

Report Outlines 14 Steps to Curb Housing Crisis

The Southern California Research Council has released a report entitled Southern California's Housing Crisis listing 14 recommendations to reduce the housing problem.

Among the more controversial suggestions are: Allow state and federally chartered financing institutions to enforce due-on-sale clauses in mortgage instruments; phase out all unwarranted local growth control ordinances; phase out rent control ordinances and boards, and increase a direct rent subsidy program for low-income households.

Other recommendations include: continue to expand the powers of the traditional mortgage lenders so that these institutions can effectively compete for funds in the capital market and continue to increase the variety of mortgage instruments available for use by traditional mortgage lenders and develop instruments to aid first-time buyers.

The report also proposes providing incentives for pension funds, insurance companies and finance companies to enter the housing credit market, reducing development impact fees and imposing fees based on the degree of user benefits received, changing zoning regulations to increase land use efficiency and reconsidering and authorizing the use of bonds as a source of capital for the construction of new infrastructure facilities.

Other recommendations: Federal thrifts should use their broader power to reduce interest rate risk by utilizing the futures market and these powers should be expanded to include state-chartered institutions; the Federal National Mortgage Assn. and the Federal Home Loan Mortgage Corp. should raise the limit on the size of loans they will buy from California origination to reflect the state's higher housing prices.

Finally, the report suggests instituting a "one stop" permit processing system and combing the various public hearings into one and using more discretion when determining the need for an extensive environmental impact report.