



IN BRIEF

The Building Homes and Jobs Act establishes a permanent funding source for affordable housing, through a small fee on real estate transaction documents, excluding home sales.

THE ISSUE

California has a housing affordability crisis.

- According to the Public Policy Institute of California (PPIC), as of February 2015, roughly 36 percent of mortgaged homeowners and approximately 48 percent of all renters are spending more than one-third of their household incomes on housing.
- California continues to have the second lowest homeownership rate in the nation and the Los Angeles metropolitan area is now a majority renter region. In fact, five of the eight lowest homeownership rates in the nation are in California metropolitan areas.
- California has 12 percent of the United States population, but 20 percent of its homeless population -- 63 percent of these homeless Californians are unsheltered (the highest rate in the nation).
- At any given time, 134,000 Californians are homeless. California has 24% of the nation's homeless veterans and one-third of the nations' chronically homeless. The state also has the largest numbers of unaccompanied homeless children and youth, with 30% of the national total.

BACKGROUND

Increasing the construction, building, and availability of affordable housing is good for the economy, the budget, job creation, and families:

- The Bay Area Council, the Los Angeles Area Chamber of Commerce, the Los Angeles Business Council, the Orange County Business Council, and the Silicon Valley Leadership Group agree that less affordable housing impedes California businesses from attracting and retaining workers.

- On average, a single homeless Californian incurs \$2,897 per month in county costs for emergency room visits and in-patient hospital stays, as well as the costs of arrests and incarceration. Roughly 79% of these costs are cut when that person has an affordable home.
- An estimated 29,000 jobs would be created annually for every \$500 million spent on affordable housing.

THE SOLUTION

Increased and ongoing funding for affordable housing is critical to stabilize the state's housing development and construction marketplace. If developers know that there is a sustainable source of funding available, they will take on the risk that comes with development — and create a reliable pipeline of well-paying construction jobs in the process.

The Building Homes and Jobs Act will utilize a pay as you go approach and generate hundreds of millions of dollars annually for affordable housing through a \$75 fee on real estate recorded documents, excluding those documents associated with home sales. Funds generated will leverage an additional \$2 to \$3 billion in federal, local, and bank investment.

SUPPORT*

Treasurer John Chiang, Los Angeles Mayor Eric Garcetti, San Diego Mayor Kevin L. Faulconer, San Francisco Mayor Edwin M. Lee, and Oakland Mayor Libby Schaaf.

San Diego Housing Federation, Housing California, California Building Industry Association, California Infill Federation, Bay Area Council, San Diego Regional Chamber of Commerce, California Housing Consortium, Silicon Valley Leadership Group, and Western Center on Law & Poverty

*Partial list

FOR MORE INFORMATION

Zack Olmstead, Office of Speaker Toni G. Atkins
916 319 2078 | zachary.olmstead@asm.ca.gov