

The next steps to ease California's housing crisis

The Sacramento Bee, Opinion, by Michael C. Battaglia, January 02, 2018, 01:00 p.m.

Building homes in California is not an easy feat.

There is extremely limited land available in key areas, making real estate prices among the nation's highest. Impact fees are typically much higher than the national average of \$6,000 per unit; fees in Los Angeles are \$41,694 a unit. Average labor costs are roughly 20 percent higher in California cities than elsewhere in the country, and building standards require more expensive materials. And California's environmental laws are abused to target housing projects that are desperately needed.

No wonder we are in the middle of a severe housing shortage. We are only building about half the homes needed every year, resulting in sky-high prices, unaffordable rents, long commutes, increased homelessness and reduced economic activity.

The Legislature and Gov. Jerry Brown took quite a few good first steps last year by establishing a funding source for affordable housing and motivating local cities to meet their housing targets.

But there are specific policies that local governments and the Legislature could act on to help ease the crisis and boost the housing supply. Officials need to lower costs placed exclusively on homebuyers, reduce some state-mandated regulations that lead to higher project costs and to finally face the tough debate about abuse of the California Environmental Quality Act.

We hope the Legislature enacts meaningful CEQA reform that eliminates anonymous lawsuits, prohibits lawsuits for non-environmental purposes and ends redundant CEQA review. Lawmakers should also stop expanding regulations that block, delay or reduce projects, including infill development.

At the local level, governments should limit impact fees to essential services and make the fees more transparent. Local agencies should be held accountable for approving projects. Finally, the amount of affordable housing built on the back of market rate units should be limited.

Our members are looking forward to being a part of the solution to make housing once again more affordable and accessible for all California families.

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