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**Ideas + Action for a Better City**

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#HousingCA



#CAECONOMY.ORG

# 2017

# CALIFORNIA ECONOMIC SUMMIT



# 1M HOMES CHALLENGE

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## **The problem: A statewide housing shortage**

- 1/3<sup>rd</sup> of renters spend more than half their paychecks on rent
- Homeownership rates at their lowest point since 1940s
- CA is home to 22% of nation's homeless
- \$140 billion in economic activity lost each year to high cost of housing

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## The goal: Increase housing affordability

- **Increase supply of housing** for all Californians (through fiscal incentives connected to local regulatory reforms)
- **Increase accountability for jurisdictions** that don't adequately plan for housing

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## The Summit's “all of the above” strategy:

1. **Production incentives** for local agencies that approve new housing
2. **Program investments** that promote affordability
3. **Regulatory incentives** that reduce costs
4. **Stronger planning, regulatory statutes**
5. **Increased enforcement** of approvals and permitting

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## The HCD Assessment and the Administration's housing “principles”

- 1. Streamline housing construction** by reducing local barriers
- 2. Lower per-unit costs**
- 3. Production incentives** for jurisdictions that meet or exceed housing goals
- 4. Accountability and enforcement** of existing, strengthened housing laws
- 5. No impact on General Fund**

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## Environmental/labor/equity coalition “housing concept”

1. **\$100m fund to update local plans**
2. **Consistency with AB 32 implementation**
3. **Linkage of transportation funds, housing**
4. **Permanent funding source** on scale of redevelopment
5. **Better enforcement** of existing housing laws, incentives for cities to build
6. **Streamlined permitting** for certain projects (prevailing wage, infill areas, already undergone environmental review)

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## **Areas of general agreement:**

- **Production incentives**
- **Streamlined permitting**
- **Better enforcement**

## **Areas of disagreement:**

- **Definitions of infill (i.e. where to build)**
- **How to reduce cost**
- **Prevailing wage**
- **Union labor**



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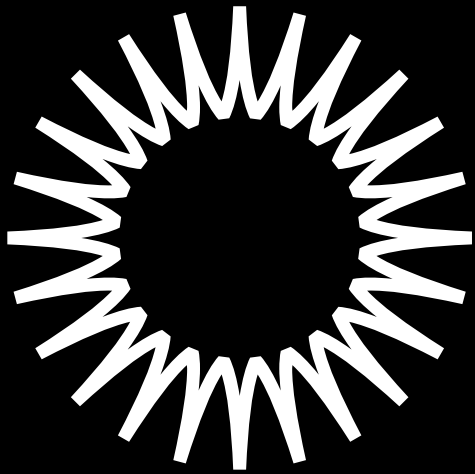
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## Where to go from here?

### Legislative subjects likely to include:

- **Permanent source of state funding for housing development.**
- **Production incentives (linked to infrastructure obligations)**
- **Reduce development costs**
- **Strengthen statutes for planning & zoning and for local housing elements/RHNA**
- **Review, strengthen enforcement methods**



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