



## Housing Policy and Practices Advisory Group

### Agenda

November 17, 2015

10:00 am – 3:00 pm

2020 West El Camino, Suite 402A, Sacramento, CA 95833

Objectives: To identify new strategies and collaborative approaches for state and local agencies to facilitate the implementation of housing plans and increased housing production.

#### Attendance

SCAG –Huasha Liu

ABAG – Duane Bay

APA – Barbara Kautz

League of California Cities – Betsy Strauss, Kendra Harris

Local Government Representative – Don Thomas (Sacramento County)

Local Government Representative – Ruby Maldonado (Orange County)

Public Interest Law Project – Mike Rawson

California Rural Legal Assistance – Ilene Jacobs

Kennedy Commission – Cesar Covarrubias

Western Disability Rights California – Dara Schur

Center for Law and Poverty – Anya Lawler

CTCAC – Mark Stivers

Senate Transportation and Housing Committee – Alison Dinmore

Assembly Housing and Community Development – Rebecca Rabovsky  
Committee

CALSTA: Kate White

SGC: Suzanne Hague

LAO: Brian Uhler

OPR: Chris Calfee

HCD – Lisa Bates, Deputy Director, Housing Policy

Glen Campora, Assistant Deputy, Housing Policy

Melinda Coy, Specialist

Stephanie Hodson, HCD Legislative Analyst

Autumn Bernstein, Facilitator

## Agency Introductions

Kate White (Deputy Secretary for Environmental and Housing, CalSTA): Provided an overview of projects. She emphasized the need for the State to make good investments that support transportation, housing development, and sound land-use decisions.

Brian Uhler (Senior Fiscal & Policy Analyst, LAO): Discussed recent paper/publication titled “CA Housing Costs and Circumstances”. He is interested in “actionable” legislation that would set the stage for providing more housing development opportunities in higher cost coastal areas. Some areas for exploration include Prop 13 restructuring with local control, CEQA streamlining, and evaluating whether sites are actually being put to highest & best use.

Mark Stivers (Executive Director, TCAC): Provided an overview of the roles TCAC and CDLAC play in funding affordable housing. While there are multiple agencies and pots of money for housing, more funding is needed to increase the affordable housing supply. TCAC is currently looking at how to increase the utilization of the 4% tax credit program.

Suzanne Hague (Senior Advisor for Community Development and Planning, SGC): Discussed current work on a publication related to infill development. Areas of interest included inclusion and equity, GHG reduction goals, infrastructure financing, and place-based initiatives.

Chris Calfee (Senior Counsel, OPR): Discussed CEQA reforms. OPR currently is initiating a comprehensive CEQA guidelines update. It will have various improvements including more guidance on tiering, and clarify SB 743 and SB 226 statutory provisions. SB 743 creates a way to use VMT to analyze traffic impacts instead of LOS standards and includes affordable housing as a measure to reduce VMT. SB 226 provides CEQA exemptions for mix-use and affordable housing projects.

## Presentation of Preliminary Data from the Statewide Housing Plan

Staff presented preliminary data from the Statewide Housing Plan for comment.

### *Comments:*

- Depict overall costs (housing plus transportation)
- Show peaks and lows for housing funding
- Show RHNA built by income levels
- Add data to show ELI and vulnerable population unit production
- Provide more detail on projected growth in each region rather than depict forecasted growth areas just by COG.
- Displacement and housing preservation issues should be more predominant
- Should include information on access to destination and equity issues – need to capture importance of location and opportunities.

**Topic #1 Increasing Affordable Housing** - Are there new planning, funding or development tools that the State could consider to increase the stock of affordable housing? What are effective intervention points in the housing market?

*Discussion:*

- The new parking reduction provision (for affordable housing) in density bonus law might be an incentive to increase affordable housing.
- Golden State Acquisition Fund or something modeled after it could be more widely utilized for predevelopment and preservation of existing housing.
- Cap and Trade is a real opportunity for more housing funding.
- State requirement for inclusionary housing could be an avenue depending on the current appeal to the Supreme Court.
- Promote infill over greenfield development.
- Identify and remove barriers that discourage affordable housing development.
- More funding is needed for infrastructure financing.
- Partner with other agencies to find best practices and leverage other funding options/resources.
- Address fiscalization of land-use. One suggestion is that property tax laws could be changed to reward jurisdictions for taking on new growth.
- Gap financing is always a challenge.
- 4% tax credits are underutilized and provide a way to capitalize on “existing” fiscal resources to assist with gap financing.
- “Affirmative and Fair Housing Initiative” will require local governments to take a new/different look at affordable housing.
- Money alone is not the solution. Political will is the major factor.
- Need to discuss permanent source funding and other sources of financing.
- Subsidy money is still needed for places where the land is high value, like coastal areas. Inclusionary zoning could significantly help.
- Housing needs to be a part of larger statewide discussions – infrastructure for example. Looking at density bonus law, do those bonuses actually work in all areas to make projects more affordable?
- Need stronger displacement policies like city wide policies or be a condition of funding (e.g., AHSC).
- Displacement policies and replacement requirements should include non-covenanted affordable housing
- Recapture public investment and local actions that increase land value by requiring affordability as a condition.
- Affordable housing still has barriers to vulnerable populations including those w/disabilities – need to be affordable and accessible

**Topic # 2 Implementation of Land-Use and Housing Planning** - What are the barriers to implementation of housing and land-use plans and project development both at the local and regional level and what strategies could the State consider to assist in their removal?

*Discussion:*

- The State should keep in mind local barriers when developing policy and should incentivize jurisdictions who want to do the right thing. Suggestions include: Financial rewards and penalties to the housing element process, allowing locals to drive changes.
- Need to be able to reduce the risk for financing in areas needing investment. Could the state assume some of that risk to make the option of building the kind of projects we need in high risk areas more attractive?
- State needs the basic infrastructure to provide housing. Should study capacity and propose solutions to overcome capacity gaps.
- The State should do a better job of using the available resources including examine existing housing and planning policies and processes on what works and what doesn't.
- Need to look at land-use requirements that actively promote more efficient use of land.
- CEQA infill exemption (for cities) needs to apply to counties. Counties with less rural unincorporated areas want the option.
- Remember that with ministerial approvals, CEQA is not applicable. Should change the conversation from provision of CEQA exemptions to providing more "by right" opportunities.
- Barriers vary widely according to local circumstances. Research found 20 different types of growth measures adopted by different localities making planning quite different by jurisdiction.
- Local elected officials and staff know that housing is badly needed but the political position they are put in makes that difficult.
- Right now higher density is how we get to affordability, so when developers see the opportunity for higher density, the site value is increased and they want the property for market rate development, not affordable.
- Density bonus law is discretionary so focus on making incentives more compelling.
- Cities must invest in the process. Massachusetts as example of a local control carve out: if a locality meets the threshold, they may continue operating as they do, but if they drop below, sites must be by right and the locality becomes more closely monitored.
- State policies should expressly state that RHNA is for the purpose of affordable housing.
- When locals make land-use decision, fiscalization of land-use creates a barrier to provision of housing.
- The State should think about social equity and giving low-income families access to amenities, proximity to jobs, transportation, etc..
- HE reform occurred in 2004 with by-right zoning. But without adequate financing, sites just sit after they are mandated for affordable housing.
- League has an internal workgroup on homelessness. They are working on developing principles to share – will be around the idea that funding is needed, but with flexibility.

- Having overlays as an alternative to straight zoning could lead to more affordable housing by requiring affordability to be able to access higher densities.
- Having flexibility is key to success. It is important for local jurisdictions to have flexibility in the implementation of their plans.

**Balancing Multiple Policy Objectives** - Given limited resources for public investment, how can we more fully integrate affordable housing policy with other State policy objectives? Which approaches to housing investment are most strategic and should be considered by the State?

*Discussion:*

- More financial resources and incentives need to be found for planning.
- Critical that jurisdictions offer by-right zoning.
- Focus on GHG emissions and CEQA streamlining is a good start. There is a focus on putting more resources toward low VMT areas.
- Big projects need to include jobs, housing traffic reduction as a combination of issues.
- Incentives matter, disincentives regarding market rate will not work, so need to make affordable more attractive.
- Example of balancing policies is Sacramento County's Housing Incentive Program: Multifamily zones by right can go to 23/acre density if special needs housing is 20% then can add density.
- Micro-units could be an example of building market rate housing at an affordable price. Micro units have a shared kitchen, but have private bedrooms.
- Strengthen linkage between housing and GHG to link housing priority with other administration goals.
- Raise awareness of the benefits of locating housing near jobs.
- Make affordable housing or housing planning a criterion of access to transportation or other types of funding (i.e. Plan Bay Area Grant Money).
- For housing and its connection to other benefits to be successful as a message; it needs to show how it benefits the locality as opposed to regionally.
- Work Group reached a consensus around exploring by-right zoning, incentives for market rate and local governments to provide for affordable housing and public investment recapture as tools to increase the supply of affordable housing.