

Housing crisis won't be solved in a house divided

In 2019, let's return to reality – and learn the right lessons from the failure of Prop. 10 and the drubbing of rent control

We've learned a few things about housing in 2018, and now it's time to roll up our sleeves to make real progress in 2019. Last January, the California Legislature rejected more onerous rent control as the solution to the housing crisis. Voters did the same, overwhelmingly rejecting Prop. 10 on November 6 after a wasteful, nasty \$100 million campaign that only diverted time and resources better spent on housing. As the Legislature and a new governor prepare for 2019, we need to stop having the same old fights and focus on solutions that are viable and that we know will work.



Jim Wunderman

The California Department of Housing has long estimated we need 180,000 new units of housing annually by 2025 to meet projected growth, over 100,000 more units than we are currently building each year. Governor-elect Gavin Newsom's platform called for creating 3.5 million new homes by 2025. And a damning new California Air Resources Board report confirmed what the Bay Area Council has been saying for years, that without more housing near transit the state won't meet its aggressive climate change goals. Our system of housing creation requires the public and private sectors to work together, especially for building low-income and affordable housing.

We need to build a lot of new homes, fast. And we need to focus on legislative fixes because the ballot box too often produces poorly crafted outcomes through a campaign process so toxic it ends up demoralizing the people who actually provide housing.

Ballot box-legislating has its place, but Prop. 10 amounted to a monumental waste of money, resources and goodwill. We also need to push back against those vilifying the companies and organizations that are part of the solution. One of San Francisco's strongest corporate citizens, Veritas Investments, was subjected to a fear-mongering campaign that even ginned up a lawsuit aimed at vote-getting – despite the fact the company has an exemplary track record of resolving tenant complaints and building affordable, rent-controlled ADU housing in San Francisco.

There is more political will than ever for housing. The good news at the ballot box was that voters strongly supported local housing bonds and pro-housing legislators. Now our local, state and federal leaders need to remove roadblocks and help solve the housing crunch.

Jim Wunderman is president and CEO of the Bay Area Council.



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WHAT CAN SOLVE THE HOUSING CRISIS?

Building more housing near transit: Transit stops are where the most multi-family housing can be added with the least impact on traffic. Building housing in our urban core also reduces pressure to build in areas vulnerable to wildfires.

Holding cities accountable for their fair share: Cities that continually fall short of housing-production goals may need further incentives or face more state intervention.

Accelerating approvals for accessory dwelling units (ADUs): Legislation the Bay Area Council sponsored opened the door for more back-yard granny flats and new apartments from underutilized space, as San Francisco has done, but cities need to simplify the process and address the onerous fees that discourage more ADUs. Lenders need to facilitate financing, too.

Augmenting funding sources: A Bay Area Council Economic Institute report suggested new tools such as imposing a ceiling on development impact fees (waived for cities that meet housing targets), financing non-housing infrastructure at mega-project sites and committing state resources to facilitate Enhanced Infrastructure Financing Districts. Reviving local redevelopment zones also should be part of the mix.

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