ONE MILLION MORE HOMES

With supply falling far below demand, California needs to build one million more homes for low- and middle-income Californians in the next 10 years.

With half of California households now struggling to rent or buy a home in their communities—and with an estimated $140 billion in economic activity being lost each year to the high cost of housing—the Summit has spent the year working to build a coalition that can increase the supply, and reduce the price, of the homes California’s growing population needs to prosper.*

This effort has focused on promoting an “all of the above” solution to the state’s housing crisis, expanding resources for subsidized affordable housing, while also increasing production of market-rate housing near jobs and transit.

After hosting a series of convenings with housing stakeholders in 2016, the Summit has identified the major elements of a policy framework on the scale needed to address California’s housing shortage. The Summit will share these ideas with the Administration and work with a coalition of builders, housing advocates, equity groups, environmentalists, and local government leaders to move them into the Legislature in 2017.

THE VALUE: INCREASING THE SUPPLY OF HOUSING NEAR TRANSIT AND JOBS

The Summit will be successful when:

- **Housing affordability improves** for all Californians
- **More housing is built near jobs and transit**, reducing traffic and achieving state climate goals
- **More low-income households have a safe place** to call home
- **Infrastructure costs are reduced** through expanded use of new financing tools

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LINKING LEADERS AND SOLUTIONS

Some of the organizations that participated in the Summit’s 2016 housing convenings:

- Bay Area Council
- California Building Industry Association
- California Department of Finance
- California Department of Housing & Community Development
- California Housing Consortium
- California Housing Finance Agency
- California Housing Partnership Corporation
- California League of Cities
- California League of Conservation Voters
- California State Association of Counties
- California Tax Credit Allocation Committee
- California Urban Partnership
- East Bay Leadership Council
- Housing California
- Kennedy Commission
- Monterey Bay Economic Partnership
- Natural Resources Defense Council
- Northern California Carpenters Regional Council
- The Nature Conservancy
- The Pacific Companies
- Planning & Conservation League
- Rural County Representatives of California
- Sacramento Area Council of Governments
- San Diego Housing Commission
- San Francisco Council on Community Housing Organizations
- Silicon Valley Leadership Group
- Southern California Association of Governments
- SPUR
- The Two Hundred
- USA Properties
- Western Center on Law & Poverty
The Summit will support efforts to promote these major elements of an “all of the above” housing package:

**Fiscal Incentives to encourage all types of housing near jobs and transit**

**Identify funding:** To fund three types of incentives outlined below, a combination of new and existing revenue streams will be needed. These include the following, among other options:

- A new permanent revenue source for housing (e.g. document recording fee proposed in SB 2, Atkins)
- Additional existing state resources (e.g. General Fund, cap & trade, tax credits, etc.)
- A new General Obligation bond for housing

**Production incentives for eligible projects, RHNA progress**

The state should tap a portion of new revenue (e.g. doc recording fee) to fund a set of property tax incentives for local agencies that approve new housing. These incentives should be offered to jurisdictions that:

- Approve certain types of “eligible projects” (e.g. infill development with a percentage of below-market units and anti-displacement provisions)
- Qualify as “High-Performing” by making progress toward overall Regional Housing Needs Allocation (RHNA) targets

**Program investments that promote affordability**

The state should fund successful state and local programs that promote affordability and increase housing supply, especially for low-income households. These should include:

- A new General Obligation bond, with a portion of funding targeted at infrastructure associated with infill affordable housing
- Investments in successful state housing programs (e.g. HCD Multifamily Housing Program)
- Expansion of state low-income housing tax credits
- Other programs that support the homeless and increase access to rental housing and homeownership opportunities for lower-income and working families

**Regulatory incentives that reduce housing costs and accelerate development**

The state should offer incentives to jurisdictions that change local regulations to reduce costs and accelerate all types of housing development. Examples include:

- Accelerated land use approvals (e.g. avoiding lengthy CEQA delays, form-based zoning, etc.)
- State match for jurisdictions that create local Housing Trust Funds
- State match for communities that reduce or cap impact fees for housing-related infrastructure
- Grants for General Plan, zoning updates (e.g. reduced parking requirements)

Cost cutting measures could be paired with a set of “best land use practices” for protecting residents, with tiered incentives provided to jurisdictions that adopt more of them. Examples include:

- Anti-displacement provisions
- Inclusionary housing thresholds
- Prevailing wage elements

**Increased accountability to ensure jurisdictions support adequate housing development**

**Strengthen planning and regulatory statutes:**

The state should strengthen existing laws—and enforcement—to increase compliance for all types of housing. This includes, for example:

- Enforce existing no net-loss requirements and strengthen to include affordability
- Establish mechanisms to enforce all existing affordable housing laws (density bonus, least cost housing, housing element law, etc.)
- Other statutory changes

**Improve approval and permitting rules, increase enforcement:**

The state should also strengthen accountability for jurisdictions that fail to approve or permit adequate affordable and market-rate housing.

- **Housing Accountability Act:** The Attorney General should increase enforcement of existing law. The law should also be strengthened.
- **State appeals board:** The state should consider creating a new administrative appeals board empowered to resolve conflicts when local agencies deny projects.
- **Accelerated approvals:** Some form of streamlined approval could be required for jurisdictions that disapprove housing consistent with local plans.