



California's Housing Future:
Challenges and Opportunities
Public Draft



California's Housing Future: Challenges and Opportunities

The Draft Statewide Housing Assessment 2025





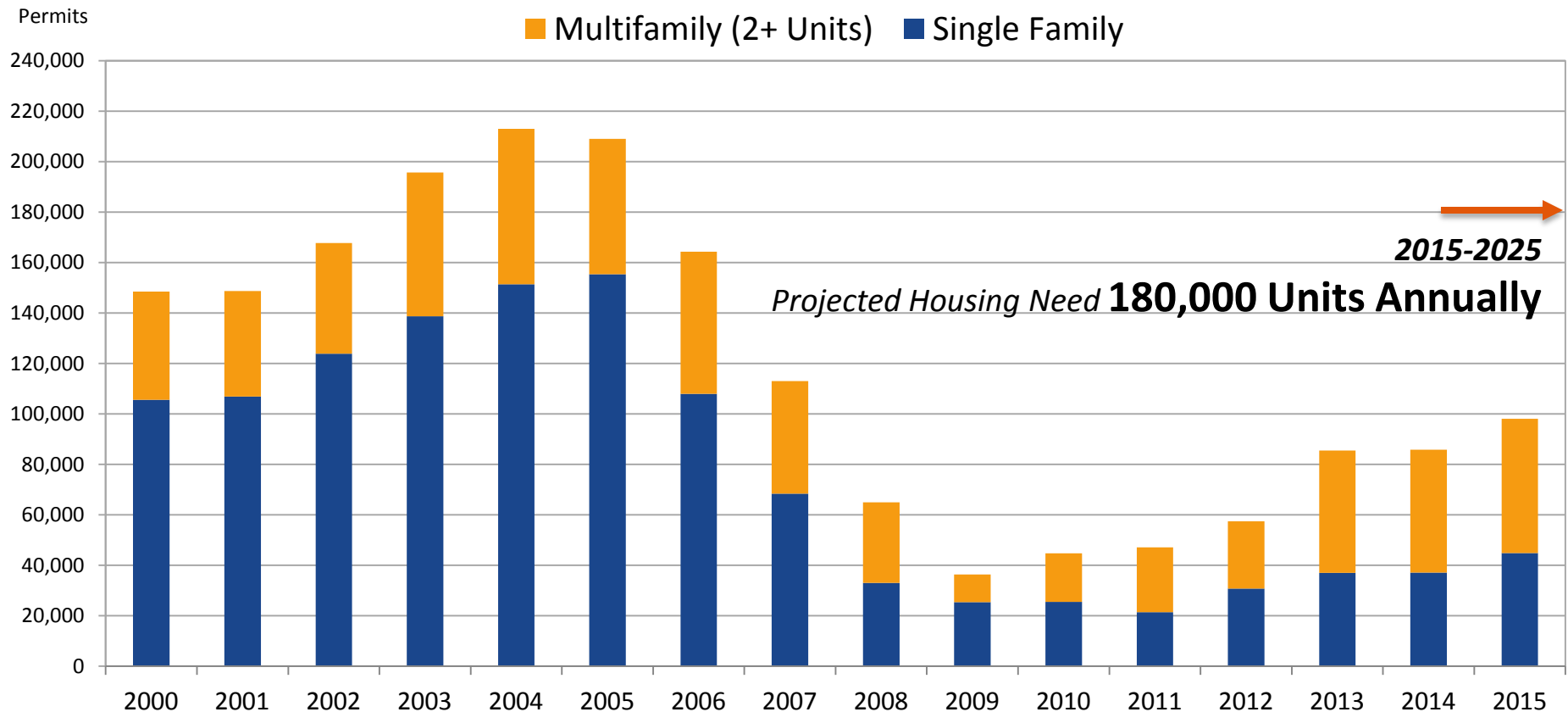
What is the Statewide Housing Assessment?

- Overview of housing and housing-related needs and challenges with a 10-year horizon
- Offers options to address California housing needs and challenges, including needs of lower-income households and vulnerable populations
- Guide and reference tool for housing practitioners, policy makers, affordable housing advocates, academia, others
- Prior report - [Raising the Roof](#), May 2000



Production Not Keeping Pace With Projected Housing Need

Annual Production of Housing Units 2000-2015
Compared to Projected Statewide Housing Need for Additional Units

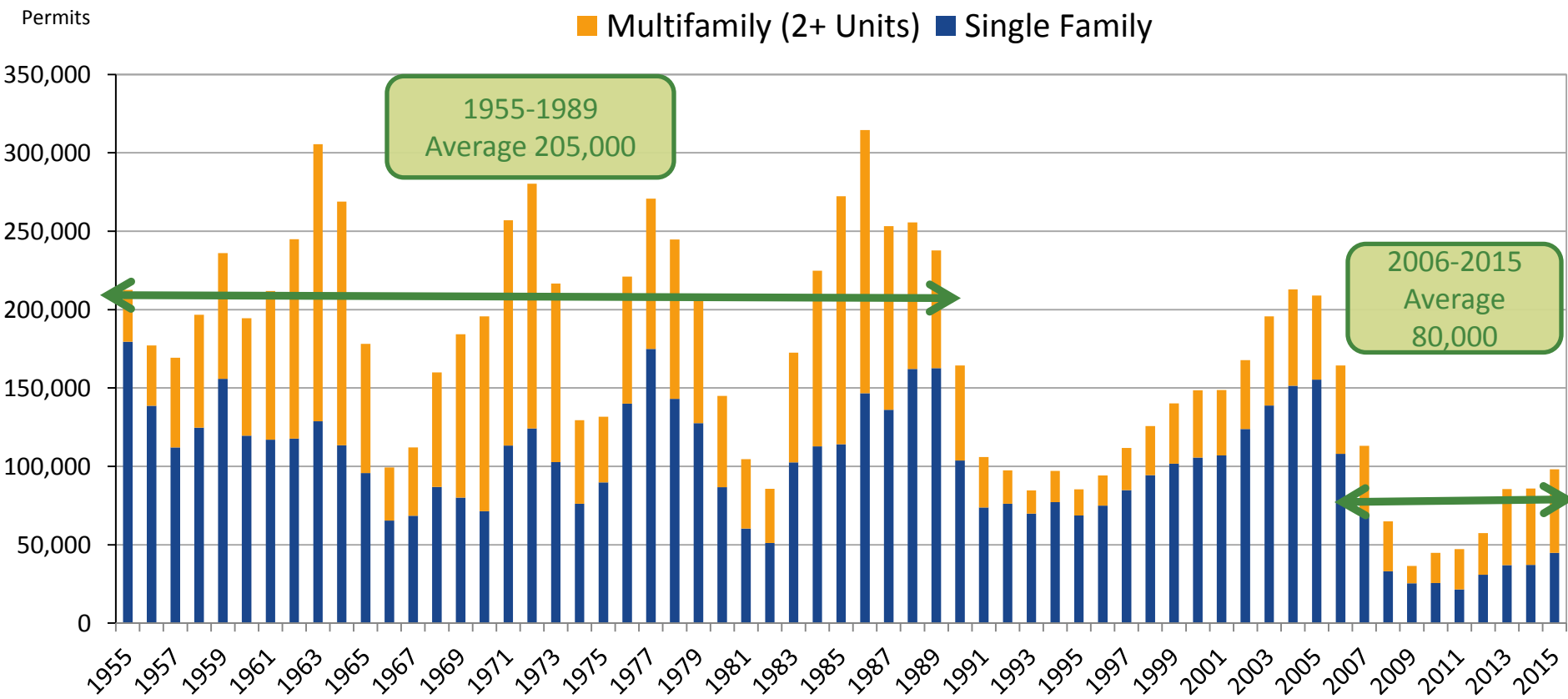


Source: Construction Industry Research Board/California Homebuilding Foundation Reports 2005, 2013, 2015; 2015-2025 Projected Annual Need from HCD Analysis of DOF Demographic Data. Estimate is subject to change until the final release of the Statewide Housing Plan. Graphic by HCD.



Annual New Housing Permits Statewide 1955-2015

Annual Production of Housing Units 1955-2015

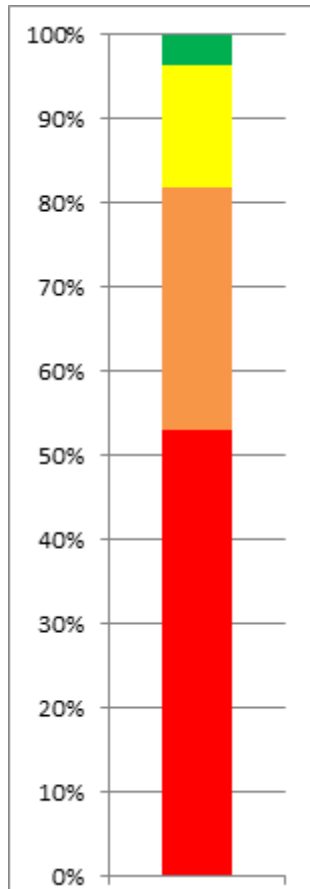


Source: Construction Industry Research Board/California Homebuilding Foundation Reports 2005, 2013, 2015; Graphic by HCD



Production Falls Short in Every Region

Projected Need vs. Production:
4th RHNA Cycle 2003-2014

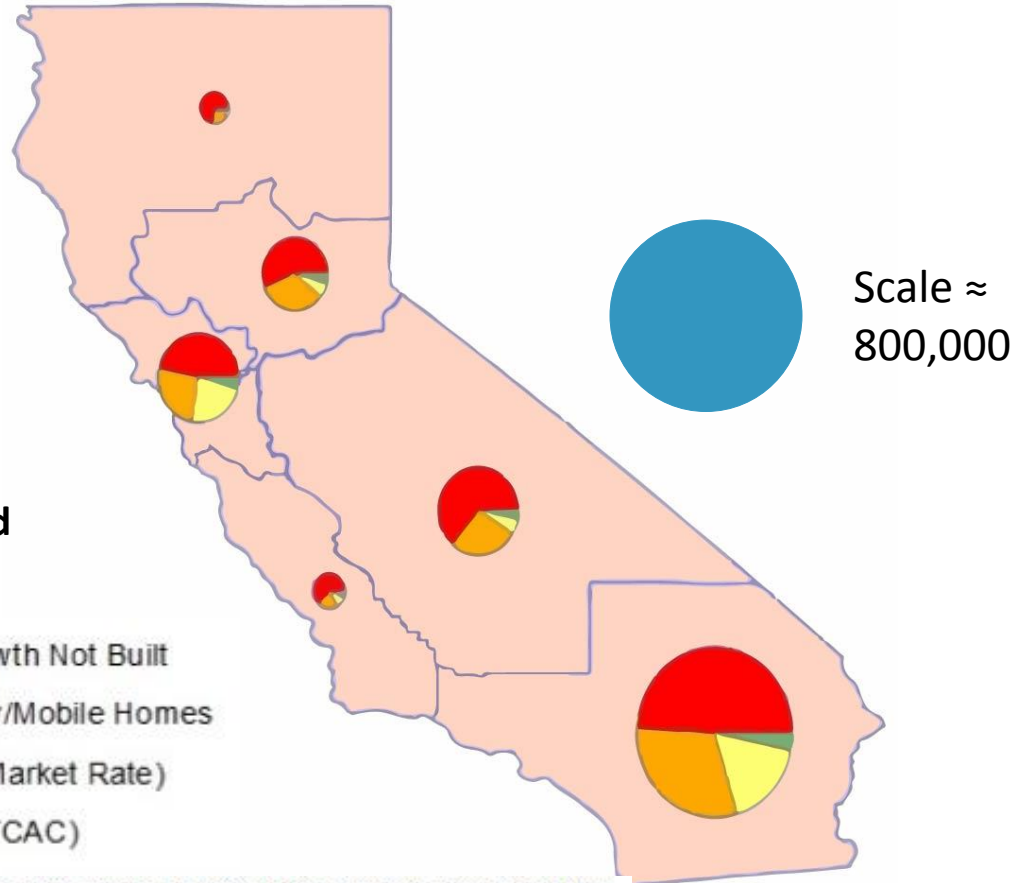


Permits
by Type

4th Cycle RHNA
Projection Period
2003 - 2014



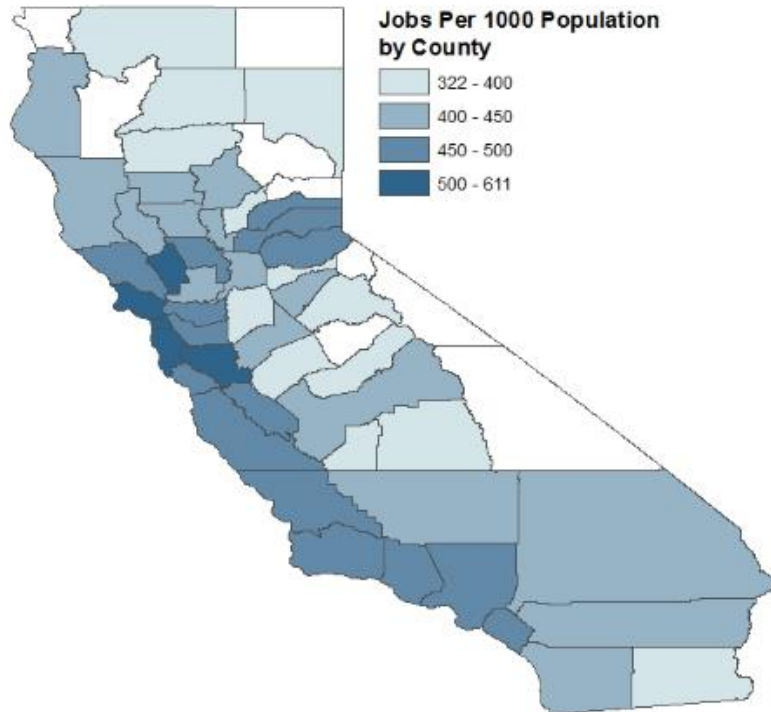
Sources: HCD Regional Housing Needs Allocations; DOF E5 Population and Housing Estimates for Cities, Counties, and the State; E8 Historical Population and Housing Estimates for Cities, Counties, and the State; TCAC Mapped Projects



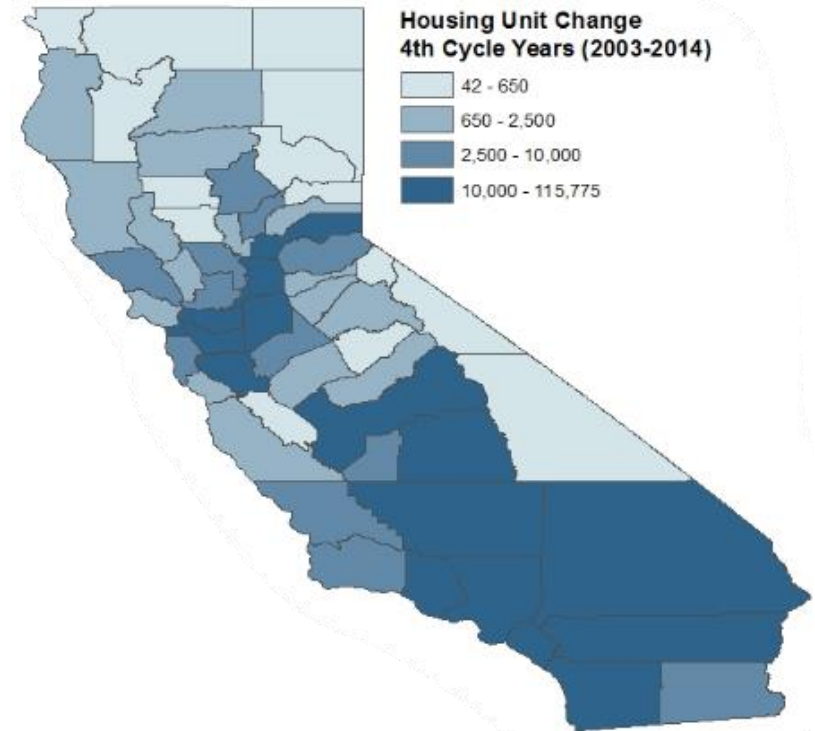


Counties with High Job Availability Experienced Lower Housing Production

Job Availability



4th Cycle Production



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



Nearly A Third of CA Renters are Paying More Than Half Their Income to Rent

Income	Total Renter Households (million)	% Rent Burdened	% Severely Rent Burdened
Extremely Low-Income	1.27	90%	80%
Very Low-Income	.95	87%	51%
Low Income	1.11	65%	18%
All Lower-Income Renter Households (80% AMI and below) Subtotal of above	3.33	81%	51%
Moderate-Income	1.03	35%	4%
Above Moderate-Income	1.54	8%	0%
All Renter Households Total	5.9	54%	30%

Source: 2016 National Low Income Housing Coalition tabulations of 2014 American Community Survey Public Use Microdata Sample (PUMS) housing file.



Some Recent Gains

STATE:

- ✓ “No Place Like Home” program created, \$2 billion in bonds authorized for permanent supportive housing.
- ✓ \$150 million in new funding for homeless programs in 2016 Budget.
- ✓ \$600 million for the Veterans Housing and Homelessness Prevention in 2014.
- ✓ 20 percent of Greenhouse Gas Reduction Fund revenues to fund the Affordable Housing Sustainable Communities Program, with at least half of the funds for affordable housing.

LOCAL:

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

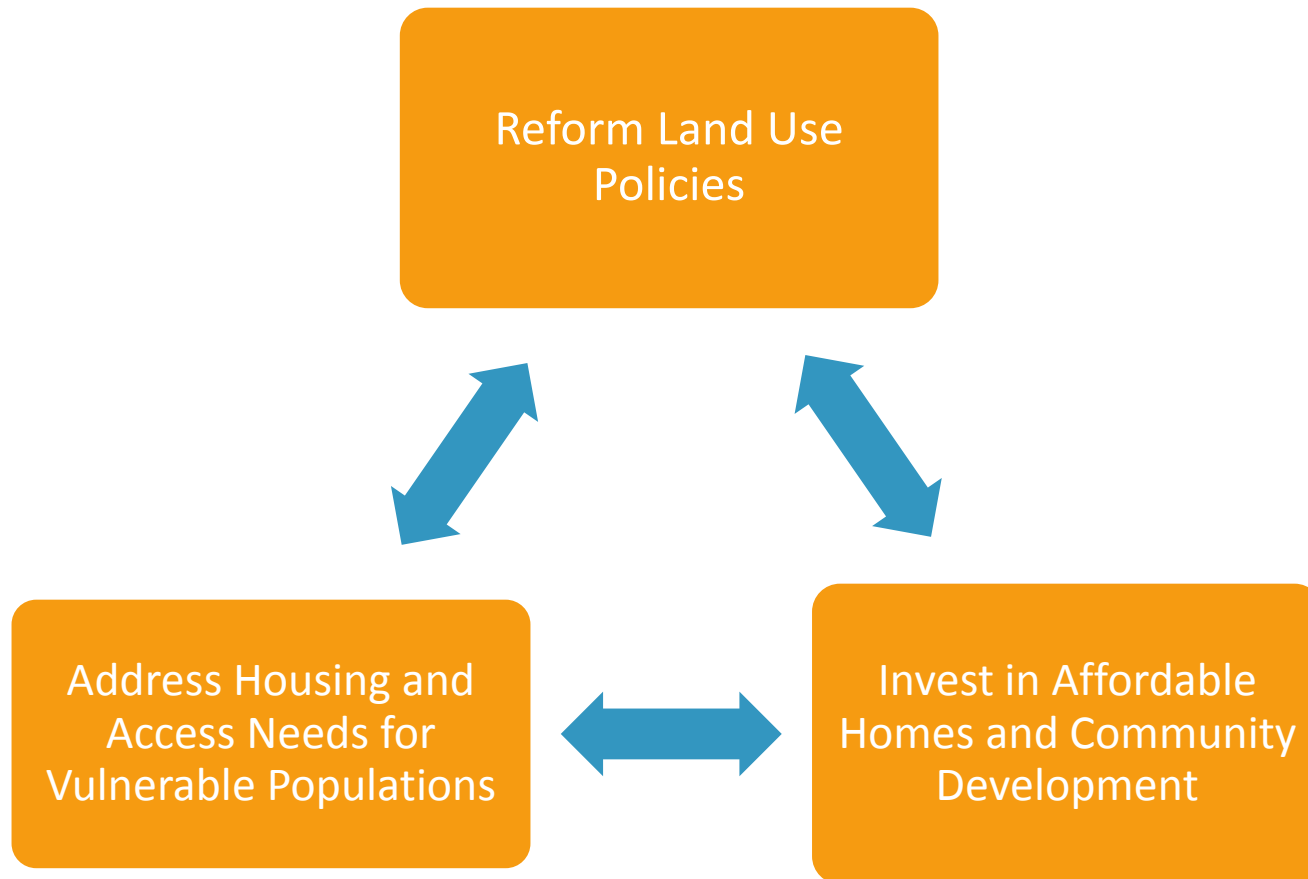


High Housing Costs and Needs Have Consequences

- **Economy:** Lack of housing supply annually costs the California economy \$238 billion dollars.
- **Poverty:** When housing is factored in, California's poverty rate is the highest in the nation.
- **Economic Mobility:** Children that grow up exposed to poverty have a greater chance of lower economic mobility later in life.
- **Environment/Transportation:** As households move further from jobs, longer commutes raise transportation costs and pollution
- **Health:** Housing instability negatively impacts mental and physical health, and providing housing can lower public health and social services costs.
- **Education:** Children experiencing housing instability experience reduced academic outcomes.



Potential Options to Address California's Housing Challenges





**Reform Land Use
Policies
to Advance
Affordability
Sustainability,
and Equity**

1. Increase supply of housing affordable to all income levels by reducing time and cost of development.
2. Link housing production and other housing goals to incentives and investments.
3. Encourage land use policies and investment that support community development.



**Address Housing
and Access
Needs for
Vulnerable
Populations
through Greater
Inter-agency
Coordination,
Program Design
and Evaluation**

1. Increase coordination between federal, State and local health, social services, and housing systems.
2. Invest in permanent supportive housing and ensure consistent evaluation of programs.



**Invest in
Affordable Home
Development
and
Rehabilitation,
Rental and
Homeownership
Assistance, and
Community
Development**

1. Identify an ongoing source of funding for affordable housing that does not add costs to the State's General Fund.
2. Encourage continued federal support.
3. Increase program data collection and evaluation to reduce costs and improve programs.



Timeline and Next Steps

- Comment Deadline: March 4, 2017
- Submit Comments to SHA@hcd.ca.gov
- Scheduled Public Workshops:

San Diego 1/23	Fresno 1/30	Los Angeles 2/3
Sacramento 2/6	Oakland 2/17	Redding 2/24

- Final Statewide Housing Assessment Expected: Summer 2017

Please visit www.hcd.ca.gov/statewide-housing-assessment for more information and to RSVP to the public workshops.