



**California's Housing Future:**  
Challenges and Opportunities  
Public Draft



# California's Housing Future: Challenges and Opportunities

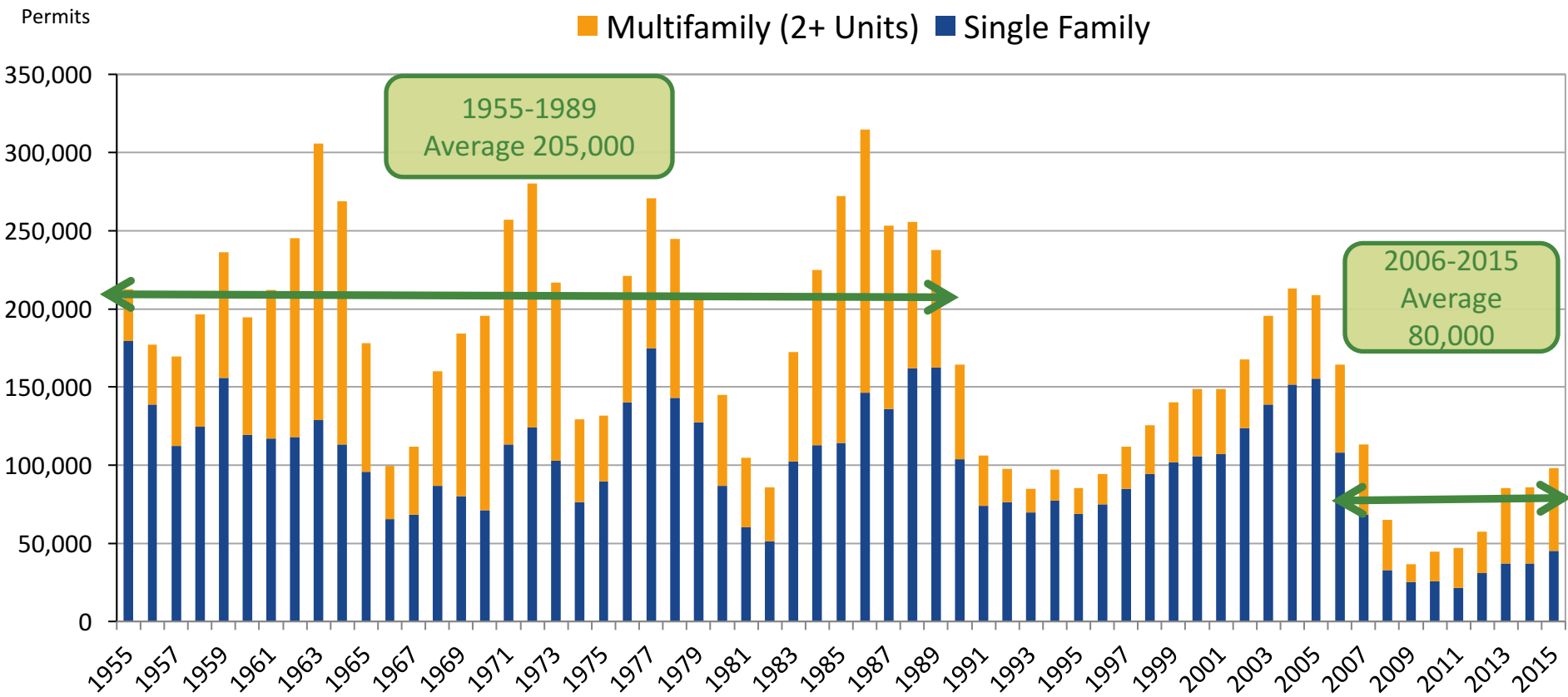
## The Draft Statewide Housing Assessment 2025





# Production Not Keeping Pace With Projected Need 180,000 new homes needed annually

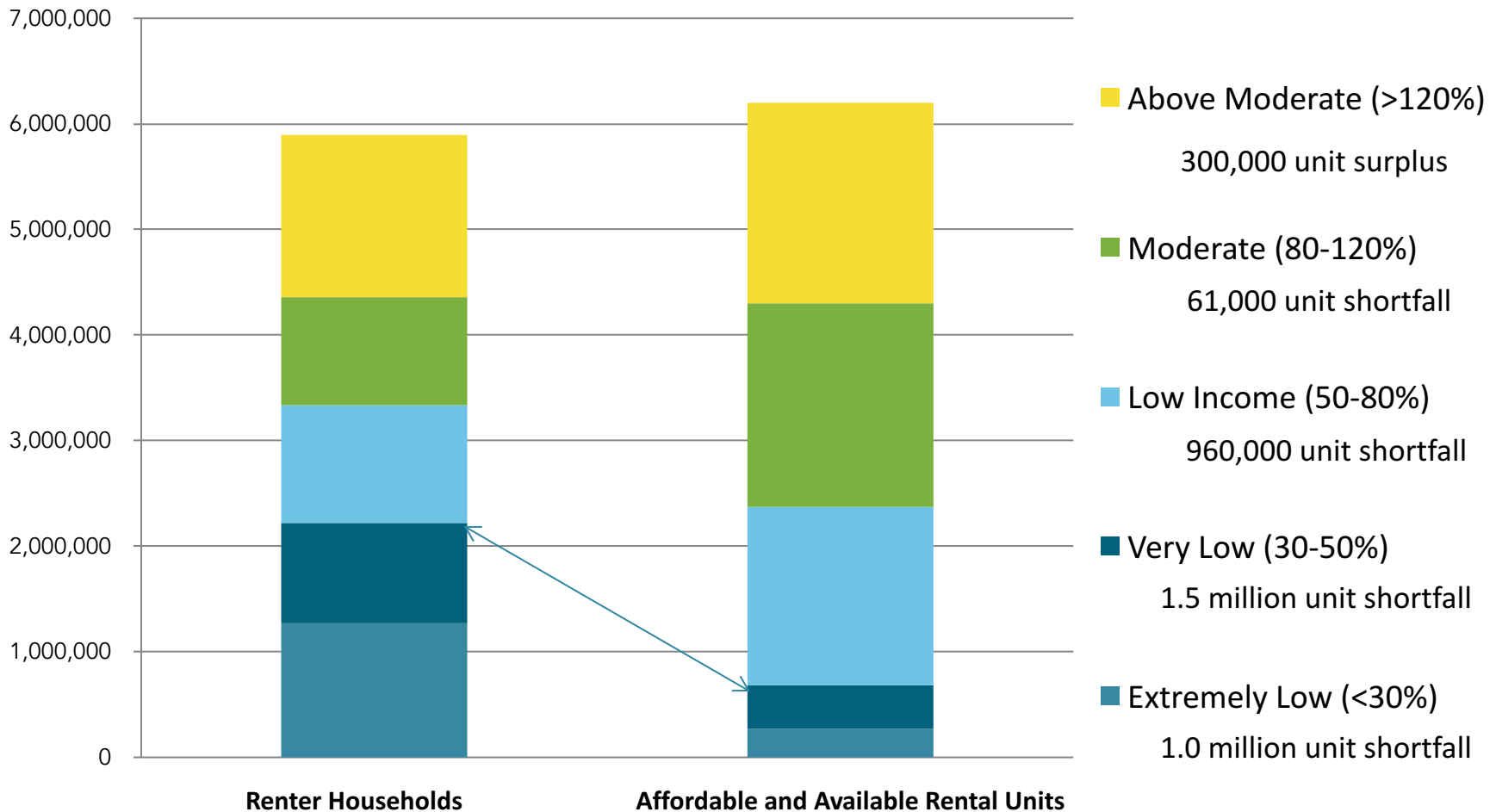
Annual New Housing Permits 1955-2015



Source: Construction Industry Research Board/California Homebuilding Foundation Reports 2005, 2013, 2015; Graphic by HCD



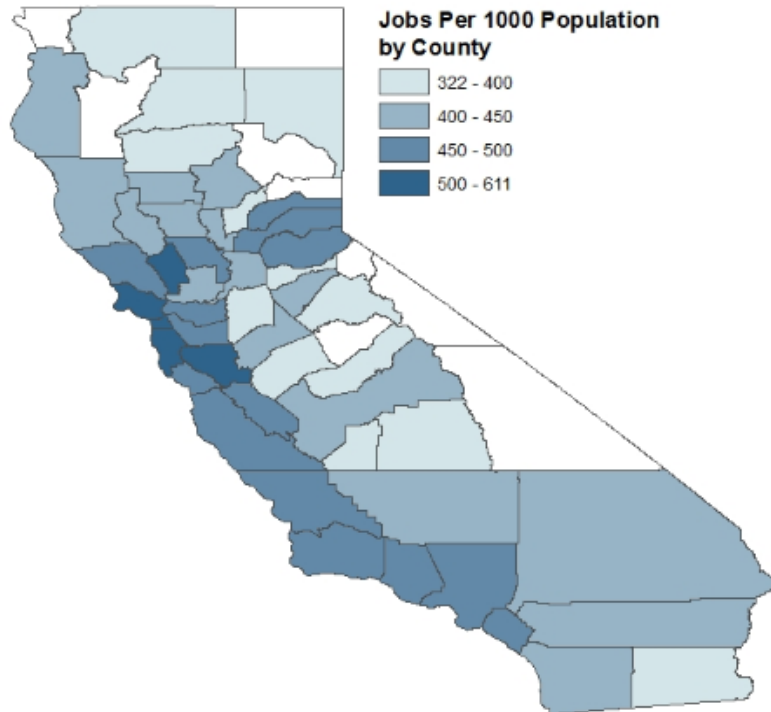
# Renter Households in Greatest Need Outnumber Affordable Rentals (2:1)



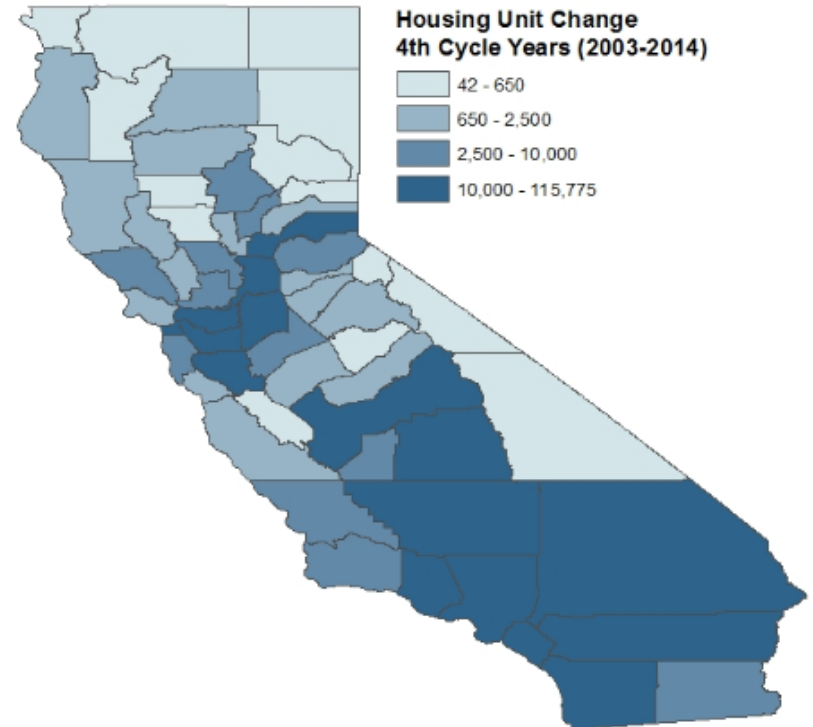


# Counties with High Job Availability Experienced Lower Housing Production

Job Availability



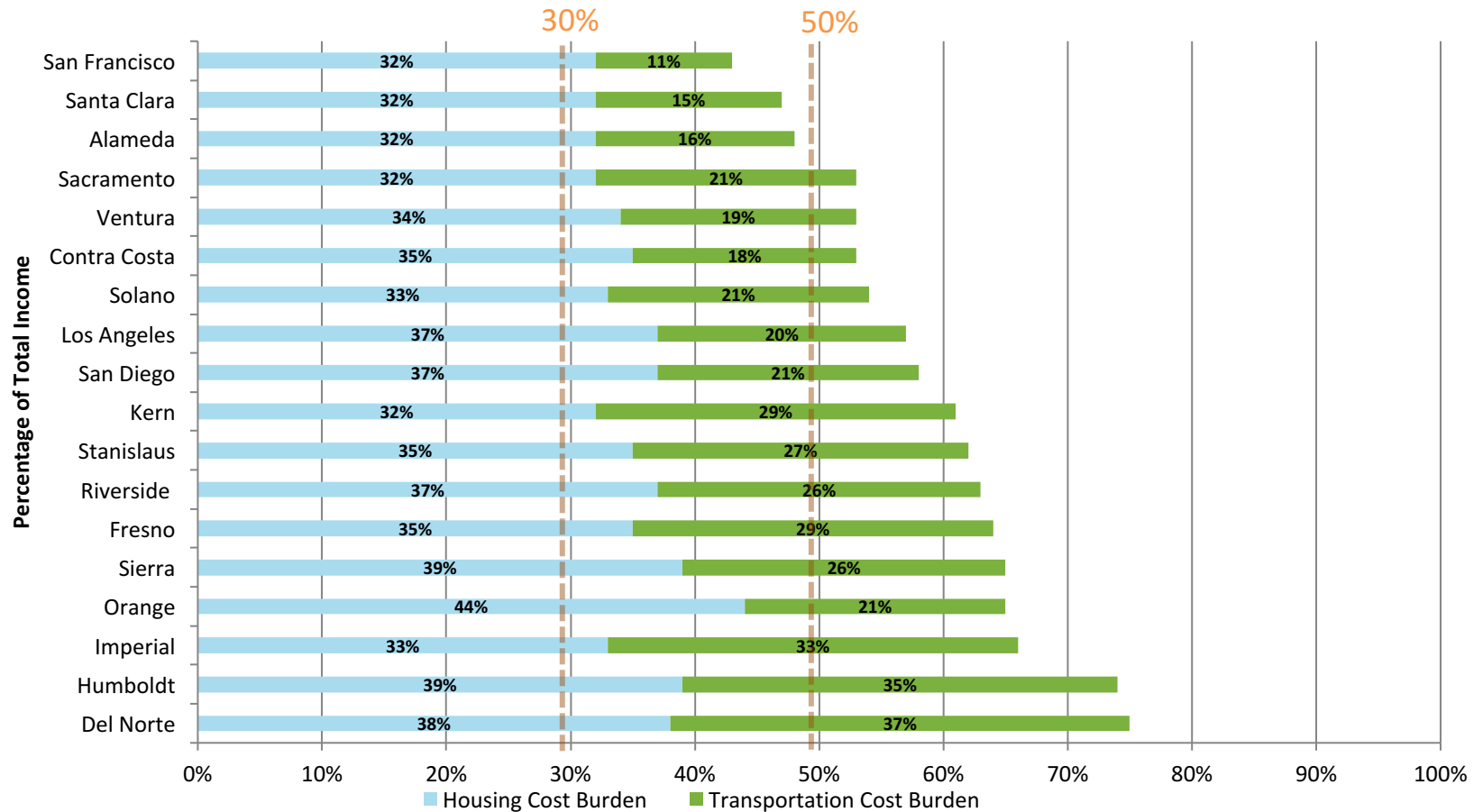
4<sup>th</sup> Cycle Production



**Sources:** *Population:* U.S. Census Bureau, Population Division, 2015 Population Estimates. *Labor Force Estimates:* State of California Employment Development Department 2015 Labor Force by County, note counties with labor forces under 10,000 were excluded from the map. *Housing Unit Change:* DOF E5 Population and Housing Estimates for Cities, Counties, and the State; E8 Historical Population and Housing Estimates for Cities, Counties, and the State.



# Housing and Transportation Cost Burdens Throughout California



Source: Center for Neighborhood Technology, Housing and Transportation Index, Average Percent of Income Spent on Housing and Transportation for Selected Counties. Graphic by HCD.



## High Housing Costs and Needs Have Consequences

- **Economy:** Lack of housing supply costs the California economy \$140-\$233 billion dollars annually.
- **Economic Mobility:** Children that grow up exposed to poverty have a greater chance of lower economic mobility later in life.
- **Health:** Housing instability negatively impacts mental and physical health, and providing housing can lower public health and social services costs.
- **Education:** Children experiencing housing instability experience reduced academic outcomes.



## Some Recent Gains

### **STATE:**

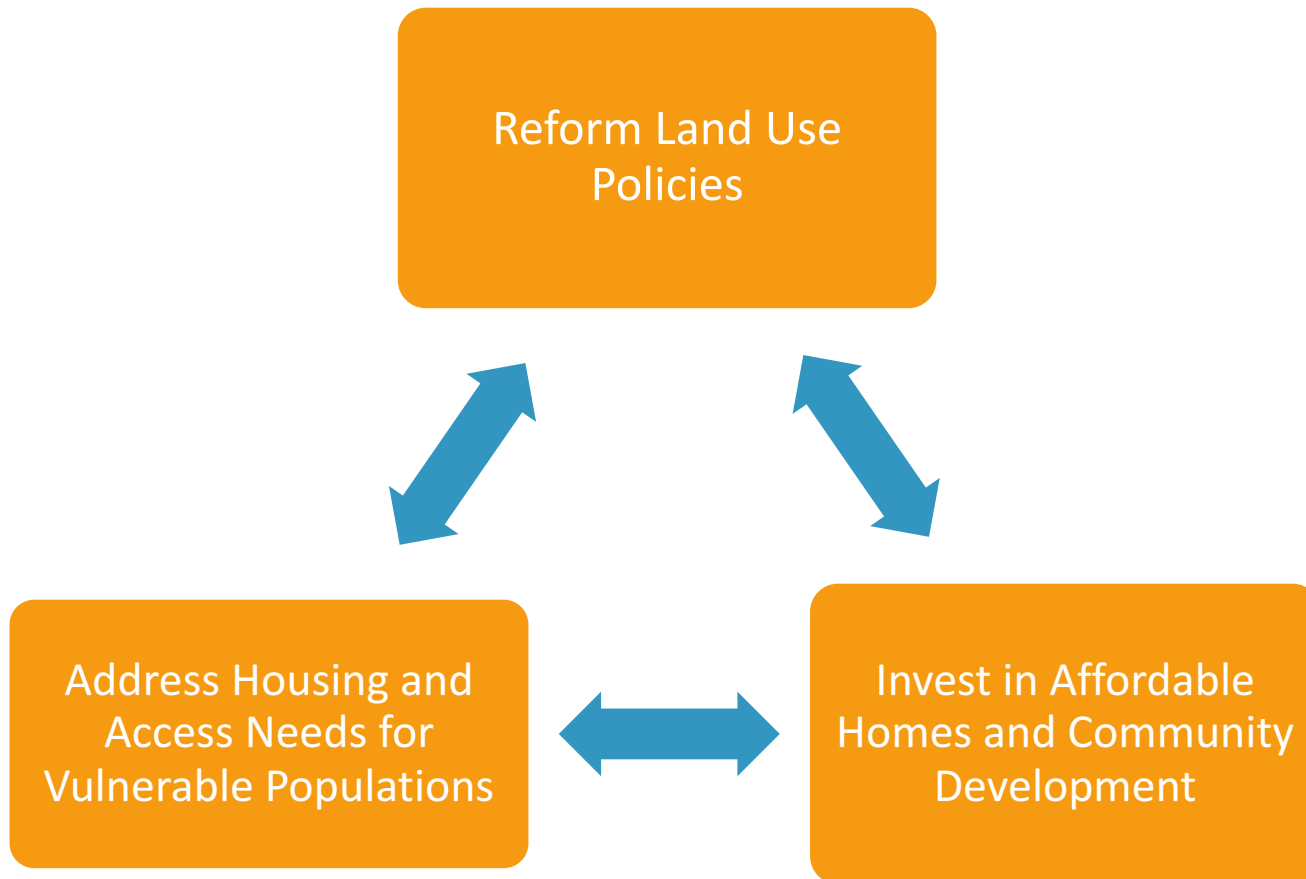
- ✓ “No Place Like Home” program created, \$2 billion in bonds authorized for permanent supportive housing.
- ✓ \$600 million for the Veterans Housing and Homelessness Prevention in 2014.
- ✓ 20 percent of Greenhouse Gas Reduction Fund revenues to fund the Affordable Housing Sustainable Communities Program, with at least half of the funds for affordable housing.
- ✓ Legislation to streamline the approval of Accessory Dwelling Units

### **LOCAL:**

- ✓ \$2.7 billion in local bonds, along with two local sales tax increases for affordable housing.



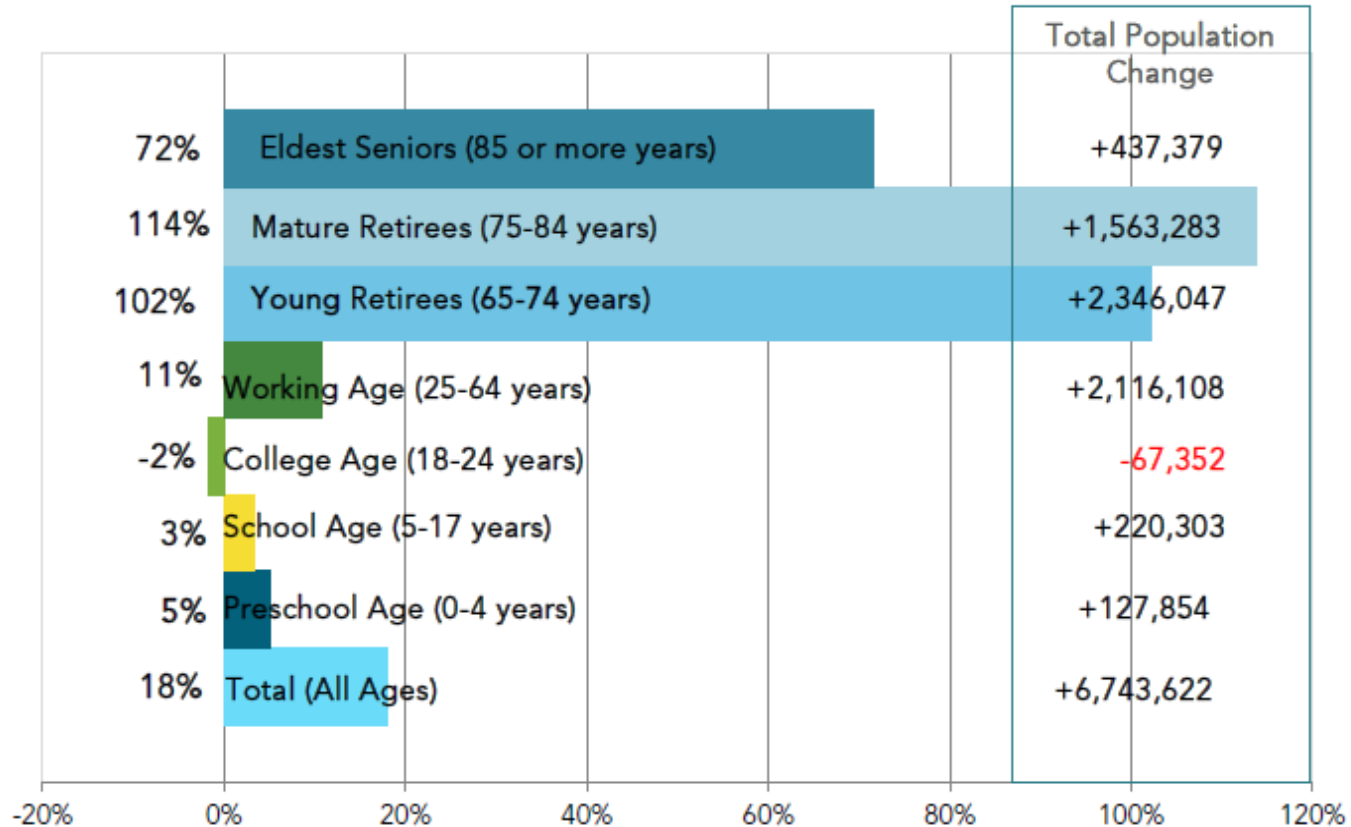
# Potential Options to Address California's Housing Challenges







# California's Aging Population 2010 - 2030



Source: State of California, Department of Finance, Report P-1 (Age): State and County Population Projections by Major Age Groups, 2010-2030. December 2014. Graphic by HCD.



# Governor's Principles for Comprehensive Housing Package

Streamline  
Housing  
Development

Lower Per-  
Unit Cost

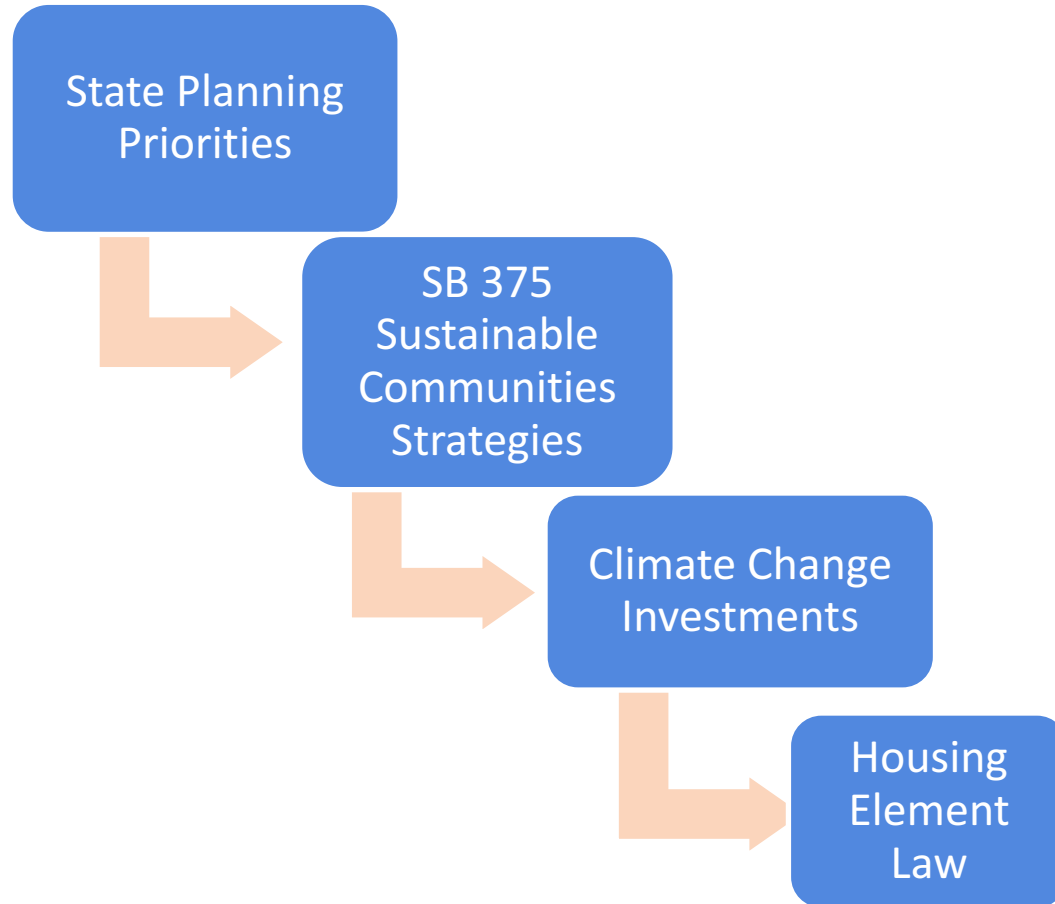
Production  
Incentives

Accountability  
and  
Enforcement

No Impact to  
the General  
Fund



# Local Government Commission Leadership





# COG Allocates RHNA

## Housing Element Land Inventory Must Accommodate RHNA

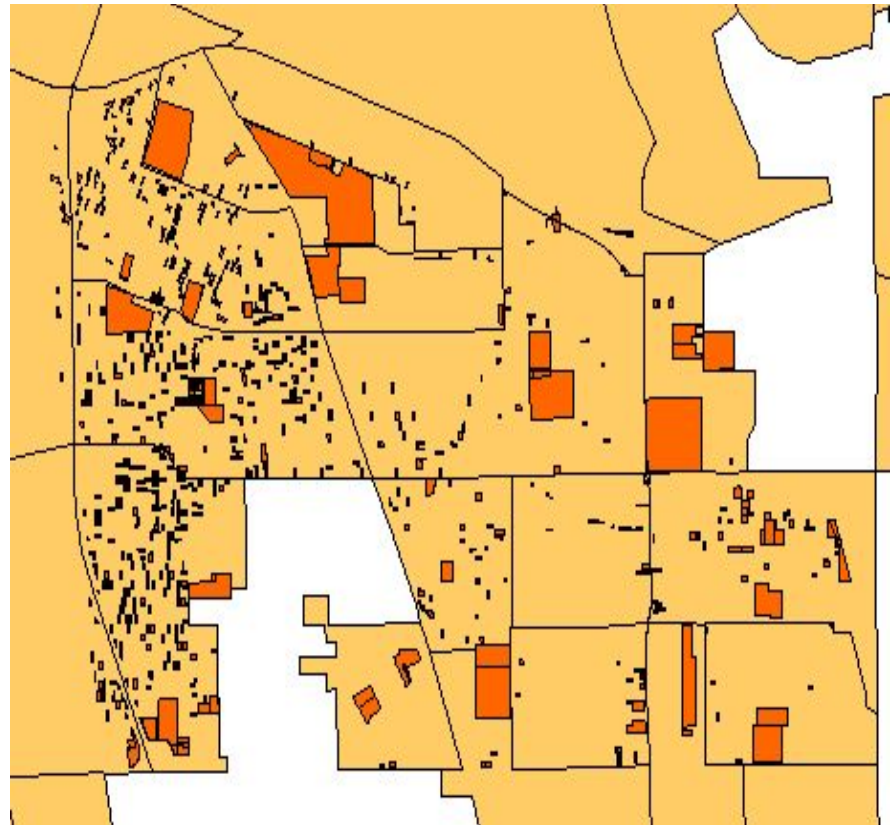
**Must identify current & proposed sites for residential development within the planning period, which include, e.g.:**

**Recycled infill sites**

**Undeveloped sites**

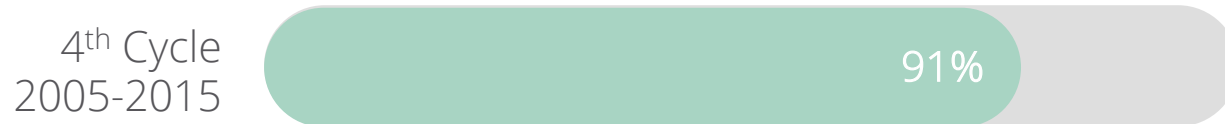
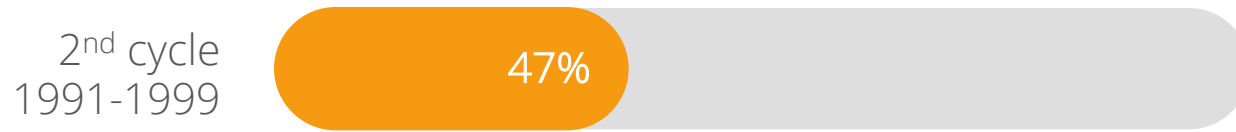
**Mixed uses, Transit Oriented Development**

**Preservation with committed assistance**





## Housing Element Compliance by Planning Cycle

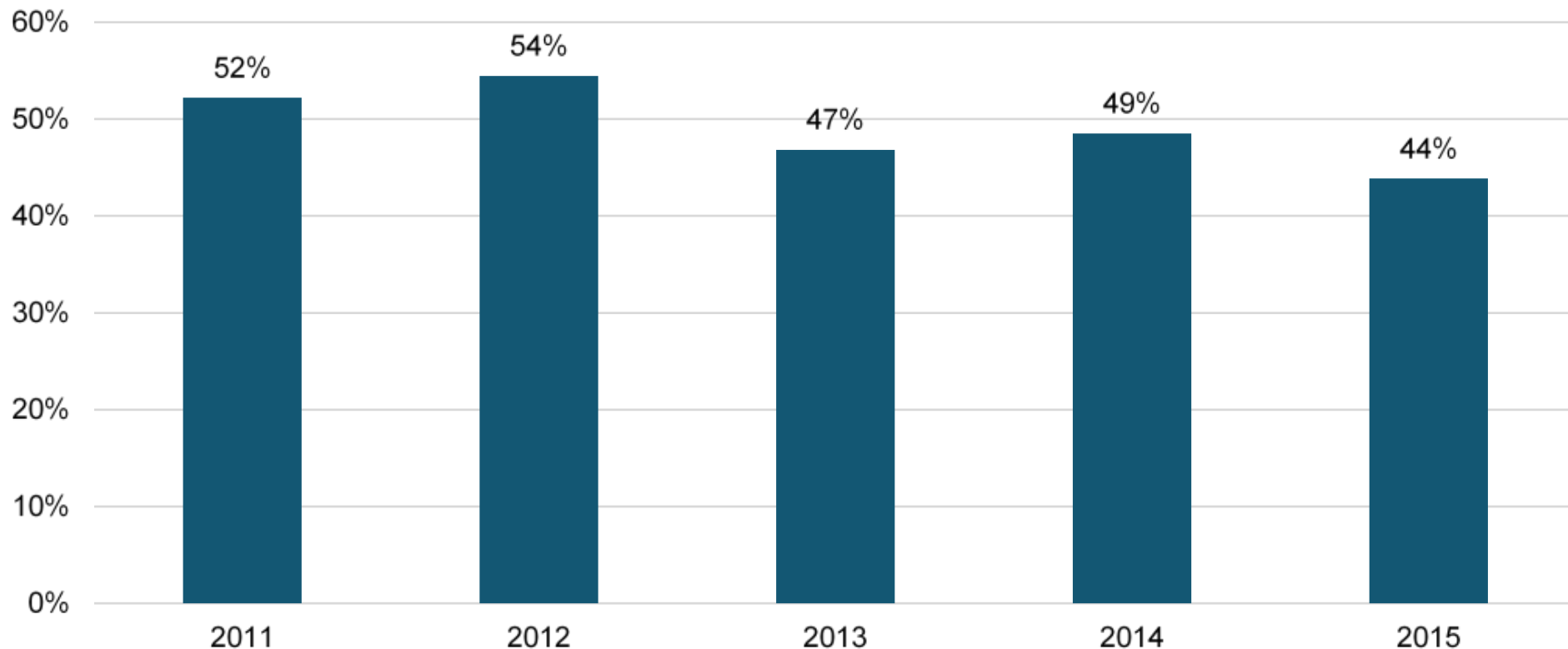


86% Achieved in  
approximately 1/3 the  
time as in 4<sup>th</sup> Cycle



# Annual Progress Report Compliance

Percent of Jurisdictions Submitting APRs (2011-15)



# Questions and Discussion

