

Joint Senate Hearing - Financing Affordable Housing and Local Economic Development OCBC message points

- Chair DeSaulnier, Senators, thank you for the time to address you this morning.
- My name is Kate Klimow, Vice President of Government Affairs for the Orange County Business Council
- We represent the business community, working to enhance Orange County's economic development and prosperity in order to preserve a high quality of life.
- Since 1950, California's annual population has increased by about 450,000 people a year. That is like adding a city of San Jose or Long beach every year.
- Even as volatile as the last few years have been for California, we know that the only thing predictable is population growth. As such, if we don't plan for growth, growth will plan for us.
- From an economic development perspective, we have a shortage of housing at every job level, from hourly to salary so to meet the long-term success of California, a broad spectrum of housing products needs to be made available. It is a simply formula really, supply, plus choices and affordability equals a healthy housing stock.
- The business community cites the lack of housing affordable to their workforce and proximate to their jobs as a major impediment to attracting and keeping workers. Housing needs are particularly acute for a large part of the state's minimum and moderate wage workforce. When it comes to the health and vitality of our communities, affordable housing is key.
- Now, the best way to ensure affordability is to ensure abundant supply. However, as the housing market and California's economy continue to struggle to find their footing, programs that support the affordable end of the housing scale need to be preserved.
- We want to commend Senator DeSaulnier for advancing this concept of a permanent source of funding for affordable housing. OCBC strongly believes that every city must plan to meet its current and future housing needs, for all of its residents.
- But with the uncertainty in this post-redevelopment world, along with the pressure to comply with SB 375, the ability of local jurisdictions and the marketplace to meet the densification of urban centers is highly problematic. High development costs to address aging or inadequate infrastructure capacity and higher density projects threatens the availability of sufficient housing options necessary to meet the needs of a dynamic workforce.
- The private market cannot meet the needs of those lower on the economic ladder, even if all regulatory impediments are eliminated. The land and construction costs of even basic rental or single family homes simply add up to more than a lower-income household can support in rent or mortgage payments.
- A permanent source of funding will create jobs, stimulate economic activity, begin to address the complaints of many employers who cannot attract a workforce because of high housing costs, and provide state support for a range of choices to ALL economic levels of our society.