

It is important that local governments refocus on the state's need for entry level homeownership housing. The median price of housing statewide remains over \$800,000 despite the dramatic rise of interest rates over the last year, which is directly related to our lack of supply within the homeownership space. California has reached its lowest level of housing affordability since 2007 at 15%. Only 15% of our state's working families can afford to purchase a median price home. Why? There are a lot of market factors that attribute to this supply deficiency; however, a major barrier to new entry-level homeownership housing supply is planning, which may benefit from the inclusion of a dynamic analysis that takes into account both affordability based on income and supply type, which would ensure that homeownership housing is included as a planning focus in each level of housing affordability based on income.

As we seek to complete the housing ladder, it is important that local governments and REALTOR® advocates, on the state and local level, be provided the tools to explain a particular community's housing balance, and why that may be affecting the area's median price of housing. Furthermore, it might be helpful in the long-term that we ensure that local governments plan for both ownership and rental housing which, in turn, ensures generational wealth remains possible for our future generations. Finally, the focus on entry-level homeownership opportunities, which has emerged in this second year of the two-year Legislative session, may have opened up a unique opportunity to raise the profile of entry level homeownership housing within local government planning documents.

The Housing Element planning process is critical as we seek to inform policies that guide the state's planned housing types (i.e., rental v. ownership) while ensuring that the state prioritizes market-rate entry level homeownership housing opportunities necessary to bridge the ever-widening wealth gap in California. The dramatic reduction in ownership housing supply is beginning to gain more and more notice by our state's elected leaders, as they have eliminated "bulk" sales in the foreclosure space and are considering that same limitation on "bulk" sales within the new construction space, but only as it relates to real estate investment trusts (REITs).

Should C.A.R. SPONSOR legislation to require local housing elements include a dynamic analysis of planned homeownership units to ensure that local governments are planning for the housing supply necessary to meet existing housing demand needs for ALL types of housing?