

California Department of Housing and Community Development



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California's Continuing Housing Crisis



Why Housing is Important

The Housing Industry Contributes to California's Economy:



- ▶ **Contributes \$218 billion per year to economy**
- ▶ **Generates 935,000 jobs**
- ▶ **Accounts for approximately 10% of all economic activity in the state**
- ▶ **Housing industry is the second largest industry group in the state, when all economic multipliers are considered**

State Role in Land Use & Housing

*Tools to Create Vibrant,
Livable Communities:*

*(1) Regional Housing
Need Planning*

(2) Housing Element



Regional Housing Need Planning Process (approximates 7 years)

- **State (HCD) Determination**
 - quantify region & jurisdiction housing needs (based on Department of Finance population & household projections)
 - coordinate with intergovernmental entities (state, region & local)
- **Regional Housing Need Allocation Plan Must be Consistent with State Goals & Objectives of Increasing:**
 - housing supply, mix of housing types, and affordability
 - infill and efficient development patterns and protection of agricultural and environmental resources
 - intraregional relationship between jobs and housing
 - equitable distribution of lower income housing need among jurisdictions within counties
- **Examples of Local Factors Required to be Considered in Allocations:**
 - jobs/housing projections, market demand for housing, transportation planning
 - land availability (developable, agricultural, preserved, protected, etc.)
 - Infrastructure/service capacity (water/sewer, etc.)

Housing Element Planning Process (approximates 5 years)

- Local governments update Housing Element to plan for housing need projection/allocation, particularly these components:
 - **Land Inventory & Resources:** adequate sites (mitigations for flood hazard, etc.) & capacity (adequate infrastructure, service levels, e.g. water availability, etc.)
 - **Analysis of Constraints to Development** (inadequate infrastructure and service levels, e.g. insufficient water availability in Monterey Peninsula to meet housing demand)
 - **Action Plans to Mitigate Constraints, for example:**
 - water conservation and efforts to increase availability & supply
 - More efficient development such as infill, higher densities
- HCD reviews housing element and certifies compliance

Recent Statutory Changes

Dealing with Water & Flood Matters

- **SB 1087 (2005):**
 - Local governments must immediately forward adopted housing element to water and sewer providers.
 - Water and sewer providers must establish specific procedures to grant priority service for affordable housing.
 - Water and sewer providers can not deny or condition the approval of, or reduce service level for an affordable housing development without specific written findings.
- **AB 162 (2007):**
 - Jurisdictions must revise the Land Use Element, Conservation Element, & Safety Element to address specific water & flood issues when next updating the Housing Element
 - Evaluate location of new development in consideration of flood hazards and methods to minimize flood damage which may result in excluding sites with inadequate flood infrastructure from being used to meet the regional housing need allocation.
- **SB 5 (Sacramento/San Joaquin Valley) (2007):**
 - Amend General Plan and zoning ordinance to address SB 5 requirements
 - Restrict local government approval (development agreement, map, permits, etc.) for areas in a flood hazard zone unless specific findings can be made.