

Ten-Point Plan for Housing Affordability

Prepared March 16, 2023 by the New California Coalition's Housing Task Force

Our proposed solutions aim to help realize Governor Gavin Newsom's goal of building 2.5 million more housing units by 2030. California's housing gap primarily impacts working, middle-class families. The ability to increase housing production that serves these hardworking Californians is dependent on three key factors:

- Acceleration of housing project entitlements and approvals.
- Reduction of the costs of construction to enable housing to be built at an affordable price to buyers and renters.
- Fixing the current local jurisdiction disincentives for building more housing.

The New California Coalition's 10 proposals each address at least one of the three points above.

- 1. No CEQA for buildout of approved Housing Elements.** These sites have already been designated for housing by local governments; there is no loss of local control in allowing housing where local governments have said it is appropriate.
- 2. Cap all locally imposed fees and impositions, including permit fees, impact fees, and inclusionary zoning (IZ) requirements, at 6% of construction cost, payable upon certificate of occupancy.** High fees are a huge driver of high housing prices. While subsidized affordable housing is critically important, it is a societal responsibility that should not be disproportionately funded by new market-rate housing because that increases the costs for homebuyers and pushes many of them out of the homeownership market and stresses the rental market.
- 3. Cap all connection charges charged by utilities and special districts at \$10,000 per door in total, payable upon certificate of occupancy.**
- 4. Re-allocate property tax revenues to reward local governments that build housing.** The current structure costs local jurisdictions resources. A new method must be implemented where a portion of the Countywide property tax increment from residential structures is reallocated to benefit jurisdictions that approve more housing. Jurisdictions that approve less housing will receive less of the tax increment. Only the tax increment from cities and the unincorporated area of counties (i.e., jurisdictions with land use control) would be affected (special districts and school districts would not be).
- 5. Stated commitment from Governor Newsom to veto any new laws and oppose any new regulations that effectively increase cost of (or otherwise constrain) full implementation of approved Housing Elements and projects and that he does and will continue oppose any local measures that would have the same effect.**
- 6. Restore more affordability and availability of homeowners and condominium insurance.** The Governor to call on Insurance Commissioner Ricardo Lara to expand the Fair Access to Insurance Requirements Plan (FAIR Plan) to include condominiums in the basic FAIR Plan fire insurance coverages (at least \$20 million) and then support a longer-term solution to get admitted carriers back to the Commissioner's rate-making table to provide better prices and consumer choice for all homeowners in the California insurance market.
- 7. State to pay for costs of climate-related changes to the building code.** Need to align the Administration's housing and climate change goals. The state's admirable climate goals benefit every Californian and new housing construction should not be forced to pay for that cost; it is a statewide responsibility. The costs for things like rooftop solar and EV charging stations should be paid for by the state through tax credits to builders or homebuyers. Financing could come from the Cap-and-Trade program, General Fund, bond measure, or other sources.
- 8. Establish a State timeline for local project approvals.** For example:

<u>Project Units</u>	<u>Approval Timeline</u>
5 or less	30 days
6 to 100	90 days
Over 100	270 days
- 9. Expand CalFHA Program.** A solid administrative infrastructure is already in place with a program tailored to counties based on AMI. It is a good program that needs substantial increase in funding.
- 10. Permanently extend SB 330 (Skinner) prohibiting any amendment that diminishes its effectiveness or increases housing costs.** Reasonably limits excess process for housing approvals. Prohibits downzoning residential areas without a corresponding up-zone to increase housing capacity elsewhere; limits the ability of cities and counties to adopt arbitrary moratoria on new housing; prohibits local growth controls that limit building permits.