



March 27, 2018

The Honorable Scott Wiener  
California State Senate  
State Capitol, Room 4066  
Sacramento, CA 95814

**RE: Senate Bill 828 (Land use: Housing Element) – SUPPORT**

Dear Senator Wiener,

On behalf of the California Building Industry Association, the Non Profit Housing Association of Northern California, and the California Chamber of Commerce, we are pleased to support your bill, Senate Bill 828, an effort aimed to strengthen the Regional Housing Needs Assessment (RHNA) by increasing state level oversight over local and regional housing obligations.

Our organizations appreciate the effort to follow up on the legislative successes of last year's Housing Package with more common-sense measures to address the need for housing at all levels throughout the state. The Regional Housing Needs Assessment requires regional governments to determine how much housing, at the various income levels, local communities are obligated to provide.

Almost the entire structure of housing in California is based on the RHNA methodology. However, the state's population forecasts do not take into account the historic underproduction of housing over the last few decades. Communities are consistently limited by how many new homes are built because these numbers do not consider the thriving job markets and skyrocketing housing demand. In the end, faulty RHNA numbers impact the whole state because there are far too many cities that aren't building to meet their actual need for market rate housing, but they are meeting their market rate RHNA numbers. For affordable housing the situation is even more dire as communities are not even meeting their RHNA numbers which are significantly lower than their actual need.

By asking the California Department Housing and Community Development to do a one-time unmet need assessment for every region before the next housing cycle, jurisdictions will no longer be able to hide behind faulty RHNA numbers, and in turn will have to plan towards a number that will address what is needed to meet the demand.

The requirement for housing elements to zone for 200% growth will allow for a healthy land supply, and will ultimately bring down costs of land for homebuilders. This will help us to keep pace with the ever-growing demand. Also requiring HCD to rollover jurisdiction-specific underproduction from the last cycle to the next if a city has underperformed and not met their RHNA, will resulting in more realistic projections of housing, both affordable and market-rate.

Our state's housing crisis stems from years of underproduction throughout California. There is a still a significant backlog of projects yet to be built and we hope that with the measures taken in this bill, we are able to realize the severity of the need, and adequately build to keep pace with the actual demand, and not just the backwards looking numbers produced from the population projections.

For these reasons and more, we are pleased to **support SB 828**.