

Opinion: Calif. housing crisis spreads across the West

By Joe Mathews

Sorry, Utah.

California's epidemic shortage of housing hasn't just sickened our own state—driving up prices, forcing residents into rentals, and putting a \$140 billion annual drag on our economy. The disease is spreading to our neighbors, too.

Today, Western cities are experiencing minor league versions of the California housing crisis. Shortages are severe in Seattle, Portland and Eugene, Ore.. Even in Boise, prices are increasing at nearly 10 percent annually.



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California's housing crisis and those of its neighbors share some causes: lack of water sources, shortages of skilled construction workers, and the rising price of scarce land near job centers. But our Western neighbors face an additional challenge: the influx of Californians unable to find housing in their own state.

I witnessed the California epidemic's spread recently in Utah. For the first time since the 1970s, Utah, growing via births and arriving jobseekers, is adding more households than

housing units. So homeownership rates are falling, homelessness is rising, and the Salt Lake City council has declared an affordable housing emergency.

Facing these challenges, some Utahans are seeking lessons from California's mistakes. "California's housing market can shed some light on our own," said a recent assessment by Envision Utah, a nonprofit organization focused on civic engagement and planning. "Faced with rapid growth, many California communities, and even the state, imposed ever-more-stringent regulations designed to curb development, believing that if they slowed development it would put the brakes on growth."

But, said Envision Utah, "California's constraints didn't slow growth, so demand for housing stayed high. Instead, those regulations simply diminished the supply, and we know what happens next."

Comparisons with Utah also hold lessons for California. Yes, the Golden State has 13 times as many people, but the states have two of America's most diversified economies, young populations, and relatively high incomes.

Most intriguingly, Utah and California are distinguished by their lack of housing. California is ranked 49th in the country in the number of housing units per person. Utah is 50th. But Utah, for its housing struggles, hasn't had a shortage as deep or long-lasting as ours, or prices that exceed the national average by $2\frac{1}{2}$ times. Why?

One part of the answer might sound obvious: Utah doesn't need as many housing units because it has the country's largest families and households, a product of the prevalence of the Church of Latter-day Saints. That suggests one wildly impractical solution to the housing crisis—California embracing Mormonism as its state religion. But it's no more farfetched than the 50-plus bills in our state Legislature that offer minor or counter-productive changes to California's

housing markets.

Putting religion aside, the most serious difference between Utah and California housing involves local government. Utah is a place where state government defers to local government, and local communities retain control over their destiny. California is not.

It's hard to exaggerate how little control California communities have over their fate. For 40 years, California government has been the site of a war between a state government that centralizes power at the expense of locals, discouraging housing. State environmental regulations make it slow and costly to build housing. State limits on local taxes, especially Proposition 13, create incentives that encourage retail and commercial development, not housing.

This state of affairs fuels NIMBYism. With their local representatives having relatively little power, local communities cling to the power they do have: saying no to change in their communities.

Utah, a strait-laced place, has almost none of California's restrictions on growth and local control. It takes years, even decades, for brave developers to navigate California's anti-housing regime and build something. In Utah, housing comes together in a matter of months.

"We don't have the problem you have with widespread anti-growth sentiment," says Utah economist Robert Spendlove, a member of the state Legislature.

That culture has made it easier for Utah to respond to its housing problems. There's momentum to lift limits on housing density and streamline permitting processes. Utah builders are also increasing production of more moderately priced homes.

In California, the response is very different. Gov. Jerry Brown and leading legislators want to impose even more rules

on local governments, with the goal of forcing the construction of more housing. But local governments are already weary of state mandates. Might new housing ones only encourage more defiance and NIMBYism?

Of course, reforming California's system of local government to restore local control and eliminate anti-housing incentives would be extremely difficult. But how easy is it to live under a miserable housing shortage that exports our people—and our housing challenges—to states like Utah?

Failing to address our housing crisis is bad for California. And it isn't very neighborly.

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