



Housing Policy: Myths vs. Facts

As of 9/30/2020

Myth	Fact	Further reading
There is no housing shortage. There are plenty of luxury condos sitting vacant in our city.	The “vacancy rate,” or number of empty homes, is catastrophically low in every major California city - between 3 and 4 percent state-wide. Low vacancy rates are the primary reason landlords keep raising rents .	“A controversy over vacancy in the Bay Area and Los Angeles” “Authors pull back study on vacancy rates” “Does the Los Angeles region have too many vacant homes?”
Housing is only expensive because greedy developers and landlords are charging us too much for rent.	For decades, California has failed to build enough housing to keep up with population growth . The majority of homes that do get built are very expensive -- because it is difficult to get a building approved, and construction costs are very high.	“Californians: Here’s why your housing costs are so high” “The declining elasticity of US housing supply”
New luxury apartments for rich people raise rents and cause displacement for low-income people and communities of color.	<p>New apartments in a neighborhood reduce local rents by 5-7 percent, and also protect existing residents against displacement.</p> <p>New homes can also decrease demand on other older homes in the area, which helps keep those homes more affordable.</p>	“The Local Effects of New Housing in Low-Income Areas” “Are Private Markets and Filtering a Viable Source of Low-Income Housing? Estimates from a “Repeat Income” Model”
All this new building is causing gentrification and pushing out long-term residents.	Gentrification takes place fastest in cities that have not allowed enough new home building, because new and existing residents bid up the cost of available housing - rather than buy or rent the newer units.	“Kevin Bacon & musical chairs: How market rate housing increases affordability” “The Real Cause of Gentrification” “The Hidden Winners in Neighborhood Gentrification” “To Understand a City’s Pace of Gentrification, Look at Its Housing Supply”

<p>We're in the middle of a building boom, but none of the housing is for people like us.</p>	<p>California is in the slowest period of homebuilding in its history. New homes were down by 20 percent in 2019. We're now building one-third of the homes we built each year in the 1980s.</p>	<p>"5 Reasons California's Housing Costs Are So High"</p> <p>"California's High Housing Costs: Causes and Consequences"</p>
<p>What we need is truly affordable housing for low-income and vulnerable residents.</p>	<p>We need to build as much affordable housing as possible. Most affordable housing is funded by tax credits, property taxes, and fees on market-rate housing; we should find as many additional sources of funding as possible.</p>	<p>"The cost of affordable housing"</p> <p>"Is California's most controversial new housing production law working?"</p>
<p>Developers have built too much market-rate housing, which is the problem -- our cities should only build 100 percent affordable housing.</p>	<p>According to the California Department of Housing and Community Development, as of July 2020, 289 California cities have not met their state-mandated goals for market-rate housing. Virtually all of these same cities have also failed to meet their state-mandated goals for below-market rate affordable housing.</p> <p>It would cost the State of California between \$700 billion and \$1.4 trillion to build all the homes we need -- about 3 - 6 times the State's annual budget. We need as much affordable <i>and</i> market rate housing as we can build.</p>	<p>"The Cost of Building Housing"</p> <p>"Making It Pencil"</p> <p>"SB 35 Statewide Determination Summary"</p>
<p>New housing causes traffic to increase, and takes away our parking.</p>	<p>New housing near jobs, transit, and amenities reduces traffic, and in some cases eliminates the need for cars altogether. While many residents feel like the street parking in front of their home "belongs" to them, it is in fact public property that belongs to all taxpayers.</p>	<p>"Transit Oriented Development"</p> <p>"Real Parking Needs At Five TODs"</p> <p>"The High Cost of Free Parking"</p>