

Housing Affordability Crisis and Inequities of Land Use Change in Southern California

University of California Center Sacramento
Co-Sponsored by the The California Association of REALTORS,
Center for California Real Estate
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A Special Note of Thanks

to

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Acknowledgements

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Thanks to Qi Song, Ph.D. Candidate at UC Irvine, for Research Assistance

Presentation Outline

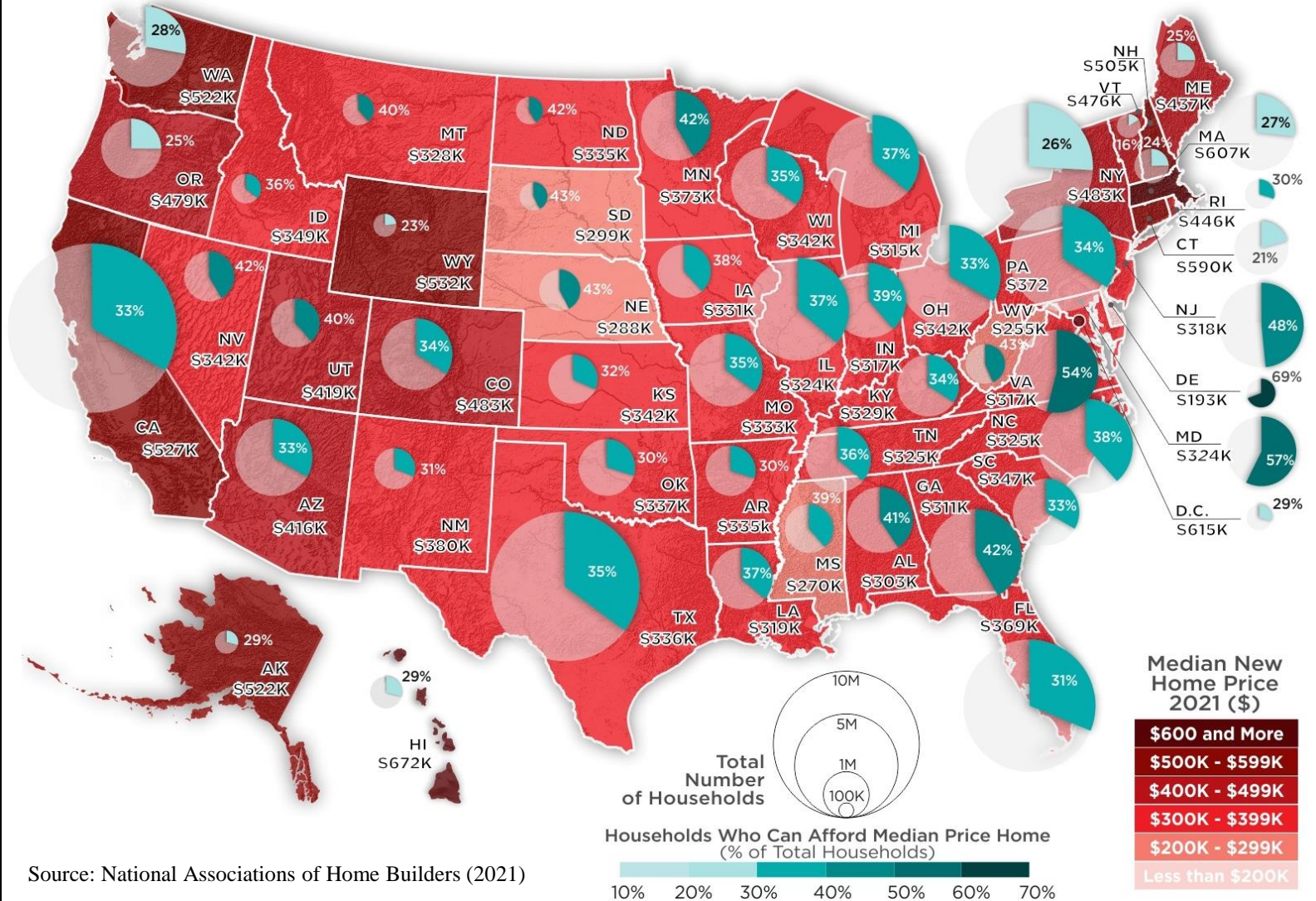
- Research Question and Background
- Methods and Analyses
- Findings
- Conclusions and Policy Implications
- California's Evolving Regulatory Landscape

Research Question and Background

- How have cities in the Southern California region changed their land use policies to address the housing affordability crisis?
- Study focused on cities in five urban counties in the region
 - Los Angeles, Orange, Riverside, San Bernardino, and Ventura Counties
 - Imperial County was not considered because it is a rural county
- We examined:
 - the land use profiles of 180 cities in five counties, and
 - the change in their land use profiles from 2008 to 2016
- To discuss the implications for equitably addressing the housing affordability crisis in the region

Background: Housing Affordability Crisis in the USA

Median New Home Price & Percentage of Households Who Can Afford It



Source: National Associations of Home Builders (2021)

Background

- Many jobs-rich and fast-growing metropolitan regions are facing a housing affordability crisis
- National and state leaders, researchers, and professional interest groups have argued that regulations restrict supply of housing and contribute to housing affordability crisis
- Calls for zoning reform to increase the supply of housing have come from researchers of all political persuasions
 - (Barnett & Blaesser; 2017; California Association of Realtors, 2022; California YIMBY, n.d.; Garde & Song, 2022; Glaeser, 2017; Glaeser & Gyourko, 2002; Hsieh and Moretti, 2019; Khater et al., 2021; Pendall et al., 2006; The White House, 2016; The White House, 2019)

Background: Housing Affordability Crisis in Metropolitan Regions

- In 2016, the Obama administration explained the need to reform zoning, highlighting the out-of-date regulations that intensify barriers to housing development that, in turn, pull down the economy (The White House, 2016)
- In 2019, the Trump administration emphasized that regulatory barriers to housing development impede the nation's economic growth (The White House, 2019)
 - However, in 2020, President Trump insisted on the need to protect suburban residential neighborhoods from high-density apartments

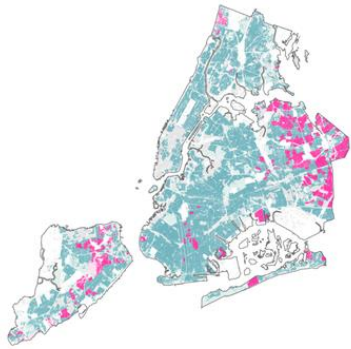
Zoning for Single-Family Housing and Other Housing in Cities in the USA

Cities Start to Question an American Ideal: A House With a Yard on Every Lot

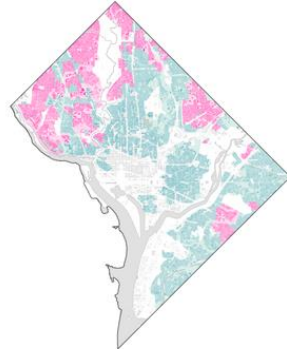
By EMILY BADGER and QUOCTRUNG BUI JUNE 18, 2019

Townhomes, duplexes and apartments are effectively banned in many neighborhoods. Now some communities regret it.

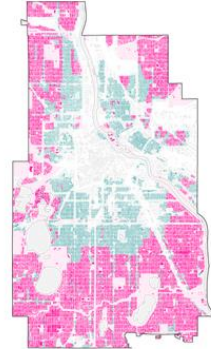
Residential land zoned for: ■ detached single-family homes ■ other housing



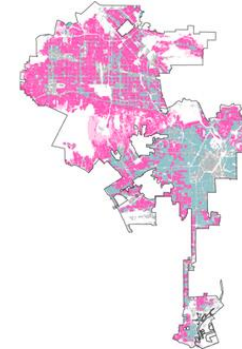
New York **15%**



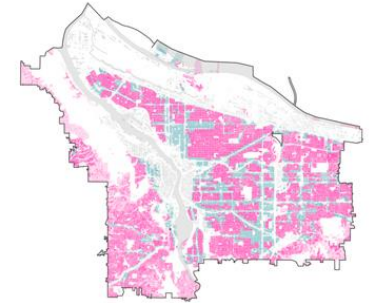
Washington **36%**



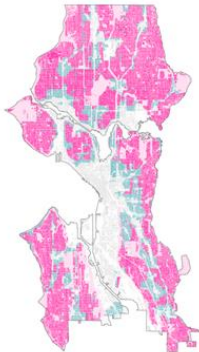
Minneapolis **70%**



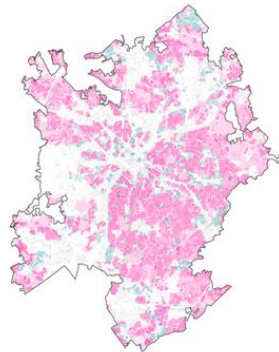
Los Angeles **75%**



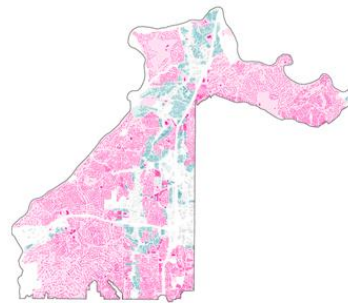
Portland, Ore. **77%**



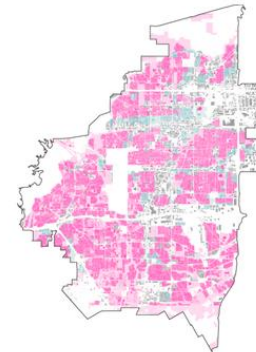
Seattle **81%**



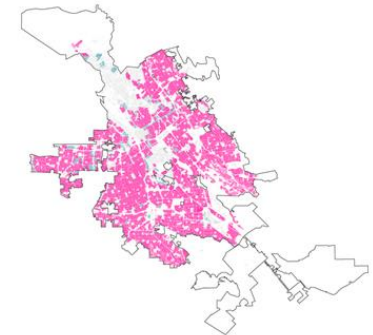
Charlotte, N.C. **84%**



Sandy Springs, Ga. **85%**



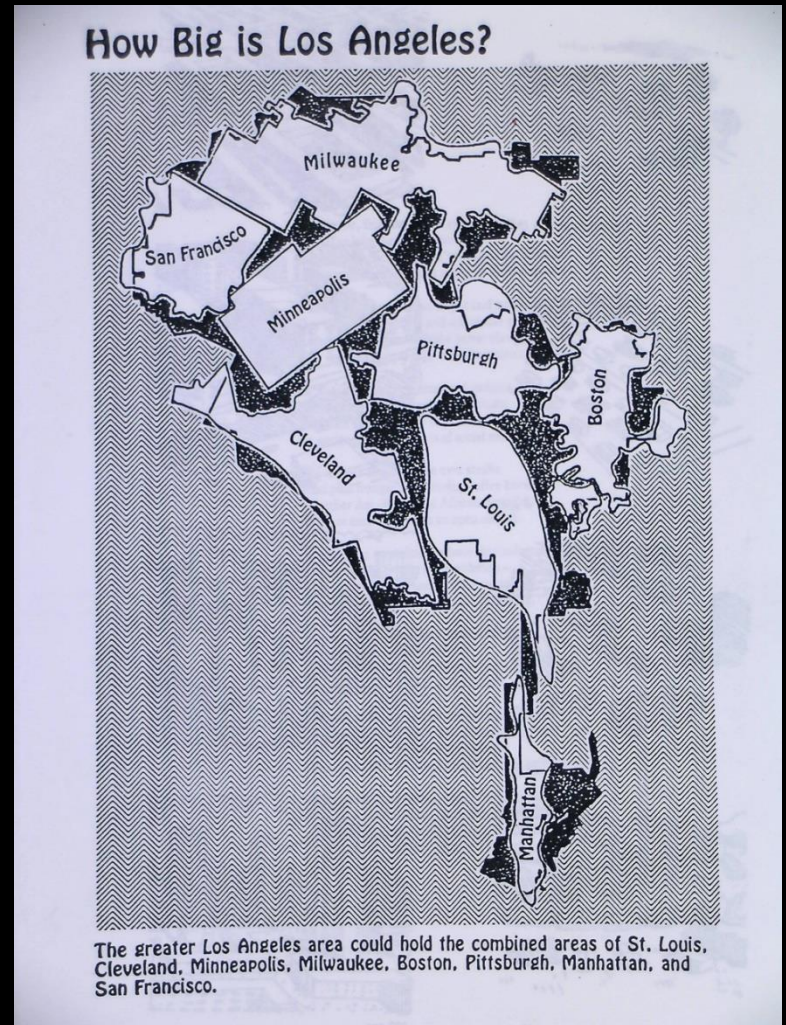
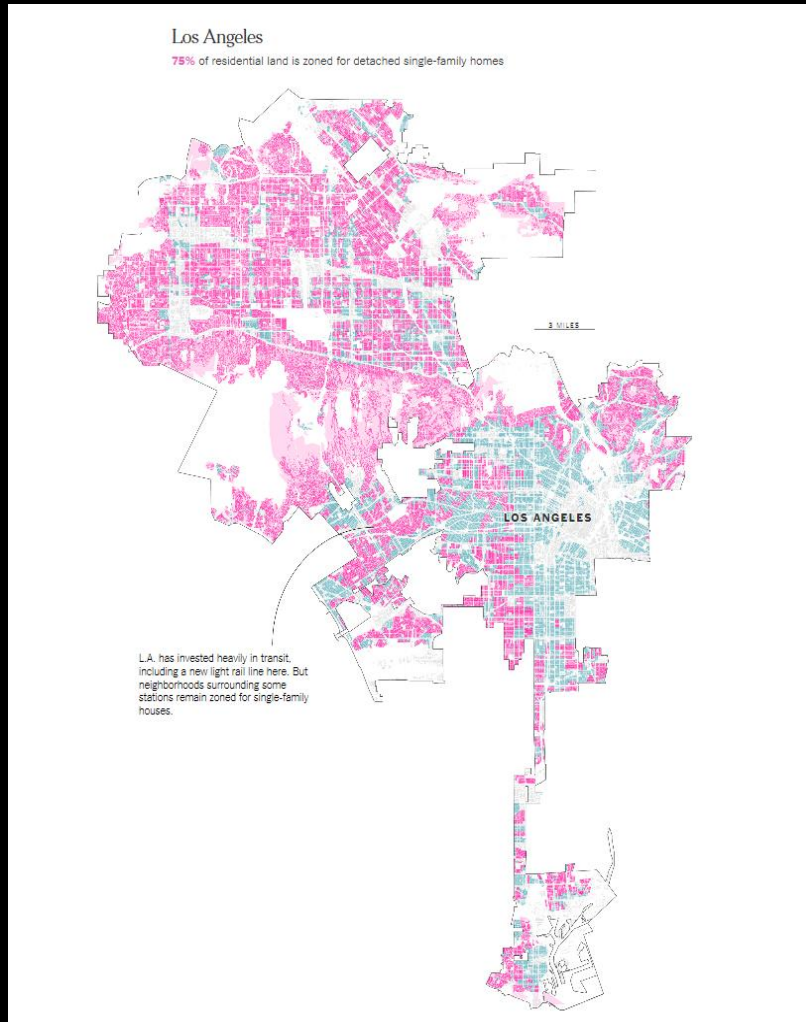
Arlington, Tex. **89%**



San Jose, Calif. **94%**

Cities not shown to scale. Source: Zoning data for individual cities from UrbanFootprint

Los Angeles: A Matter of Scale



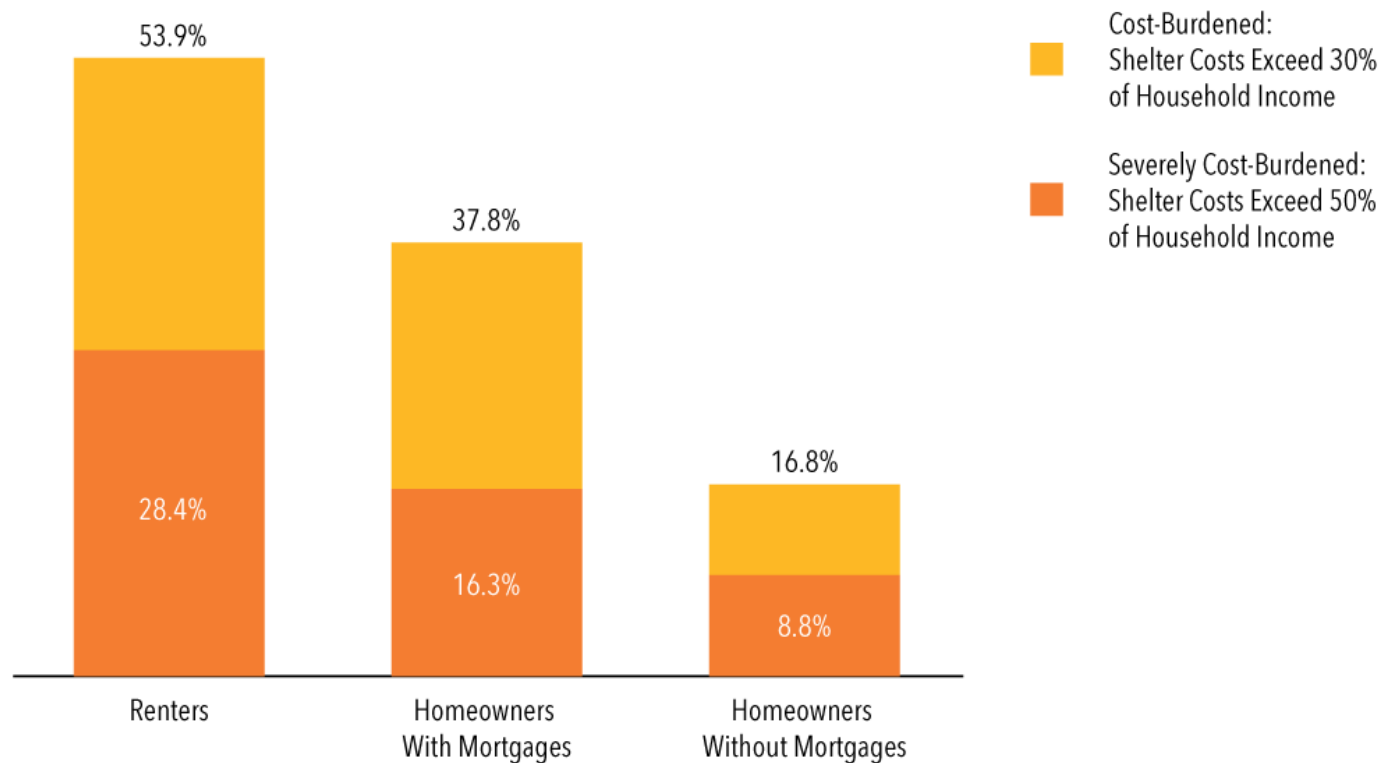
Background: Housing Affordability Crisis

- Researchers have recommended that cities change their land use policies to **facilitate multifamily and higher-density** development to address the problem
- However, local governments in metropolitan regions compete with each other for tax revenues and make land use decisions that are likely to generate higher tax revenues—**fiscalization of land use**
- Tiebout (1956) stated that in regions with multiple jurisdictions people “**vote with their feet**” and sort themselves into jurisdictions based on their preferences for public goods that are provided/supported by local governments using tax-revenues
 - Public goods include amenities and services like public schools, public parks
- Land use portfolios of cities and Tiebout sorting, taken together, could lead to inequities that are associated with land use change
- We examine housing affordability crisis and inequities of land use change

Background: Housing Cost Burden in California

More Than Half of California's Renters and Over a Third of Homeowners With Mortgages Have High Housing Costs

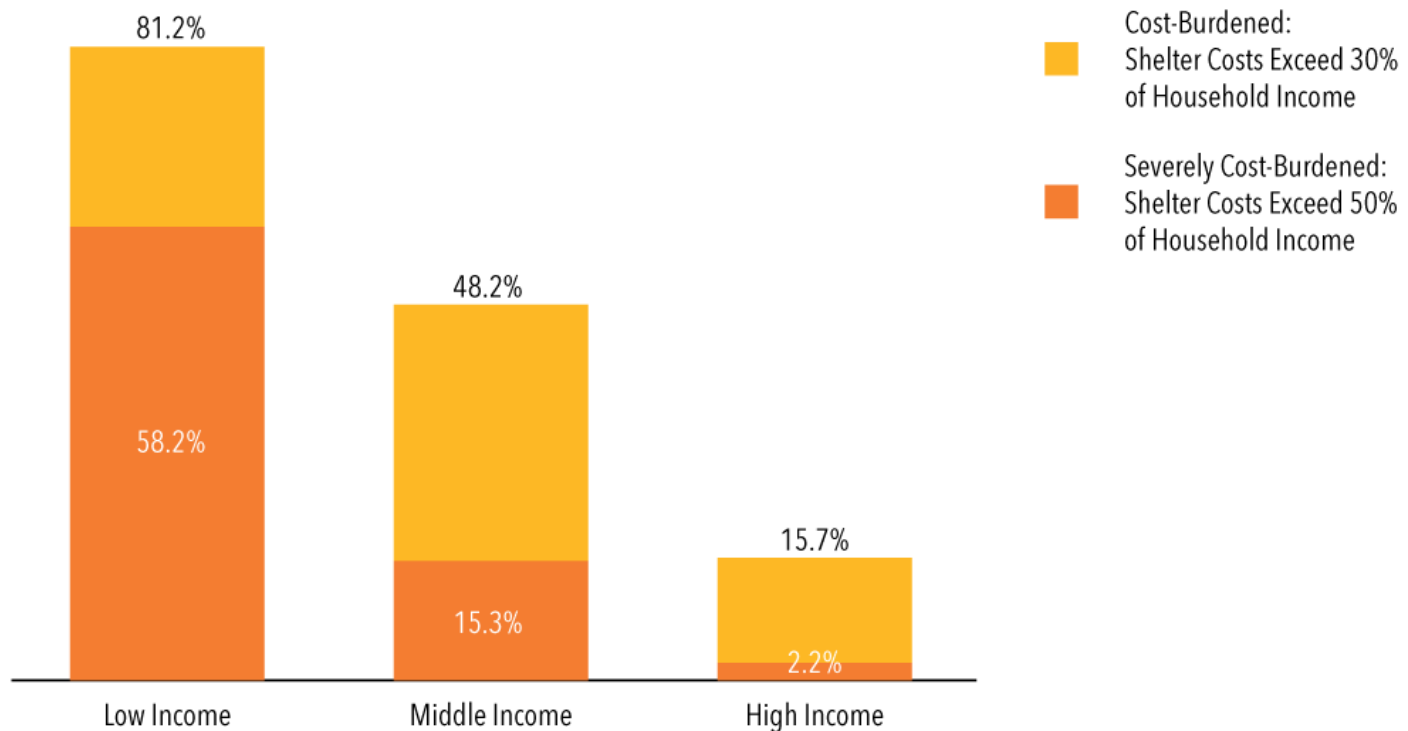
Percentage of Households With Housing Cost Burden or Severe Housing Cost Burden, 2017



Background: Housing Cost Burden by Income Groups

Eight in 10 Households With (Low Incomes) in California Have Unaffordable Housing Costs

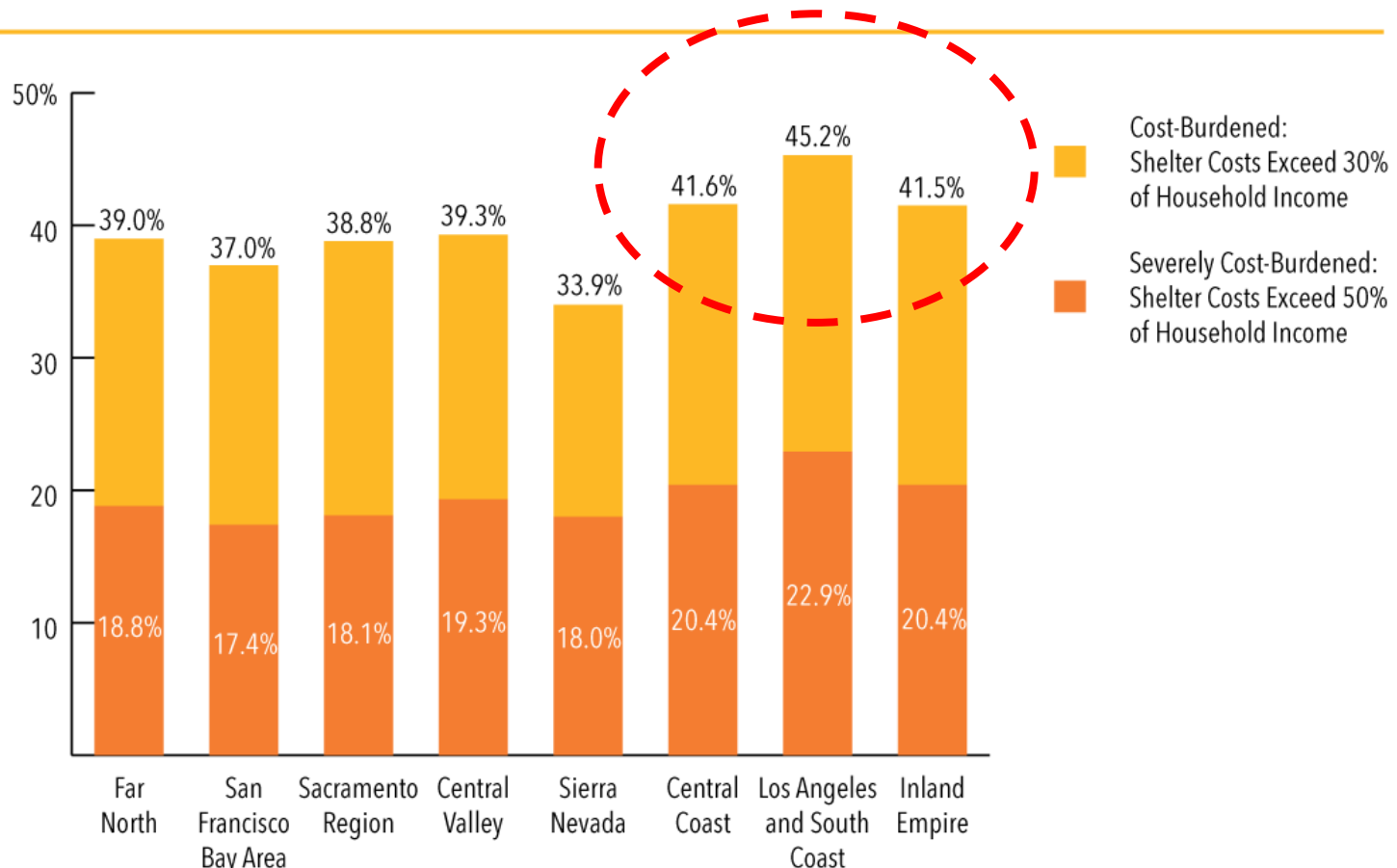
Percentage of Households With Housing Cost Burden or Severe Housing Cost Burden, 2017



Background: Housing Cost Burden in California by Region/Area

Housing Costs Are Unaffordable Throughout California

Percentage of Households With Housing Cost Burden or Severe Housing Cost Burden, 2017



Background: RHNA and Building Permits

BUSINESS > HOUSING

California needs more housing, but 97% of cities and counties are failing to issue enough RHNA permits

2018 data shows most California cities got a failing grade in permitting new homes.

Note: This Article is About 5th Cycle RHNA Shortfall



Construction workers unload roofing tiles at the future Santa Ana Veterans Village, which will provide permanent supportive housing to ex-service members. The city helped developers get financing by committing a stream of revenue from future "project-based" rent vouchers to the project. Santa Ana is one of just 15 California jurisdictions on track to meet state-mandated housing goals. (Photo by Mindy Schauer, Orange County Register/SCNG)

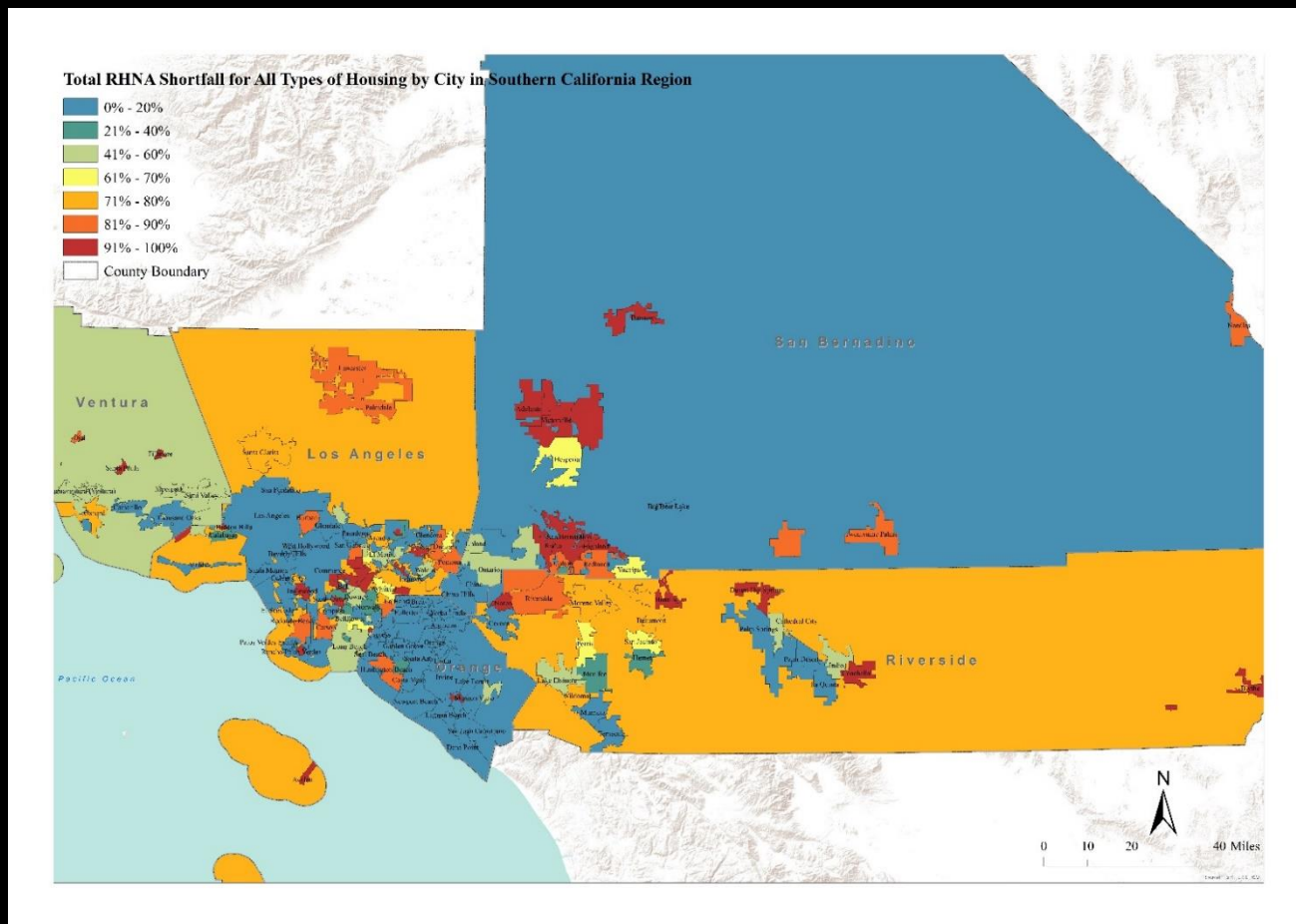
By **JEFF COLLINS** | JeffCollins@scng.com and **NIKIE JOHNSON** | nijohnson@scng.com | Orange County Register
PUBLISHED: December 9, 2019 at 7:40 a.m. | UPDATED: December 10, 2019 at 6:37 p.m.

California's state law requires local governments to address **Regional Housing Needs Assessments (RHNA)** in their General Plans and to update their land use regulations, to address RHNA for each income group

Note: A city's compliance with RHNA does not guarantee that building permits will be issued and housing will be built

RHNA and Housing Progress (Building Permits Issued) in Southern California

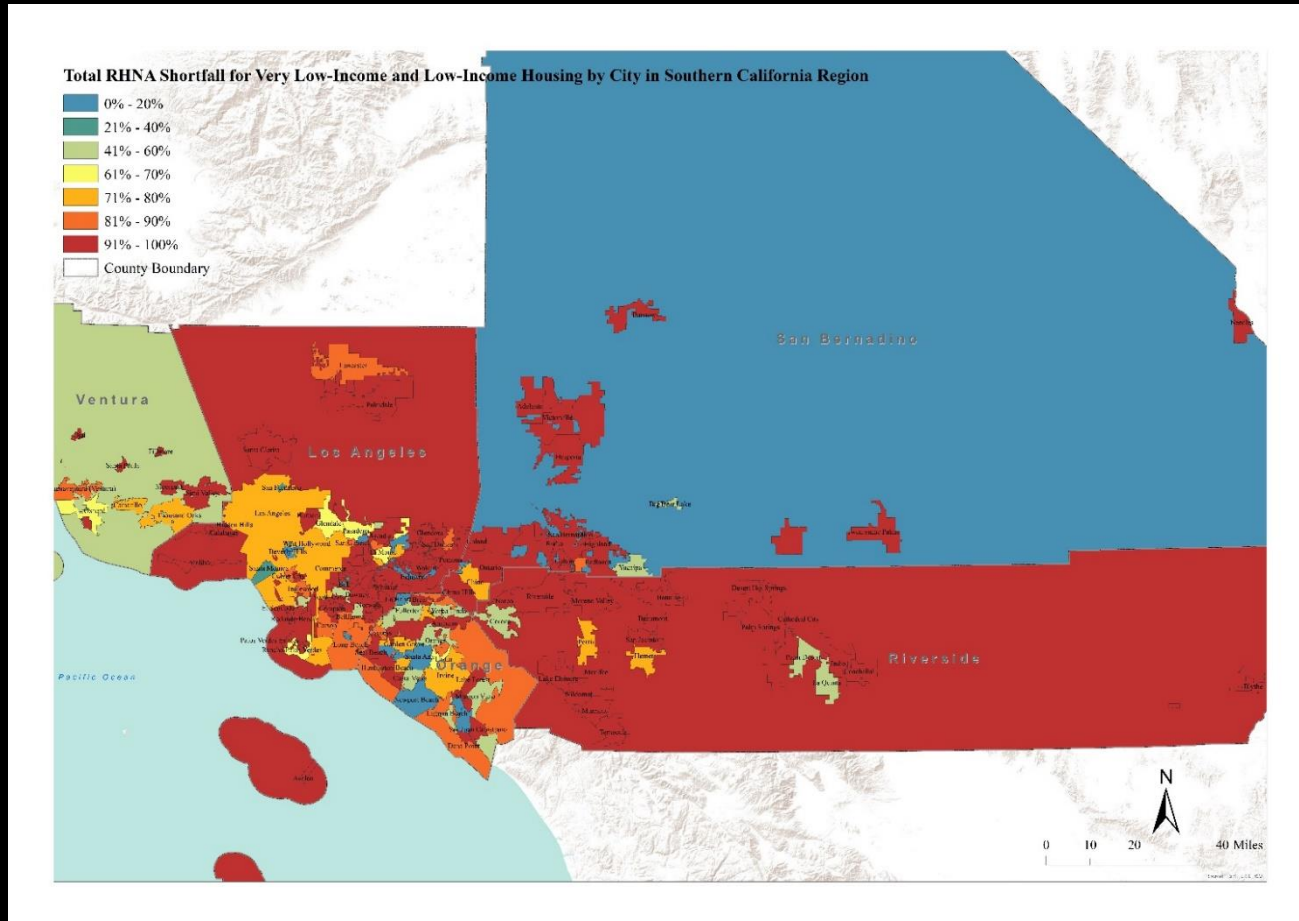
5th Cycle RHNA Shortfall for All Types of Housing in July 2020



RHNA Shortfall (by Income Group) = RHNA Allocation - Building Permits

RHNA and Housing Progress (Building Permits) in Southern California

5th Cycle RHNA Shortfall for Very Low- and Low-Income Housing in July 2020

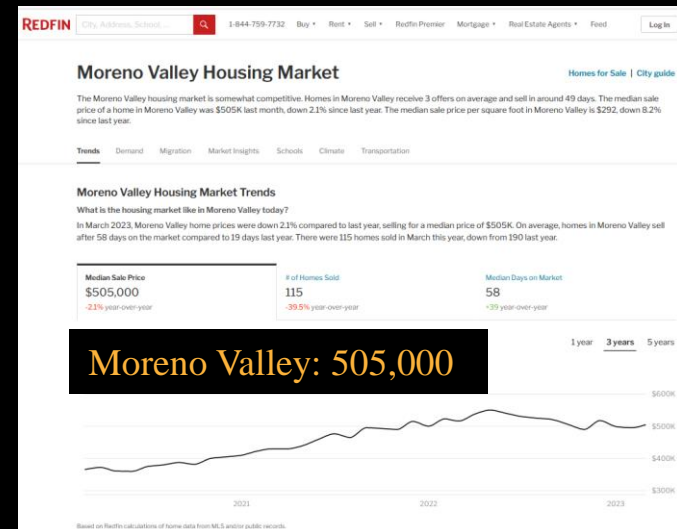
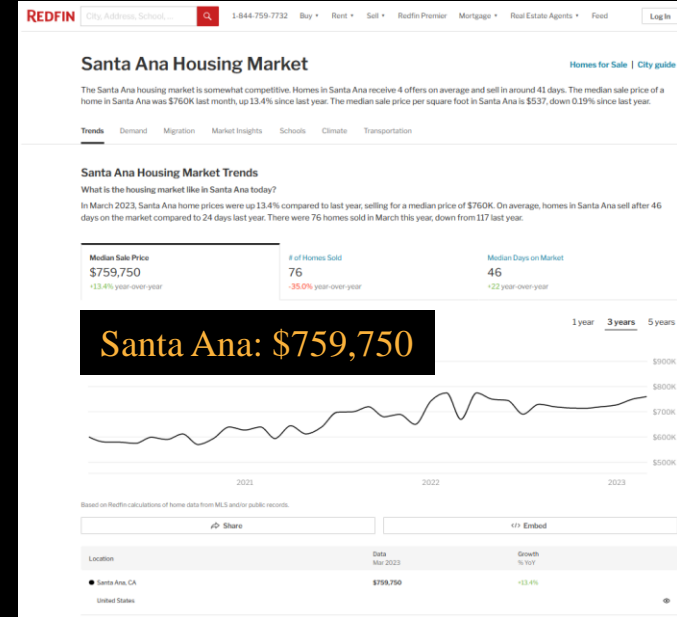
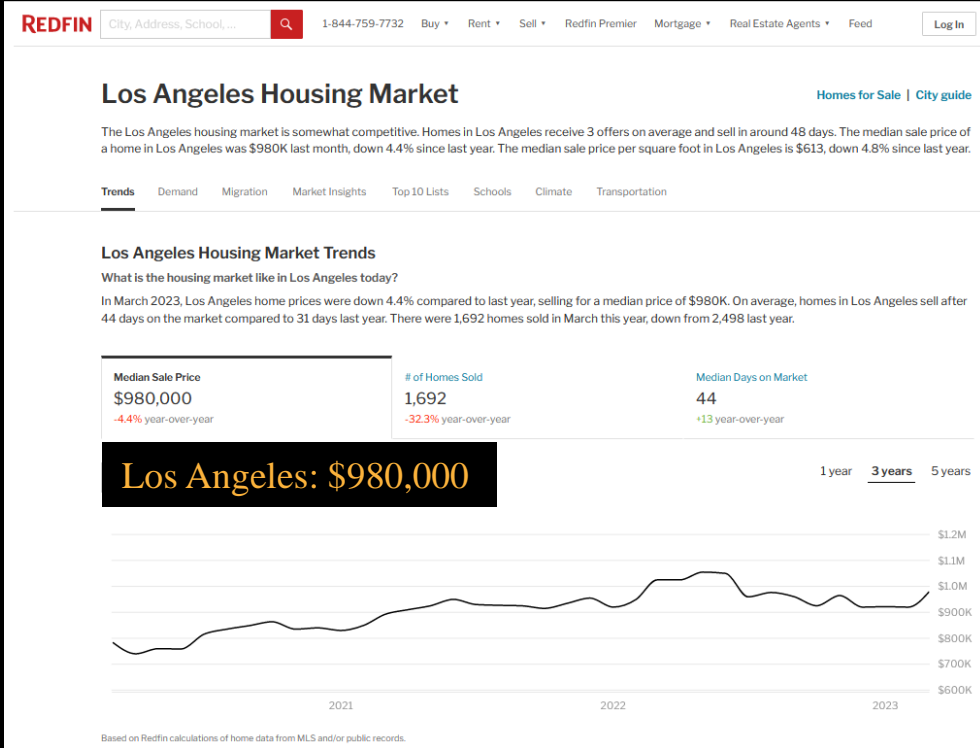


RHNA Shortfall (by Income Group) = RHNA Allocation - Building Permits

Data Source: California Department of Housing and Community Development Southern California Association of Governments.

Figure by Qi Song

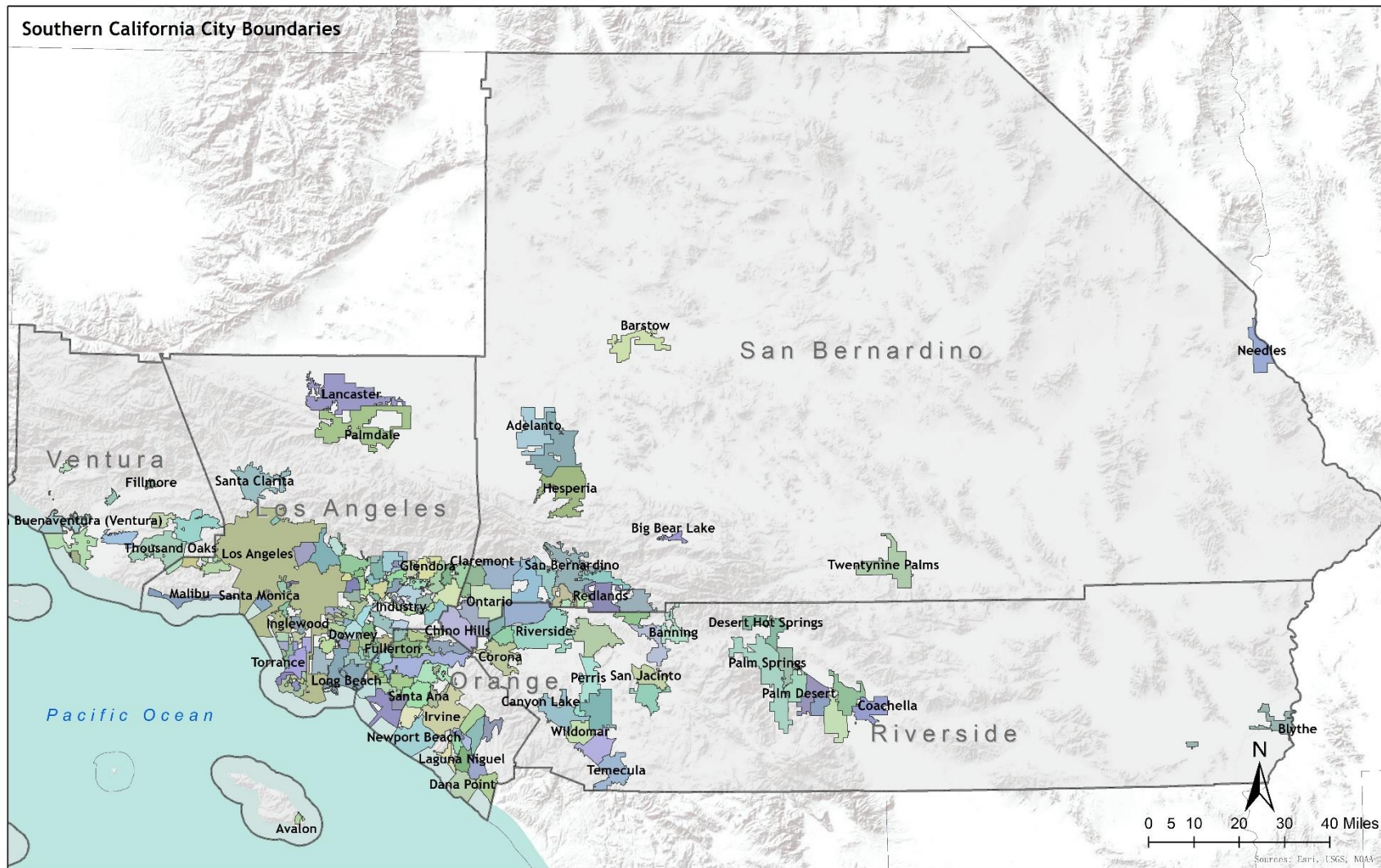
Median Home Sale Price in Three Southern California Cities



Southern California: Housing Affordability Crisis

- Southern California region has a shortage of housing for all income groups and a severe shortage of affordable housing
- Land uses that accommodate multi-family housing are critical to address the housing affordability crisis

Geographic Location of 180 Cities in the Five-County Southern California Region



Research Questions

- How have cities in the five-county Southern California region changed their land use policies to address the housing affordability crisis?
- Have cities changed their land use policies to address the housing needs of low-income households, which cannot be addressed adequately unless local governments facilitate more multifamily housing?

Housing Affordability Crisis and Inequities of Land Use Change

Insights From Cities in the Southern California Region

[Ajay Garde](#) [Qi Song](#)

ABSTRACT

Problem, research strategy, and findings: Many fast-growing metropolitan regions face a housing affordability crisis that necessitates cities change their land use policies to address this problem. How do cities in metropolitan regions change their land use policies to equitably address the region's housing needs? We focused on 180 cities in the Southern California region, which has a shortage of housing for all income groups and a severe shortage of affordable housing. We first examined the region-wide distribution of land uses and evaluated whether land use portfolios of cities are associated with their populations' socioeconomic characteristics using cluster analysis and one-way analysis of variance. Next, we examined land use change by cities and measured the "weakening" (a reduction in cities' share of residential land use for multifamily housing from 2008 to 2016) and "exclusiveness" (cities' share of residential land use for single-family housing in 2016) of their land use portfolios. We revealed inequities in the region-wide distribution of multifamily land use, found an association between land use portfolios of cities and their populations' socioeconomic characteristics, and thus conclude that land use change by cities inequitably addresses the region's housing needs. We did not, however, examine the effects of land use change on housing production or affordability, which could provide further insights.

Takeaway for practice: Our findings suggest that a) California's state government should require cities to reform their land use policies to mitigate the region-wide inequities in the distribution of multifamily housing and to equitably address the housing affordability crisis and b) researchers could similarly evaluate land use portfolios of cities in other metropolitan regions to suggest how to equitably address the region's housing needs.

Keywords: housing, land use equity, regional planning

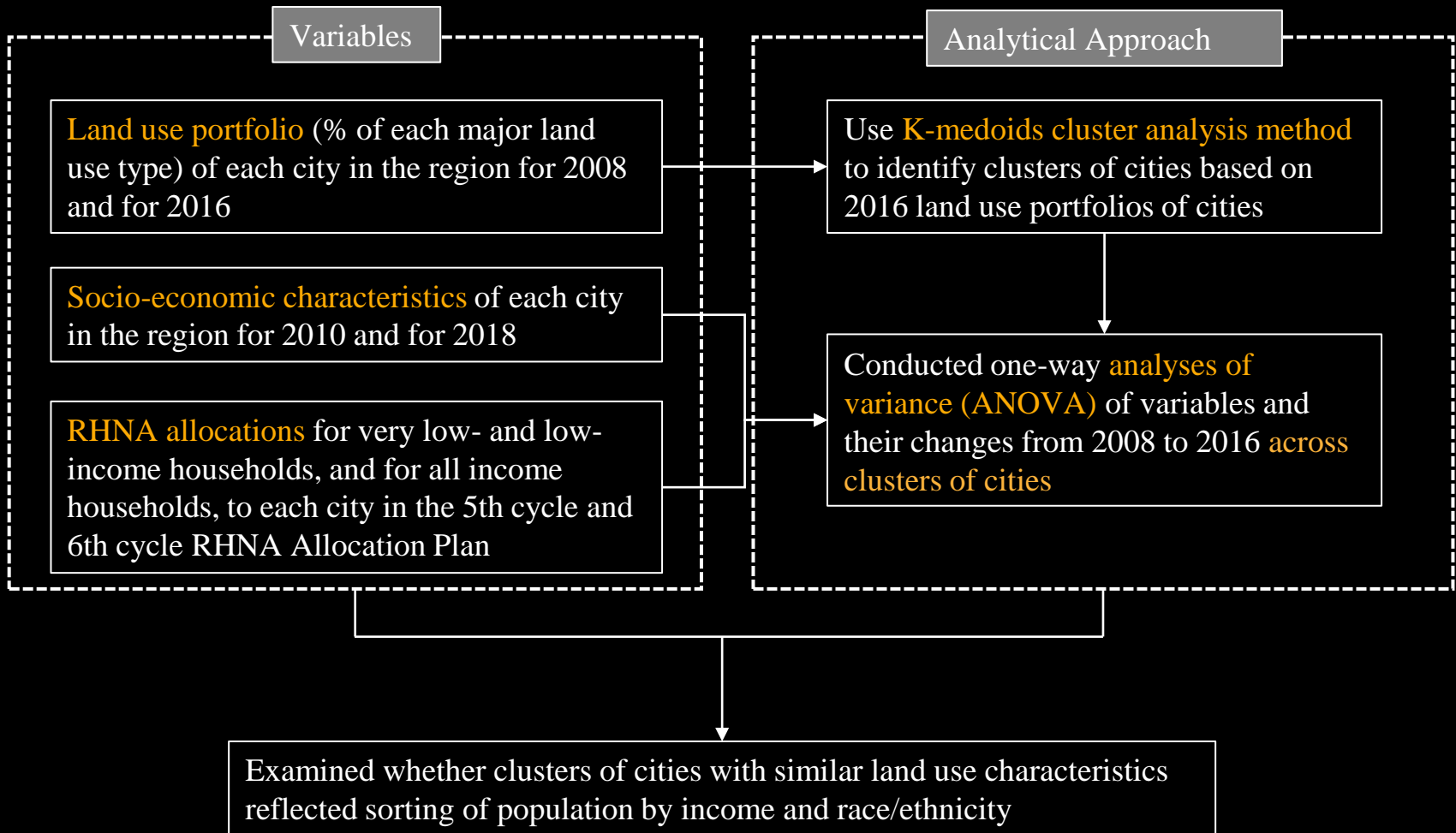
Research Methods and Analysis: Part 1

- Cluster analysis based on land use portfolio of 180 cities in five-county Southern California region
- We examined whether land-use portfolios of cities are associated with their populations' socioeconomic characteristics, using cluster analysis and one-way analysis of variance

Research Methods and Analysis: Part 2

- We examined land-use change by cities from 2008 to 2016 to evaluate the extent to which cities facilitate higher-density, multi-family, and mixed-use developments
- Land use change in the share of residential land uses in cities from 2008 to 2016
- Whether more, or less, land is zoned for multifamily housing from 2008 to 2016
 - Inclusive--Exclusive Scores and Strengthening--Weakening Scores

Research Method: Cluster Analysis Using Land Use Portfolio of Cities



Results

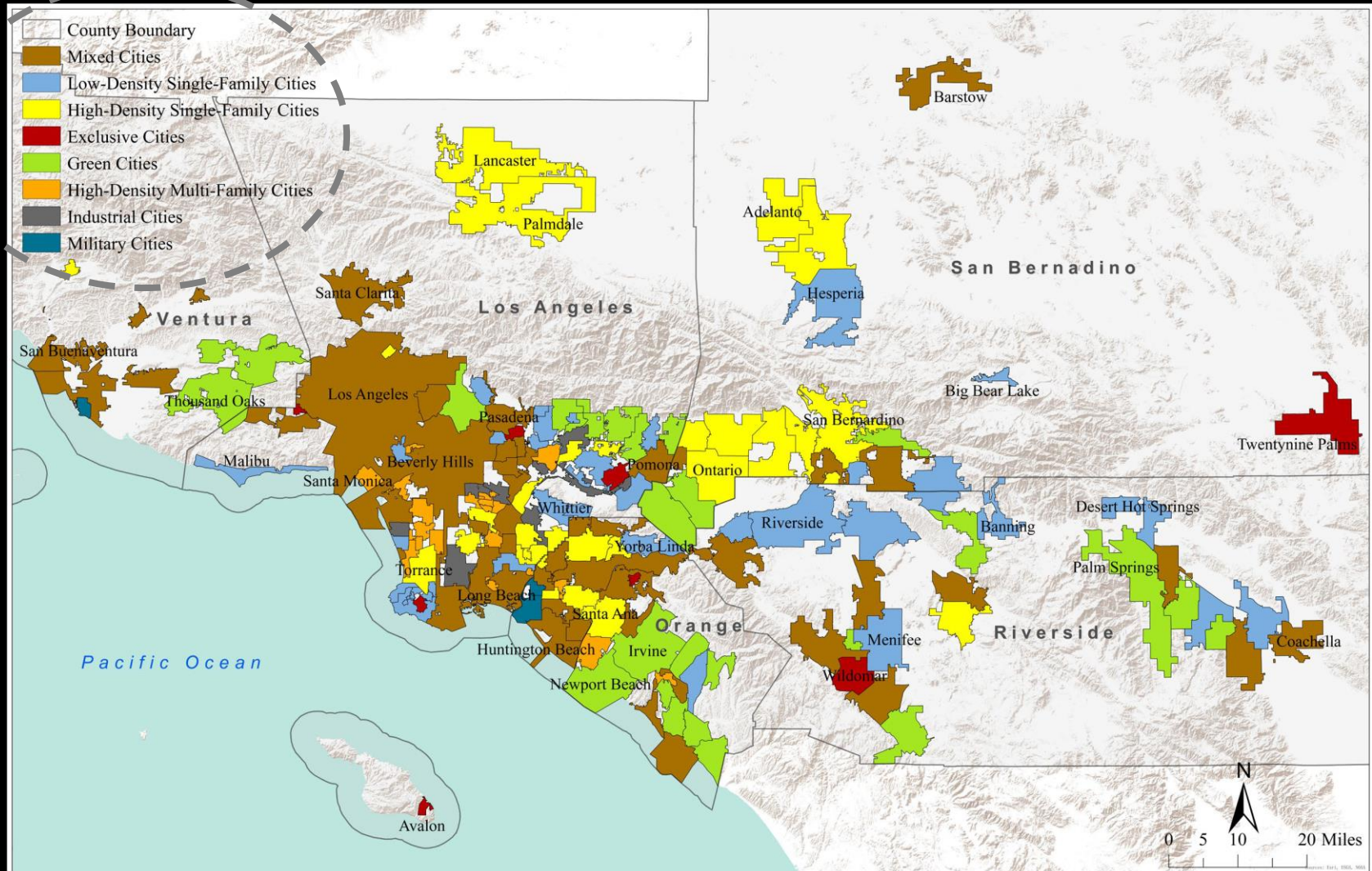
(1) Findings from Cluster Analysis Based on 2016 Land-Use Profiles of 180 Cities in the Five-County Southern California Region



Results: Eight Clusters of Cities in the Region

Cities and Clusters

Clusters are Based on 2016 Land Use Portfolios of Cities



Data Source: Southern California Association of Governments; figure by Qi Song.

Land-Use Profile of Each Cluster of Cities in Southern California

Clusters are Based on 2016 Land Use Data

| Characteristics | Exclusive Cities | Low-Density Single-Family Cities | High-Density Single-Family Cities | Mixed Cities | Low-Density Green Cities | High-Density Multi-Family Cities | Military Cities | Industrial Cities |
|---------------------------------------|------------------|----------------------------------|-----------------------------------|--------------|--------------------------|----------------------------------|-----------------|-------------------|
| Number of Cities in the Cluster | 8 | 35 | 29 | 49 | 28 | 20 | 3 | 8 |
| Share of Land Area in the Region (%) | 3.0 | 16.8 | 20.2 | 36.4 | 19.0 | 2.2 | 0.6 | 1.8 |
| Land use Characteristics | | | | | | | | |
| Single-Family Residential (%) | 89.4 | 61.8 | 48.4 | 42.3 | 30.4 | 20.5 | 10.1 | 9.3 |
| Multi-Family Residential (%) | 0.8 | 5.8 | 7.7 | 10.8 | 6.8 | 35.9 | 9.7 | 3.2 |
| Mixed-use (%) | 0.1 | 1.4 | 3.8 | 3.8 | 1.6 | 5.6 | 0.4 | 1.1 |
| Commercial (%) | 2.3 | 7.2 | 9.5 | 11.0 | 5.0 | 14.3 | 3.5 | 11.9 |
| Industrial (%) | 1.0 | 1.8 | 13.7 | 6.2 | 3.4 | 9.5 | 3.2 | 60.5 |
| Open Space (%) | 1.1 | 14.9 | 5.1 | 14.0 | 44.9 | 5.4 | 4.1 | 8.0 |
| Institutional and Public Facility (%) | 5.4 | 5.4 | 11.0 | 6.4 | 4.2 | 7.8 | 69.0 | 5.2 |
| Other (%) | 0.0 | 1.7 | 0.8 | 5.6 | 3.7 | 1.0 | 0.0 | 0.9 |

Socio-Economic Characteristics and RHNA Allocations of Each Cluster of Cities

Clusters are Based on 2016 Land Use Data

| Characteristics | Exclusive Cities | Low-Density Single-Family Cities | High-Density Single-Family Cities | Mixed Cities | Low-Density Green Cities | High-Density Multi-Family Cities | Military Cities | Industrial Cities |
|---------------------------------------|------------------|----------------------------------|-----------------------------------|--------------|--------------------------|----------------------------------|-----------------|-------------------|
| Number of Cities in the Cluster | 8 | 35 | 29 | 49 | 28 | 20 | 3 | 8 |
| Socio-Economic Characteristics | | | | | | | | |
| Non-Hispanic Whites (%) | 51.5 | 45.4 | 22.6 | 34.6 | 54.4 | 24.2 | 47.9 | 15.6 |
| African Americans (%) | 2.9 | 3.3 | 6.9 | 3.8 | 2.9 | 7.5 | 3.9 | 6.5 |
| Asians (%) | 20.5 | 17.2 | 14.1 | 14.8 | 11.7 | 10.5 | 10.3 | 9.1 |
| Population Below Poverty (%) | 9.8 | 10.9 | 14.6 | 14.0 | 9.0 | 17.6 | 9.3 | 10.2 |
| Median Household Income (\$) | 131,176 | 91,016 | 66,105 | 72,220 | 92,025 | 59,329 | 72,409 | 69,216 |
| Median Home Value (\$) | 1,260,829 | 746,885 | 435,416 | 549,260 | 642,755 | 544,812 | 675,342 | 639,616 |
| Population Density (per acre) | 2.83 | 6.22 | 9.83 | 8.67 | 4.63 | 20.61 | 4.94 | 3.79 |
| Net Housing Density (per acre) | 1.39 | 4.04 | 5.99 | 6.49 | 5.35 | 14.81 | 11.63 | 7.10 |
| Median Population Size | 9,599 | 35,573 | 95,103 | 63,099 | 50,235 | 40,968 | 22,215 | 14,892 |
| Total Cluster Population | 118,503 | 1,921,443 | 3,017,032 | 8,155,676 | 1,892,657 | 1,079,116 | 58,207 | 162,657 |
| City Age | 63 | 67 | 86 | 92 | 65 | 83 | 79 | 73 |
| RHNA Allocations | | | | | | | | |
| 5th Cycle VLILI RHNA Allocation | 206 | 542 | 743 | 1,379 | 530 | 202 | 9 | 121 |
| 5th Cycle Total RHNA Allocation | 502 | 1,352 | 1,867 | 3,460 | 1,308 | 501 | 22 | 291 |
| 6th Cycle VLILI RHNA Allocation | 340 | 1,350 | 2,464 | 5,833 | 1,546 | 1,269 | 271 | 464 |
| 6th Cycle Total RHNA Allocation | 733 | 3,087 | 6,114 | 14,365 | 3,356 | 3,143 | 712 | 1,004 |

Note: VLILI RHNA = the allocated housing units for very low-income and low-income households; Total RHNA = the allocated housing units for all income households.
 Data Source: Southern California Association of Governments; Zillow Research; American Community Survey; California Department of Housing and Community Development.

Detailed Results: Cluster Characteristics

Exclusive Cities

- Largest share of SFR (89.4%) and smallest share of MFR (0.9%)
- 51.5% Non-Hispanic White and 20.5% Asians
- Highest concentration of affluent residents
- Largest increase in median home value from 2008 to 2016
- Largest share increase in SFR from 2008 to 2016

Typical Cities in Cluster

- Rolling Hills (LA)
- San Marino (LA)

Low-Density Single-Family Cities

- 61.8% SFR, 7.2% MFR and 14.9% OS
- 45.4% Non-Hispanic White and 17.2% Asians
- Largest increase in the share of open space and share of Asian population from 2008 to 2016

Typical Cities in Cluster

- Yorba Linda (OC)
- Arcadia (LA)

Low-Density Green Cities

- 30.4% SFR, 8.4% MFR and 44.9% OS
- Largest share of non-Hispanic White population (54.4%)
- Largest increase in net housing density from 2008 to 2016

Typical Cities in Cluster

- Irvine (OC)
- Laguna Niguel (OC)

Detailed Results: Cluster Characteristics

Mixed Cities

- Oldest (average city age 92 years)
- Largest cluster with 49 cities
- Most diverse in terms of its land-use and racial composition
- 42.3% SFR, 14.6% MFR and 17.2% CM+ID
- Home to low-income minorities
- Large decrease in the share of SFR and an increase in the share of MFR from 2008 to 2016

Typical Cities in Cluster

- Los Angeles (LA)
- Long Beach (LA)

High-Density Multifamily Cities

- Densest in the region
- Comprise both affluent coastal cities and lower-income inland cities
- 20.5% SFR and 41.5% MFR
- Home to a generally non-affluent and diverse population
- Largest share of African Americans (7.5%)
- Largest share increase in mixed-use from 2008 to 2016

Typical Cities in Cluster

- Santa Monica (LA)
- Gardena (LA)

Changing characteristics of eight clusters of cities from 2008 to 2016

To Be Discuss Only if Time Permits

| Characteristic Change | Exclusive Cities | Low-Density Single-Family Cities | High-Density Single-Family Cities | Mixed Cities | Low-Density Green Cities | High-Density Multi-Family Cities | Military Cities | Industrial Cities |
|---|------------------|----------------------------------|-----------------------------------|--------------|--------------------------|----------------------------------|-----------------|-------------------|
| Number of Cities in the Cluster | 8 | 35 | 29 | 49 | 28 | 20 | 3 | 8 |
| Land use Characteristic Change | | | | | | | | |
| Single-Family Residential % Change | +0.1 | -1.0 | -0.5 | -1.3 | -1.4 | -0.3 | -0.3 | -0.1 |
| Multi-Family Residential % Change | +0.1 | 0.0 | 0.0 | +0.1 | +0.2 | -0.1 | -0.4 | +0.0 |
| Mixed-Use % Change | -0.1 | +0.4 | +1.2 | +1.0 | +0.2 | +2.3 | +0.3 | +0.3 |
| Commercial % Change | -0.1 | -0.4 | -2.1 | -0.5 | -1.0 | -2.1 | +0.4 | +3.2 |
| Industrial % Change | +0.2 | -0.1 | +1.1 | -0.6 | +0.2 | -0.4 | -1.2 | -4.4 |
| Open Space % Change | 0.0 | +1.5 | 0.0 | -1.1 | +1.2 | +1.2 | +0.2 | +0.3 |
| Institutional and Public Facility % Change | -0.1 | -0.6 | +0.7 | -0.8 | +0.2 | 0.0 | +1.0 | +0.8 |
| Other % Change | 0.0 | +0.2 | -0.4 | +3.2 | +0.4 | -0.7 | 0.0 | -0.2 |
| Socio-Economic Characteristic Change | | | | | | | | |
| Non-Hispanic Whites % Change | -3.9 | -6.0 | -4.6 | -4.0 | -5.0 | -2.3 | -9.6 | -2.4 |
| African Americans % Change | +1.1 | +0.3 | -0.3 | -0.2 | +0.1 | -0.2 | +1.4 | +1.6 |
| Asians % Change | +0.9 | +2.0 | +0.9 | +0.9 | +1.7 | +1.1 | +0.6 | 0.0 |
| Population Below Poverty % Change | +3.4 | +1.7 | +1.4 | +1.6 | +1.2 | +1.5 | -0.1 | -3.2 |
| Median Household Income Change | -16,699 | -2,967 | -3,079 | -2,164 | -3,864 | +447 | +3,891 | -393 |
| Median Home Value Change | +226,027 | +108,342 | -8,926 | -3,952 | -21,797 | +9,938 | -41,497 | +110,847 |
| Population Density (per acre) Change | -0.03 | +0.17 | +0.27 | +0.29 | +0.33 | +0.31 | +0.11 | +0.09 |
| Net Housing Density Change | +0.07 | +0.12 | -0.01 | +0.03 | +0.37 | -0.62 | -0.16 | +0.25 |
| Median Population Size Change | +135 | +706 | +420 | +2,923 | +3,301 | +351 | +492 | +325 |
| Total Cluster Population Change | +5,406 | +115,421 | +134,153 | +420,644 | +168,510 | +20,660 | +989 | +3,511 |
| RHNA Allocation Change | | | | | | | | |
| VLLI RHNA Allocation Change | +133 | +809 | +1,721 | +4,454 | +1,016 | +1,067 | +262 | +343 |
| Total RHNA Allocation Change | +230 | +1,735 | +4,246 | +10,905 | +2,047 | +2,642 | +691 | +713 |



Results

(2) Land-Use Change by 180 Cities from 2008 to 2016

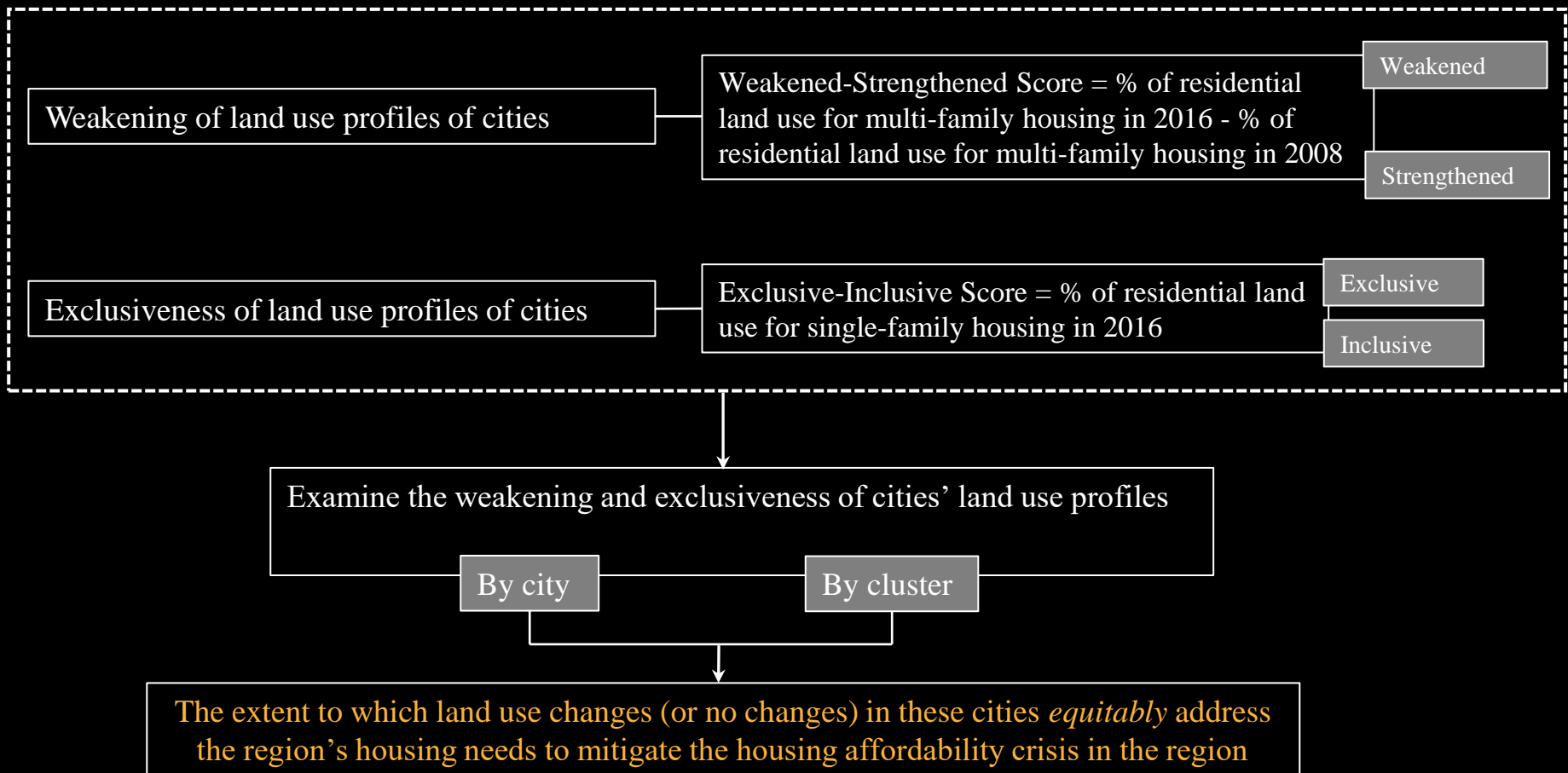
Research Method: Change in Residential Land Use Profile of Cities

Change in Residential Land Uses From 2008 to 2016

Inclusive or Exclusive and Strengthening or Weakening Portfolio

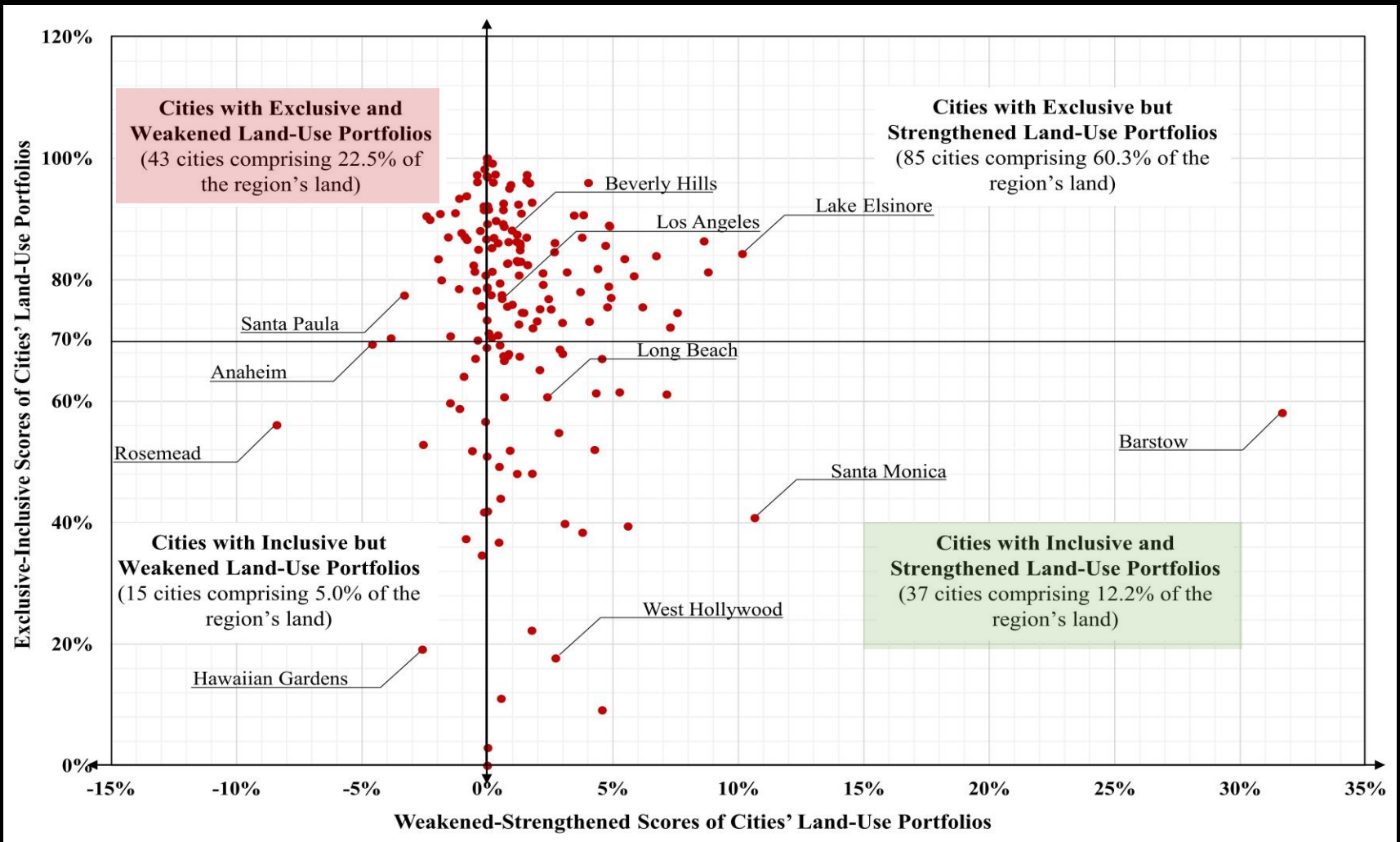
Whether more or less land is zoned in 2016 for multifamily housing than in 2008

Cities with > 70% of their residential land use devoted to single-family housing as exclusive and cities with less than 70% as inclusive



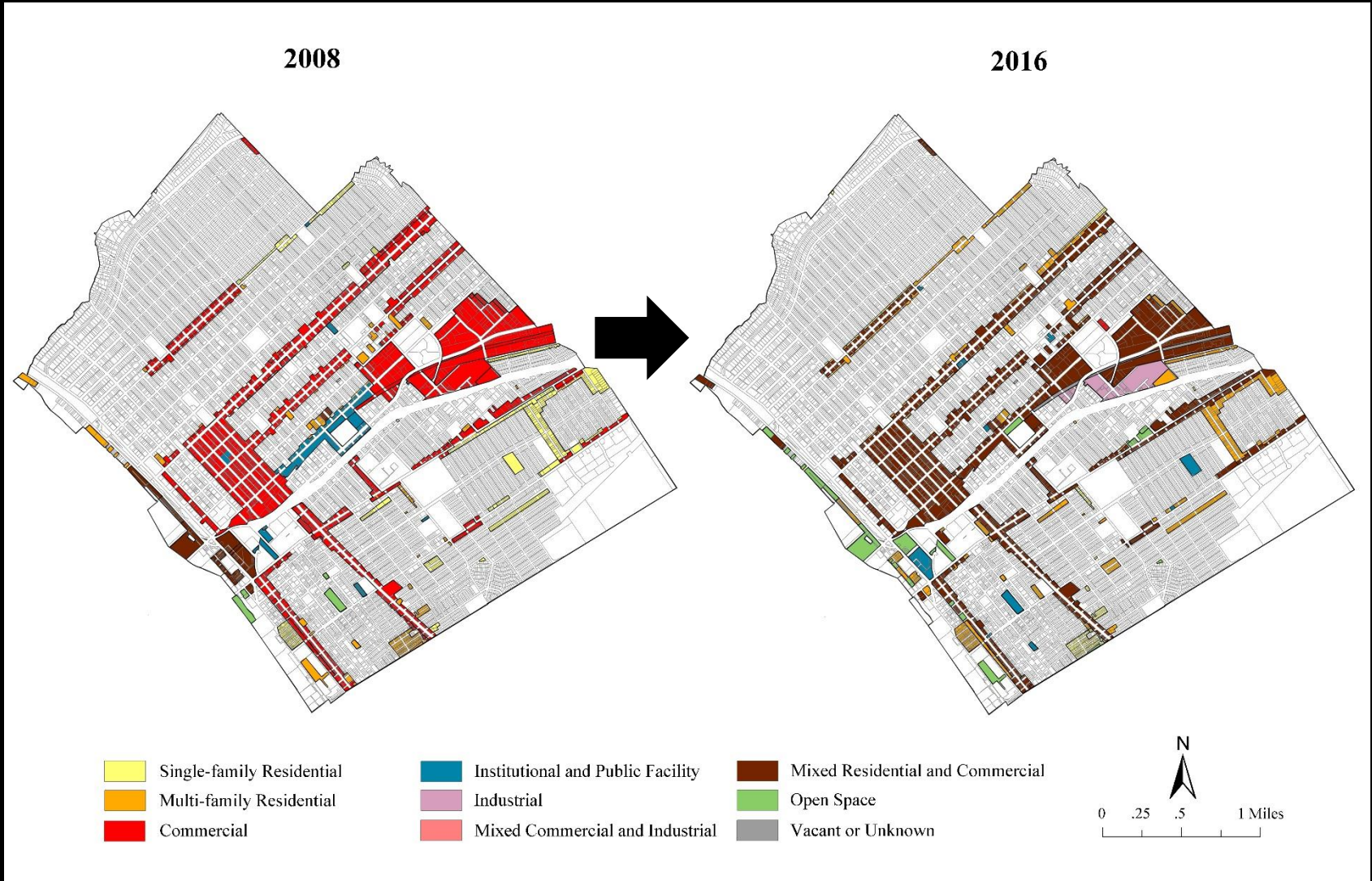
Whether Exclusive or Inclusive City and Whether City's Residential Land Use Profile Weakened or Strengthened

Cities with > 70% of their residential land use devoted to single-family housing are exclusive
cities with less than 70% are inclusive



Example: City with inclusive and strengthened land-use portfolio

Land Use Change from 2008 to 2016 in City of Santa Monica, CA



Example: City with exclusive but strengthened land-use portfolio

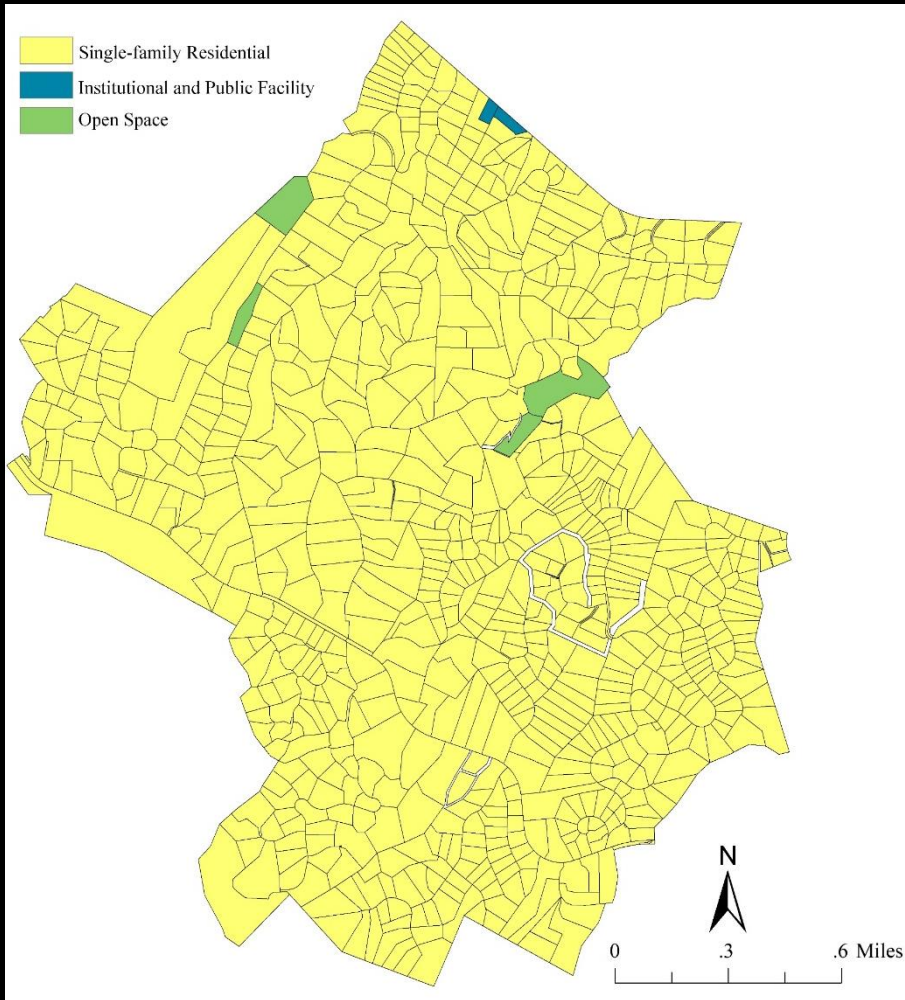
Land Use Change from 2008 to 2016 in City of Artesia, CA



Data Source: Southern California Association of Governments; figure drawn by Xinran Wang

Cities with exclusive and weakened land-use portfolios (43/180)

Land Use Map in 2016 and Figure-Ground Drawing, City of Rolling Hills, CA



Conclusions

- Research Question: Land Use Portfolios of Cities and Housing Affordability Crisis
- Findings: Region-Wide Inequities
 - An inequitable distribution of multifamily land uses in the region
 - Land-use change by cities have exacerbated region-wide inequities in the distribution of multifamily land uses
 - Land-use portfolios of clusters of cities are associated with their populations' socioeconomic characteristics--clusters reflect sorting of region's population by income and race/ethnicity
 - Some cities have changed their land-use portfolios to facilitate more multifamily housing, however, several cities have reduced their share of land uses for multifamily housing
 - The exclusiveness score and weakening score of cities' land use profiles reveal region-wide inequities in pre-established land use portfolios of cities
 - Land use change by cities do not equitably address the region's housing needs

Policy Recommendations

- Cities in growing metropolitan regions should be required to equitably address the region's housing affordability crisis. This requires equitable distribution of multifamily residential land uses in the region
- California's state government should include a "land-use equity" adjustment in the housing element law and require metropolitan planning organizations, such as SCAG, to integrate this approach into the RHNA method
- Other metropolitan regions in California could benefit from our findings by similarly evaluating the land-use portfolios of their cities and adopting land-use equity adjustments to equitably address the region's housing needs
- State government should require tax-revenue sharing by jurisdictions in metropolitan regions to mitigate fiscal disparities and to address the housing affordability crisis in the state

Zoning Reform and Evolving Regulatory Landscape



Zoning Reform and Evolving Regulatory Landscape

- Senate Bill 9 requires local governments to permit *by right* two residential units on lots in single-family zones
- California's accessory dwelling unit (ADU) law requires local governments to approve ADUs in residential zones beyond what is permitted under existing land-use regulations (California Government Code Sections 65852.2 and 65852.26, 2021)
- Taken together, up to four residential units that include two primary units and two ADUs can be built under the provisions of law in residential zones that permit single-family housing

Los Angeles Times SUBSCRIBE LOG IN Q

CALIFORNIA

Curious about ADUs? Here are 4 things to know




ADU developer United Dwelling installs an ADU in homeowner Lexie Upshur's backyard in South Los Angeles in 2021 (Christina House / Los Angeles Times)

BY RYAN FONSECA | STAFF WRITER
APRIL 4, 2023 6:30 AM PT

Los Angeles Times

OPINION

Editorial: Patience, please. Undoing damage from decades of anti-housing policy in California won't happen overnight



Construction of backyard homes, known as accessory dwelling units, has been booming. But there hasn't been as much interest in using the state's new duplex law to build similar projects for rent or sale. (Myung J. Chun / Los Angeles Times)

BY THE TIMES EDITORIAL BOARD
JAN. 20, 2023 5 AM PT

RHNA Compliance: Los Angeles, CA

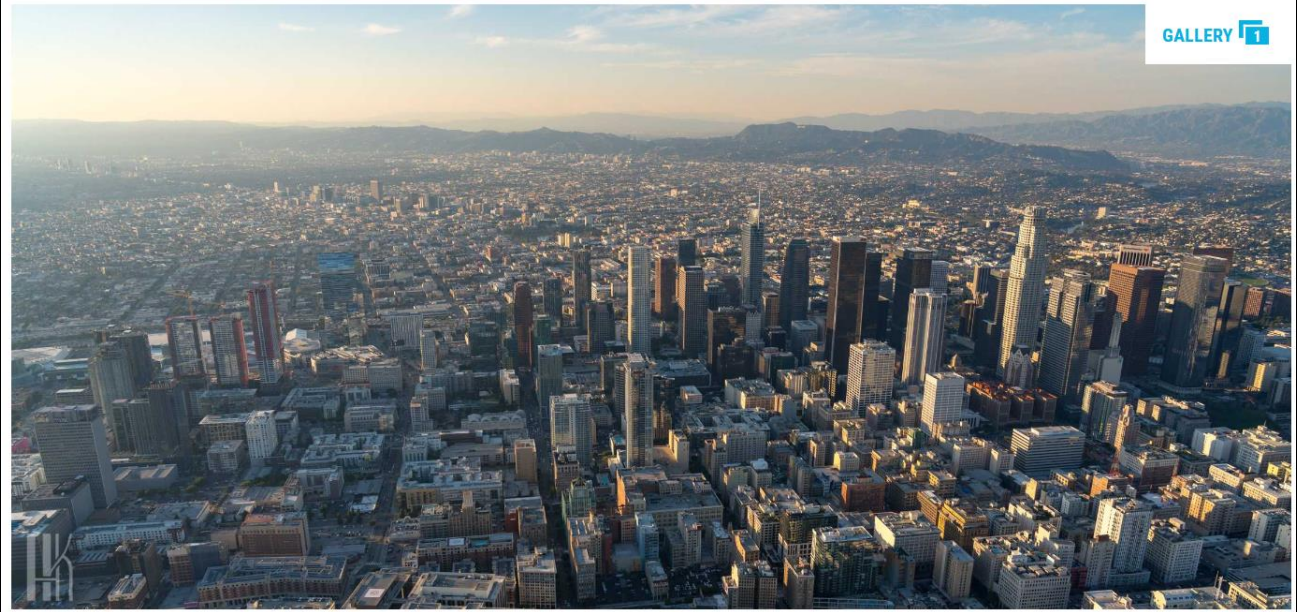
URBANIZE

LOS ANGELES ▾

L.A. City Council adopts plan to build 500,000 new homes by 2029

200,000 units are intended to be income-restricted

NOVEMBER 30, 2021, 11:00AM STEVEN SHARP ↓ 30 COMMENTS



Housing Affordability Crisis and Zoning Reform in California

OPINION
Opinion: California housing development remains abysmal despite reforms. Here's what's missing



Harmony Grove Village in Escondido, seen in 2020. (John Gibbins)

BY EDWARD GLAESER AND ATTA TARKI

FEB. 19, 2023 3 AM PT



The [median Los Angeles home sold for \\$849,000](#) last year, according to the National Assn. of Realtors. Meanwhile, one of California's signature zoning reforms of the past few years, Senate Bill 9, appears to be having at best a desultory effect on new housing supply, the shortage of which is driving prices upward.

Los Angeles and other California metropolises need abundant housing to become affordable, and they can get it only by empowering private developers to build significant projects. The fundamental flaw of SB 9 is that it allows individual homeowners to add one or two units at most to their properties, and that is no way to build enough housing to increase affordability.

If California actually wants housing to be inexpensively produced, it must enable large-scale production of housing by private firms that have strong incentives to cut costs. Whether politicians like it or not, housing production is indeed governed by the laws of supply and demand.

Is This Working?

Only big developers can make California housing affordable - Los Ange... <https://www.latimes.com/opinion/story/2023-02-19/california-housing>

Only big developers can make California housing affordable - Los Angeles Times

Edward Glaeser and Atta Tarki

The [median Los Angeles home sold for \\$849,000](#) last year, according to the National Assn. of Realtors. Meanwhile, one of California's signature zoning reforms of the past few years, Senate Bill 9, appears to be having at best a desultory effect on new housing supply, the shortage of which is driving prices upward.

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Zoning Reform and RHNA Non-Compliance Litigation

CALIFORNIA

California sues Huntington Beach over ban on housing projects



California Gov. Gavin Newsom, center, during a news conference in Sacramento in June. (Rich Pedroncelli / Associated Press)

BY TARYN LUNA, HANNAH WILEY, HANNAH FRY

MARCH 9, 2023 UPDATED 2:11 PM PT

California's Evolving Regulatory Landscape

Zoning Reform in California: Recently Enacted Bills

- California's State Legislature recently enacted several housing bills including, Assembly Bill 2011 and Assembly Bill 2097, removing some of the regulatory barriers to new affordable housing projects
- The state laws thus offer new opportunities to develop high-density developments that include affordable housing, by right, on commercially zoned properties in TOD areas

California's Evolving Regulatory Landscape and Litigation

Los Angeles Times

CALIFORNIA

What are California lawmakers doing to fix the housing crisis? A look at 2023's new bills



California lawmakers have introduced a flurry of bills to make it easier to increase housing production and strengthen tenant protections. (Myung J. Chun / Los Angeles Times)

BY HANNAH WILEY | STAFF WRITER
MARCH 26, 2023 5 AM PT

COURTHOUSE NEWS SERVICE

Judge rejects lawsuit over California housing density bill

Written by state Senator Scott Wiener, Senate Bill 10 makes it easier for cities to upzone certain areas. A judge found the new law constitutional.

HILLEL ARON / May 12, 2022



Hillel Aron / May 12, 2022 Link copied

Written by state Senator Scott Wiener, Senate Bill 10 makes it easier for cities to upzone certain areas. A judge found the new law constitutional.

LOS ANGELES (CN) — A California judge on Thursday rejected a petition by the nonprofit organization AIDS Healthcare Foundation and the Southern California city of Redondo Beach to block a new state law that makes it easier for cities to upzone certain neighborhoods.

Signed into law in September, Senate Bill 10 gives cities the power to rezone certain areas, allowing up to 10 housing units per property. That action must be taken by a two-thirds majority vote of a city council, and is exempted from any lawsuits under the California Environmental Quality Act, or CEQA, and can supersede any local ballot initiative.

It was this last point that the plaintiffs seized upon in their lawsuit, which called SB 10 "an unprecedented assault against the power of citizens to enact effective local initiatives," and said the bill "allows local governments to disregard the provisions of duly-enacted initiative measures that affect planning and land use in local jurisdictions."

LA County Superior Court Judge James Chalfant said during Thursday's hearing that the Legislature had the authority to preempt local governments on matters of statewide concern.

"It's undisputed that SB 10 addresses a matter of statewide concern," he said. The concern, he said, wasn't "housing in general," but that "local governments comply" with their legal obligation to build enough housing. "SB 10 is intended to provide local governments with another tool to meet that obligation," he said.

Beverly Palmer, the attorney representing the plaintiffs, said that preemption power doesn't extend to overriding local ballot initiatives. "It would be a real sea change to take that power away," she said.

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Questions?



Ventura

Los Angeles

San Bernadino

Orange

Riverside

Pacific Ocean

Addendum



Cluster membership of the eight clusters of cities in Southern California

Clusters are based only on cities' 2016 land-use profiles

| Cluster Name | Cluster Member City (County) |
|-----------------------------------|--|
| Exclusive Cities | Avalon (LA); Hidden Hills (LA); Rolling Hills (LA); San Marino (LA); Walnut (LA); Villa Park (OC); Wildomar (RC); Twentynine Palms (SB) |
| Low-Density Single-Family Cities | Arcadia (LA); Beverly Hills (LA); Bradbury (LA); Diamond Bar (LA); La Canada Flintridge (LA); La Habra Heights (LA); La Puente (LA); La Verne (LA); Lakewood (LA); Lomita (LA); Malibu (LA); Manhattan Beach (LA); Palos Verdes Estates (LA); Rancho Palos Verdes (LA); Rolling Hills Estates (LA); Sierra Madre (LA); South Pasadena (LA); Temple City (LA); West Covina (LA); Whittier (LA); Mission Viejo (OC); Yorba Linda (OC); Banning (RC); Calimesa (RC); Desert Hot Springs (RC); Indio (RC); Menifee (RC); Moreno Valley (RC); Norco (RC); Palm Desert (RC); Riverside (RC); Big Bear Lake (SB); Hesperia (SB); Loma Linda (SB); Yucaipa (SB) |
| High-Density Single-Family Cities | Artesia (LA); Baldwin Park (LA); Cerritos (LA); Compton (LA); Covina (LA); La Mirada (LA); Lancaster (LA); Norwalk (LA); Palmdale (LA); Pico Rivera (LA); San Fernando (LA); South Gate (LA); Torrance (LA); Fullerton (OC); Garden Grove (OC); La Palma (OC); Placentia (OC); Santa Ana (OC); Hemet (RC); Adelanto (SB); Fontana (SB); Grand Terrace (SB); Ontario (SB); Rancho Cucamonga (SB); Rialto (SB); San Bernardino (SB); Upland (SB); Victorville (SB); Ojai (VC) |
| Mixed Cities | Agoura Hills (LA); Alhambra (LA); Bellflower (LA); Burbank (LA); Calabasas (LA); Downey (LA); Hermosa Beach (LA); Long Beach (LA); Los Angeles (LA); Lynwood (LA); Montebello (LA); Monterey Park (LA); Pasadena (LA); Pomona (LA); Rosemead (LA); San Gabriel (LA); Santa Clarita (LA); Anaheim (OC); Brea (OC); Buena Park (OC); Cypress (OC); Dana Point (OC); Fountain Valley (OC); Huntington Beach (OC); La Habra (OC); Laguna Beach (OC); Laguna Hills (OC); Orange (OC); Tustin (OC); Westminster (OC); Blythe (RC); Cathedral City (RC); Coachella (RC); Corona (RC); La Quinta (RC); Lake Elsinore (RC); Murrieta (RC); Perris (RC); San Jacinto (RC); Barstow (SB); Colton (SB); Montclair (SB); Needles (SB); Redlands (SB); Camarillo (VC); Fillmore (VC); Oxnard (VC); San Buenaventura (VC); Santa Paula (VC) |
| Low-Density Green Cities | Azusa (LA); Claremont (LA); Duarte (LA); Glendale (LA); Glendora (LA); Monrovia (LA); San Dimas (LA); Westlake Village (LA); Aliso Viejo (OC); Irvine (OC); Laguna Niguel (OC); Lake Forest (OC); Newport Beach (OC); Rancho Santa Margarita (OC); San Clemente (OC); San Juan Capistrano (OC); Beaumont (RC); Canyon Lake (RC); Indian Wells (RC); Palm Springs (RC); Rancho Mirage (RC); Temecula (RC); Chino (SB); Chino Hills (SB); Highland (SB); Moorpark (VC); Simi Valley (VC); Thousand Oaks (VC) |
| High-Density Multi-Family Cities | Bell (LA); Bell Gardens (LA); Cudahy (LA); Culver City (LA); El Monte (LA); Gardena (LA); Hawaiian Gardens (LA); Hawthorne (LA); Huntington Park (LA); Inglewood (LA); Lawndale (LA); Maywood (LA); Paramount (LA); Redondo Beach (LA); Santa Monica (LA); Signal Hill (LA); West Hollywood (LA); Costa Mesa (OC); Laguna Woods (OC); Stanton (OC) |
| Military Cities | Los Alamitos (OC); Seal Beach (OC); Port Hueneme (VC) |
| Industrial Cities | Carson (LA); Commerce (LA); El Segundo (LA); Industry (LA); Irwindale (LA); Santa Fe Springs (LA); South El Monte (LA); Vernon (LA) |

Notes: LA = Los Angeles County; OC = Orange County; RC = Riverside County; SB = San Bernardino County; VC = Ventura County.

Data Source: Southern California Association of Governments

