

# Let's not just talk about housing affordability – let's act

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For the past decade, Californians have been leaving the Golden State in droves to find more affordable places to live. We now have proof they're making the right decision.

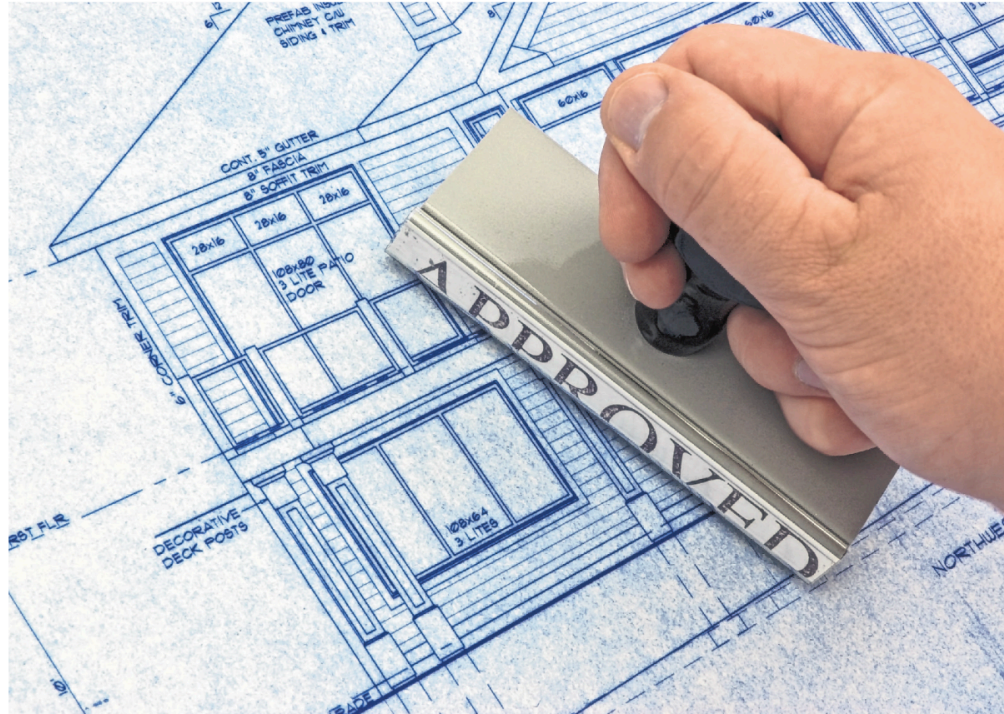
A recent UC Berkeley/UCLA study found that Californians who move out of state are dramatically more likely to become homeowners — about 48% more likely within seven years.

That should concern policymakers. California has many strengths — great weather, economic opportunity, innovation and natural beauty among them. But when middle-class families increasingly feel they must leave the state to achieve homeownership, it's a sign something isn't working.

Housing affordability has become one of the defining economic issues facing California, and especially younger families trying to put down roots. The good news is that government officials appear to be paying more attention to the problem than they have in decades.

Most major candidates for governor, for example, have pledged in one form or another to reform the state's housing approval process and make housing more affordable. That's encouraging, because the reality is that California's affordability crisis didn't happen by accident.

Over many years, layers of fees, regulations, lawsuits and anti-growth policies have combined to make housing in California among the most expensive in the nation.



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The Sacramento region's growing housing affordability problem can be reduced if state and local governments took steps such as reducing the fees that now average \$109,000 per home and speeding up the new housing approval process.

Fortunately, there are practical steps state and local leaders could take that would help.

One obvious starting point is reducing the fees builders pay to construct new homes. According to a recent study commissioned by the North State Building Industry Association, government fees in the greater Sacramento region now average roughly \$109,000 per new single-family home.

Those costs don't simply disappear. They become part of the final price paid by homebuyers.

Speeding up the permitting process would also help. Cali-

fornia's environmental laws were created with good intentions, but in practice they often allow a single lawsuit to delay housing projects for months or even years. Even when land is already zoned for housing, projects can face long and unpredictable approval timelines.

Those delays are expensive. Builders estimate that a six-month delay can add \$10,000 to \$12,000 to the cost of a home. If an area is already zoned for housing, approvals should be straightforward and permits should move quickly.

Another important point is

that California cannot solve its housing shortage solely through high-density development in existing neighborhoods. Urban infill housing absolutely should be part of the solution. But it cannot be the only solution.

Polling conducted for the building industry consistently shows that most Sacramento-area residents still prefer single-family homes with yards in suburban communities. Families want choices. A healthy housing market includes apartments, condos, townhomes, infill projects and suburban

neighborhoods.

California needs more of all of them.

Condominiums and townhomes deserve particular attention because they have historically provided one of the best entry points into homeownership for younger buyers.

Unfortunately, excessive construction litigation has made many builders reluctant to construct entry-level condos in California. No other state has quite the same environment for these large class-action lawsuits.

That's the main reason relatively few for-sale condos are built today compared to decades past.

The answer isn't to eliminate consumer protections. Builders absolutely should stand behind their work. But lawmakers should strengthen "right to repair" laws that allow builders to correct legitimate issues before lawsuits move forward. If repairs are properly made, litigation should largely end there.

Assembly Member Buffy Wicks recently introduced legislation intended to encourage more condo and townhome development. Efforts like that deserve serious consideration because these housing types can help first-time buyers begin building long-term financial security.

California's housing affordability crisis was largely created by policies that, while often well-intentioned, have made housing slower and more expensive to build. The encouraging part is that this problem is solvable.

The basic solution is not mysterious: California must build enough homes, condos and apartments to meet the needs of the people who want to live here. The longer the state delays meaningful reform, the harder homeownership will become for the next generation of Californians.

Everyone is talking about housing affordability. Let's not just talk — let's act on long-overdue reforms.