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California Building Industry Association Announces 2021 Housing Killers and Creators

Legislation Evaluated for Equitable Impact on CA's Housing Crisis to Meet Need for Housing for All

Sacramento – the [California Building Industry Association \(CBIA\)](#) announced bills today in the 2021 legislative session identified as Housing Killers or Housing Creators. Bills on the Housing Killers and Housing Creators lists either exacerbate or help address Californian's housing crisis.

"California must address the housing crisis that inequitably shuts many middle-class families out of the housing market," said **Dan Dunmoyer, CBIA President and CEO**. "Black families in particular are disproportionately impacted by the dwindling supply of homes, a problem rooted in historically discriminatory laws and policies. To address the housing crisis, promote equity in homeownership, and achieve housing for all, policymakers must reduce barriers to construction of homes that middle class families can afford."

Homeownership is one of the most effective ways that Americans build wealth, which can be passed down from generation to generation. It also stabilizes communities and provides access to education and employment opportunities. Yet, homeownership rates are at their lowest in California since the 1940s, and inequities in homeownership have increased. The [California Housing Finance Agency](#) notes that as of 2019, just 41% of Black families own their homes compared to 68% of White families, and over the last decade California's Black homeownership rate has been lower than it was in the 1960s, when it was completely legal to discriminate against Black homebuyers.

According to the [California Department of Housing and Community Development](#), California needs to produce 180,000 new homes annually, but production averaged less than 80,000 new homes annually over the last 10 years, and ongoing production continues to fall far below the projected need. [See rates of housing production in California from 2005-2019.](#)

CBIA's 2021 Housing Killer List

SB 12 (McGuire) - "Wildfires" - Opens the door to an avalanche of new regulation, which, in turn, will place new burdens on housing development and ultimately render some new projects infeasible. SB 12 is a bureaucratic overreach which would give the Office of Planning and Research excessive control over the state's decision-making process with regards to planning for future housing needs.

SB 55 (Stern) - "Wildfires" - Prohibits any residential or commercial construction in either Very High Fire Severity Zones or a State Responsibility Area, which effectively bans development activity in one third of the state of California and will exacerbate the existing housing crisis.

SB 261 (Allen) - "Sustainable Communities Strategies" - Makes it more difficult and costly to build housing in California because the mandates contained in SB 261 will make successful implementation of SB 375 (chapter 728 of 2008) significantly less achievable and make the already planned-for 2035 greenhouse gas reductions much harder to accomplish. Furthermore, the bill's vehicle miles traveled component can and will be used to cause major disruptions in the housing supply chain.

SB 727 (Leyva) - "Labor-related liabilities" – Creates a new right of action against general contractors for liabilities they did not cause and imposes punitive damages in excess of 15 times actual damages. This will put homebuilders and other

general contractors in the position of paying many times over for the same work and fails to hold bad actors responsible who do not pay their own employees. These overly punitive and redundant penalties will add unnecessary costs that will exacerbate the current housing crisis.

AB 377 (Rivas) - “Water Quality” – Places a requirement on all municipalities to require that all new development and redevelopment treat urban discharges to drinking water standards prior to discharge; and requires that the HOA perform/cause to be performed the required monitoring. This will add significant cost to home construction projects, reducing affordable housing and increasing HOA fees.

AB 1295 (Muratsuchi) – “Wildfires” – Exacerbates the housing crisis by prohibiting the use of development agreements for residential developments in undeveloped areas despite designing and building needed housing to fire-safe and fire-proven requirements.

CBIA’s 2021 Housing Creator List

AB 460 (Mayes) - “Residential Fire Sprinklers” – This bill would bring some consistency and transparency to residential fire sprinkler costs, and ultimately, assist in helping to reduce housing costs. Fire Marshals across the state are seeing very broad and disproportionate fee schedules when it comes to residential fire sprinklers and what jurisdictions are charging. Data collected from jurisdictions across the state showed that residential fire sprinkler hook-ups could range in cost from \$3,000 per house up to \$60,000+. In addition, there were significant inconsistencies in maintenance cost and in the required size of the sprinkler piping.

AB 571 (Mayes) - “Density Bonus” - Prohibits imposing a housing affordability fee on deed restricted affordable units, as they are intended to be affordable to low – very low- and moderate-income families. It makes no sense to disincentivize the construction of deed restricted affordable units within a density bonus application as we seek to encourage the maximum set aside possible within every application for a density bonus.

AB 602 (Grayson) - “Impact Fees” – Addresses California’s housing shortage by reforming Impact Fees. This bill would standardize the process and procedural requirements, require nexus studies to conform with certain standards and best practices, and limit fees to existing levels of service and direct impacts.

AB 1090 (Quirk-Silva) - “Home Ownership” – Creates a Task Force to consider and evaluate impediments to home ownership in the state and develop a final report no later than October 31, 2022 that includes recommendations to increase home ownership for all Californians.

SB 8 (Skinner) - “The Housing Crisis Act” – Is the extension of SB 330, which since its implementation in January of 2020, has help expedite and facilitate affordable and market-rate construction. SB 8 will increase certainty and accountability to spur housing production in California.

More information about CBIA’s Housing Killers/Housing Creators lists is available at <https://cbia.org/housing-killers-creators/>

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