

Where We Are: Housing Crisis!

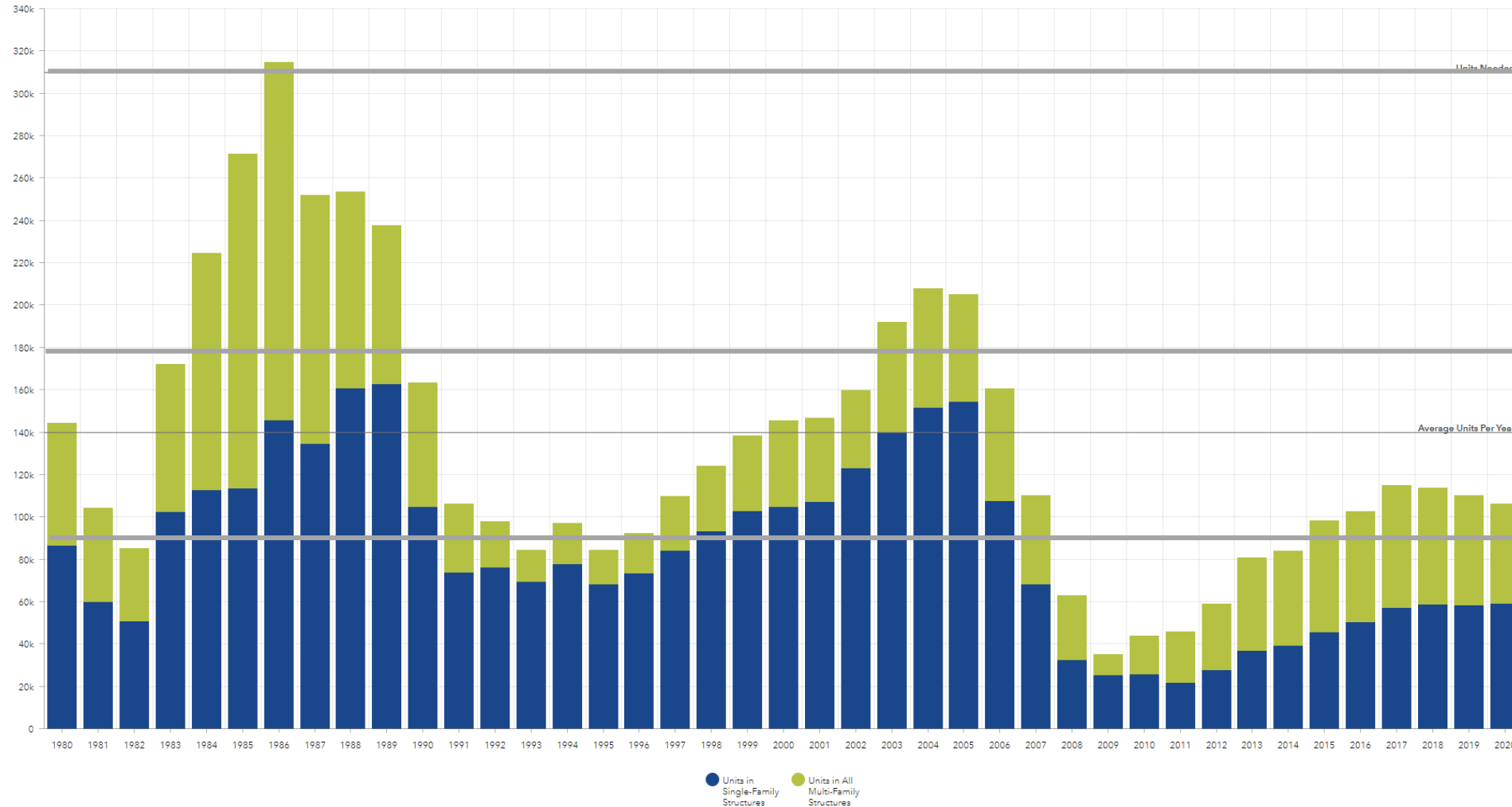
- Over 180K homeless
- Over 80% of low-income households are “rent burdened”
- Home prices ~\$800K (affordable to top 18%)
- Existing deficit: 1.5M – 3.5M

How We Got Here: Demand > Supply

- Demand is high
- Supply is constrained:
 - Hard to Build “Out”
 - Hard to Build “In”
 - So Many Ways to Get to “No”
 - Not enough/inconsistent \$\$\$
 - Not enough workers

Where We Are: Decline in Production

New Units Permitted in California by Year and Structure Type



Units Needed to Make Up Deficit by 2030

“Break Even”

Average Units/Yr (2010-2020)

How We Got Here: Demand is High

- Weather
- Natural Amenities
- Culture
- Jobs!
 - 8 million in the past 40 years
 - 3 million in from 2010-2020

How We Got Here: Supply is Constrained

- Cities control zoning
- Cities limit land zoned for housing:
 - Fiscal policy
 - Local politics

How We Got Here: Supply is Constrained

So Many Ways to Get to “No”

- Entitlement Process
 - Typically: many decision makers, lack of clarity, expensive process
 - Each city: unique policies, process, players
- Environmental Regulation (CEQA)
 - Presumes no development is good
 - Empowers everybody to delay projects

How We Got Here: Supply Is Constrained

Not Enough \$\$\$

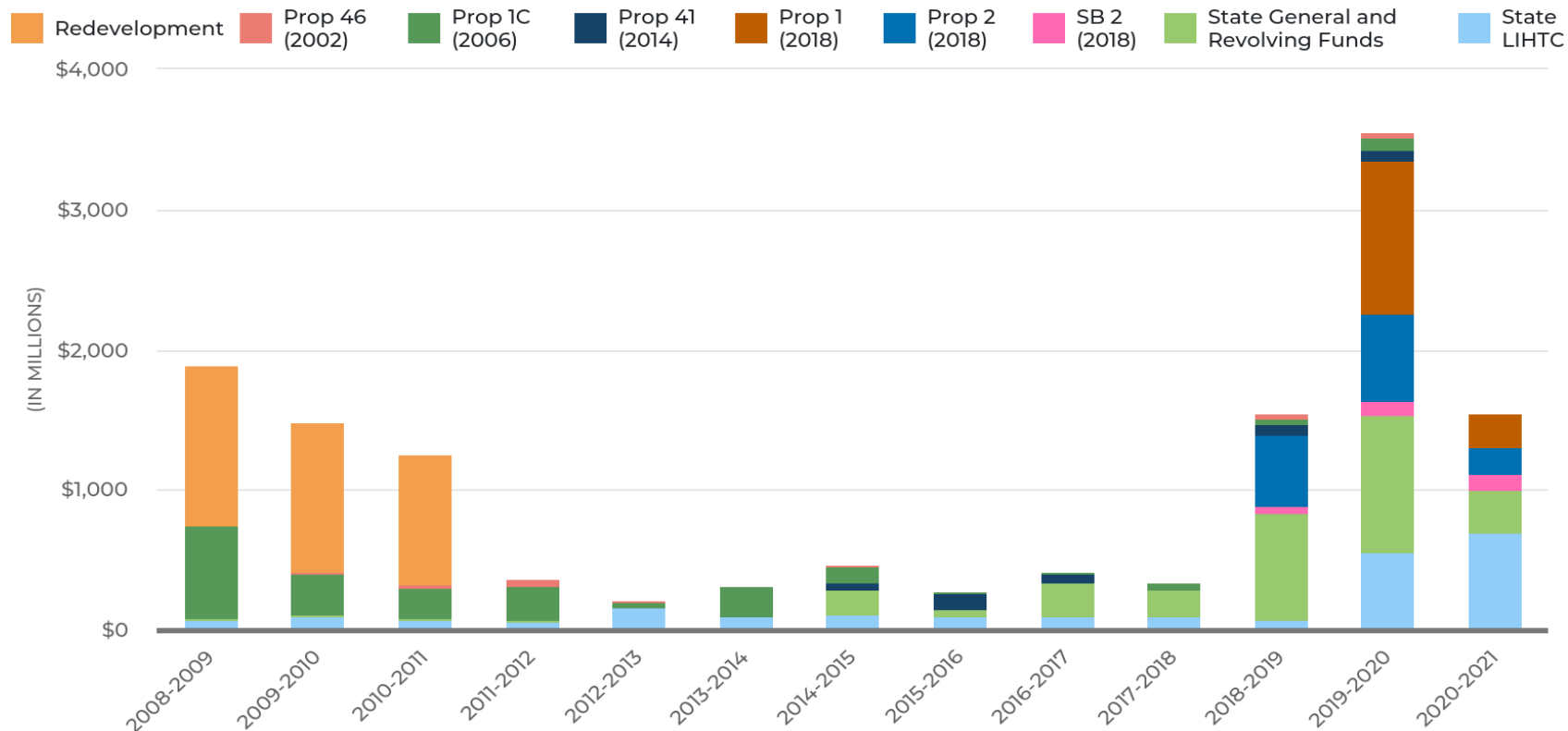
- Funding well short of need (~\$18B-\$20B/yr)
- Loss of Redevelopment
- Little federal \$

How We Got Here: Supply is Constrained

Inconsistent \$\$\$

STATE FUNDING

| State housing investments from FY 2008-09 to FY 2020-21.



How We Got Here: Supply is Constrained

Not enough



- Workforce right-sized to industry
 - Pre-2008: > 200k
 - Now: ~100k
- Lower pay, lower skill

What We've Done: A LOT

2014/2015	2016	2017	2018	2019	2020	2021	2022
AB-744 (Chau) SB 628 (Beall)	AB-1934 (Santiago) AB-2299 (Bloom) AB-2406 (Thurmond) AB-2584 (Daly) SB-1069 (Wieckowski)	AB-72 (Santiago) AB-73 (Chiu) AB-494 (Bloom) AB-571 (Eduardo Garcia) AB-678 (Bocanegra) AB-932 (Ting) AB-1397 (Low) AB-1505 (Bloom) AB-1515 (Daly) AB-1521 ((Bloom) SB-2 (Atkins) SB-35 (Wiener) SB-166 (Skinner) SB-167 (Skinner) SB-540 (Roth)	AB-686 (Santiago) AB-1771 (Bloom) AB-2162 (Chiu) AB-2923 (Chiu) AB-3194 (Daly) SB-828 (Wiener) SB-1226 (Bates) SB-1227 (Skinner) SB-1380 (Mithchell)	AB-68 (Ting) AB-101 (Comm. on Budget) AB-430 (Gallagher) AB-587 (Friedman) AB-670 (Friedman) AB-671 (Friedman) AB-881 (Bloom) AB-1010 (Eduardo Garcia) AB-1197 (Santiago) AB 1482 (Chiu) AB-1485 (Wicks) AB-1486 (Ting) AB-1487 (Chiu) AB-1763 (Chiu) AB-1783 (Robert Rivas) SB-13 (Wieckowski) SB-329 (Mitchell) SB-330 (Skinner) SB-744 (Caballero)	AB-83 (Comm. on Budget) AB 434 (Daly) AB-725 (Wicks) AB-2345 (Gonzalez) AB-2553 (Ting) AB-3088 (Chiu)	AB-215 (Chiu) AB-345 (Quirk-Silva) AB-362 (Quirk-Silva) AB-491 (Ward) AB-571 (Mayes) AB-721 (Bloom) AB-816 (Chiu) AB-832 (Chiu) AB-977 (Gabriel) AB 1220 (L. Rivas) AB-1398 (Bloom) AB-2179 (Grayson) SB-8 (Skinner) SB-9 (Atkins) SB-10 (Wiener) SB-290 (Skinner) SB-478 (Wiener) SB-791 (Cortese)	AB-682 (Bloom) AB-2011 (Wicks) AB-2097 (Friedman) AB-2221 (Quirk-Silva) AB-2234 (Robert Rivas) AB-2295 (Bloom) AB-2334 (Wicks) AB-2339 (Bloom) AB 2843 (Maienschein) AB-2653 (Santiago) SB-6 (Caballero) SB-897 (Wieckowski) SCA-2 (Allen)

What We've Done: Increased How Much Can Built

RHNA and Local Zoning:

- Planning for 2.5M units (6th cycle)
- Up from 1.1M units (5th cycle)
- Require housing in high-opportunity areas

State Override of Local Zoning:

- ADUs
- SB 9
- AB 2011/SB 6

What We've Done: Made It Easier to Get to "Yes"

With Cities:

- Housing Element
- Housing Accountability Act (HAA)
- Enforcement

State-mandated by right approval:

- ADUs
- AB 2162
- SB 35/SB 423
- AB 2011

What We've Done: Increased \$ for Affordable Housing

- SB 2 – permanent source/ SB 3 Housing Bond
- Local funding efforts (bonds, taxes)
- State GF
- \$500 Million for LIHTC
- Over \$11 B in GF (2021-22)

What We've Done: Better Approaches to Homelessness

- Implement best practices (housing first)
- Increase state coordination (HDIS, Cal ICH)
- Increase local coordination (HHAP)
- Increase funding
- Increase focus on prevention (ERAP)
- Increase oversight

What We've Done: Better Working Conditions for Construction Workers

Use the carrot approach by giving multi-family housing developers special benefits if they use “high road” labor standards (SB 35, AB 2011, SB 6, SB 423)

What We've Done: Protect Tenants

- Establish rent caps and just cause eviction protections (AB 1482)
- Provided \$B in emergency rental relief

What's Next: Production

- Enforce! (local rezoning, HE programs, HAA)
- Perfect (AB 2011)
- Affordable housing: fund affordable housing build counter-cyclically
- Market-rate: wait for market conditions to re-align

What's Next: Affordable Housing

- AB 1657 (Wicks) - \$10 Billion Bond for state affordable housing programs
- AB 3160 (Gabriel) – Makes \$500 million of Low Income Housing Tax Credits Permanent
- ACA 1

What's Next: Homelessness and Tenants

- Proposition 1 Funding
- Implement and Enforce
- HHAP Round 5