

October 2004

To All Interested Parties:

Government Code Section 65580 declares: *The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every Californian, including farm-workers, is a priority of the highest order.*

According to figures from the California Department of Housing and Community Development (HCD) Statewide Housing Plan, between 1997 and 2020 California will likely add more than 12.5 million new residents and should form approximately five million new households. In that same report HCD states that in order to meet projected demand, homebuilders and developers will have to build an average of 220,000 units per year. Although the rate of new housing construction has improved in recent years, it is still well short of building the average annual need. As a result, overall supply is way behind demand.

The lack of affordable housing continues to be a crisis for the State of California.

During the 2003-04 Legislative Session, the Assembly Committee on Housing and Community Development heard a wide range of measures affecting housing and land use policy. The Assembly Housing Committee spent significant time wrestling with complex issues and long standing controversies relative to Housing Element Law. Other noteworthy issues before the Committee focused on second units also known as "granny flats"; downpayment assistance for "in-fill" and "transit oriented development"; common interest developments; rent control; redevelopment relating to upgrades to the Los Angeles Memorial Coliseum; and solar energy homes.

In 2003, at the urging of Assemblymember Alan Lowenthal, a working group was created to develop and make recommendations to the Legislature for comprehensive reform to Housing Element Law. By April of 2004 the working group proposed amendments to existing law. Legislation was introduced, by Assemblymembers Lowenthal and Mullin, that would streamline the Regional Housing Needs Assessment portion of the Housing Element and make numerous changes to provisions pertaining to land inventory, adequate sites, and permitted use.

With respect to budget issues, unfortunately this Legislative Session saw no new resources allocated to housing programs. Fortunately funding still exists from the 2002 Housing Bond. Funds from the Housing Bond will begin to be exhausted by 2005.

The following is a summary of legislation, reviewed by the Assembly Committee on Housing and Community Development during the 2003-04 Legislative Session. This document is intended as a source for preliminary information. For additional detail about this summary or other activities of the committee, please contact the committee staff at (916) 319-2085.

Respectfully,

Alan Lowenthal, Chair
Assembly Committee on Housing and
Community Development