

## EXHIBIT A

### Executive Summary

For the complete article of California's Housing Future: Opportunities and Challenges  
please go to the following page:

<http://www.hcd.ca.gov/policy-research/plans-reports/docs/California%27s-Housing-Future-Full-Public-Draft.pdf>

California Department of Housing and  
Community Development

## California's Housing Future: Challenges and Opportunities

Public Draft – Statewide Housing Assessment 2025



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# California's Housing Future: Challenges and Opportunities

Public Draft



# California Department of Housing and Community Development

## California's Housing Future: Challenges and Opportunities

Public Draft – Statewide Housing Assessment 2025

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## Executive Summary

Home is the foundation for life. It's where we raise families, feel safe and secure, rest and recharge. Our options for where we live have far-reaching impacts in our lives – from our job opportunities to our physical and mental health, from our children's success in school to our environmental footprint.

With California's desirable climate, diverse economy, and many of the nation's top colleges, the State continues to experience strong housing demand; however, housing construction is constrained by regulatory barriers, high costs, and fewer public resources.

Some of the housing challenges facing California include:

- 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 annually.
- Lack of supply and rising costs are compounding growing inequality and limiting advancement opportunities for younger 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 Californian renters — more than 3 million households — pay more than 30 percent of their income toward rent, and nearly one-third — more than 1.5 million households — pay more than 50% of their income toward rent.
- Overall homeownership rates are at their lowest since the 1940s.
- California is home to 12 percent of the nation's population, but a disproportionate 22 percent of the nation's homeless population.
- For California's vulnerable populations, discrimination and inadequate accommodations for people with disabilities are worsening housing cost and affordability challenges.

But while California's housing challenges may appear to be overwhelming, *California's Housing Future: Challenges and Opportunities* provides the data and analysis to describe the problem and frame the discussion surrounding solutions. This report offers five challenges to add context to discussions about the current state of housing affordability, and provides several possible options to address housing affordability.

## Challenges

*California's Housing Future: Challenges and Opportunities* includes five key challenges regarding housing affordability:

1. Housing supply continues to not keep pace with demand, and the existing system of land-use planning and regulation creates barriers to development.
2. The highest housing growth is expected in communities with environmental and socio-economic disparities.
3. Unstable funding for affordable home development is hindering California's ability to meet California's housing demand, particularly for lower-income households.
4. People experiencing homelessness and other vulnerable populations face additional barriers to obtaining housing.
5. High housing costs have far-reaching policy impacts on the quality of life in California, including health, transportation, education, the environment, and the economy.

## Options for Addressing Housing Challenges

Options for advancing the discussion about how to address the cost of housing fall into three broad categories, with specific potential actions falling under each:

- Reforming land use policies to advance affordability, sustainability, equity.
- Addressing housing and access needs for vulnerable populations through greater inter-agency coordination, program design, and evaluation.
- Investing in affordable home development and rehabilitation, rental and homeownership assistance, and community development.

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FOR IMMEDIATE RELEASE

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[karen.naungayan@hcd.ca.gov](mailto:karen.naungayan@hcd.ca.gov)**CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
RELEASES LIST OF CITIES/COUNTIES NOW SUBJECT TO STREAMLINED  
HOUSING DEVELOPMENT*****Senate Bill 35 streamlines development in cities, counties that fail to make sufficient progress toward meeting their housing need***

**SACRAMENTO** – The California Department of Housing and Community Development (HCD) today released maps showing which cities and counties in California are now subject to streamlined housing development under Senate Bill 35.

SB 35 is an integral piece of California's historic 15-bill housing package that was signed into law by Governor Edmund G. Brown Jr. in September 2017. The law, which took effect January 1, is intended to help address housing affordability by expediting approvals for certain new housing projects in jurisdiction that are not meeting their housing needs.

Maps are available for these regions: [Bay Area](#), [Central Coast](#), [Central Valley](#), [Sacramento](#), [San Diego](#), [Southern California](#), and the [entire state](#).

Each region's housing need is determined every five to eight years through the Regional Housing Needs Allocation (RHNA) process. Once the need is determined, cities and counties must show they have zoned enough land for housing to accommodate families and individuals at all income levels. These plans, known as housing elements, must be submitted to HCD for approval and incorporated into the city's or county's general plan. SB 35 looks beyond planning to see if cities/counties have permitted housing in line with their need. When they have not, they are subject to SB 35.

In order for a proposed development to qualify for expedited development approval in a city or county that is subject to SB 35 streamlining, it must, among other things:

- Be located on an infill site.
- Follow residential and mixed-use zoning laws.
- Dedicate at least 10 percent of housing units for lower-income residents if the city/county has not made sufficient progress toward their above-moderate income housing need, or at least 50 percent of housing units for lower-income residents if the city/county has not made sufficient progress toward their very-low and low-income housing need.

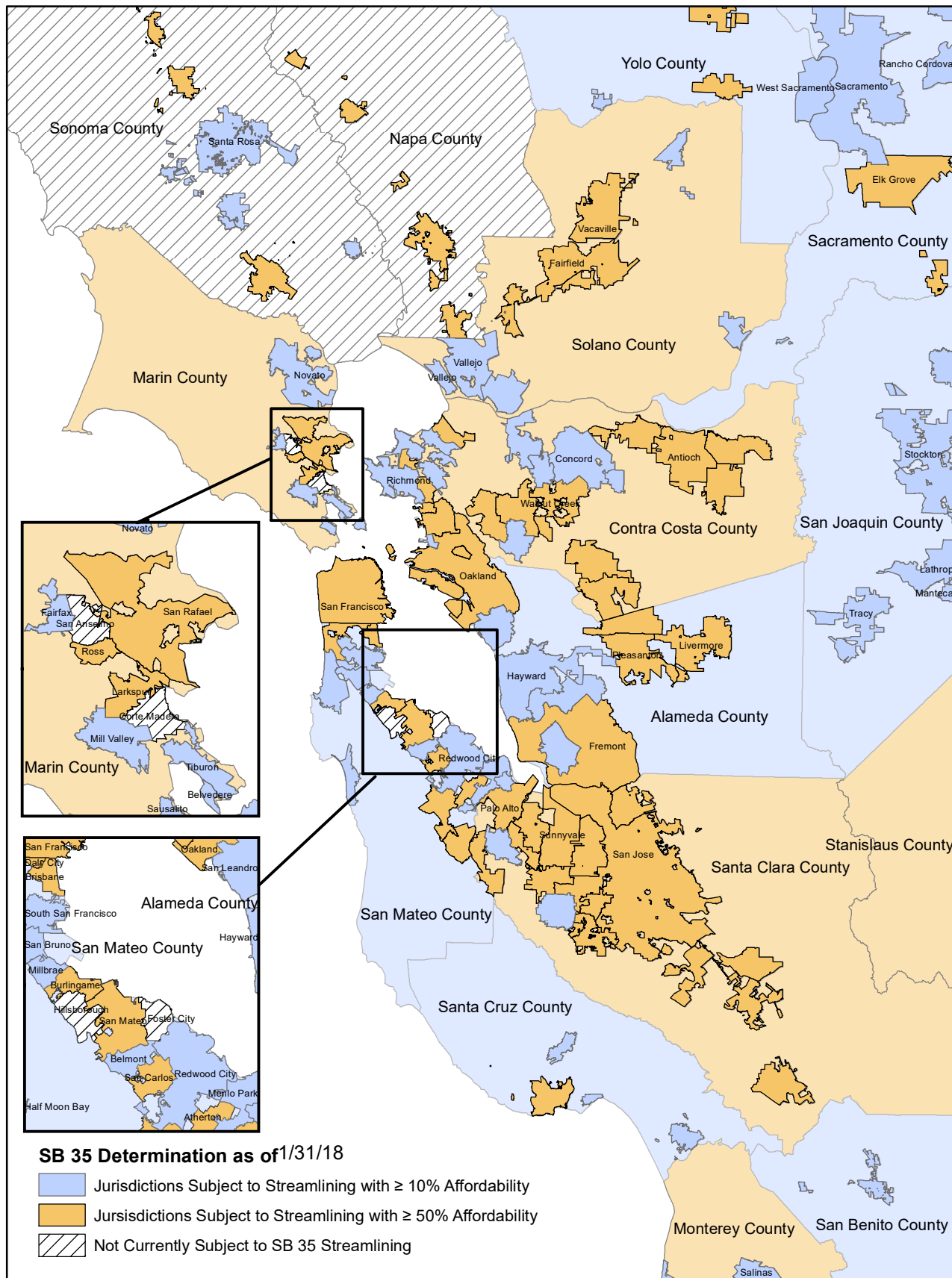
The other 14 bills within the housing package work in tandem with SB 35 and help begin to tackle California's housing challenges. HCD will host a [webinar on SB 35](#) on February 6, 2018 from 3:30pm-4:30pm. To receive email notifications about SB 35 and other elements of the housing package, [sign up to receive HCD email](#) and select "California's 2017 Housing Package." More information, including frequently asked questions and milestones for the bills' implementation can be found on HCD's [2017 Housing Package webpage](#).

*The California Department of Housing and Community Development is dedicated to the preservation and expansion of safe and affordable housing so more Californians have a place to call home. Our team works to ensure an adequate supply of housing for Californians and promotes the growth of strong communities through its leadership, policy and program development. For more information, please visit [www.hcd.ca.gov](http://www.hcd.ca.gov) and follow us on Twitter, [@California\\_HCD](#) and Facebook, [@CaliforniaHCD](#).*

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# SB 35 Bay Area Regional Determination For Cities and Unincorporated Areas Within Counties

As of 1/31/18



Map is to be used in conjunction with SB 35 Statewide Determination Summary  
 Lighter shades represent unincorporated county land