



Joint Hearing

of the Assembly Housing and Community Development Committee
and Senate Transportation and Housing Committee

**Subject: Overview of Housing Market &
State's Housing Resources
and Programs**

*Claudia Cappio, Director
Housing and Community Development*

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Overview

- State Housing Entities
- Housing Market Context
- Why State Response is Needed
- State's Role and Administrative Framework
 - Planning
 - Health and Safety
 - Funding





State Housing Entities



California Housing Finance Agency (CalHFA)

Established in 1975, CalHFA was chartered as the state's affordable housing bank to make low interest rate loans through the sale of tax-exempt bonds.



Tax Credit Allocation Committee, Treasurer's Office (TCAC)

Administers the federal and state Low-Income Housing Tax Credit Programs created to encourage private investment in affordable rental housing.



Department of Housing & Community Development (HCD)

Provides leadership, policies and programs to preserve and expand safe and affordable housing opportunities and promote strong communities for all Californians.



Debt Limit Allocation Committee, Treasurer's Office (CDLAC)

Sets and allocates California's annual tax-exempt debt ceiling using a population-based formula, and administers the tax-exempt bond program to issue the debt.



California Department of Veteran's Affairs (CalVet)

Offers below market interest rates and expanded eligibility for vets' home loans. Also working collaboratively with HCD on Veterans Housing and Homelessness Prevention Program.



State Entities with Housing Resources



Department of Health Care Services (DHCS)



Department of Corrections and Rehabilitation (CDCR)



Department of Fair Employment and Housing (DFEH)



Department of Developmental Services (DDS)



Department of Community Services and Development (CSD)



Department of Social Services (CDSS)

California Strategic Growth Council

Strategic Growth Council (SGC)



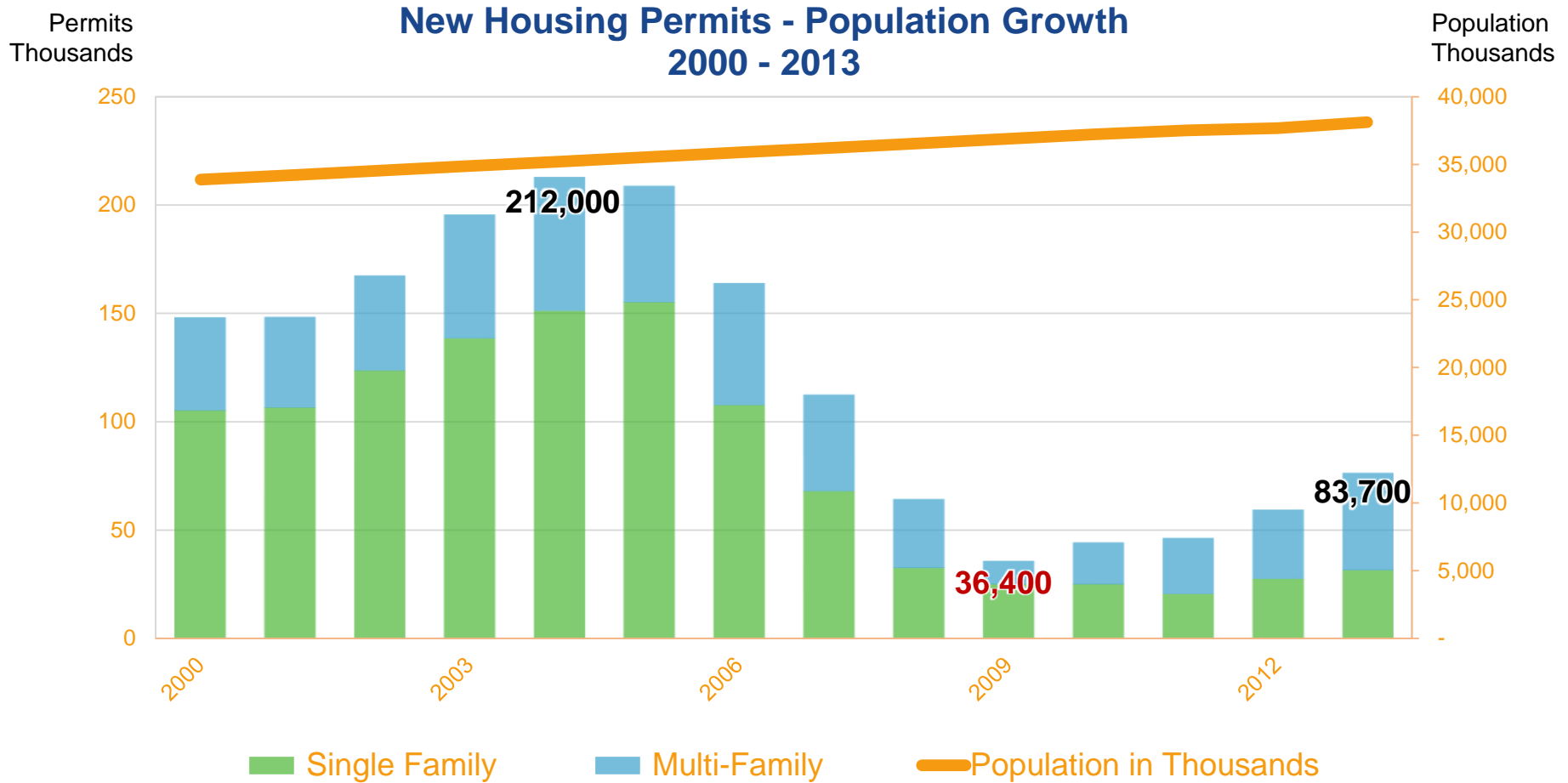
California Department of Veteran's Affairs (CalVet)

Housing Market Context





Housing Demand



Source: Construction Industry Research Board/California Homebuilding Foundation 2013; graphic by HCD



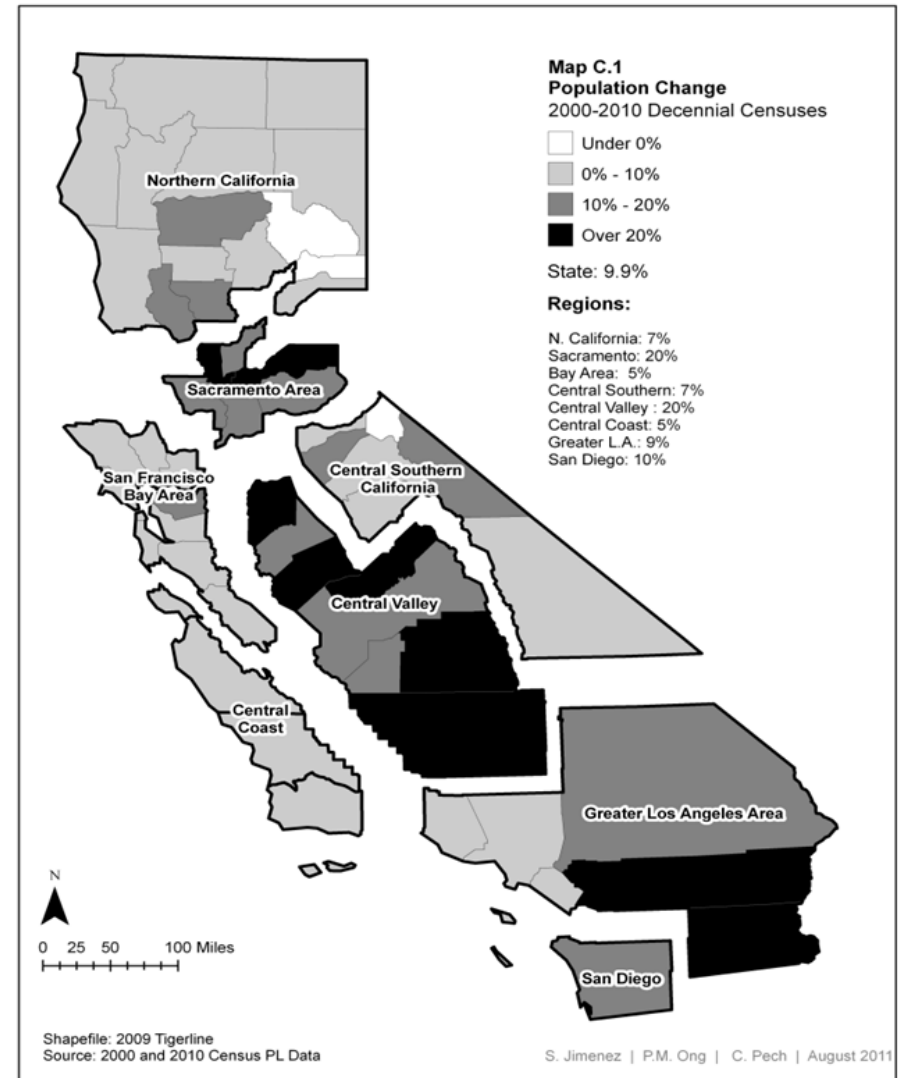
Homeownership Rates

	2000	2010	2013
United States	67.4	66.9	65.1
California	57.1	56.1	54.3



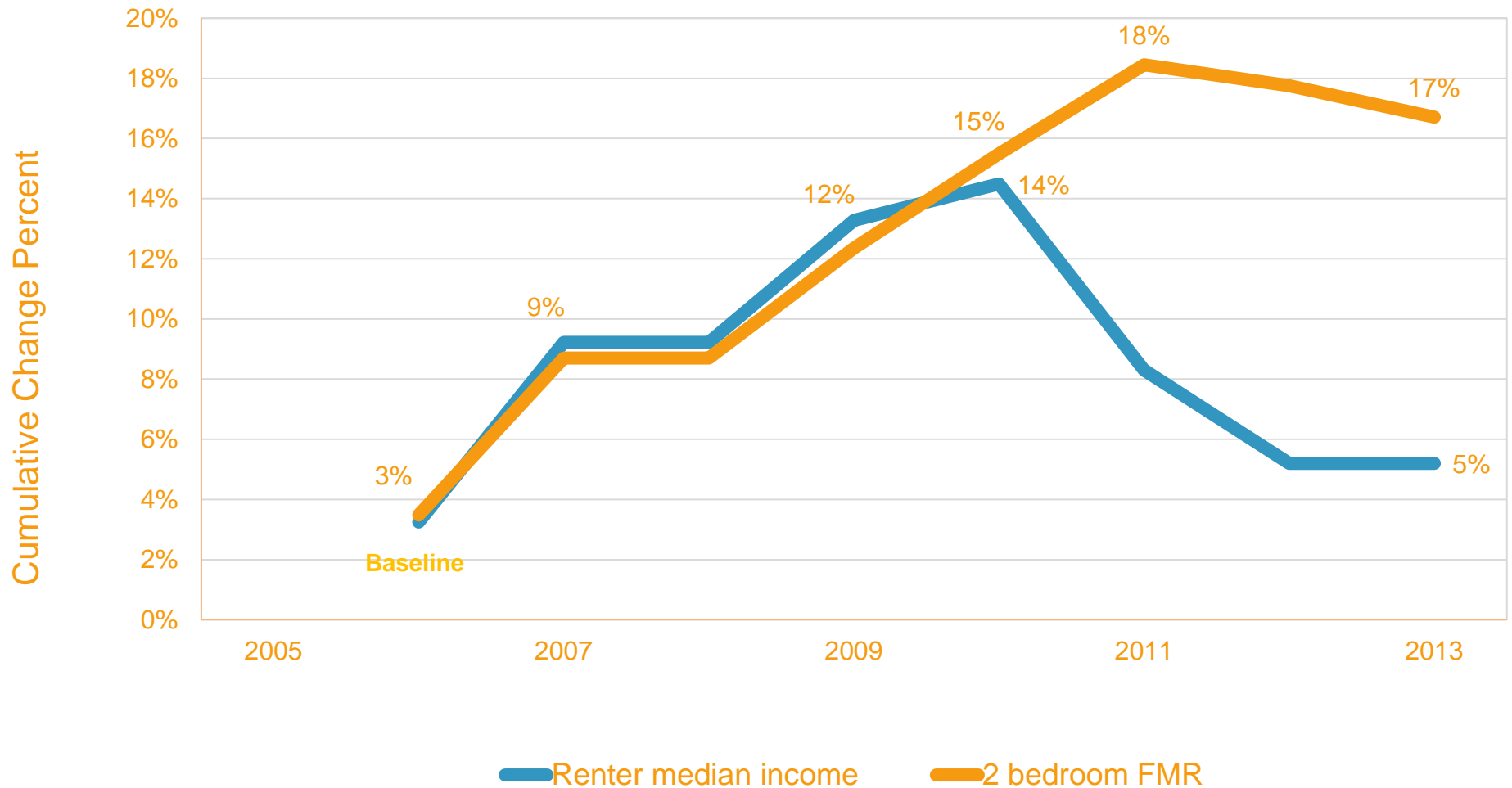
Market Demand

- Construction not meeting demand
- Aging population + *echo boom* creating changes in demand
- Higher demand for rental property
- Growing income disparities
- Shifting geographic preferences



California Renters' Incomes

Renter Income vs. Rental Cost



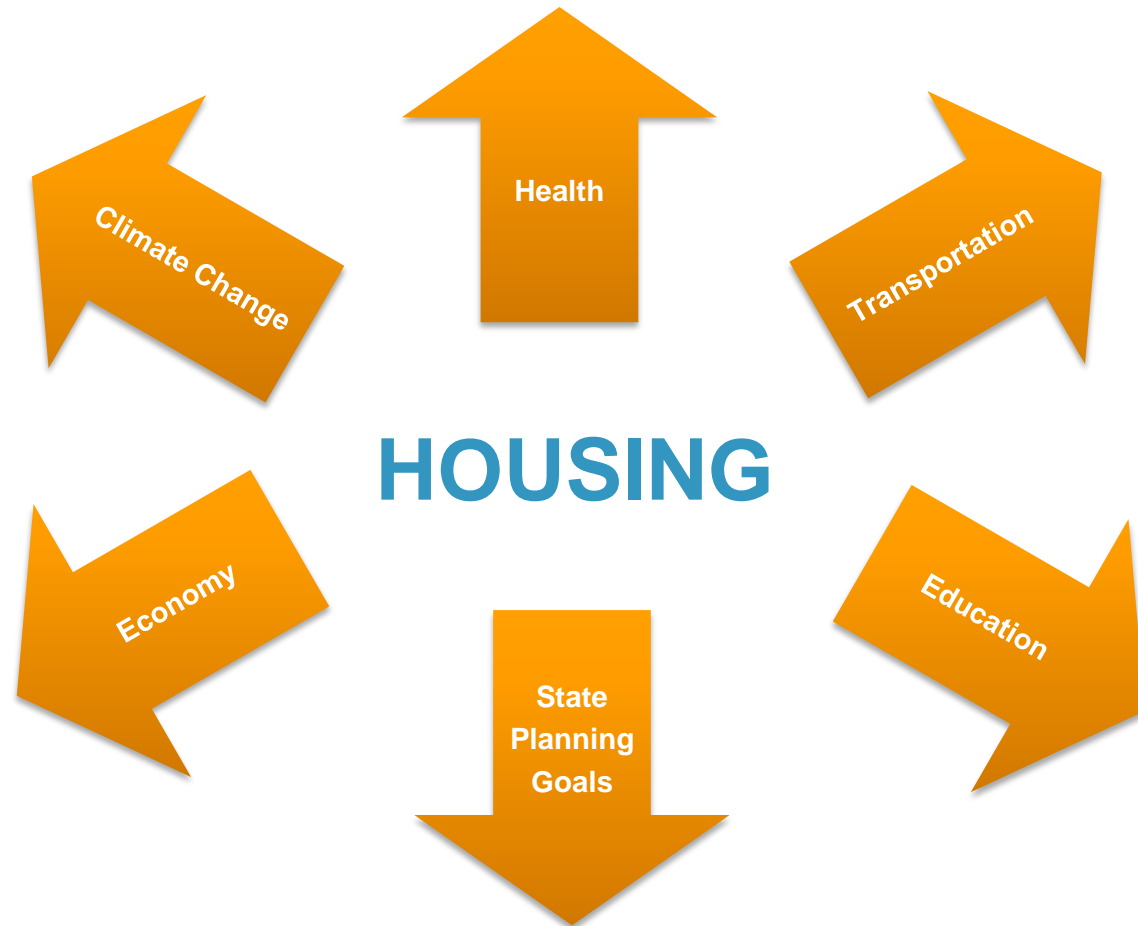
Source: NLIHC Out of Reach reports, 2005 through 2013; graphic by HCD

Why State Response is Needed





Housing Co-Benefits





Impacts of Housing Shortage



Increased families experiencing housing instability



Increased overcrowding conditions



Increased families living in substandard conditions



Decrease family income to spend on other necessities (food, healthcare)



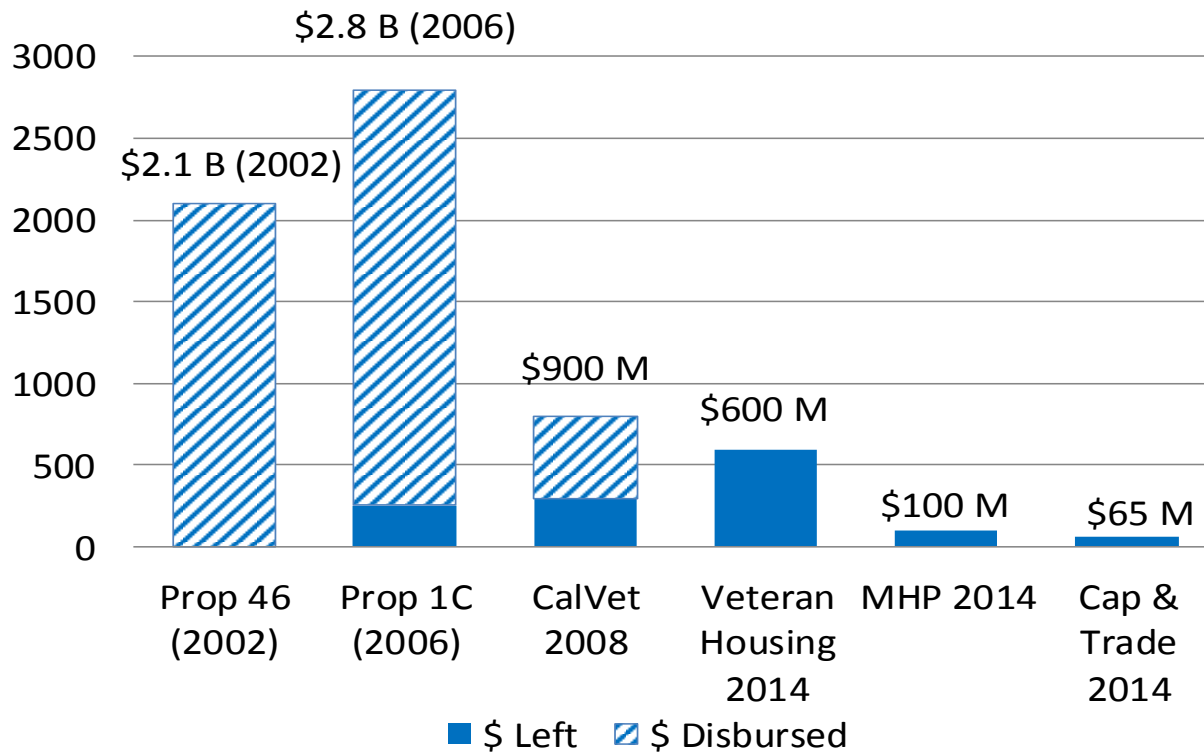
Decrease in employers' abilities to attract qualified workforce



Declining State Resources

Millions

Resources for Affordable Housing



State's Role & Administrative Framework to Address Housing

“The availability of housing is of vital statewide importance...”

Government Code Section 65580

- Planning
- Health and Safety
- Funding





Common Objectives

- Preserve and build new affordable housing for low & moderate income households
- Catalyze private sector investment in affordable housing
- Incentivize compact development; accessible by transit to jobs, services, recreational opportunities
- Connect support services with housing for special needs populations
 - 30+ programs addressing rural, urban, homeowner, homeless, disabled, family, senior, farmworker affordable housing needs



Statewide Housing Plan 2015

- Sets statewide strategy to meet California housing needs, including needs of lower-income households and vulnerable populations.*
- Comprehensive 10-year strategy
- Reference guide and messaging tool for housing practitioners, policy makers, affordable housing advocates, academia.
- Prior plan published May 2000: *1997-2020 Raising the Roof*

* Statutorily required by Health and Safety Code 50450 et seq.



Housing Planning Law

Regional Housing Needs Allocation (RHNA) and Housing Elements

RHNA

A regional planning requirement to accommodate existing and future housing needs by income levels.

Housing Element Law

- One of the mandated elements of the general plan and updated every 5-8 years.
- Requires:
 - Public participation
 - Analysis of housing need
 - Inventory of resources including land to address RHNA
 - Analysis and programs to address constraints to development
 - Adoption of goals, policies & implementation actions



Resources for Affordability

- Operating Subsidy: Provides ongoing financial support over the life of the affordability covenants
- Capital Subsidy: Provides up front financial support to reduce debt associated with construction
- Rental Subsidy: Provides direct financial support to bridge difference between affordable and market rent



Building Codes and Standards



- Assures the availability of affordable housing and uniform statewide code enforcement.
- Protects the health, safety, and general welfare of the public and occupants of housing.
- Develops statewide building standards for new construction and adopts regulations for maintenance, use, occupancy, repair, alteration, moving and demolition.
- Develops all residential building codes related to CalGreen, the California Green Building Standards Code.



Mobilehome and Manufactured Housing

- Operates registration and titling on mobilehomes and administers/enforces statewide standards for mobilehome parks.
- Develops regulations for manufactured and factory built housing.
- Adopts and enforces statewide regulations for privately owned and operated employee housing facilities.





Community Development

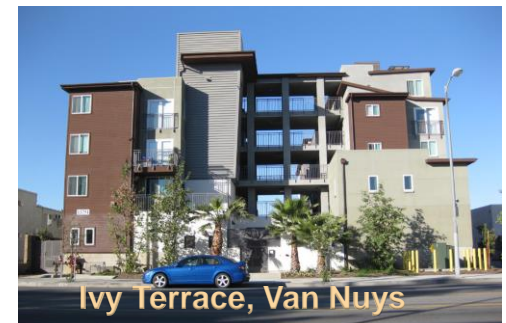
- **Affordable Housing and Sustainable Communities (AHSC)** – Provides grants and loans for infill and compact transit-oriented development and infrastructure activities.
- **Infill Infrastructure Program (IIG)/ Transit Oriented Development (TOD)** – Stimulates development of higher density including affordable housing opportunities within close proximity to transit.
- **Housing Related Parks (HRP) Program** – Provides grants for the creation of new parks, rehabilitation or improvements to existing parks to cities and counties that provide new affordable housing units.
- **Mobilehome Park Resident Ownership Program (MPROP)** – Preservation of affordable mobilehome parks by conversion to ownership or control by resident organizations, nonprofit housing sponsors, or local public agencies.



HCD Programs

Multifamily Housing

- **Multifamily Housing Program (MHP)** - Low-interest loans to developers of affordable rental housing.
- **Veterans Housing and Homelessness Preventions Program (VHHP)** – Provides affordable multifamily housing for veterans and their families to allow veterans to access and maintain housing stability.





HCD Programs Specialty Programs

- **Supportive Housing MHP (SHMHP)** – Provides permanent rental housing for lower income supportive housing households with emphasis on homeless or at risk of homelessness and disabled adults.
- **Drought Housing Rental Subsidies Program** – Rental subsidies for families (primarily agricultural) who are negatively impacted by the drought.





HCD Programs

Rural Housing

- **Joe Serna Jr. Farmworker Housing Program (JSJFHP)** - Grants and loans to assist the development or rehabilitation of rental housing projects for agricultural worker households with a priority for lower income households.
- **Office of Migrant Services (OMS)** - Provides safe, decent and affordable seasonal rental housing and support services for migrant farmworker families during the peak harvest season.





HCD Programs

State-Administered Federal Block Grant

- **Community Development Block Grant Program (CDBG)** – Funds housing activities, public works, community facilities, and public service projects serving lower-income people in small, typically rural communities.
- **HOME Investment Partnerships Program (HOME)** – Assists cities, counties and nonprofit community housing development organizations (CHDOs) to create and retain affordable housing.
- **Federal Emergency Shelter Grant (ESG) Program** – Funds projects that serve homeless individuals and families with supportive services, emergency shelter and transitional housing; assists persons at risk of becoming homeless; and provides permanent housing to the homeless.



HCD Programs

Homebuyers

- **BEGIN** - Downpayment assistance loans to first-time low and moderate income homebuyers in areas where regulatory barriers have been reduced.
- **CALHOME** - Grants to local public agencies and nonprofit developers to assist individual households with deferred-payment loans.



Dream Creek,
San Joaquin Valley



Housing Initiatives

- **Policy Academy to Reduce Chronic Homelessness** - CalHFA/HCD in partnership with DHCS engaging state pilot on inter-agency strategic planning to chronic homelessness by providing targeted, technical assistance.
- **California Affordable Housing Cost Study** - Housing development cost study intended to measure the factors that influence the cost of building affordable rental housing in California.
- **National Disaster Resilience Competition** - \$1 billion HUD program to provide grants to communities to rebuild in a more resilient way following major disaster.



On the Horizon

- Statewide Housing Plan
- Homeless program policy shifts
- Veterans Housing Bond
- Housing Element/RHNA working group
- Sustainable Community Initiative (AHSC)
- National Housing Trust Fund
- Integration of Health and Housing, Section 811 partnership
- National Disaster Resiliency Competition
- Energy efficiency for rental housing



Contact Information

Legislative

Di Richardson

916.324.0901

drichardson@calhfa.ca.gov

General

Department of Housing & Community Development

2020 W. El Camino Ave. Suite 500

Sacramento, CA 95833

916.263.7400

www.hcd.ca.gov

Thank you.

