



PressRelease

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California Building Industry Association Issues Statement After State Allocation Board Triggers Significant Housing Fee Increase

May 25, 2016

The California Building Industry Association today issued a statement after the California State Allocation Board voted to give authority to school districts to charge Level III developers fees due to the nearly depleted school facility grant fund. This action was taken in spite of the \$9 billion school facilities bond that has qualified for the November ballot, which will replenish the fund and continue the successful investment partnership between the State, the homebuilding industry, and local school districts to fund school facility modernization and construction.

"The building industry has long been a strong funding partner and supporter of our local schools, which is why we have been working in partnership with educators to pass a statewide school facilities bond in November - a measure that is supported by school districts throughout the state, the California State PTA, and respected legislators from both parties," said David Cogdill, President and CEO of CBIA. "Today's action will not adequately address the lack of state school facility funding, and will only exacerbate California's housing crisis, further reduce needed supply and make it even more difficult for working families to be able to afford housing in our state. The only effective way to ensure students have access to quality schools, protect housing affordability and safeguard our economy is to pass the bond in November so that we continue the successful partnership between the state, the homebuilding industry and local districts."

Background on housing affordability crisis:

California has highest housing costs in the nation:

- Average cost of a home in California is \$440,000, two-and-a-half times the national average. (LAO: High Housing Costs: Cause and Consequences; March 17, 2015)

- The state's average rent is \$1240 per month - 50% higher than the rest of the country

Research shows that housing prices are driven by demand outstripping supply:

- Reports recently issued by the nonpartisan Legislative Analyst's Office and Beacon Economics - commissioned by Next 10 - consistently identify the lack of supply as the primary reason that California boasts some of the most expensive housing prices in the country.
- Both reports also cite other consequences to California's housing shortage, including: impeding the state's ability to retain lower and middle-income wage earners; pushing homeownership out of reach for working families, making it more difficult for workers to build wealth; and increasing poverty.

Research also shows that California must add significantly more private housing stock to alleviate rising prices:

- Both the LAO and Next 10 recommended that adding more private housing stock - up to an additional 100,000 units annually -- to what the market is already providing could meaningfully address the housing affordability problem for many Californians.

Reports:

[Legislative Analysts Office: High Housing Costs: Causes and Consequences; March 17, 2015](#)

[Legislative Analysts Office: Perspectives on Helping Low-Income Californians Afford Housing; February 9, 2016](#)

[Next 10: Current State of the Housing Market; March 3, 2016](#)

For questions and additional information contact Megan MacNee, Political Affairs Manager, at 916-340-3352 or mmacnee@cbia.org.

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The California Building Industry Association is a statewide trade association representing thousands of homebuilders, remodelers, subcontractors, architects, engineers, designers, and other industry professionals. More information is available on the Association's Web site, www.cbia.org.