

SCA 1 (ALLEN & WIENER): PUBLIC HOUSING PROJECTS

POSITION: The Chamber's Public Policy Sub-Committee on Infrastructure, Housing, and Land Use voted to SUPPORT the proposal on February 19, 2019. The Chamber's Board of Directors voted to SUPPORT the bill on March 28, 2019.

RATIONALE: This California Constitutional Amendment would make it easier to build new developments within the State and ultimately increase the housing supply.

STATUS: SCA 1 was introduced December 3, 2019.

SUMMARY

SCA repeals Article 34 of the California Constitution. Article 34, passed in 1950, requires a majority vote of the public in order for a city, town, or county to use public funds to develop, construct, or acquire any low-rent housing projects. If this amendment passes, the measure would then have to be approved by a majority of California voters on the ballot in order to amend the Constitution.

INDUSTRY/IES IMPACTED

If enacted, the amendment would facilitate additional low-rent housing supply, which will benefit businesses from many industries struggling with talent attraction and retention due to housing options and affordability. More directly, the building industry would be impacted.

SUPPORTERS

CA YIMBY

OPPONENTS

None known.

ARGUMENTS IN FAVOR

Article 34 has made it challenging for California to expand public housing (deed restricted, subsidized housing) and has been a massive inconvenience to affordable housing developers who currently must ensure that no more than 49 percent of their funding comes from a government source. The [LA Times](#) has reported that complying with Article 34 can add between \$10,000 and \$80,000 to the cost of constructing affordable housing. Repealing Article 34 would lift a roadblock to affordable housing construction all over the state.

ARGUMENTS IN OPPOSITION

- It would be too difficult and costly to repeal Article 34.
- Article 34 is an important tool for local control, and a repeal would cede increased planning power to the state.