

Memorandum

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To: CHAIR AND COMMISSIONERS

CTC Meeting: March 15-16, 2017

Reference No.: 4.9
Action

From: SUSAN BRANSEN
Executive Director

Subject: **PRESENTATION ON CALIFORNIA'S HOUSING FUTURE: CHALLENGES AND OPPORTUNITIES**

ISSUE:

The California Department of Housing and Community Development (HCD) released a draft housing assessment "*California's Housing Future: Challenges and Opportunities*" for public comment. HCD Director Ben Metcalf will make an informational presentation to the Commission regarding the draft document and its preliminary recommendations.

Should the Commission provide comments to HCD regarding their recently released draft housing assessment?

RECOMMENDATION:

Commission staff recommends that the comments set forth in the attached draft letter be transmitted to HCD to support preparation of the draft housing assessment and to communicate the Commission's intent to continue collaboration with HCD to help achieve state and regional planning priorities and to maximize co-benefits of infrastructure investments.

BACKGROUND:

Pursuant to Health and Safety Code Section 50450, the California Department of Housing and Community Development (HCD) has prepared and issued a draft 2025 Statewide Housing Assessment entitled "*California's Housing Future: Challenges and Opportunities.*" The document is intended to provide in-depth research into California's far reaching housing challenges. In addition to analyzing housing needs and conditions, the document also presents preliminary recommendations to address California's housing challenges through a ten-year forward looking policy framework.

The public draft document as well as background and stakeholder engagement information are available online at:

<http://www.hcd.ca.gov/policy-research/plans-reports/index.shtml>

The housing assessment identifies the following housing challenges facing California:

- Overall homeownership rates are at their lowest since the 1940's.
- Housing production averaged less than 80,000 new homes annually over the last 10 years, and ongoing production continues to fall far below the projected need of 180,000 additional homes.
- Lack of supply and rising costs are compounding growing inequality and limiting advancement opportunities for many Californians. Without intervention much of the housing growth is expected to overlap significantly with disadvantaged communities and areas with less job availability.
- Continued sprawl will decrease affordability and quality of life while increasing transportation costs.
- The majority of renters, more than three million households, pay more than 30 percent of their income towards rent. More than 1.5 million households pay more than 50 percent of their income towards rent.

Attachment – Draft Comment Letter

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March 15, 2017

Mr. Ben Metcalf, Director
California Department of Housing and Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Re: California's Housing Future: Challenges and Opportunities

Dear Director Metcalf,

Thank you for attending the California Transportation Commission's (Commission) March 2017 meeting and providing an overview of the draft document titled "*California's Housing Future: Challenges and Opportunities*" prepared by the California Department of Housing and Community Development (HCD). The Commission commends HCD for preparing a study that provides an overview of the challenges within California for purposes of addressing our severe housing shortage.

The Commission shares your concern that approximately 180,000 housing units should be constructed each year to meet the demand yet less than 80,000 new homes were produced annually over the past ten years. This represents a critical infrastructure deficit within our state. Clearly this is a crisis that must be resolved.

The Commission has long recognized the correlation that exists between housing and transportation and is committed to working with HCD, the California Department of Transportation and others to coordinate state housing and transportation policies and programs to help achieve state and regional planning priorities and to maximize co-benefits of infrastructure investments. This commitment also includes working with HCD to identify and secure solutions to the regulatory and other barriers that impair the ability to deliver the housing and transportation infrastructure so desperately needed in California.

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Given the importance that California's transportation and housing policies align with one another, the Commission has appreciated HCD's participation during development of the 2010 and 2017 Regional Transportation Plan Guidelines. We have also appreciated HCD's participation in developing guidelines to inform the California Transportation Plan.

Please be assured that the Commission looks forward to on-going collaboration with you and your staff to identify and address barriers leading to a lack of affordable housing. For further discussion in follow-up to this letter, please contact Susan Bransen, Executive Director, at (916) 654-4245.

Sincerely,

BOB ALVARADO
Chair

c: Commissioners, California Transportation Commission
Susan Bransen, Executive Director, California Transportation Commission
Brian Kelly, Secretary, California State Transportation Agency
Alexis Podesta, Secretary, Business, Consumer Services, and Housing Agency