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## **Daunting Deficits; What Should California Do To End Chronic Budget Shortfalls?**

**By: Borre Winckel**

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Stimulate housing

California's economic engine is sputtering. The severe decline in new home construction is directly impacting more than just the state budget. It is hurting working families and businesses are fighting to make payroll. We need to restore the power of California's engine by jump-starting the economy and providing housing for the state's rapidly growing population.

Three years ago, new construction accounted for \$70 billion of the state's economy. Now, housing production is down 50 percent, thousands of people are unemployed and economic activity has slowed. In response, Congress raised loan limits and local governments are looking for ways to protect homeowners and increase homeownership to spur recovery. The state should help by providing regulatory relief to allow affordable housing to be built.

Now more than ever, it's crucial that government examine ways to stimulate the housing market and to protect state and local budgets and important public services.

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