



# A Summary of Stakeholder Viewpoints and Potential Policies to Address Barriers to Building More Homes in California

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The views and opinions expressed in this report do not necessarily reflect that of the author, the author's organization, the Assembly Members or any Federal, State or Local governments or agencies.



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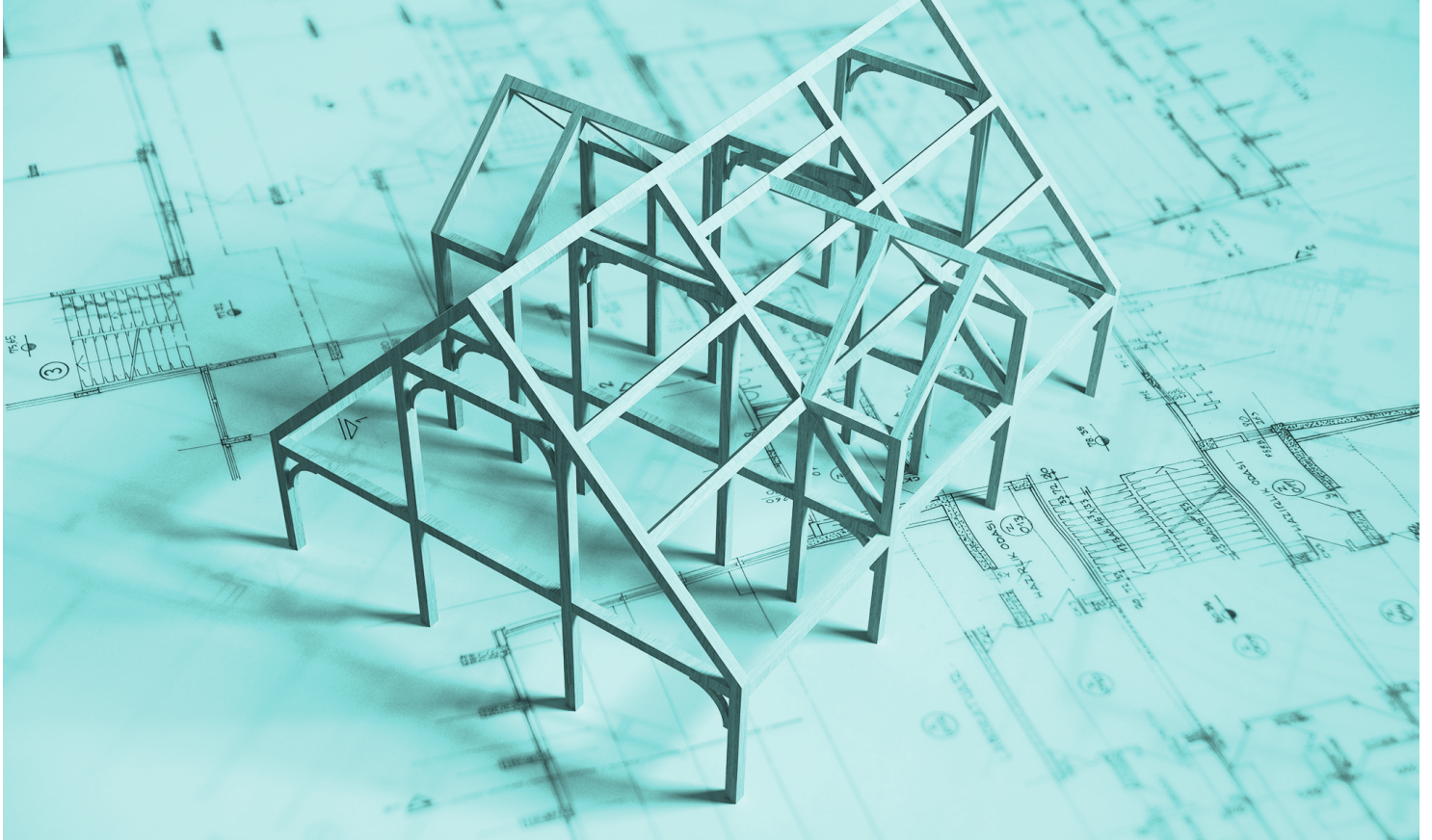
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# Abbreviations

<b>ADU</b>	Accessory Dwelling Unit
<b>CEQA</b>	California Environmental Quality Act
<b>NOAH</b>	Naturally Occurring Affordable Housing
<b>SB</b>	Senate Bill
<b>VMT</b>	Vehicle Miles Traveled



## Introduction

The California Assembly Housing Working Group was established to broadly examine issues related to housing production. In September 2021, the Assembly Housing Working Group announced a statewide series of regional roundtables. The ‘Housing Tour’ sought to examine barriers and explore solutions to California’s housing production and affordability crisis. After listening to stakeholders knowledgeable in housing development, tenant protections, and homeownership, the Housing Working Group is uniquely positioned to formulate new, innovative solutions to California’s housing crisis.

The Working Group held discussions in the Bay Area, Central Coast, Central Valley, Los Angeles Area, Inland Empire, Orange County, San Diego, and Butte County with local experts, policymakers, and a wide variety of housing stakeholders to inform policy ideas that the Working Group may want to pursue in 2022. Across all the sites, twenty-eight Assembly Members attended. Those members are: Arambula, Bauer-Kahan, Bloom, Boerner Horvath, Bonta, Bryan, Cervantes, Chiu, Dahle, Friedman, Gabriel, Gallagher, Grayson, Lackey, Levine, Maienschein, Muratsuchi, Nazarian, Petrie-Norris, Quirk-Silva, Reyes, L. Rivas, R. Rivas, Rodriguez, Santiago, Ting, Ward, and Wicks.

The Housing Working Group is uniquely positioned to formulate new, innovative solutions to California’s housing and affordability crisis.

Drawing on the expertise of the participating stakeholders, the current report provides a strategic guide to addressing the housing crisis. The policy ideas outlined in this document are proposed by stakeholders and are focused on a goal of increasing overall housing supply and long-term affordability of rental and for-sale properties. This report is not intended to replace coalition building or additional stakeholder input. Ultimately, any legislative package will be a combination of member-initiated and sponsor-driven legislation. As such, this report should be viewed as a starting point for further discussion and collaboration between these groups. This report should be used as informational material that policymakers and stakeholders can use to facilitate discussions, and to develop future legislation to address the housing crisis.



# Method

From September 27 through November 16, 2021, ten Assembly Members held regional meetings and site visits to better understand the challenges and potential solutions to address California’s housing crisis. The members had extensive experience with different substantive housing issues and well-developed relationships with existing and potential sponsors of policy. Members organized tours in their respective districts to gain perspective about the challenges and successes that are similar and unique to each region.\* Ideas that emerged from the housing tour have been summarized and explained in this report to provide information for future housing legislation. Table 1 provides a list of the housing tour locations.

Before the meeting, each Assembly Member developed an agenda that included a panel with key stakeholders, a roundtable discussion, and a site visit designed to facilitate later discussion, as described below.

In each region, general areas of importance for housing were discussed. Several questions guided these meetings:

- What are the greatest barriers to building the right mix of housing?
- What solutions are proposed to address the barriers?
- How might the State Legislature assist to reduce barriers and facilitate the production of housing in a sustainable and equitable manner?

This report was developed to document findings from the meetings and organize ideas into the general thematic areas of greatest need as identified during each regional meeting. The goal was to develop a summary with policy ideas to provide guidance to the Housing Working Group. Policy ideas are not limited to barriers to, and facilitators of, *producing* housing. The stakeholders identified ideas that fall into the following general categories:

- **Supply:** Having the right mix of housing for everyone
- **Subsidy:** Ensuring everyone can afford housing
- **Protections:** Having safeguards to ensure housing remains affordable, safe and stable

\* It is important to note that the attendees of these sessions are a sample of housing related stakeholders. As such, the ideas and proposals may have looked different had the mix of stakeholders or cities been different.

**TABLE 1**  
Summary of Tour Location and Host Member(s) by Date

DATE	TOUR LOCATION	ASSEMBLY MEMBER(S)
September 27, 2021	Bay Area	Grayson and Wicks
October 4 & 5, 2021	Central Coast	R. Rivas
October 7, 2021	Central Valley	Arambula
October 11, 2021	Los Angeles	Friedman
October 12, 2021	Inland Empire	Reyes and Cervantes
October 13, 2021	Orange County	Quirk-Silva
October 14, 2021	San Diego	Ward
November 16, 2021	Butte County	Gallagher



# Current Context of The Housing Crisis

A theme shared across the sites was that policies should have a people-centric perspective. As such, this report divides California's current housing crisis into three critical populations:

- People who are rent-burdened or living in overcrowded units.
- People who are younger, middle-class, or working-class individuals who struggle to afford rental or for-sale units.
- People experiencing homelessness.

Lack of housing supply is a primary reason for the current California housing crisis. The stakeholders emphasized that the cost of rental property is too high leading to rent burden, overcrowding, and homelessness, and limited opportunities for homeownership for middle-class adults and racial minorities. The California Department of Housing and Community Development also notes that not enough housing is being built and lack of supply and rising costs are compounding, which is growing inequality and limiting advancement opportunities for younger Californians.

## Middle-class adults and racial minorities have limited opportunities for homeownership.

For legislators and other decisionmakers to enact policies that have the potential of reducing homelessness, rent burden, and overcrowding, or the potential of promoting homeownership, stakeholders emphasized several competing factors that must be agreed upon regarding whom to prioritize (at least a majority must agree to pass legislation). Stakeholders emphasized the following difficult trade-offs.

### To what extent will policies prioritize:

- Future residents or current residents?
- Tenants or landlords?
- Development on undeveloped land or infill development?
- "Missing middle" (working-class) residents or other residents such as seniors, veterans, or low-income individuals?

### Additionally, legislation will need to consider:

- Whether to adopt a racial equity lens to ensure policies are creating equitable and just opportunities.
- The role of mandates and incentives.
- Terms and conditions of employment for all trades and craft workers regardless of affiliation.
- Residential wages and benefits.
- The fiscalization of land use and how to provide benefits from residential property of equal or greater value as commercial property to local government.

### Stakeholders throughout the state seemed to agree on several key issues:

- Housing should be affordable.
- Construction workers should be appropriately compensated.
- Policies should not limit residential mobility.
- Policies should not displace vulnerable residents.
- Homeownership has been a main method of wealth accumulation.
- Black and Latino homeownership rates are lower than White homeownership rates.





# Homelessness Crisis

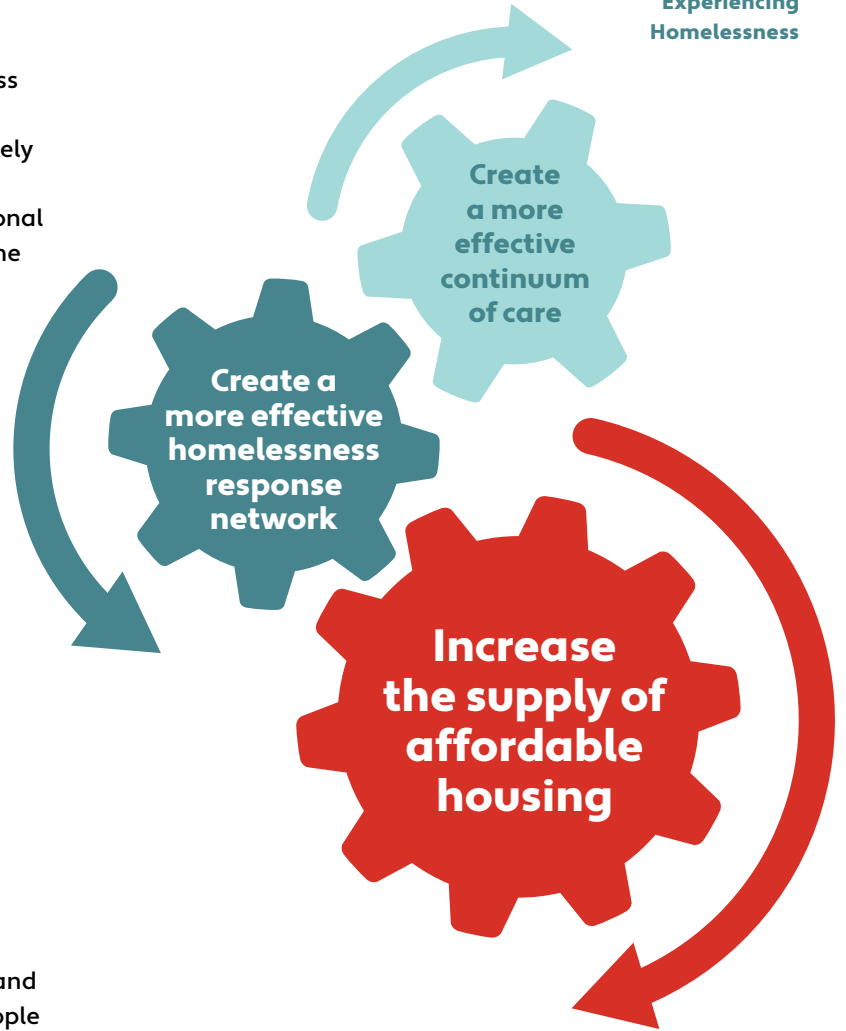
**FIGURE 1**  
Strategies for Supporting People Experiencing Homelessness

The concern and care for people experiencing homelessness was a general theme at each of the sites. Stakeholders acknowledged that the shortage of affordable housing likely contributed to the homelessness crisis. Yet, addressing the homelessness crisis will require more than building additional housing. Stakeholders note that investments in building the appropriate type of housing for people, and developing and delivering the needed services to people, will be needed. Figure 1 provides an overview of stakeholders' description of an action plan to support people experiencing homelessness. Additionally, stakeholders emphasized that state and local stakeholders will need to set clear, measurable, and achievable goals, and will need to align future policies and programs with racial equity priorities.

Stakeholders also described a variety of housing types to aid in the transition to independent living, including:

- Emergency shelters: a first housing option with a wide range of services.
- Transitional housing: temporary housing with wrap-around services.
- Permanent supportive housing: housing with voluntary and flexible services.

Each tour stop emphasized a need for better programming and more housing to support the vulnerable population of people experiencing homelessness. Table 2 provides a description of the support housing type and site-specific information for each site.



**TABLE 2**

Summary of Tour Location, Type of Housing, and Site Specific Information

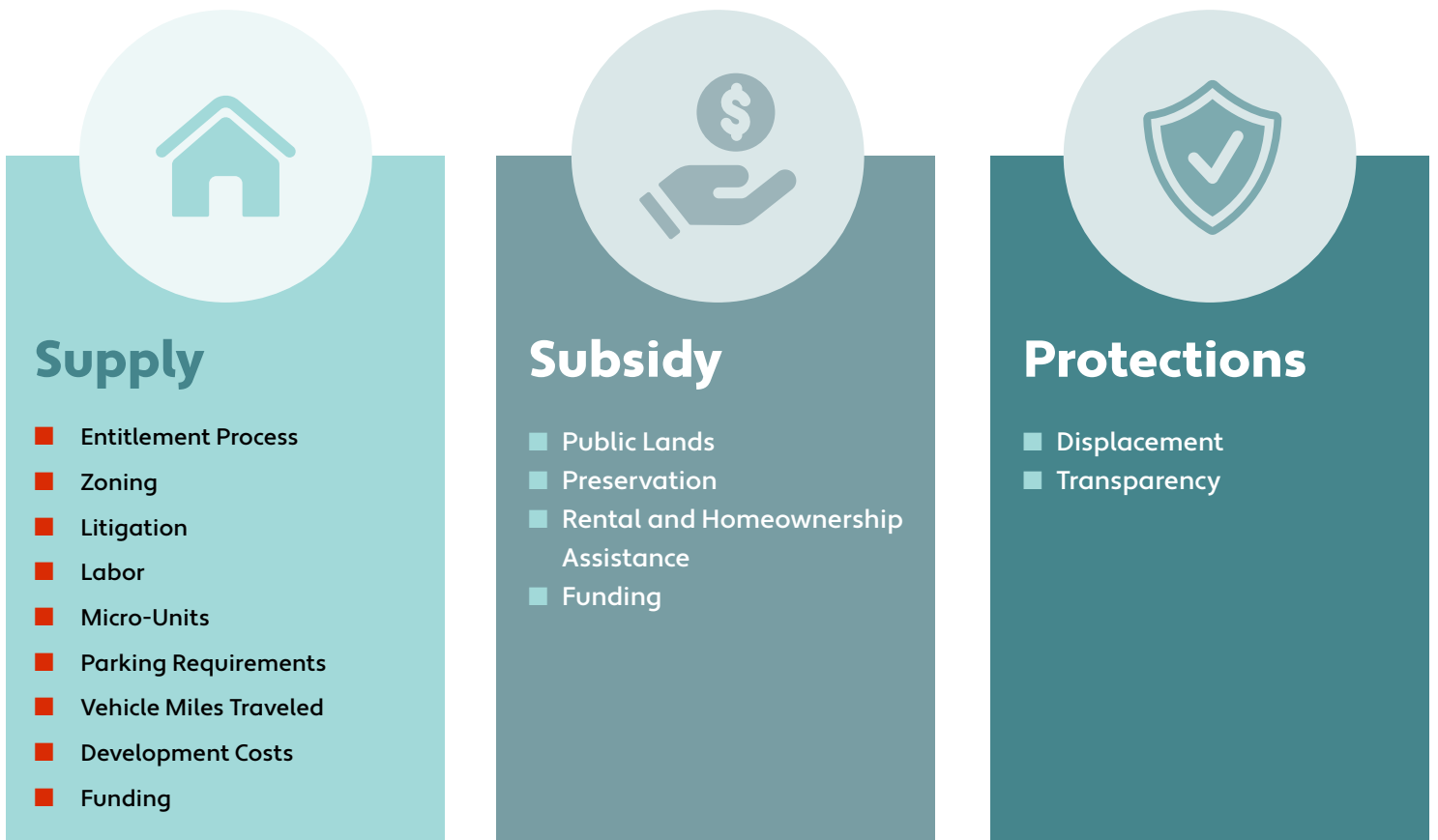
TOUR LOCATION	TYPE OF HOUSING	SITE SPECIFIC INFORMATION
Bay Area	Transitional	Housing Consortium of the East Bay, Oakland
Central Coast	Permanent Supportive	Crossings on Monterey, Morgan Hill
Central Valley	Emergency	Poverello House, Fresno
	Transitional	Valley Inn at Parkway Drive, Fresno
Los Angeles	Permanent Supportive	PATH Metro Villas, Los Angeles
Inland Empire	Transitional	Phoenix Swaure & Pacific Village, San Bernadino
Orange County	Emergency	Illumination Foundation Navigation Center, Fullerton & Be Well Orange County, Orange
	Permanent Supportive	Buena Esperanza
San Diego	Affordable	The Nook East Village, San Diego
Butte County	Emergency and Transitional	Jesus Center, Chico



# Housing Policy Summary

The housing policy overview was developed from comments made by panelists, participants, legislators, and material provided on the housing tour. This overview is general and, in some places, vague because it is based on stakeholder comments that were not well described. It is intended to be a high-level plan, capturing the major policy proposals from a variety of engaged stakeholders. The intent is that these ideas lead to a specific plan for achieving a positive impact on housing production and affordability. Figure 2 shows the key policy areas for further investigation.

**FIGURE 2**  
Housing Policy Ideas





# 1 Entitlement Process

Most of the housing production in California has been approved through discretionary review, not ministerial review. Notably, a single project might need to obtain Design Review approval from the Director of the Planning Department, a rezoning approval from the City Council, and a Certificate of Compatibility from the Historic Resources Commission.<sup>1</sup> When developments are providing affordable housing, paying prevailing wages, and consistent with a city's objective zoning standards, the ministerial review mechanisms would increase certainty of receiving approval and ultimately reduce cost. Stakeholders proposed that jurisdictions could also reduce discretionary control over smaller projects to decrease risk, costs and time, and to increase housing supply, while maintaining discretionary review over large projects.

Additionally, stakeholders suggested reviewing base zoning requirements (for example, height, density, setbacks and other design elements) and incentivizing cities to minimize the use of discretionary review in order to provide more certainty to developers with projects that are consistent with the goal of producing more housing and complying with the law.

At each roundtable the need for more “by-right housing” was emphasized. By-right development qualifies for streamlining and ministerial review, and does not require a public hearing.<sup>2</sup> California Senate Bill (SB) 35 (Wiener, 2017) effectively streamlined housing construction in California counties and cities that fail to build enough housing to meet state-mandated housing construction requirements.<sup>3,4</sup> Expanding by-right streamlining to projects that meet local zoning laws, building codes, and environmental standards, regardless of the city's ability to meet or exceed the state-mandated housing construction requirements, could speed up decisions on the acceptability of the project, leading to more housing production at a lower cost, than the status quo.

## PROPOSAL 1

*Review and reform the entitlement process to expedite review and permitting for housing developments that provide affordable housing, pay prevailing wage, and meet local zoning laws, building codes, and environmental standards to balance long-term housing needs with environmental impacts and enforcement of local zoning laws.*

# 2 Zoning

Across the state there were a variety of zoning topics that were mentioned, including converting commercial zoning to mixed-use zoning, prioritizing upzoning in transit-rich and high opportunity areas, and changing the zoning for larger areas at one time.

## 2a. Mixed-use zoning

The purpose of mixed-use zoning is to allow a mix of commercial and residential uses in what is currently zoned as commercial areas. Mixed-use land allows developers to explore projects in all neighborhoods to increase housing production and potentially support climate change goals by creating affordable, accessible communities.

### PROPOSAL 2a

*Convert commercial zoning to mixed-use zoning statewide, and create a ministerial statewide approval mechanism to give developers a baseline level of certainty.<sup>5</sup>*

## 2b. Zoning capacity in transit-rich areas and high opportunity areas

To produce the supply of new housing that experts said California needs to address the housing crisis, measures must be taken to increase housing production, particularly in transit-rich areas and high opportunity zones.

### PROPOSAL 2b

*Upzone and create ministerial statewide approval for affordable rental and for-sale multi-family housing near transit-rich areas and high opportunity areas.*

## 2c. Rezoning large areas

Rezoning large areas for higher density may rapidly increase the supply of housing. In 2021, SB 9 (Atkins) changed the zoning laws for 1-unit single-family areas to allow 2-unit single-family zoning, however, SB 9 does not require new homes to be built. Reforming and expanding SB 9 could increase the supply of homes and dismantle historic injustices that arose out of single-family zoning, housing covenants, and redlining practices. While not every area of a city should be zoned for skyrises, increasing density limits would likely help to create more affordable housing without disrupting the neighborhood's character dramatically.

Although upzoning may increase the land value, it is important that overall housing affordability is assessed by calculating land value divided by the unit capacity, not the cost of the land itself.

*A city model:* In 2019, Seattle passed Mandatory Housing Affordability (MHA) legislation to upzone 27 neighborhoods.<sup>6,7</sup>

#### **PROPOSAL 2c**

*Accelerate the production of housing by incentivizing cities to upzone larger areas of the city for affordable higher density housing. Where appropriate, provide density bonuses and prohibit density limits, while maintaining restrictions on building size standards per parcel (i.e., setback limits, regional maximum height requirements, and maximum floor area ratios).*

### **3** Litigation

Lawsuits and the threat of lawsuits have emerged as a serious barrier to rapidly building the housing needed to end the housing crisis. Stakeholders across the state emphasized repeatedly that the original intent of the California Environmental Quality Act (CEQA) review was positive and ensured that environmental impacts from projects were considered and mitigated, where needed and feasible. However, several stakeholders agreed that CEQA lawsuits and threats of litigation are used as a strategy to bring about costly and unnecessary concessions from developers or used to delay or stop projects entirely. Better balancing of environmental protections with the need to build more housing is crucial to ensuring the state's environmental statutes are not weaponized to block critically needed housing in California. The following proposals emerged as possible reforms to reduce the potential for abuse.

#### **PROPOSAL 3a**

*Limit the time allowed for claims to be brought against projects.*

#### **PROPOSAL 3b**

*Create an injunction bond requirement that covers any damages that the defendant can receive if the injunction is not upheld by the courts.<sup>8</sup>*

#### **PROPOSAL 3c**

*Review the relative costs and benefits of building codes and environmental regulations to determine whether they are necessary, equitable, and aligned with the need for more housing.*

## **4** Labor

Across the state, labor is perceived to be a barrier to building housing at a faster rate. Stakeholders that included local officials, affordable and market-rate developers, and advocates expressed that there was an insufficient number of local hires to support the construction of more homes. Additionally, stakeholders stated that while labor rates should support a living wage, there is a need for residential rates rather than the uniform rate that nearly all trades and craft workers are paid currently. To facilitate more efficient building of homes and address barriers, these proposals could be implemented.<sup>9</sup>

#### **PROPOSAL 4a**

*Assess whether there are enough construction workers needed to build the necessary housing in each region.*

#### **PROPOSAL 4b**

*Increase investment in training programs to anticipate the future construction labor force needs.*

#### **PROPOSAL 4c**

*Reform and consistently enforce regional residential labor rates.*

#### **PROPOSAL 4d**

*Ensure that all construction workers have the knowledge, skills, and abilities to build safe and high-quality homes.*

## **5** Micro-Units and Other Alternatives to Accessory Dwelling Units

In 2021, although the building of single-family homes remains possible, SB 9 changed the zoning of single-family parcels to allow for building duplexed on a ministerial basis if the project satisfies the requirements. While accessory dwelling units (ADUs) have added to the supply of housing, adding another dwelling unit voluntarily, however, is unlikely to increase the volume of for-sale property at a high enough rate to match demand and end the housing crisis. Building smaller for-sale single-family homes and condos, and micro-unit rental apartments may increase housing production to greater levels than ADUs placed on single-family parcels alone. Producing micro-units can increase supply and be a desirable, affordable housing option in the future.





#### PROPOSAL 5

*Permit the development of micro-units for rent and for sale, where appropriate, if the units comply with building safety requirements, such as the use of fire-resistant materials, electrical safety, and structural integrity across the state.*

## 6 Parking Minimums

Less parking can lower the cost of transportation and housing by creating more space allowed for homes within a given parcel or building area. There are multiple benefits that may arise from lowering the parking requirement. One outcome may be that decreased parking requirements compel residents to use low-carbon modes of transportation, such as public transit, biking, and walking, while at the same time lowering the cost of development, thus increasing the production of affordable housing. Another outcome could be reducing barriers of developing micro-units. Since many cities' municipal code require that apartments have at least one space for every unit, reduced parking minimums allows affordable and market-rate developers to build more homes, which would lead to greater supply and lower costs for the renter or homebuyer.

#### PROPOSAL 6

*Review statewide zoning to reduce or eliminate parking minimums, with few exceptions for safety, such as fire risk and narrow streets.*

## 7 Vehicle Miles Traveled

California SB 743 (Steinberg, 2013) redefined how to measure transportation impacts on the environment. Instead of measuring traffic congestion, the amount of driving, as measured by “vehicle miles traveled (VMT),” was established for assessing transportation impacts on the environment for projects subject to CEQA review, and reducing the amount of driving is the way in which these impacts are reduced or “mitigated.”

The intent of VMT is to shift from measuring traffic congestion to using a metric focused on how many miles people drive in order to help California meet climate commitments. However, some opponents stress that VMT impact assessment fails to account for the transition to fully electric vehicles, telecommuting, and telehealth, which have greater promise to reduce greenhouse emissions and help California meet climate goals. Additionally, new developments, not redevelopment, and rural areas state that they are unfairly overburdened by VMT requirements. Further, new mixed-use properties are being developed. Overall, opponents say that VMT regulation is making housing unaffordable and does not sufficiently promote low-carbon modes of transportation, particularly for those with lower incomes and for people of color.<sup>10</sup>

#### PROPOSAL 7

*Prohibit the use of VMT except in transit-rich areas in order to decrease the costs of producing housing, where appropriate. Revise the criteria for measuring transportation impacts to measuring greenhouse gas emissions comprehensively.*

## 8 Development Costs

There are several factors that contribute to the cost of developing housing properties, including land acquisition and mitigation costs, labor costs, material costs, lending costs, impact fees, and developer's overhead and profit. There are, however, areas that stakeholders highlighted that could be reformed in order to reduce costs and delays.

### 8a. Infrastructure

Developers mentioned the cost of replacing, expanding, or building new infrastructure was not typically an expense eligible for state subsidy, which means that projects needed multiple sources of funding that increased costs due to adding more requirements. To mitigate these costs, the state could provide additional funding for affordable housing projects, when appropriate.

#### PROPOSAL 8a

*Create additional funding sources to fill the gap in need for infrastructure for affordable housing.*

### 8b. Impact Fees

Impact fees are designed to help cities offset costs of the increased demand on services. The assessment of impact fees on new development increases costs to those who live in new homes as compared to older homes. To ensure that the fees are appropriate, a review could be conducted.

#### PROPOSAL 8b

*Review impact fees to determine whether they are necessary, equitable, and aligned with building affordable housing.*

### 8c. Land

Although land is expensive, developers highlighted that land acquired for affordable housing sites typically needs additional preparation before building can begin, such as clearing and grading. Public lands may be able to be acquired inexpensively to reduce costs.

#### PROPOSAL 8c

*Provide affordable housing developers the first opportunity to acquire land, especially if it is public land.*



## 9 Public Lands

California Assembly Bill 1255 (R. Rivas, 2019) requires cities and counties to inventory and report surplus and excess local public lands to the state. On January 15, 2019, Governor Newsom signed Executive Order N-06-19<sup>11</sup> that ordered the California Department of General Services (DGS) and the California Department of Housing and Community Development (HCD) to identify and prioritize excess state-owned property and aggressively pursue sustainable, innovative, cost-effective housing projects. Future projects on public land can lead to lower upfront costs and more affordable housing units. State and local government should take a long-term financial perspective on whether to rent or lease land.<sup>12</sup>

#### PROPOSAL 9

*Lease, rather than sell, public land to address the housing crisis.*

## 10 Redevelopment and Renter Displacement

Several participants voiced concerns that rapid growth and gentrification could lead to displacement of the most vulnerable residents. Measured and thoughtful redevelopment is essential to prevent displacement or other harms.

#### PROPOSAL 10

*Prioritize policies that provide housing affordability and stability to the most disadvantaged community members, those who are most at risk for being displaced.*



## 11 Funding and Subsidies

Affordable housing developers noted that the rent low- and moderate-income households can afford to pay often does not fully cover the costs of owning and managing a rental property. This gap between the funding needed to develop and operate a property and the revenue available is called the affordable housing funding gap.<sup>13</sup> To fill the gap, developers usually need help in the form of a subsidy. The subsidy most often comes from local, state, or the federal government. The subsidy can be used to help cover construction costs, rents, or operating costs. For-sale home developers and homeowners have similar challenges related to needing subsidies. Here are multiple solutions to address the affordability gap in the near term.

### PROPOSAL 11a

*Make funding for the creation of affordable housing a permanent allocation in the state budget.*

### PROPOSAL 11b

*Increase funding for affordable housing.*

### PROPOSAL 11c

*Provide funding for infrastructure and operating costs for affordable housing.*

### PROPOSAL 11d

*Fund low- and zero-interest loans for affordable housing developers.*

### PROPOSAL 11e

*Increase direct rental assistance.*

### PROPOSAL 11f

*Increase homeownership assistance, specifically down payment assistance.*

## 12 Homeownership

Achieving long-term affordability is particularly challenging in areas that have low housing supply and strong job growth like many cities across California. Even in areas that have not experienced recent job growth, average median incomes have not kept pace with increased housing costs. In order to address long-term affordability several solutions have been proposed, including increasing housing supply, providing more public housing, providing housing subsidies, and creating more certainty of future housing costs through deed restrictions and resale formulas.

*A city model:* Boulder, Colorado, uses an approach to ensure long-term housing affordability and reasonable wealth accumulation. The program ties the resale price of affordable units to an annual appreciation factor.<sup>14,15</sup> It is important to note that a program must be designed appropriately to avoid non-price competition effects.

### PROPOSAL 12

*Ensure policies that promote long-term affordability of home sales are equitable. Programs should balance modest wealth accumulation for those who originally purchased affordable homes and more certainty of affordable prices of homes for future low-income Californians.*





## 13 Current Housing Stock

### 13a. Flipping Houses

House “flipping” is when a buyer purchases a property, makes repairs or remodels, then sells the property, typically after a short amount of time and for a significant profit. House flipping doesn’t increase the number of housing units. In California, where supply of housing is low almost everywhere, promoting redevelopment to higher density housing is more beneficial to increasing supply compared to remodeling single-family homes.

#### PROPOSAL 13a

*On parcels where increased density is possible, disincentivize house flipping. This can be accomplished in a variety of ways, such as by establishing a tax or requiring a residency requirement.*

### 13b. Vacant or underutilized properties

In California, largely because Proposition 13 has kept property taxes low, there is potential that properties remain vacant or underutilized. To incentivize the sale or redevelopment of vacant or underutilized properties, the cost of holding land should be proportional with actual property values. Vacancy taxes are typically trying to prompt owners to develop vacant land or to sell or rent unoccupied units, while also serving as an additional source of revenue for the local jurisdiction. Limiting vacancy and underutilization is especially important in areas where redevelopment to higher density housing is possible.

#### PROPOSAL 13b

*Where increasing the number of housing units is possible or the assembly of multiple single-family parcels for rezoning is possible, disincentivize vacant or underutilized properties.<sup>16</sup>*

### 13c. Naturally occurring affordable housing

Naturally occurring affordable housing (NOAH) refers to aging residential homes that can be renovated and upgraded to increase the supply of affordable housing through a process that is quicker and cheaper than constructing new housing. Typically, nonprofit organizations acquire NOAH properties and keep rents at a specific percentage of the area median income (AMI), which in turn contributes to the stock of housing that is more affordable. Additionally, these rental properties maintain low rents without federal subsidy. Preserving NOAH can play an important role in ending the housing crisis.<sup>17</sup>

#### PROPOSAL 13c

*Create a state fund or tax credit to support eligible nonprofits that preserve NOAH units.*

## 14 Measurement and Transparency

To assist policymakers in determining the effectiveness of new policies, measuring inputs, activities, outputs, outcomes, and impact are essential. A logic model is a graphical representation of the program which in this case is the creation of affordable housing at all income levels. The logic model incorporates the resources (inputs), actions taken (activities), and deliverables, such as housing units produced across affordability levels or housing secure individuals (outputs). The outputs start to bring about change (outcomes) and ideally this will contribute to the positive impact of ending the housing crisis in California.

#### FIGURE 3

##### Logic Model



Thus, measuring inputs, activities, outputs, and outcomes is an essential component to help decisionmakers identify areas of programs that need improvement and determine whether the program is achieving its goals. The following proposals begin to collect that essential information.

### 14a. Rental unit registry

A rental registry would require registering rental units. Landlords would receive benefits from being registered by being provided timely notification of landlord rights, changes in tenant laws, and local market information. The registry would help individuals better understand the rental market, including unit composition, vacancy rate, turnover and rental pricing.

### PROPOSAL 14a

Create an annual registration of rental units to include:

- Rental unit address & unit number.
- Rental unit year built.
- Number of bedrooms of each rental unit.
- Move-in date for each rental unit (Month & Year).
- Number of tenants (Adult & Children).
- Current monthly rent amount for each rental unit.
- The effective date of last rent increase for each rental unit (Month & Year).
- Utility services (Gas and/or Electric) provided by the landlord for each rental unit.
- Parking included in current monthly rent amount for each rental unit, if applicable.

### 14b. Public lands registry

A barrier to building new affordable homes is acquiring affordable land suitable for housing. Since the state and cities are already required to list surplus land, it would be beneficial to developers searching for land to purchase or lease to combine that information.

### PROPOSAL 14b

Combine the state and local registries of available public land for easier access by developers.

### 14c. Impact fees registry

Impact fees could significantly affect the affordability of a project. To increase accountability and oversight over these fees, it is necessary to have a description of each fee and the intent for its use. An inventory of impact fees can begin to help determine whether each is necessary, equitable, and aligned with building affordable housing.

### PROPOSAL 14c

Create a statewide registry of the impact fees assessed on new development.

### 14d. Credentialed construction workers registry

As described previously, a centralized registry of credentialed workers will ensure developers are hiring workers who are knowledgeable and capable of delivering the optimal quality and safety standards.

### PROPOSAL 14d

Create a statewide registry of credentialed workers in the trades and crafts to ensure the highest quality workforce. The registry can also help inform investment needs to ensure there is a sufficient construction labor force in the future.



# Conclusion and Summary of Proposal Ideas

Based on the collective experience of a subset of local experts, policymakers, and housing stakeholders, this report has outlined stakeholder perspectives and potential opportunities to inform future housing policies. Legislators can use this document to help determine how to further develop a package of legislation to address the housing crisis. The list of policy areas and proposals is quite broad, spanning from the entitlement process, litigation, land use, and funding. Ending the housing crisis will be a multi-year process and engagement from new and existing

stakeholders is critical. Policy changes can make meaningful improvements in reducing the housing shortage that currently exists across all regions of California.

Table 3 summarizes the policy ideas and specific legislative proposals. This report does not attempt to prioritize policy ideas or determine whether the idea is reasonable or feasible, as perspectives may vary and resource levels may wax and wane, even over the relatively short period of 3 to 5 years into the future.

**TABLE 3**  
Summary of Policy Areas and Proposals

POLICY AREA	PROPOSAL
Entitlement Process	<b>Proposal 1:</b> Review and reform the entitlement process to expedite review and permitting for housing developments that provide affordable housing, pay prevailing wage, and meet local zoning laws, building codes, and environmental standards to balance long-term housing needs with environmental impacts and enforcement of local zoning laws.
	<b>Proposal 2a:</b> Convert commercial zoning to mixed-use zoning statewide, and create a ministerial statewide approval mechanism to give developers a baseline level of certainty.
Zoning	<b>Proposal 2b:</b> Upzone and create ministerial statewide approval for affordable rental and for-sale multi-family housing near transit-rich areas and high opportunity areas.
	<b>Proposal 2c:</b> Accelerate the production of housing by incentivizing cities to upzone larger areas of the city for affordable higher density housing. Where appropriate, provide density bonuses and prohibit density limits, while maintaining restrictions on building size standards per parcel (i.e., setback limits, regional maximum height requirements, and maximum floor area ratios).
Litigation	<b>Proposal 3a:</b> Limit the time allowed for claims to be brought against projects.
	<b>Proposal 3b:</b> Create an injunction bond requirement that covers any damages that the defendant can receive if the injunction is not upheld by the courts.
	<b>Proposal 3c:</b> Review the relative costs and benefits of building codes and environmental regulations to determine whether they are necessary, equitable, and aligned with the need for more housing.
Labor	<b>Proposal 4a:</b> Assess whether there are enough construction workers needed to build the necessary housing in each region.
	<b>Proposal 4b:</b> Increase investment in training programs to anticipate the future construction labor force needs.
	<b>Proposal 4c:</b> Reform and consistently enforce regional residential labor rates.
	<b>Proposal 4d:</b> Ensure that all construction workers have the knowledge, skills, and abilities to build safe and high-quality homes.
Micro-Units	<b>Proposal 5:</b> Permit the development of micro-units for rent and for sale, where appropriate, if the units comply with building safety requirements, such as the use of fire-resistant materials, electrical safety, and structural integrity across the state.



**TABLE 3** (continued)

## Summary of Policy Areas and Proposals

POLICY AREA	PROPOSAL
<b>Parking Minimums</b>	<b>Proposal 6:</b> Review statewide zoning to reduce or eliminate parking minimums, with few exceptions for safety, such as fire risk and narrow streets.
<b>Vehicle Miles Traveled</b>	<b>Proposal 7:</b> Prohibit the use of VMT except in transit-rich areas in order to decrease the costs of producing housing, where appropriate. Revise the criteria for measuring transportation impacts to measuring greenhouse gas emissions comprehensively.
<b>Development Costs</b>	<b>Proposal 8a.</b> Infrastructure: Create additional funding sources to fill the gap in need for infrastructure for affordable housing.
	<b>Proposal 8b.</b> Impact Fees: Review impact fees to determine whether they are necessary, equitable, and aligned with building affordable housing.
	<b>Proposal 8c.</b> Land: Provide affordable housing developers the first opportunity to acquire land, especially if it is public land.
<b>Public Lands</b>	<b>Proposal 9:</b> Lease, rather than sell, public land to address the housing crisis.
<b>Redevelopment and Renter Displacement</b>	<b>Proposal 10:</b> Prioritize policies that provide housing affordability and stability to the most disadvantaged community members, those who are most at risk for being displaced.
<b>Funding and Subsidies</b>	<b>Proposal 11a:</b> Make funding for the creation of affordable housing a permanent allocation in the state budget.
	<b>Proposal 11b:</b> Increase funding for affordable housing.
	<b>Proposal 11c:</b> Provide funding for infrastructure and operating costs for affordable housing.
	<b>Proposal 11d:</b> Fund low- and zero-interest loans for affordable housing developers.
	<b>Proposal 11e:</b> Increase direct rental assistance.
	<b>Proposal 11f:</b> Increase homeownership assistance, specifically down payment assistance.
<b>Homeownership</b>	<b>Proposal 12:</b> Ensure policies that promote long-term affordability of home sales are equitable. Programs should balance modest wealth accumulation for those who originally purchased affordable homes and more certainty of affordable prices of homes for future low-income Californians.
<b>Current Housing Stock</b>	<b>Proposal 13a:</b> Flipping Houses: On parcels where increased density is possible, disincentivize house flipping. This can be accomplished in a variety of ways, such as by establishing a tax or requiring a residency requirement.
	<b>Proposal 13b:</b> Vacant or underutilized: Where increasing the number of housing units is possible or the assembly of multiple single-family parcels for rezoning is possible, disincentivize vacant or underutilized properties.
	<b>Proposal 13c:</b> NOAH: Create a state fund or tax credit to support eligible nonprofits that preserve NOAH units.
	<b>Proposal 14a:</b> Rental Registry: Create an annual registration of rental units.
	<b>Proposal 14b:</b> Public Lands Registry: Combine the state and local registries of available public land for easier access by developers.
<b>Measurement and Transparency</b>	<b>Proposal 14c:</b> Impact Fees Registry: Create a statewide registry of the impact fees assessed on new development.
	<b>Proposal 14d:</b> Labor Registry: Create a statewide registry of credentialed workers in the trades and crafts to ensure the highest quality workforce. The registry can also help inform investment needs to ensure there is a sufficient construction labor force in the future.



## **Future Direction: World-Building through Collaboration, Storytelling & Visualization**

Revisiting this report or repeating this exercise with different initial themes and in different regions may be useful to consider in the future. Additionally, gathering interested and impacted stakeholders to complete an inclusive, world-building exercise may be helpful to bringing about long-lasting change. This section describes an approach called “world-building” that brings together stakeholders to develop transformational ideas.

## Background of Subject Matter Experts and Collaborators

Select subject matter experts that vary in multiple dimensions, including background in housing (i.e., state and local policymakers, developers, construction workers, realtors, landlords, renters, homeowners, urban planners, and researchers), generation, gender, and race. Selecting diverse teams may spark innovation and creativity, which is essential for this approach to succeed.

## Implementation of World-Building: Storytelling

Divide the session into two parts: story generation and solution generation. Divide experts into smaller groups. Support the groups by including a visual notetaker who can represent ideas developed in real time which will aid in discussion.

The first part—**story generation**—establishes a structure that (hopefully) will guide the conversations. Specifically, tell the participants that they were expected to create a



short story, specific to housing, which contained elements of disaster, surprise, and chaos. Since the goal is to highlight specific opportunities to create affordable housing and develop affordable cities, ask each domain team to create extraordinary catastrophic stories based on an amalgamation of imagined and real-life experiences. In general, allow these discussions to flow naturally without a mandated sequence or structure. After initial story generation, the teams should recite their anecdotes to the entire group. This “imagined world” approach provides a mechanism to release participants from simply retelling



a real-life event and cultivates group unity to believe that these events were possible, yet improbable (German & Barrett, 2005). Also, imagining anecdotes about dramatic events (i.e., events that are unlikely to happen tomorrow), without the constraints of real life, is a simple way to get participants in the frame of mind to be creative and not think incrementally.

The second part of the session—**solution generation**—asks the experts to imagine a future state that could have helped resolve the catastrophic event. This open process again releases participants from thinking about current policies and incremental solutions and start thinking disruptively; by disruptive thinking, we are referring to thinking that challenges conventional thought processes and eventually leads to bold initiatives. Assume that if participants are asked about the future without first asking for story generation, experts will imagine a future that looks a lot like today. Instead, this approach is designed to pull participants out of the present and free them from concern about present-day constraints as to be truly creative and original. Asking operational questions about imagined stories after fostering an innovative space allows efficient probing of housing policies that are appreciatively different from the status quo in supporting housing affordability and sustainability.

## Implementation of World-Building: Visualization

To visually document the narratives that emerge from each group and their solutions, use an innovative approach—World-Building Through Storytelling, Visualization, and Collaboration—in which an artist draws characters and objects and jots down phrases as the groups recite their stories. The intent of incorporating these visual notes is to: (1) keep the large group engaged for a multi-hour work session; (2) improve processing and synthesis by being able to refer to the most important points from each team’s story; and (3) obtain visuals that could support and illustrate the findings.

The goal by the end of the session is that each story will uniquely give a fuller picture of the housing crisis and provide solutions that could be used for a comprehensive strategy.



## ■ Appendix A. East Bay

Hosted by Grayson & Wicks  
September 27, 2021

### Emphasis:

- Production to increase supply to improve affordability
- Need for 'missing-middle' housing, not luxury
- All stakeholders are needed to engage to pass transformative legislation and address misinformation
- Need for new building techniques, such as modular housing
- Micro-units should be seriously considered

### Why is it so expensive?

- Permitting delays, including from discretionary review and CEQA litigation
- Labor costs
- Land costs
- Infrastructure costs
- Impact fees
- Material costs

### Homelessness Crisis

- Acquire inexpensive state land to build on
- Need for services & facilities, such as showers

### Members in attendance:

- Arambula, Bloom, Bauer-Kahan, Chiu, Friedman, Grayson, Levine, Quirk-Silva, R. Rivas, Ting, and Wicks

### Panelists:

- Local Government: Libby Schaaf, Mayor, City of Oakland
- Development: Carolyn Bookhart, Director of Housing Development at Resources for Community Development
- Labor: Bill Whitney, CEO, Contra Costa Building and Construction Trades Council
- Equity: Gloria Bruce, Executive Director, East Bay Housing Organizations
- Business: Matt Regan, Senior Vice President of Public Policy, Bay Area Council

**TABLE 4**

## Bay Area Discussion Summary

POLICY IDEA	SUMMARY OF STAKEHOLDER IDEAS
<b>Entitlement Process</b>	Need for streamlining and reform
<b>Zoning</b>	Mixed-use zoning needed; consider increasing density, particularly in opportunity zones
<b>Litigation</b>	Return to the original intent of CEQA (not to delay or stop projects); limit the time allowed for claims to be brought against projects; create a bond requirement to compensate developer costs if court approves project
<b>Labor</b>	Availability and compensation issues noted; need for residential prevailing wage
<b>Micro-Units</b>	Need for smaller homes like Tiny Homes; need for small apartment units
<b>Parking Minimums</b>	Need for parking requirement reductions in transit-rich areas
<b>Vehicle Miles Traveled</b>	Nothing noted
<b>Development Costs</b>	Infrastructure costs; impact fees; wildfire evacuation and mitigation cost
<b>Public Lands</b>	Need for land for temporary shelters and subsidized housing
<b>Redevelopment and Renter Displacement</b>	Need a racial equity framework; prioritize redevelopment without displacement
<b>Funding and Subsidies</b>	Permanent & on-going funding needed (i.e., tax credits, bonds, state allocations); funding needed for infrastructure and operating costs; need for deed restricted homes, need for Universal Housing Choice Vouchers
<b>Homeownership</b>	Down payment assistance needed; Missing Middle-Class/Workforce housing needed; homeownership provides economic mobility
<b>Current Housing Stock</b>	Limit short-term rentals and house flipping
<b>Measurement and Transparency</b>	Measure project timeline to understand areas for improvement

## ■ Appendix B. Central Coast

Hosted by R. Rivas  
October 4-5, 2021

### Emphasis:

- Current reality: There is overcrowding with multiple families living in one unit
- Need for “basic needs” housing and workforce housing, not luxury
- Housing stability and affordability provides economic mobility for owners
- Urban areas may be impacted by violence in many areas that are overcrowded and rent burdened
- Need for the creation of a long-term, comprehensive plan

### Why is it so expensive?

- Permitting delays, including from discretionary review and CEQA litigation
- Labor costs
- Land costs
- Infrastructure costs
- Requirement to have housing for labor
- Holding costs increase with delays
- Construction costs increase with delays
- Bonds run out
- Requirements from multiple applications create barrier to accessing funding
- Not enough local workforce to build the necessary number of units
- Impact fees
- Permit fees for worker housing

### Homelessness Crisis

- Create statewide registry of individuals in temporary, transitional, congregate, permanent supportive housing

### Members in attendance:

- Bonta, Friedman, Grayson, Levine, Reyes, R. Rivas, Ward, and Wicks

### Panelists:

- Monterey Bay Economic Partnership, Alisal Family Resource Center, Eden Housing, MidPen Housing
- Community Association of Big Sur, Big Sur Chamber of Commerce, Big Sur Land Use Advisory Committee, Parks Department, Building Trades, Post Ranch Inn
- Housekeys, City of Morgan Hill Housing Director Rebecca Garcia, Destination Home
- Roderick Williams, CEO



**TABLE 5**

## Central Coast Discussion Summary

POLICY IDEA	SUMMARY OF STAKEHOLDER IDEAS
<b>Entitlement Process</b>	Need for streamlining and reform; multijurisdictional process can cause delays
<b>Zoning</b>	Mixed-use zoning needed; prioritize increasing density and infill development; protect or include requirements for open spaces, wetlands; fiscalization of land use causes challenges; rezone citywide; consider inclusionary housing policies
<b>Litigation</b>	Return to the original intent of CEQA (not to delay or stop projects); limit the time allowed for claims to be brought against projects; put environmental considerations on par with housing needs; consider a bond requirement to compensate developer costs if court approves project
<b>Labor</b>	Availability and compensation issues noted
<b>Micro-Units</b>	Nothing noted
<b>Parking Minimums</b>	Nothing noted
<b>Vehicle Miles Traveled</b>	Congestion concerns noted
<b>Development Costs</b>	Infrastructure costs; impact fees; land is limited and expensive
<b>Public Lands</b>	Need for inexpensive land; desire to lease or purchase state land
<b>Redevelopment and Renter Displacement</b>	Prioritize redevelopment in transit-rich areas and blighted areas, protect current residents
<b>Funding and Subsidies</b>	Permanent & on-going funding needed (i.e., tax credits, bonds, state allocations); layering funding increases costs; funding needed for infrastructure and operating costs; deed restricted homes needed; Universal Housing Choice Vouchers needed; wildfire insurance subsidies needed; need to reform California Tax Credit Allocation Committee (CTCAC) to include a better definition of 'rural area' or 'small city'
<b>Homeownership</b>	Down payment assistance needed; wealth accumulation opportunity; consider deed restrictions and duration of deed restriction for-rent and for-sale properties; allow future owners to contribute with sweat equity rather than cash
<b>Current Housing Stock</b>	Limit short-term rentals
<b>Measurement and Transparency</b>	Create a registry of projects with timeline for oversight and accountability purposes, include assessment of affordability (number of units); aggregate available public land; calculate overcrowding
<b>Other</b>	Lower threshold for passing initiatives for local areas to raise money for housing

## Appendix C. Central Valley

Hosted by Arambula  
October 7, 2021

### Emphasis:

- Need to confront concentrated poverty with a mixed-income building strategy, a deliberate strategy of mixing housing units at a variety of income levels, including market-rate
- Racial Equity Planning/Equity Planning for Social Justice
- Efforts to eliminate redlining and not create new areas of inequality

### Why is it so expensive?

- Permitting delays, including from discretionary review and CEQA litigation
- Labor costs
- Land costs
- Infrastructure costs
- Construction costs
- Not enough local workforce to build the necessary number of units
- Impact fees

### Homelessness Crisis

- Continuum of care housing needed (i.e., emergency shelter, triage, transition, affordable housing, owner occupied)
- Need for services, facilities

### Members in attendance:

- Arambula, Bonta, Grayson, R. Rivas, and Wicks

### Panelists:

- City of Fresno: H. Spees, Director, Housing and Homeless Services & Miguel Arias, Fresno City Council District 3
- Faith in the Valley: Alexandra Alvarado & Ambar Crowell
- Self-Help Enterprises: Tom Collishaw, CEO
- Fresno Housing Authority: Michael Duarte & Tyrone Roderick Williams, CEO

**TABLE 6**

## Central Valley Discussion Summary

POLICY IDEA	SUMMARY OF STAKEHOLDER IDEAS
<b>Entitlement Process</b>	Need for streamlining and reform; expand and reform by-right housing ordinance multijurisdictional process can cause delays
<b>Zoning</b>	Mixed-use zoning needed; consider increasing density, particularly in opportunity; fiscalization of land use causes challenges; disincentivize vacancy and underutilization; rezone citywide; need to develop infill overlay; need to develop inclusionary housing zoning requirement
<b>Litigation</b>	Return to the original intent of CEQA (not to delay or stop projects); put environmental considerations on par with housing need; housing is a public health concern; consider bond requirements; exempt motels from inspection
<b>Labor</b>	Availability and compensation issues noted; need for residential prevailing wage
<b>Micro-Units</b>	Nothing noted
<b>Parking Minimums</b>	Reduce parking minimums
<b>Vehicle Miles Traveled</b>	VMT challenges in rural areas
<b>Development Costs</b>	Infrastructure costs; impact fees; land is limited and expensive; need for surplus land to be acquired inexpensively; approval needed for cross laminated lumber to replace steel; layering funding increases costs
<b>Public Lands</b>	Needed for inexpensive land, desire to lease or purchase state land
<b>Redevelopment and Renter Displacement</b>	Nothing noted
<b>Funding and Subsidies</b>	Permanent & on-going funding needed (i.e., tax credits, bonds, state allocations); funding need for infrastructure and operating costs; gap financing needed, particularly in opportunity zones; low-interest loans for affordable housing developers needed; deed restricted homes needed; Universal Housing Choice Vouchers needed; bridge funding needed in disaster zones; need a special category for "small communities" to compete for funds in same size category or a better definition of 'rural area' or 'small city'
<b>Homeownership</b>	Down payment assistance needed; deed restrictions needed; need to promote condo conversions from apartments to increase homeownership supply
<b>Current Housing Stock</b>	Limit short-term rentals; consider Land Trust to increase homeownership opportunities as condos; preserve "naturally occurring affordable housing" (NOAH); disincentivize flipping homes
<b>Measurement and Transparency</b>	Create registry of reasons why evicted, why became homeless to help with racial equity consideration
<b>Other</b>	Need for technical support staff to assist with regulatory requirements

## Appendix D. Los Angeles

Hosted by Friedman  
October 11, 2021

### Emphasis:

- Current reality: There is overcrowding with multiple families living in one unit
- Need for income-restricted development, not luxury
- Prioritization of infill development
- Traffic congestion and long commutes are problems, so there is a need for transit-oriented development
- Need for mixed-use development, especially on city-owned land
- Health is correlated with housing (poor health is correlated with housing distress)

### Why is it so expensive?

- Permitting delays, including from discretionary review and CEQA litigation
- Labor costs
- Land costs
- Infrastructure costs
- Requirement to have housing for labor
- Impact fees
- Construction defect litigation

### Homelessness Crisis

- Need data about inputs, outputs and outcomes
- Create statewide registry of individuals in temporary, transitional, congregate, permanent supportive housing
- Need for Safe sleeping areas
- Continue Project RoomKey

### Members in attendance:

- Bloom, Bryan, Friedman, Gabriel, Grayson, Lackey, Levine, Muratsuchi, Nazarian, Quirk-Silva, Reyes, L. Rivas, R. Rivas, Santiago, Ward, and Wicks

### Panelists:

- Jenna Hornstock, Deputy Director for Land Use Planning, Southern California Association of Governments
- Joy Forbes, NBC Universal, VP of Global Real Estate
- Councilmember Nithya Raman, City of Los Angeles
- Chris Hannan, Executive Secretary, Los Angeles /Orange Counties Building & Construction Trades Council AFL-CIO
- Charles E. Loveman, Jr., Executive Director, Heritage Housing Partners
- Philip Lanzafame, Director of Community Development at City of Glendale, CA



**TABLE 7**

## Los Angeles Discussion Summary

POLICY IDEA	SUMMARY OF STAKEHOLDER IDEAS
<b>Entitlement Process</b>	Need for streamling and reform; expand and reform by-right housing ordinance
<b>Zoning</b>	Mixed-use zoning needed; prioritize increasing density and infill development, particularly in transit-rich areas; fiscalization of land use causes challenges, Prop 13 issues noted; disincentivize vacancy and underutilization; need to develop infill overlay; need to consider inclusionary housing zoning; need to upzone larger areas
<b>Litigation</b>	Return to the original intent of CEQA (not to delay or stop projects); reform housing defect laws
<b>Labor</b>	Availability and compensation issues noted
<b>Micro-Units</b>	ADUs and Cottage Housing Program needed
<b>Parking Minimums</b>	Need for parking requirement reductions in transit-rich areas
<b>Vehicle Miles Traveled</b>	VMT issues noted, including it's in tension with the future of electrification, telecommuting, and telehealth
<b>Development Costs</b>	Infrastructure costs; impact fees; land is limited and expensive; need to assembly parcels for development, layering funding increases costs
<b>Public Lands</b>	Nothing noted
<b>Redevelopment and Renter Displacement</b>	Prioritize infill housing projects without displacement, particularly in transit-rich areas
<b>Funding and Subsidies</b>	Permanent & on-going funding needed (i.e., tax credits, bonds, state allocations); funding need for infrastructure and operating costs; gap financing needed, particularly in opportunity zones; low-interest loans for affordable housing developers needed; need to lower threshold for initiatives for local areas to raise money for housing; deed restricted homes needed
<b>Homeownership</b>	Consider deed restrictions and duration of deed restriction for-rent and for-sale properties, may be a need to extend deed restrictions that are expiring; homeownership provides economic mobility; Investigate G.I. Bill and the increase of homeownership as a potential model; there are high income earners, but limited supply prevents them from becoming homeowners
<b>Current Housing Stock</b>	Preserve "naturally occurring affordable housing" (NOAH); limit short-term rentals and house flipping
<b>Measurement and Transparency</b>	Calculate the number of houses available from rezoning
<b>Other</b>	Nothing noted

## Appendix E. Inland Empire

Hosted by Reyes and Cervantes  
October 12, 2021

### Emphasis:

- Need to confront concentrated poverty with a mixed-income building strategy, a deliberate strategy of mixing housing units at a variety of income levels, including market-rate
- Racial Equity Planning/Equity Planning for Social Justice
- Efforts to eliminate redlining and not create new areas of inequality

### Why is it so expensive?

- Permitting delays, including discretionary review and CEQA litigation and construction defect litigation
- Labor costs
- Land costs
- Infrastructure costs
- Requirement to have housing for labor
- Impact fees

### Homelessness Crisis

- Continue Project RoomKey and Project HomeKey
- Need data about inputs, outputs and outcomes
- Need wraparound services

### Members in attendance:

- San Bernardino: Bonta, Cervantes, Friedman, Grayson, Lackey, Levine, Reyes, R. Rivas, Rodriguez, Ward, and Wicks

### Panelists:

- Maria Razo, Executive Director, Housing Authority of San Bernardino County
- Lorraine Kindred, Vice President of Public Affairs, National CORE
- Kim Carter, Founder, Time for Change Foundation
- David Kersh, Executive Director, Carpenters/Contractors Cooperation Committee
- Tim Johnson, Chief Operating Officer, Quality Management Group/LaBarge Industries
- Michael Walsh, Deputy Director, Riverside County Affordable Housing and Community Services
- Michelle Davis, Housing Authority Manager, City of Riverside
- Karen Roper, Manager of Homeless Solutions, City of Corona; Vice Chair, Riverside County Continuum of Care
- Gabriel Maldonado, Executive Director and CEO of TruEvolution
- Daniel O'Farrell, Chief Executive Office of the Parkview Legacy Foundation; Steering Committee Member of the Inland SoCal Housing Collective

**TABLE 8**

## Inland Empire Discussion Summary

POLICY IDEA	SUMMARY OF STAKEHOLDER IDEAS
<b>Entitlement Process</b>	Need for streamlining and reform; expand and reform by-right housing ordinance; multijurisdictional process and timeline are challenging, including tribal commission
<b>Zoning</b>	Mixed-use zoning needed; prioritize density and infill development; need to consider inclusionary housing zoning
<b>Litigation</b>	Return to the original intent of CEQA (not to delay or stop projects); reform housing defect laws
<b>Labor</b>	Availability and compensation issues noted; need residential prevailing wage
<b>Micro-Units</b>	Need for smaller homes and small apartment units
<b>Parking Minimums</b>	Nothing noted
<b>Vehicle Miles Traveled</b>	VMT issues noted
<b>Development Costs</b>	Infrastructure costs; impact fees; need for innovative build alternatives like modular housing, although concern about complying with timelines; need for alternative building materials that reduce costs while maintaining safety standards; layering funding increases costs
<b>Public Lands</b>	Nothing noted
<b>Redevelopment and Renter Displacement</b>	Nothing noted
<b>Funding and Subsidies</b>	Permanent & on-going funding needed (i.e., tax credits, bonds, state allocations), funding need for infrastructure and operating costs; gap financing needed, particularly in opportunity zones
<b>Homeownership</b>	Consider Land Trust to increase homeownership opportunities, such as condos; there are high income earners, but limited supply prevents them from becoming homeowners
<b>Current Housing Stock</b>	Preserve “naturally occurring affordable housing” (NOAH)
<b>Measurement and Transparency</b>	Nothing noted
<b>Other</b>	Try not to layer federal funding into projects to retain the ability to rent to anyone regardless of immigration status

# Appendix F. Orange County

Hosted by Quirk-Silva  
October 13, 2021

## Emphasis:

- Current reality: There is unmet need at all income levels
- Need for sustainable growth
- Need for more housing and programs for people experiencing homelessness

## Why is it so expensive?

- Permitting delays, including from discretionary review and CEQA litigation
- Labor costs
- Land costs – land is rarely flat, square sites – sites may need to be “cleaned up”
- Infrastructure costs
- Construction costs
- Underwriting costs
- Developer fees
- Layered funding sources increase requirements
- Services to everyone in the community increase costs

## Homelessness Crisis

- Continuum of care housing needed (i.e., emergency shelter, triage, transition, affordable housing, owner occupied)
- Need for services, facilities
- Need data about inputs, outputs and outcomes
- Need wraparound services
- Mental health facilities need to be part of the solution
- Need to consider on-going costs of operations, possibly use service fee for healthcare costs

## Members in attendance:

- Bloom, Bonta, Grayson, Levine, Petrie-Norris, Quirk-Silva, R. Rivas, Ward, and Wicks

## Panelists:

- Cesar Covarrubias, Kennedy Commission:
- Laura Archuleta, Jamboree Housing:
- Ernesto Medrano, Building & Construction Trades Council
- Frank Martinez, Southern California Association of Non-Profit Housing
- Adam Wood, Building Industry Association of Southern California, Orange County
- Aaron France, City Manager, City of Buena Park
- Rich Gomez, Business Partner, Southwest Regional Council of Carpenters, Local 714
- Orange County Business Council



**TABLE 9**

## Orange County Discussion Summary

POLICY IDEA	SUMMARY OF STAKEHOLDER IDEAS
<b>Entitlement Process</b>	Need for streamlining and reform
<b>Zoning</b>	Mixed-use zoning needed; fiscalization of land use causes challenges; need to consider negative aspects of inclusionary housing zoning
<b>Litigation</b>	Return to the original intent of CEQA (not to delay or stop projects)
<b>Labor</b>	Availability and compensation issues noted, need residential prevailing wage
<b>Micro-Units</b>	Nothing noted
<b>Parking Minimums</b>	Nothing noted
<b>Vehicle Miles Traveled</b>	Nothing noted
<b>Development Costs</b>	Infrastructure costs; impact fees; need for innovative build alternatives like modular housing, although concern about complying with timelines; need for alternative building materials that reduce costs while maintaining safety standards
<b>Public Lands</b>	Need inexpensive public land for lease or for sale
<b>Redevelopment and Renter Displacement</b>	Nothing noted
<b>Funding and Subsidies</b>	Permanent & on-going funding needed (i.e., tax credits, bonds, state allocations); funding need for infrastructure and operating costs; gap financing needed; low-interest loans for affordable housing developers needed
<b>Homeownership</b>	Missing Middle-Class/Workforce housing needed; down payment assistance needed; acknowledgement that homeownership is major source of wealth building, which is a challenge to long-term affordability
<b>Current Housing Stock</b>	Nothing noted
<b>Measurement and Transparency</b>	Create a registry of projects with timeline for oversight and accountability purposes, including assessment of affordability (number of units); create a registry of state land available; need data about inputs, outputs and outcomes about people experiencing homelessness, renters and homeowners
<b>Other</b>	Nothing noted

# Appendix G. San Diego

Hosted by Ward  
October 14, 2021

## Emphasis:

- Current reality: There is unmet need at all income levels
- Rental property is too high leading to rent burden, overcrowding, and homelessness
- Need to reform single-family zoning
- Need to allow housing as-of-right (“by-right”)
- Need to lock in regulations at the time of application submission
- Need for tenant protections
- Need for additional transparency on housing and homelessness budget
- Need for downtown community development
- Need for community space
- Ordinance on inclusionary housing has been helpful

## Why is it so expensive?

- Permitting delays, including from discretionary review and CEQA litigation
- Labor costs
- Land costs
- Infrastructure costs
- Bonds run out
- Requirements from multiple applications create barrier to accessing funding

## Homelessness Crisis

- Continuum of care (emergency shelter, triage, transition, affordable housing, owner occupied)
- Project Homekey was helpful to expedite approvals and allowed for needed money and flexibility
- Need data about inputs, outputs and outcomes
- Housing First Action Plan–Housing Project Types
  - Permanent supportive housing, rapid housing, transitional housing, interim housing, temporary housing, supportive housing, workforce housing

## Members in attendance:

- Boerner Horvath, Bonta, Grayson, Maienschein, R. Rivas, Quirk-Silva, and Ward

## Panelists:

- Rick Gentry, President & CEO San Diego Housing Commission
- Alan Gin, Associate Professor of Economics. University of San Diego
- Michael Hansen, Planning Director, City of San Diego Planning Department
- Emily Jacobs, Executive Vice President of Real Estate, San Diego Housing Commission
- Carol Kim, Political Director, San Diego County Building & Construction Trades Council
- Colin Miller, Vice President of Multifamily Housing Finance, San Diego Housing Commission
- Colin Parent, Councilmember/ Executive Director and General Counsel, City of La Mesa / Circulate San Diego
- Raynard Abalos, Deputy Director of Development Services, City of San Diego

**TABLE 10**

## San Diego Discussion Summary

POLICY IDEA	SUMMARY OF STAKEHOLDER IDEAS
<b>Entitlement Process</b>	Need for streamlining and reform; expand and reform by-right housing ordinance; multijurisdictional process and timeline are challenging
<b>Zoning</b>	Mixed-use zoning needed; prioritize density and infill development; upzone larger areas
<b>Litigation</b>	Return to the original intent of CEQA (not to delay or stop projects); limit the time allowed for claims to be brought against projects, reform housing defect laws
<b>Labor</b>	Availability and compensation issues noted
<b>Micro-Units</b>	ADUs and Cottage Housing Program needed
<b>Parking Minimums</b>	Nothing noted
<b>Vehicle Miles Traveled</b>	Nothing noted
<b>Development Costs</b>	Infrastructure costs; impact fees; land is limited and expensive; changing building codes every 3 year increases housing costs; layering funding increases costs
<b>Public Lands</b>	Nothing noted
<b>Redevelopment and Renter Displacement</b>	Nothing noted
<b>Funding and Subsidies</b>	Permanent & on-going funding needed (i.e., tax credits, bonds, state allocations); funding need for infrastructure and operating costs; gap financing needed; need to reform California Tax Credit Allocation Committee (CTCAC), need to lower threshold for local areas to raise money for affordable housing; need to permit the recycling of bonds to help with financing
<b>Homeownership</b>	Consider deed restrictions and duration of deed restriction for-rent and for-sale properties; may be a need to extend deed restrictions that are expiring; homeownership provides economic mobility; there are high income earners, but limited supply prevents them from becoming homeowners; homeownership assistance needed
<b>Current Housing Stock</b>	Preserve “naturally occurring affordable housing” (NOAH); limit short-term rentals and house flipping
<b>Measurement and Transparency</b>	Create a registry of projects with timeline for oversight and accountability, including assessment of affordability (number of units); create a registry of state land available; statewide registry of information on best practices from all jurisdictions
<b>Other</b>	Need for technical support staff to assist with regulatory requirements, allow nonprofit investors first right of refusal to buy land

## Hosted by Gallagher November 16, 2021

### Emphasis:

- Affordable housing in the context of disaster recovery
- Wildfires have had devastating effects; substantial impact
- Community impacts on mental health and loss of community are significant
- Need for more market-rate and subsidized housing
- Protect middle-class workers who have been displaced by disaster, use an equity framework
- Wages are not keeping up with rising housing prices
- Unprecedented local support for affordable housing has eliminated opposition and lawsuits

### Why is it so expensive?

- Permitting delays, including discretionary review and CEQA litigation
- Labor costs
- Land costs
- Infrastructure costs
- Construction costs increase with delays
- Requirements from multiple applications create barrier to accessing funding
- Not enough local workforce to build the necessary number of units
- Impact fees
- Operational costs for community services on-going, and developers need to account for them upfront rather than from future rental increases
- Cost of insurance can be prohibitive to new construction
- Hard costs (~70%)
  - Land, street improvements, material costs, labor costs
- Soft costs (~30%)
  - Architects/engineers, attorneys, consultants, warranties, financing/holding fees, school fees, city/county permit fees, inspections, development impact fees, property tax, marketing, model cost, overhead, sales commission, title costs, mitigation fees, class action lawsuits, project supervision, profit

### Members in attendance:

- Bonta, Dahle, Gallagher, Grayson, and Levine

### Panelists:

- Kate Leyden, Chico Builders Association
- Katy Thoma, Chico Chamber of Commerce
- Seana O' Shaughnessy, Chico Housing Improvement Program CHIP (non-profit affordable housing)
- Amber Abney-Bass, Jesus Center (emergency/transitional housing)
- Scott Birkey, Attorney, Land Use/CEQA
- Chris Giampaoli, Epick Homes, market-rate developer
- State Building and Construction Trade Council of California

### Homelessness Crisis

- Need for low barrier shelters and services with 24-hour programming that address root cause of homelessness
- Need for emergency housing
- Housing first programs may create a barrier to addressing root cause for entering into homelessness
- Public funding is only available if housing conforms to housing first criteria
- State and federal funding doesn't allow for mandatory wraparound service participation
- Need to improve and clarify Appendix O, which is the building code that covers various types of emergency shelters, which must be used and can only be used under the terms of a Shelter Crisis Declaration to not sunset with the ending of the Declaration



**TABLE 11**

**Butte County Discussion Summary**

POLICY IDEA	SUMMARY OF STAKEHOLDER IDEAS
<b>Entitlement Process</b>	Need for streamlining and reform; expand and reform by-right housing ordinance; multijurisdictional process and timeline are challenging
<b>Zoning</b>	Mixed-use zoning needed; consider citywide zoning plans; community plans
<b>Litigation</b>	Return to the original intent of CEQA (not to delay or stop projects); limit the time allowed for claims to be brought against projects; ensure affordable housing considerations are on par with environmental considerations; create a bond requirement to compensate developer costs if court approves project
<b>Labor</b>	Availability and compensation issues noted; need residential prevailing wage
<b>Micro-Units</b>	Need for smaller homes and small apartment units
<b>Parking Minimums</b>	Nothing noted
<b>Vehicle Miles Traveled</b>	VMT issues for rural area noted
<b>Development Costs</b>	Infrastructure costs; impact fees; need for alternative building materials that reduce costs while maintaining safety standards; layering funding increases costs
<b>Public Lands</b>	Nothing noted
<b>Redevelopment and Renter Displacement</b>	Replacement housing development needed, particularly for wildfire areas
<b>Funding and Subsidies</b>	Permanent & on-going funding needed (i.e., tax credits, bonds, state allocations); funding need for infrastructure and operating costs; gap financing needed, particularly in opportunity zones
<b>Homeownership</b>	Down payment assistance needed; consider role for future owners to contribute with sweat equity rather than cash; home prices are rising more quickly than salary increases
<b>Current Housing Stock</b>	Nothing noted
<b>Measurement and Transparency</b>	Review urban bias in funding calculations and category definitions
<b>Other</b>	Opportunity maps are well intentioned, but need reform for smaller cities AB 5 changed truckers to employees - need to allow truckers to be independent contractors again

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## Additional Reading

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## About The Author

**Tepring Piquado** is a senior policy researcher and chief policy director at California Issues Forum. She conducts research on workforce knowledge, skills and abilities, workforce composition issues in the private and public sectors, and on health and well-being issues. She has taught courses on Ethics, Policy Design, and Policy Implementation. Piquado has a Ph.D. in neuroscience from Brandeis University and a B.S. in computer science from Georgetown University.

## About This Report

This report summarizes information gathered from a series of meetings held in September, October and November across the state of California. Barriers to housing production or affordability were identified and briefly described. Subsequently, solutions were described that attempt to create new or modify current policies to increase the supply of housing and increase affordability of rentals and for-sale homes. The report was completed in November 2021 and underwent review before public release.

## Disclaimer

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