

A Penta White Paper

**Penta** Policy Insiders

# California Insights Review Series

Top Issues

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# Executive summary

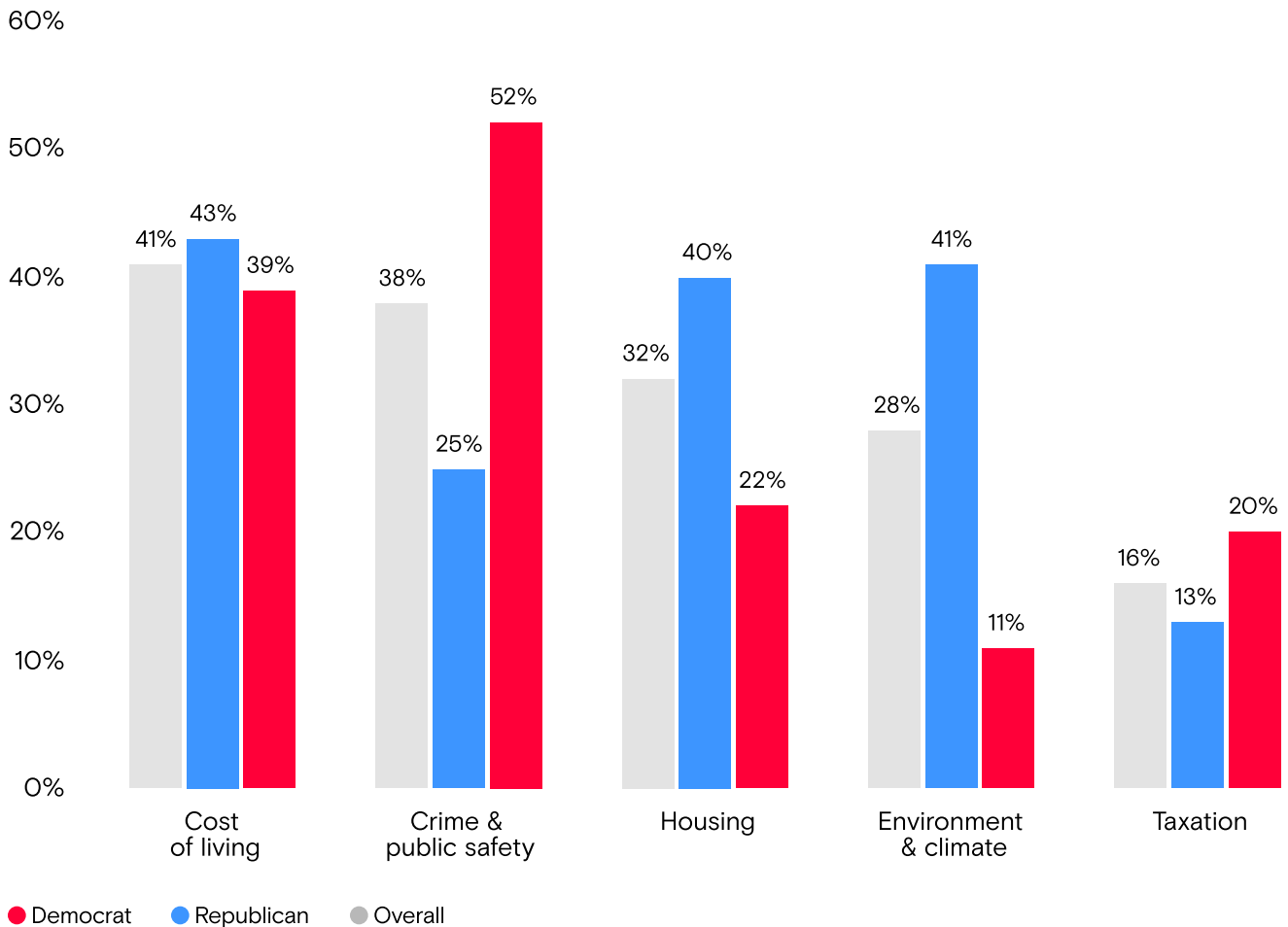
We are pleased to share our findings in the California Insights Review for 2023. From July to October 2023, we surveyed over 300 policymakers in the state about their policy priorities and the top issues facing their communities.

Cost of living is the top concern for California policymakers in 2023, with over 40 percent of policy staff identifying the lack of affordability in the state as a major issue. Additionally, this concern is cited as an underlying contributor to several of the other main priorities for California’s policy leaders - housing, crime and public safety, and taxation. Both parties highlight the inability of many working families to afford rent or purchase a home. This, in turn, can exacerbate homelessness and its perceived connection to increased criminal activity. These themes, according to policymakers, all tie back to Californians struggling with the rising cost of living and needs to be addressed urgently.

This report is the first in a series that examines four of California policymakers’ top priorities, which include (i) cost of living and housing (ii) crime and public safety (iii) taxation and (iv) environment and climate.

## Top policy priorities in California

Multiple selections permitted



# Cost of living

In 2023, multiple reports highlighted that even California's least expensive areas were less affordable than the national average.<sup>1,2</sup> Moreover, the United Ways of California, a non-profit organization, released a study in June 2023 that found that the cost of living in the state is too high for many working families.<sup>3</sup> The issue is so prevalent that many residents are considering moving from the state due to their inability to keep pace with rising expenses.<sup>4</sup> All of this - compounded by high inflation rates - has vaulted concerns around the cost of living to the top of policymaker's minds.



I'd say probably **the most important policy issues are... inflation and cost of living.**

**Chief of Staff, California State Senate, R**



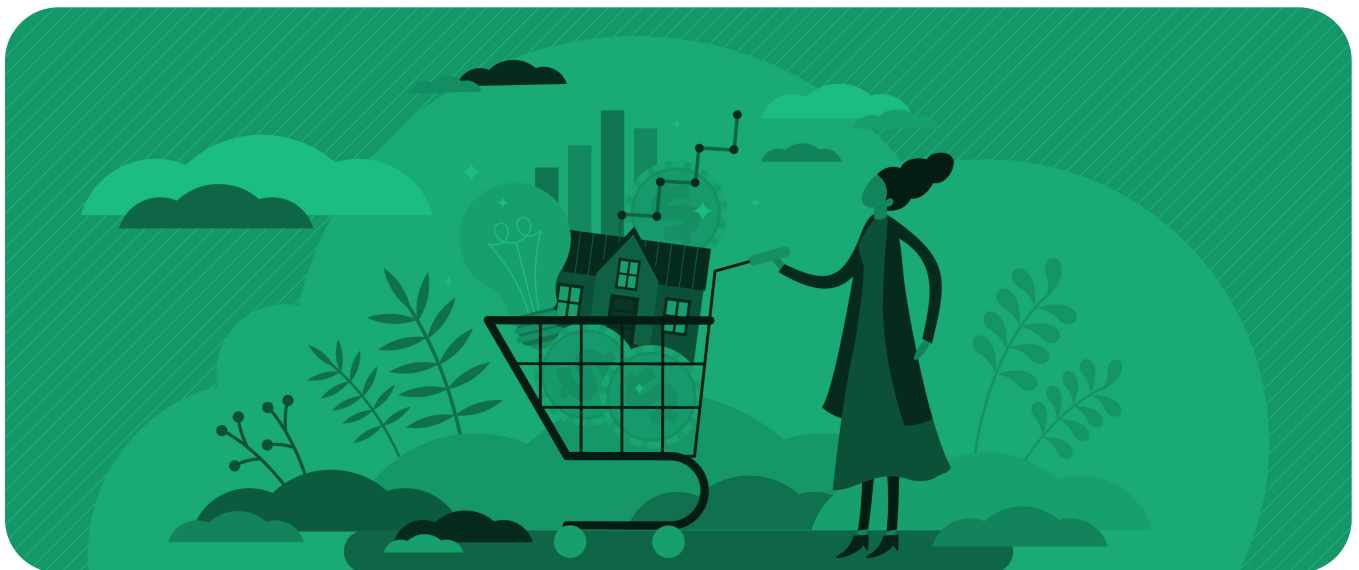
**Inflation has hit everything.** Homes are out of reach... The medium price has gone up by like 50% since COVID started. Interest rates are 8%, so home ownership is out of reach. Gas is \$1.50 more here than anywhere else. Utilities are more expensive here than anywhere else. **Everything's more expensive here.** That's just how it is.

**Legislative Director, California State Senate, N/A**



I always say that **your living cost** - rent, mortgage - **shouldn't be more than 30% of your income.** That doesn't mean you tell people, "Oh, they need to earn more money." No. **It needs to be... what 50% or more of the population here can afford comfortably.** And that should be the cost. So I think **legislation needs to go towards that.**

**Former District Representative, California State Senate, D**



# Crime and public safety

Crime and public safety is also top of mind for policy staff, who believe there are factors in need of attention. Some policymakers believe that recent criminal justice reforms are too lenient, while others note that changes have brought crime down in many categories. Policymakers highlight retail crime and community concerns about crime rates as particular focal points when it comes to crime and public safety.



**Most important, obviously, is public safety.**

**Legislative Director, California State Senate, R**



Well, it's pretty simple. Look in the newspapers, look on the streets. **In California, we are being besieged right now.** In Santa Monica, there was a 14% increase in crime as of January. Since 2016, that would make a 41% increase in total crime. it's [a priority] because it's the issue that every single one of our residents is concerned about in my community. And that's followed closely by the connection sometimes perceived between homelessness and crime. So **public safety is at utmost number one right now. And the state is failing miserably.**

**Legislative Director, California State Senate, R**



**About 10 years ago now, we started a reformation of our criminal justice system.** And for the most part, **most categories of crime are down or flat in that time period. the one exception to that that I've seen is a dramatic uptick in actual retail crime.** So the governor sponsored a task force, he's given some significant amount of money to tackling retail crime. And I think that's one of those things that has to be done if only for keeping businesses happy in the environment in which they're operating in California.

**Chief of Staff, California State Senate, D**



I would say **California is going too far sometimes** to the left for a lot of people **when it comes to crime.** [People] can say **it's too soft.**

**Former District Representative, California State Senate, D**



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# Housing

The issue of housing is another top concern for policymakers in California, who recognize that the rising cost of living has taken a particular toll on the affordability and accessibility of housing options across the state. The issue has progressed to the point that, according to data released by the California Association of Realtors in August 2023, fewer than one in five homebuyers can afford to buy “medium-priced, single-family home[s] in the state.”<sup>5</sup> This has also had an adverse impact on California’s unhoused population, who were already a vulnerable group.<sup>6</sup> A study from the University of California, San Francisco, attributed the issue of homelessness in California to high rent costs and lack of affordable options,<sup>7</sup> a sentiment shared by policy staff who want to address this problem.

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**For most Californians, it's too expensive to pay rent and buy houses.** there's a huge shortage in the number of houses, and **the cost of housing is too high.** I guess the cost of living in general, but housing is a huge component of that.

**Chief Policy Advisor, California Executive Branch, D**

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We have 170,000 people living unsheltered, and that is unquestionably an undercount... And the number of people who are slipping into homelessness every month far surpasses the amount of people who are becoming housed. So **it's a growing crisis... I see it as major... realizing we're the richest nation in the world and we can't seem to find a way to provide the human right of housing for people.**

**Senator, California State Senate, D**

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**It's very expensive to live here. And part of that is an issue with lack of affordable housing.** Over the last few years, the State and a lot of legislators have tried to make that a priority and streamline housing, but there's a lot of conflict with that and local jurisdictions – like counties and cities... there's a lot of back and forth on “how do you streamline housing in California?” Is it as easy as just passing legislation, or are there a lot more hoops to jump through? And then you also have the other things, like environmental regulations on where to build. **It's been a constant struggle here.**

**Capitol Director, California State Senate, R**

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If you ask any council member what the priorities are in their city, it's pretty common. **It's homelessness, crime, and then housing affordability... homeless issues have just gotten out of control** in the last couple of years.

**Council Member, California Municipality, R**

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# Taxation

California policymakers on both sides of the aisle acknowledge the state's high tax rates as a top issue that needs to be addressed.

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Capitol Director, California State Senate, R

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**Why is California paying so much more than other states where the price didn't go up?** I know we have our own special blends required of gasoline, but I think overall the view was, everybody's districts were hammered. And we feel that profits were oversized this time. **It's incumbent on the legislature to attempt to enact a solution.**

Legislative Director, California State Senate, D

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To me, there are necessary taxes. There are necessary things. There are roads, stoplights, a lot of the public safety things, a lot of healthcare, there are taxes that are necessary. But **I do strongly believe in the less taxes, less government... And I do believe that California, we live in a state that is extremely taxed on everything that we do,** whether it's gas, whether it's anything at the store.

Legislative Director, California State Senate, R

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# Environment and climate

Environmental and climate issues are also a priority for California policymakers, who agree - across the aisle - that helping the environment is a necessary goal. Some policy staff indicate their hopes of addressing specific priorities, such as electric vehicles and waterway modernization. Others in the state highlight the need for a broader view of policies and processes in order to ensure the most practical and effective options are pursued.



Renewable energy sources have limitations... I'm a conservative Republican, and I have a flex fuel vehicle and solar on my house. So **I'm a believer in that there's ways to help the economy and the environment. That makes sense...** but the concept of setting a date for 2050 to say "we're going to go 100% renewable" is ridiculous... I think **politicians set these goals and they're not reasonable goals and they're not achievable goals. And it's just posturing...** It's not possible. You have limitations on solar. You have limitations on wind. [You have cost and maintenance issues], and... other environmental hazards that come and that limit how much of these renewables you can deal with... You [have] to balance things.

**Council Member, California Municipality, R**

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I really think that **climate change and environmental issues are sort of the biggest sort of catch-all right now.** Everything that we've got going on across the state is: how are we modernizing waterways, and how are we modernizing transportation, and everybody is going to get an electric car next few years, so on and so forth.

**Specialist, California Executive Branch, D**

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I think if you ask Californians broadly, it doesn't matter what background, what political ideology, **everyone wants clean energy - wants a cleaner environment.** That's established. **The question is - are we concerned about the global environment, or are we just concerned about the California environment?** If we are just concerned about California environment, keep going down this road - you'll have a clean environment in California. Unfortunately, though, **if you care about the global environment, you are making it worse.** We're looking at anywhere between two to four times worse for the global environment for California to switch to electric.

**Capitol Director, California State Senate, R**

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**At some point, we're going to outrun the push towards more fossil free types of uses.** In California in particular **we have a pretty aggressive position** on the part of the governor in the state **that we're going to move completely off of fossil gas burning cars by 2035** and be all-electric. **That's aspirational. I don't think it's going to happen,** but that is the stated policy. And so there is a big move towards electric cars and electric utilities.

**Mayor, California Municipality, D**

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I'm extremely concerned about global warming. Obviously, there's something wrong with the planet as a whole these days. But **I don't know whether it's practical to go out and say, "Okay, you got to go do this because we need to do it." You got to have the infrastructure in place, you have to have the money for it.** So **I think the governor of California is being awfully aggressive in saying, "You got to meet these mandates,"** when we can't even get the fueling stations together. We don't have the fueling stations available yet. **The technology is not there.**

**Mayor, California Municipality, D**

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Penta Policy Insiders provides direct feedback from policymakers to government relations professionals, improving advocates' ability to understand, validate, and improve the efficiency and effectiveness of their engagement.

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Qualitative n: 43 | Quantitative n: 297

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