

- g) Recommendations for what actions may be taken by all levels of government (federal, state, and local) and the private sector that will contribute to the attainment of statewide housing goals;
- h) A housing strategy that coordinates the housing assistance and activities of state and local agencies, including the provision of housing assistance for various population groups, including, but not limited to, elderly persons, persons with disabilities, large families, families where a female is the head of household, farmworker households, and other specific populations identified by HCD;
- i) A review of housing assistance policies, goals, and objectives affecting people experiencing homelessness;
- j) An inventory of the number of affordable units needed to meet both current and future statewide housing needs; and
- k) A housing data strategy.

This bill:

- 1) Requires each update and revision to the SHP occurring after January 1, 2024, to incorporate the following:
 - a) An analysis of first-time homebuyer assistance policies, goals, and objectives;
 - b) Recommendations for actions that will contribute to increasing homeownership opportunities for first-time homebuyers in California; and
 - c) An evaluation and summary of demographic disparities in homeownership attainment in California, which may include, but is not limited to, disparities related to race, ethnicity, household income, household size, age, and disability status.
- 2) Requires HCD to consult with the California Housing Finance Agency (CalHFA), and allows them to consult with other department and agencies, to inform the plan.

COMMENTS:

- 1) *Author's Statement.* "AB 1508 will ask the California Department of Housing and Community Development (HCD) to include a goal to increase homeownership among first-time home buyers in the Statewide Housing Plan. This legislation is a reasonable and modest step in ensuring that as California invests hundreds of millions of dollars in expanding homeownership for working families, our Statewide Housing Plan reflects and acknowledges both that investment as well as the shared values it represents. By requiring that the goal of increasing first time homeownership be included in the Statewide

Housing Plan, AB 1508 does not require any additional state resources. AB 1508 simply asks that the important homeownership work that is already being funded by HCD and other state agencies be accounted for, and that the larger goals and values represented by existing homeownership programs be acknowledged as an important part of the state’s vision for housing in California.”

- 2) *Background: Statewide Housing Plan.* Every four years, HCD is required to produce a statewide plan on housing conditions and need, in coordination with the private sector and housing and planning agencies at various levels of government (i.e., state, regional, and local). The most recent plan was released in March of 2022.¹

According to the most recent version, “The Statewide Housing Plan lays out a vision to ensure every Californian has a safe, stable, and affordable home. The state is working towards three objectives to achieve this vision:

- a) Keep Californians in their homes;
- b) Produce more affordable and climate-smart housing; and
- c) Continue to act with urgency to address homelessness and housing needs.

The plan describes why we need to act now to address the state’s housing affordability crisis, what we know about California’s housing crisis, including how we got here and growing challenges, what the housing needs in California are, what our state and local governments are currently doing to address the problem, where we are going in the future, and how we will track our progress.”

The SHP is required to contain housing goals, policies, and objectives, as well as information regarding the statewide housing development need for the plan period, and recommendations for actions that can be taken to achieve the housing goals, among other criteria. While growth in homeownership opportunities will be indirectly captured in many of these criteria – statewide development need is not subdivided between rental and ownership housing, for instance – there is no specific requirement in the SHP statute for focused analysis of first-time homebuyer opportunities or recommendations for actions that will increase those opportunities. Homeownership is an important mechanism for wealth generation and financial stability, as recent census data shows that homeowner households have a median wealth of \$305,000, compared to renter households with a median wealth of just \$4,084. HCD and CalHFA operate several financing programs targeted at homeownership,

¹ [Statewide Housing Plan \(arccgis.com\)](https://arccgis.com)

including the CalHOME program and the California Dream For All program. This bill requires HCD, in conjunction with CalHFA, to include specific analyses and recommendations related to increasing first-time homebuyer opportunities.

Furthermore, racial disparities in access to homeownership continue to be severe. National survey data from the National Association of Realtors found that from Q3 of 2021 to Q3 of 2022, 88% of all homebuyers were white, compared to only 8% Hispanic/Latino, 3% Black, and 2% Asian American. The share of homebuyers who were white actually increased six percent from the prior year, while the share of Black and Asian American buyers declined. The gap in homeownership rates between Black and white households is currently the largest it has been in the past decade.

Recent data from the initial phase of the California Dream For All program also indicates that nearly two-thirds of initial program participants were white homebuyers, although the program did see more participation from Hispanic/Latino homebuyers (34% of participants) than their overall homeownership rate in the state (25% of homeowners). Additionally, census data shows that while white households have a median wealth of \$187,300, Hispanic households only have median wealth of \$31,700, and Black households of \$14,100. These racial disparities stem in part from a long legacy of unequal access to wealth and discrimination in housing in the United States against communities of color, including restrictive racial covenants, the practice of redlining, racially biased home appraisals and lending application denials, and continued patterns of segregation and concentrated poverty.

This bill requires the SHP to include a specific evaluation of demographic disparities in homeownership attainment in California, including race, ethnicity, and a variety of other characteristics that may impact an individual's ability to purchase a home.

RELATED LEGISLATION:

AB 1386 (Gabriel, 2023) — authorizes entities referring veterans to housing units funded by the Veterans Housing and Homelessness Prevention Program (VHHP) or certain housing units supported by project-based housing vouchers to refer veterans at certain income levels if units are unable to be filled after 14 days at a lower income threshold. *This bill is also being heard at this hearing.*

AB 1474 (Reyes, 2023) — adds veterans to the list of population groups that HCD must consider in the SHP, and adds the Department of Veterans Affairs (CalVet) to

the list of state departments HCD must consult with in the development of the state's housing strategy. *This bill passed the Senate Committee on Housing with an 11 – 0 vote on June 6.*

AB 68 (Quirk-Silva, Chapter 341, Statutes of 2021) — updated the contents of the SHP and expanded the requirements of the annual report produced by HCD.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, June 14, 2023.)

SUPPORT:

The Two Hundred for Homeownership (Sponsor)
Asian Business Association of Silicon Valley
Bay Area Council
California Association of Realtors
California Black Chamber of Commerce
California Catholic Conference
California Community Builders
California Journal for Filipino Americans
California YIMBY
Casita Coalition
Community Consumer Defense League
Community Housing Opportunities Corporation
Cornerstone Construction
Faith and Community Empowerment
Farmworkers Institute of Education & Leadership Development
Hope Through Housing Foundation
Inland Empire Latino Coalition
Jesse Miranda Center for Hispanic
Lisc San Diego
National Diversity Coalition
National Federation of Filipino American Associations
Neighborhood Partnership Housing Services, INC.
New California Coalition
People for Housing - Orange County
San Francisco Bay Area Planning and Urban Research Association (SPUR)
Southern California Black Chamber of Commerce
Southern California Leadership Council
Tentmakers INC

Terrahome
The Unity Council
Unidosus
Ventura County Community Development Corp

OPPOSITION:

None received.

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