational, cultural, environmental, and recreational resources; and affordable housing.
- PEP-11 Encourage live-work arrangements.

## 2.4 Population and Economy Implementing Programs

PEIP-1 Support a coordinated approach to working with key industries for the purposes of targeted marketing (on a case-by-case basis) to retain or expand existing businesses, and attract new ones. Identify underrepresented industries that may be attracted to Shandon and actively recruit them. The following strategies should be considered in implementing this program:

1. Identify the types of existing and potential businesses that can succeed in Shandon.

Some of the types of businesses that provide goods or services to the local population have already been identified in the market study prepared by Mundie and Associates, November 2005. Other businesses provide goods or services to a much wider geographic area (possibly even international), bringing income into the county. These types of businesses have been called “tradable goods and services” by economist Bill Watkins in the 2009 San Luis Obispo County Economic Forecast by the University of California, Santa Barbara Economic Forecast Project. Shandon is positioned well for a number of business types related to surrounding agricultural operations, the adjacent major east-west State Route 46, proposed solar power generation facilities in California Valley, and nearby major fiber-optic cables that connect to an international network.

In light of these attributes, Shandon may be a good location for the following types of businesses (and possibly other underrepresented or unidentified industries):

- a. Local-serving retail and services (see market study prepared by Mundie and Associates, November 2005)
- b. Farm equipment and supplies
- c. Accounting and payroll services
- d. Agricultural processing, storage, and distribution
- e. Agricultural tourism
- f. Hotels or motels
- g. Water technology
- h. Transportation (trucking) and related businesses (along State Route 46)
- i. Small business incubator
- j. Medical and health care services
- k. Information technology and related businesses
- l. Energy technology and related businesses (especially those related to solar energy)
- m. Environmentally desirable businesses

2. Identify specific businesses consistent with the list above, both in Shandon and elsewhere, and interview them to solicit information about their needs in terms of sites, workforce, and other businesses they interact with.

This information can help identify potential adjustments to the Shandon Community Plan, determine whether these business types are appropriate for Shandon, and identify conditions under which they would consider locating or expanding in Shandon. These businesses are most likely located in the county or in the nearby portions of the Central Valley.

3. Ensure that adequate sites are designated (zoned) in Shandon for the above-referenced businesses.

Certain businesses will need access and visibility from State Route 46, whereas other businesses may need a pedestrian-friendly downtown where people can walk from one business to another. Some businesses will need larger sites than others. Other characteristics of sites important to specific types of businesses may be identified during the interviews conducted in strategy 2 above.

4. Minimize the cost and time associated with permitting requirements for preferred types of businesses.
5. Further reduce start-up costs for preferred businesses by using public financing to fully improve one or more sites for job-generating businesses.

Using a variety of public financing tools, the County should help construct basic infrastructure in advance of when private developers would request permits for the commercial buildings for which detailed planning was completed (under PEIP-2). This would provide a strong incentive for the preferred types of businesses to locate or expand in Shandon, since it would significantly reduce the time and cost associated with establishing a business.

6. Once the sites are entitled, market them to the targeted businesses.

Methods to market the sites should include some direct meetings with the businesses interviewed previously, meetings with real estate associations, and direct mail “invitations” to business and trade associations by regular mail and email. The invitations should also be sent to consultants that specialize in identifying sites for specific business clients. The Economic Vitality Corporation (EVC) may be able to help route these invitations to businesses on the EVC distribution list.

PEIP-2 Assist local merchants and business organizations interested in forming a business improvement district (BID) to promote a definable identity for Shandon’s commercial areas through coordinated signage and landscaping. Ultimately a BID could be responsible for on-going maintenance of landscaping, lighting, street furniture, and other amenities, as well as for other business district functions.

PEIP-3 Work with the school district, Cuesta College and Cal Poly to develop internship or mentoring programs for Shandon High School students that help prepare students for higher education and job training.

- PEIP-4 Establish a program such as “Shandon Community Marketplace” to connect local business needs with local products and services. This program should encourage all businesses and residents in Shandon to make purchases in the community whenever possible in order to support the local economy.
- Shandon businesses can “multiply” their profits by purchasing goods and services locally.*
- PEIP-5 Develop a weekly community farmer’s market that showcases local produce.
- PEIP-6 Promote cultural amenities and facilitate special events in the community that will draw visitors to the community.
- Potential events include a Shandon community artisans and crafts fair, events that promote local agricultural products, sporting events such as a rodeo, and other seasonal events that will attract visitors to the community.*
- PEIP-7 Explore financing plans for businesses seeking to locate or expand in Shandon for whom payment of fees “upfront” may represent a major financial burden.
- PEIP-8 Periodically survey the business community to determine their needs and suggestions for improving the local business environment.
- PEIP-9 Explore the potential for adjustments to development standards that allow for more efficient use of sites that are already developed for employment uses.
- PEIP-10 Promote, consistent with the Traffic and Circulation Chapter, public transportation opportunities in order to serve business areas and workers.
- PEIP-11 Encourage non-motorized means of transportation to and within business areas.
- PEIP-12 Encourage County investment in local infrastructure in order to attract private investment.
- PEIP-13 Through the use of Community Development Block Grants or other funding sources, the County, working with the community, should proactively prepare and process one or more of the following plans or entitlements in order to attract businesses and expedite the permit process:
- Specific plan for the Central Business District or other business area(s)
  - A downtown design plan (see LUNDIP-3 and Figure 3.1.4)
  - A model for land use permit applications
  - A Conditional Use Permit(s) for certain properties within commercial land use categories

The plan should contain a sufficient level of detail to lessen the extent of permit review for future land development proposals. This could include: preparing environmental review documents, site layouts, parking and circulation plans, drainage plans, architectural themes, and streetscape features. Design guidelines and standards must be consistent with the Shandon Community Plan.

These plans or entitlements should be prepared in phases for the community, since economic and environmental conditions can change within a few years after being approved. Once a site is so entitled by the County, construction permits could be obtained through a relatively quick ministerial building permit. Additionally, incentives such as deferred impact fees or adjustments to development codes may be appropriate.

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