



**California's Housing Future:**  
Challenges and Opportunities  
Public Draft



# California's Housing Future: Challenges and Opportunities

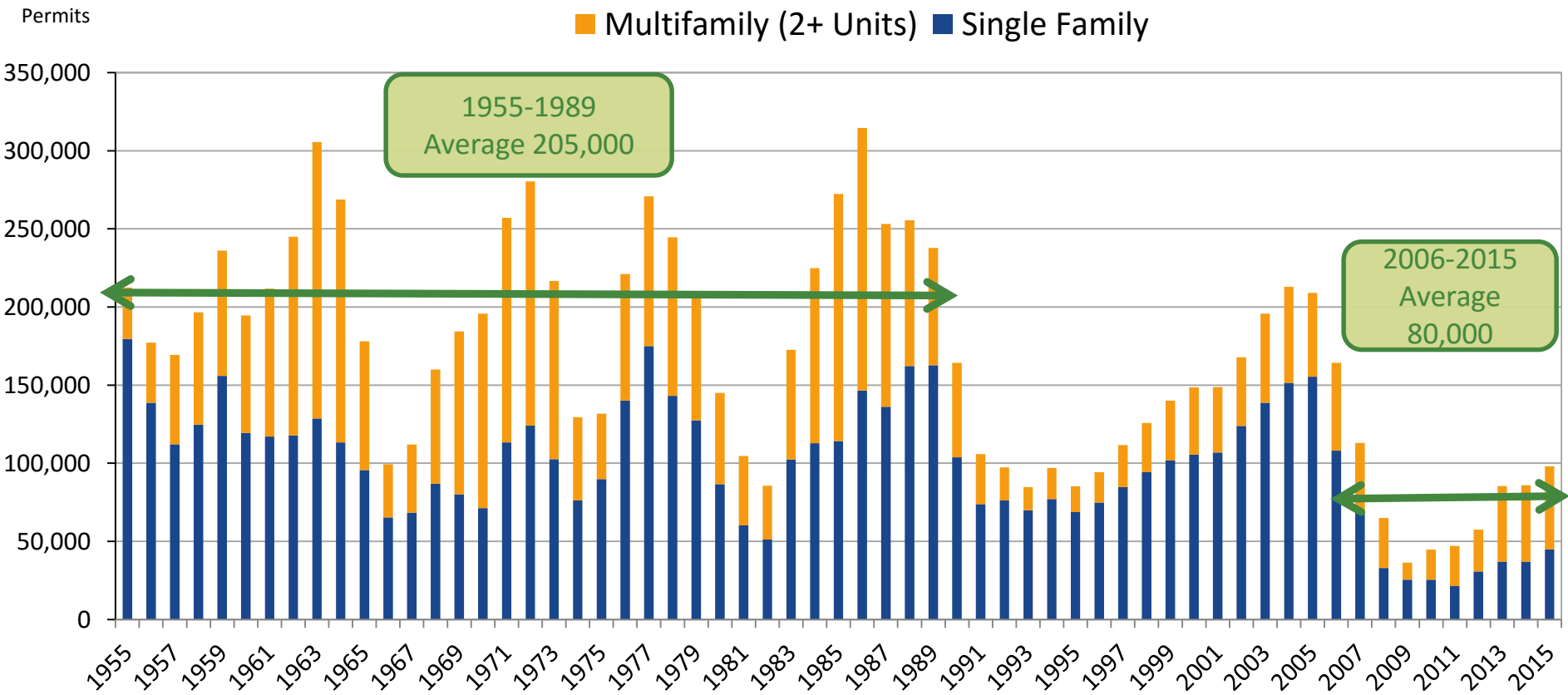
## The Draft Statewide Housing Assessment 2025





# Production Not Keeping Pace With Projected Need 180,000 new homes needed annually

Annual New Housing Permits 1955-2015



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



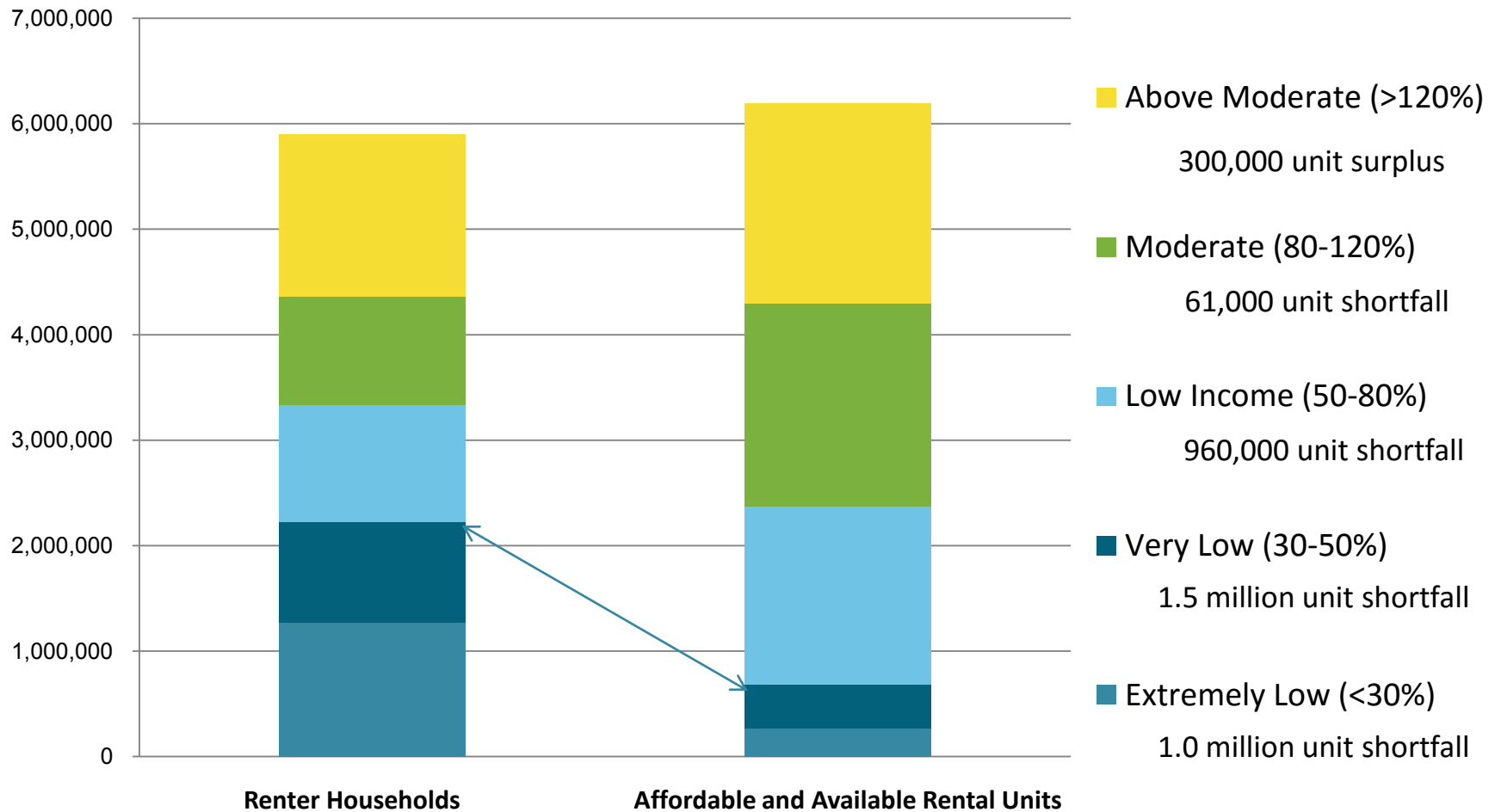
# Nearly A Third of CA Renters are Paying More Than Half Their Income to Rent

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) <b>Subtotal of above</b>	3.33	81%	51%
Moderate-Income	1.03	35%	4%
Above Moderate-Income	1.54	8%	0%
<b>All Renter Households Total</b>	5.9	54%	30%

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



# Renter Households in Greatest Need Outnumber Affordable Rentals (2:1)

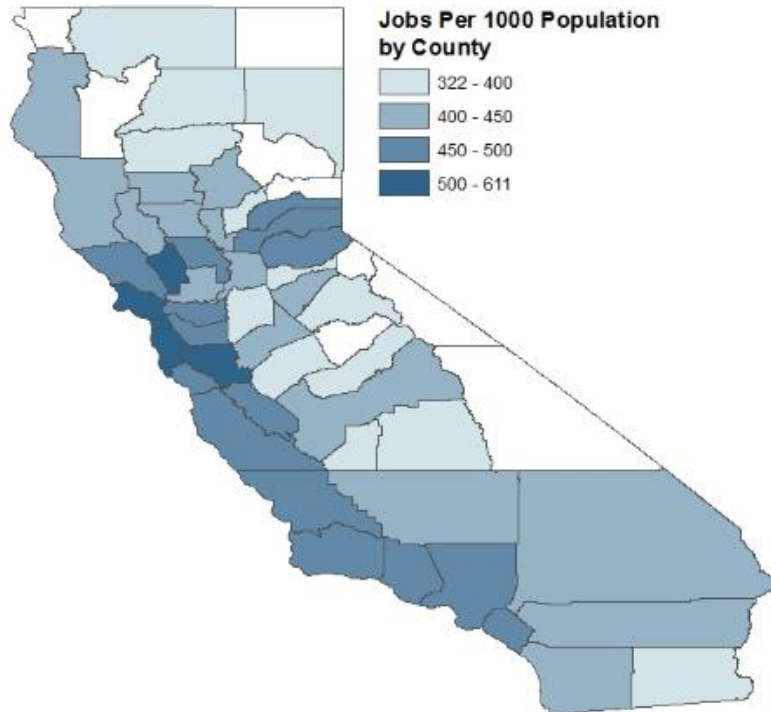


Source: 2016 National Low Income Housing Coalition tabulations of 2014 American Community Survey Public Use Microdata Sample (PUMS) housing file. Graphic by HCD.

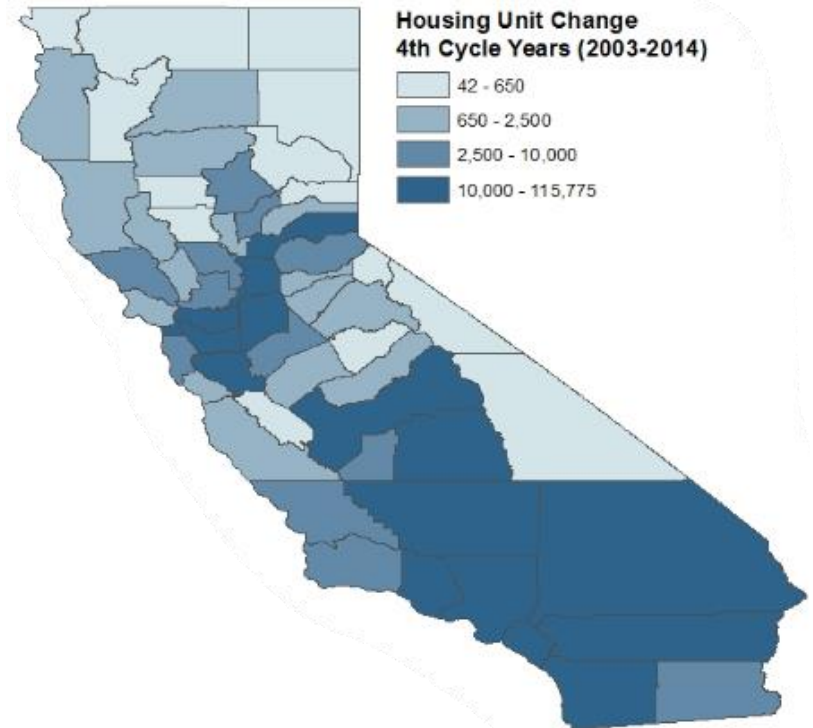


# Counties with High Job Availability Experienced Lower Housing Production

Job Availability



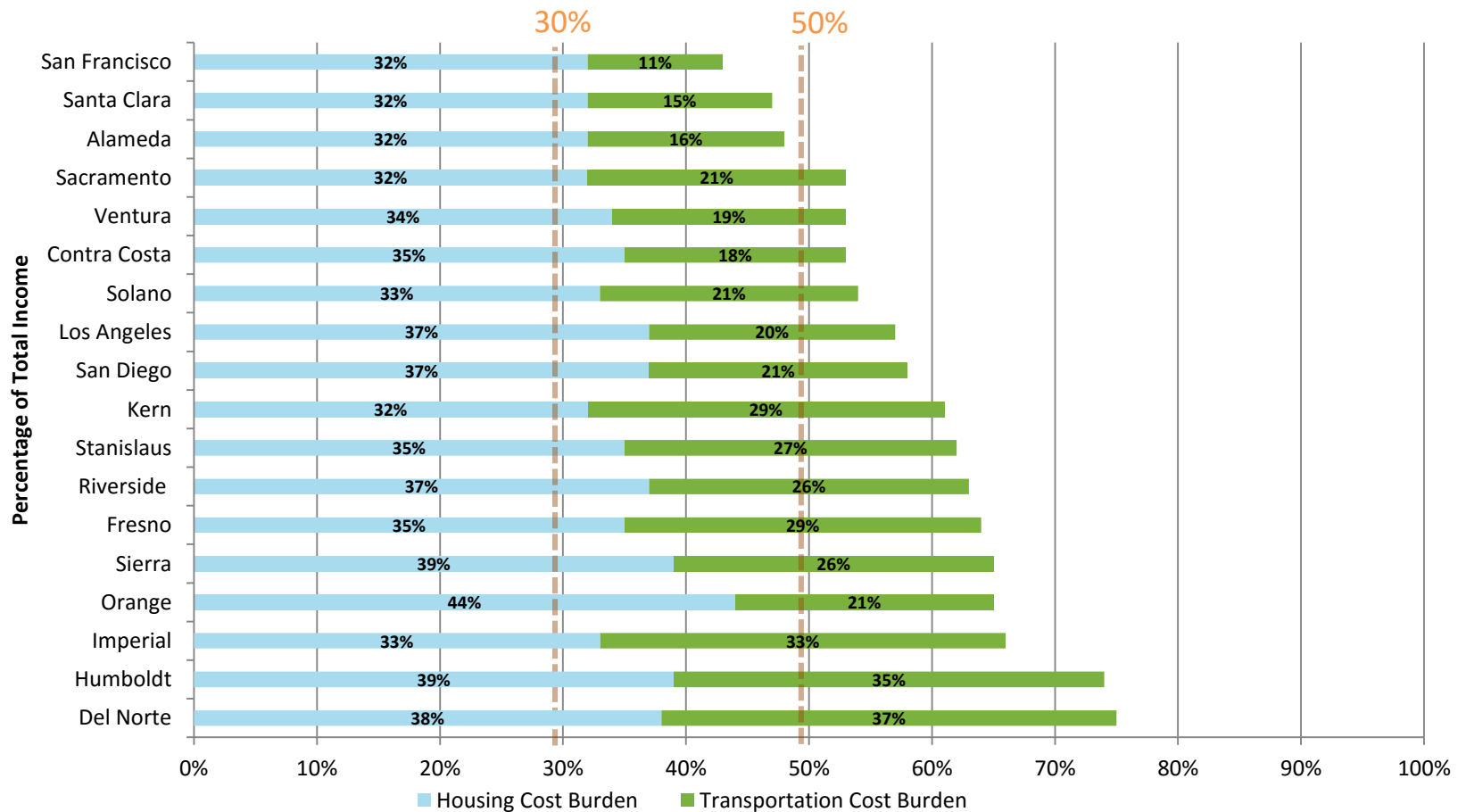
4<sup>th</sup> Cycle Production



**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.



# Housing and Transportation Cost Burdens Throughout California



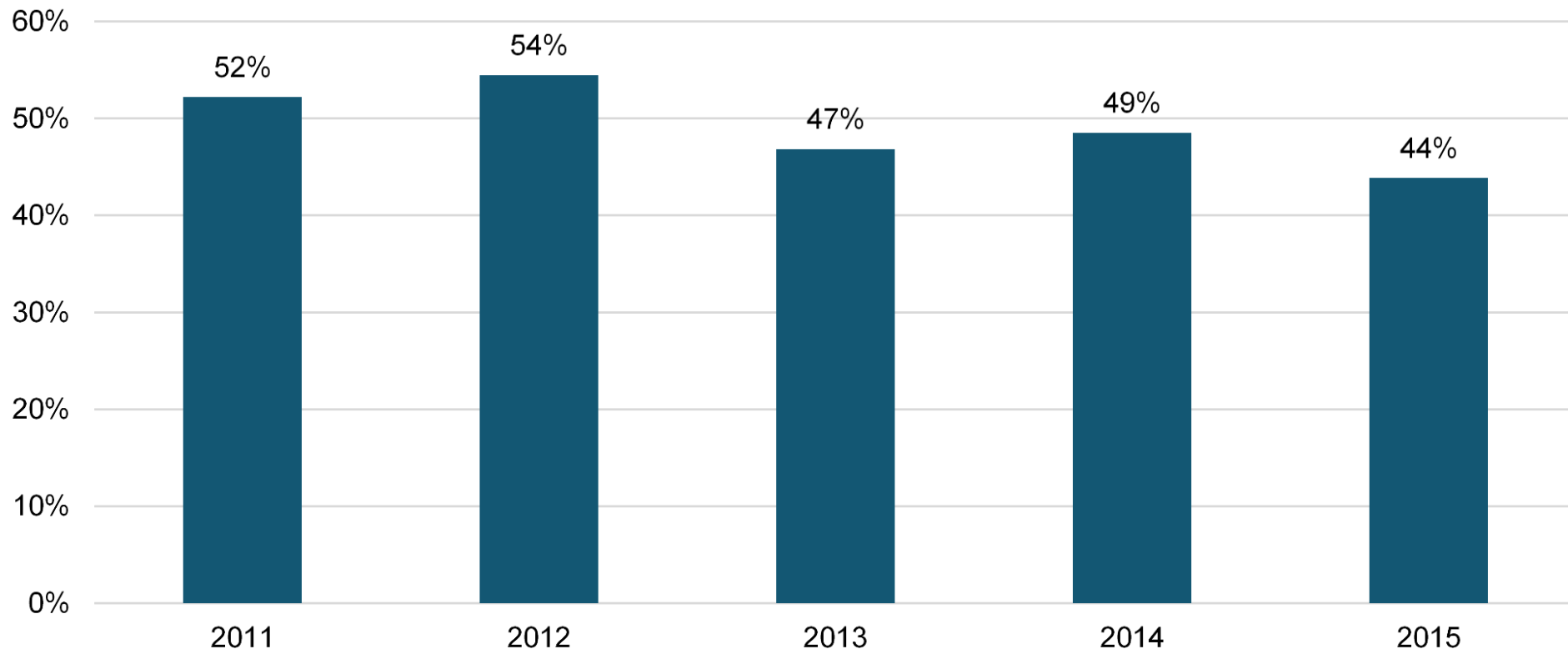
Source: Center for Neighborhood Technology, Housing and Transportation Index, Average Percent of Income Spent on Housing and Transportation for Selected Counties. Graphic by HCD.



# Annual Progress Report Compliance

Only source of residential permits by income category.

Percent of Jurisdictions Submitting APRs (2011-15)





## 2015 Annual Progress Report by Jurisdiction Type

	<b>APR Submissions</b>	<b>Total Jurisdictions</b>	<b>Percent</b>
<b>Charter Cities</b>	51 submitted	121 Charter Cities	42%
<b>Non-Charter City Jurisdictions</b>	185 submitted	418 Non- Charter Cities	44% (44.3%)
<b>Total</b>	236 submitted	539 Total Jurisdictions	44% (43.7%)





# High Housing Costs and Needs Have Consequences

- **Environment/Transportation:** As households move further from jobs, longer commutes raise transportation costs and pollution
- **Economy:** Lack of housing supply costs the California economy \$140-\$233 billion dollars annually.
- **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.
- **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.



## Some Recent Gains

### **STATE:**

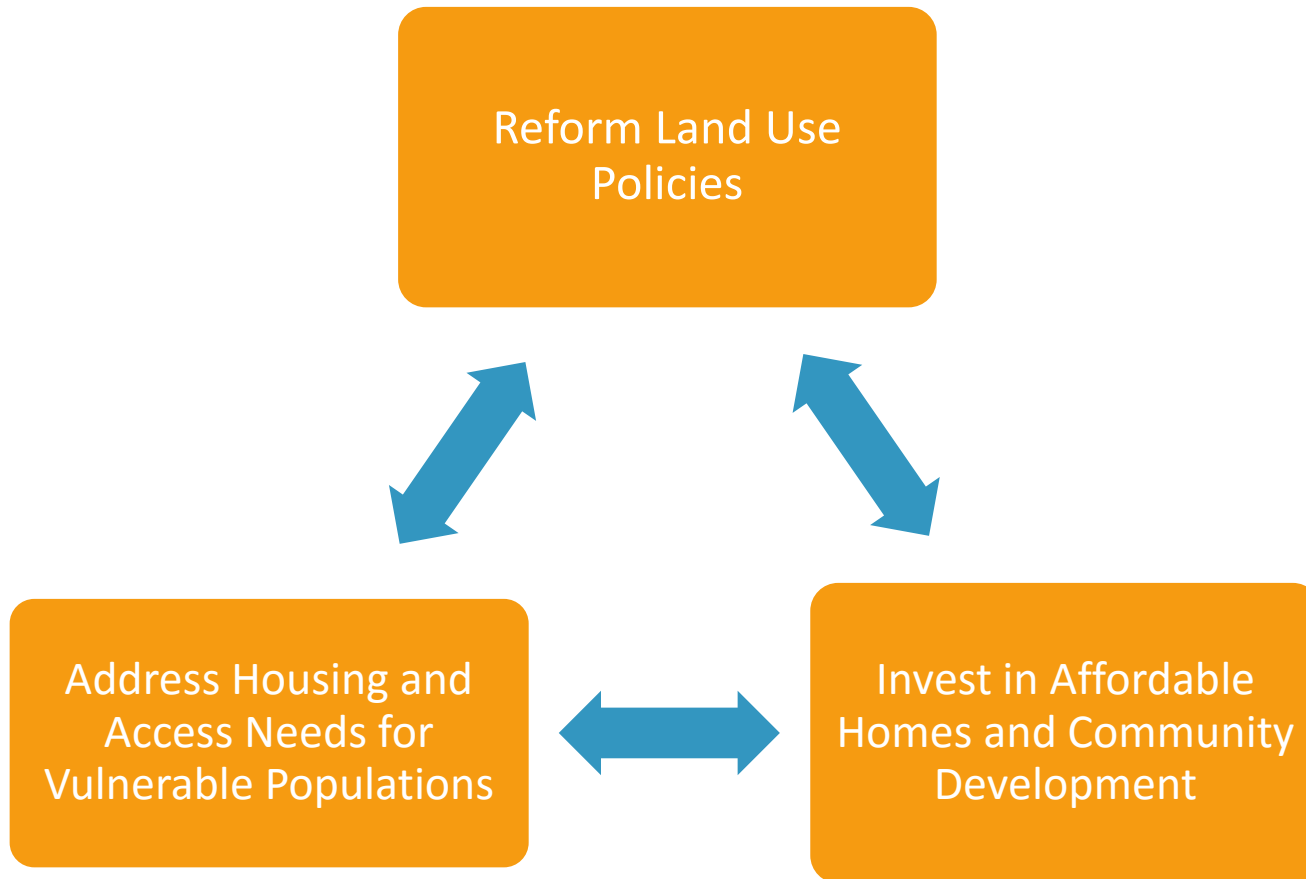
- ✓ “No Place Like Home” program created, \$2 billion in bonds authorized for permanent supportive housing.
- ✓ \$150 million in new funding for homeless programs in 2016 Budget.
- ✓ Legislation to streamline the approval of Accessory Dwelling Units
- ✓ \$600 million for the Veterans Housing and Homelessness 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.



# Potential Options to Address California's Housing Challenges



# Questions and Discussion

