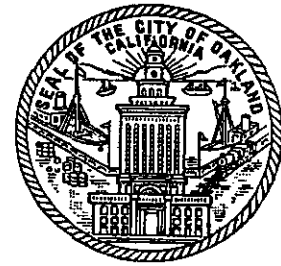


OFFICE OF THE CLERK

CITY OF OAKLAND

BILL ANALYSIS



2007 APR 15 11:10:24

Date: April 17, 2007

Bill Number: AB 792

Bill Author: Garcia

DEPARTMENT INFORMATION

Contact: Jeffrey Levin

Department: CEDA

Telephone: x6188 **FAX #** 238-3691 **E-mail:** jplevin@comcast.net

RECOMMENDED POSITION: (SUPPORT, SUPPORT IF AMENDED, NEUTRAL, WATCH, OPPOSE, NOT RELEVANT)

Watch

Summary of the Bill

Proposition 1C included funding of \$100,000,000 for the Affordable Housing Innovation Fund

This bill would establish the Environmentally Sustainable Affordable Housing Program under the administration of the Department of Housing and Community Development, consisting of the Construction Liability Insurance Reform Pilot Program; the Green Building, Energy Efficiency, and Building Design Program; and the Affordable Housing for Teachers Program, all of which would be under the administration of the department.

The bill would require the department to fund these programs, with bond funds transferred to the Affordable Housing Innovation Fund that are made available to the department for that purpose.

The bill would establish the Construction Liability Insurance Reform Pilot Program under the administration of the department for the purpose of promoting best practices for residential construction quality control in housing programs sponsored by the department or by the California Housing Finance Agency, as a means of reducing insurance rates for condominium developers in California.

The bill would establish the Green Building, Energy Efficiency, and Building Design Program under the administration of the department for the purpose of promoting the use of green building to assist in the implementation of the goals established by the Climate Action Team Report to the Governor and Legislature, which identified strategies to reduce greenhouse gas emissions, including continued implementation of the Green Building Initiative.

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The bill would establish the Affordable Housing for Teachers Program under the administration of the department for the purpose of establishing a pilot program of assistance to school districts and community college districts attempting to attract and retain district employees, including teachers, through provision of oncampus housing.

Positive Factors for Oakland

This bill would provide funding for several new housing programs of benefit to Oakland:

1. The Construction Liability Insurance Reform Pilot Program could result in a reduction of insurance costs associated with developing condominiums, which would remove a significant barrier to the development of such housing.
2. The Green Building, Energy Efficiency and Building Design Program would promote green building techniques, which is also a City of Oakland objective.
3. The Affordable Housing for Teachers Program would provide housing incentives that might improve recruitment and retention of teachers.

Negative Factors for Oakland

This is not the only legislation regarding the Affordable Housing Innovation Fund. One alternative bill would provide funding for a Housing Trust Fund matching grant program. Oakland has an existing (as yet unfunded) Housing Trust Fund tied to the Jobs/Housing Impact Fee, and if an Inclusionary Housing program is adopted, in-lieu fees could also be deposited into this trust fund. The proposal for a matching fund would allow those City funds to leverage more outside funding for housing. That provision is not contained in this bill

It is too early yet to determine which of the several bills that have been introduced regarding this funding have the best chances for success.

PLEASE RATE THE EFFECT OF THIS MEASURE ON THE CITY OF OAKLAND:

- Critical** (top priority for City lobbyist, city position required ASAP)
- Very Important** (priority for City lobbyist, city position necessary)
- Somewhat Important** (City position desirable if time and resources are available)
- Minimal or** **None** (do not review with City Council, position not required)

Known support:

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None

Known Opposition:

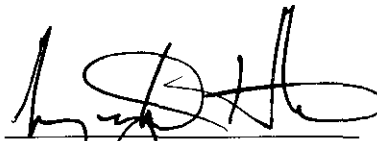
None

Attach bill text and state/federal legislative committee analysis, if available.

Bill text attached.

No bill analysis available.

Respectfully Submitted,



Gregory Hunter,
Interim Director of Economic Development,
Redevelopment, Housing and Community
Development

Community and Economic
Development Agency

Approved for Forwarding to
Rules Committee


Office of City Administrator

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AMENDED IN ASSEMBLY MARCH 29, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 792

Introduced by Assembly Member Garcia

February 22, 2007

An act to add Chapter 11.6 (commencing with Section 50810) to Part 2 of Division 31 of the Health and Safety Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 792, as amended, Garcia. Environmentally Sustainable Affordable Housing Program.

Existing law, the Housing and Emergency Shelter Trust Fund Act of 2006, authorizes the issuance of bonds in the amount of \$2,850,000,000 pursuant to the State General Obligation Bond Law. Proceeds from the sale of these bonds are required to be used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks. The act establishes the Housing and Emergency Shelter Trust Fund of 2006 in the State Treasury and requires the sum of \$1,500,000,000 to be deposited in the Affordable Housing Account, which the act establishes in the fund. The act continuously appropriates the money in the account in accordance with a specified schedule that requires, among other things, the transfer of the sum of \$100,000,000 to the Affordable Housing Innovation Fund, which the act establishes in the State Treasury, to be administered by the Department of Housing and Community Development and expended for competitive grants or loans to sponsoring entities that develop, own, lend, or invest in affordable housing, and to create pilot programs to demonstrate

innovative, cost-saving approaches to creating or preserving affordable housing.

This bill would establish the Environmentally Sustainable Affordable Housing Program under the administration of the department, consisting of the Construction Liability Insurance Reform Pilot Program; the Green Building, Energy Efficiency, and Building Design Program; and the Affordable Housing for Teachers Program, all of which would be under the administration of the department.

The bill would require the department to fund these programs, with bond funds transferred to the Affordable Housing Innovation Fund that are made available to the department for that purpose.

The bill would establish the Construction Liability Insurance Reform Pilot Program under the administration of the department for the purpose of promoting best practices for residential construction quality control in housing programs sponsored by the department or by the California Housing Finance Agency, as a means of reducing insurance rates for condominium developers in California.

The bill would establish the Green Building, Energy Efficiency, and Building Design Program under the administration of the department for the purpose of promoting the use of green building to assist in the implementation of the goals established by the Climate Action Team Report to the Governor and Legislature, which identified strategies to reduce greenhouse gas emissions, including continued implementation of the Green Building Initiative.

The bill would establish the Affordable Housing for Teachers Program under the administration of the department for the purpose of establishing a pilot program of assistance to school districts and community college districts attempting to attract and retain district employees, including teachers, through provision of oncampus housing.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Chapter 11.6 (commencing with Section 50810)
- 2 is added to Part 2 of Division 31 of the Health and Safety Code,
- 3 to read:

1 CHAPTER 11.6. ENVIRONMENTALLY SUSTAINABLE AFFORDABLE
2 HOUSING PROGRAM
3

4 50810. This chapter shall be known and may be cited as the
5 Environmentally Sustainable Affordable Housing Act.

6 50812. The Environmentally Sustainable Affordable Housing
7 Program is hereby established under the administration of the
8 department, and shall consist of the Construction Liability
9 Insurance Reform Pilot Program established under Section 50816,
10 the Green Building, Energy Efficiency, and Building Design
11 Program established under Section 50818, and the Affordable
12 Housing for Teachers Program established under Section 50820,
13 all of which shall be administered by the department.

14 50814. (a) The department shall fund the programs established
15 under this chapter with any funds that are made available to the
16 department for that purpose under subparagraph (F) of paragraph
17 (1) of subdivision (a) of Section 53545.

18 (b) The department shall issue a periodic notice of funding
19 availability specifying the funds that are available for each program
20 established under this chapter, the per-project limit for each
21 program, and the competitive criteria upon which projects will be
22 selected.

23 (c) From the funds made available to the department as described
24 in subdivision (a), the department shall make the following
25 allocations:

26 (1) The total initial allocation to be distributed among the
27 programs established under this chapter shall be equal to 25 percent
28 of the total made available to the department as described in
29 subdivision (a).

30 ~~(2) An additional amount equal to the initial allocation made~~
31 ~~under paragraph (1) shall be distributed among the programs under~~
32 ~~the initial notice of funding availability process.~~

33 ~~(3) Funds remaining after the allocations made under paragraphs~~
34 ~~(1) and (2) shall be distributed among the programs under~~
35 ~~subsequent notice of funding availability processes. In the~~
36 ~~aggregate, distributions made under this paragraph shall be based~~
37 ~~on relative demand for program funds and expenditure rates.~~

38 (2) *The department may adjust the initial and subsequent*
39 *allocations based on relative demand for program funds and*
40 *expenditure rates.*

1 50816. (a) The Construction Liability Insurance Reform Pilot
2 Program is hereby established under the administration of the
3 department.

4 (b) The purpose of the program is to promote best practices for
5 residential construction quality control in housing programs
6 sponsored by the department or the California Housing Finance
7 Agency, as a means of reducing insurance rates for condominium
8 developers in this state.

9 (c) Funds shall be made available in the form of grants for
10 predevelopment costs of condominium projects funded by the
11 department or the California Housing Finance Agency that utilize
12 enhanced construction oversight and monitoring programs and
13 processes including, but not limited to, video recording of the
14 construction process, use of quality control manuals, and increased
15 quality control inspections.

16 50818. (a) The Green Building, Energy Efficiency, and
17 Building Design Program is hereby established under the
18 administration of the department.

19 (b) The purpose of the program is to encourage the use of green
20 building to assist in the implementation of the goals established
21 by the Climate Action Team Report to the Governor and
22 Legislature, which identified strategies to reduce greenhouse gas
23 emissions, including continued implementation of the Green
24 Building Initiative.

25 (c) Funds shall be made available in the form of grants to finance
26 a portion of the costs of incorporating additional energy-efficiency,
27 green building, and universal design accessibility features in
28 projects funded by the department or the California Housing
29 Finance Agency.

30 50820. (a) The Affordable Housing for Teachers Program is
31 hereby established under the administration of the department.

32 (b) The purpose of the program is to establish a pilot program
33 of assistance to school districts and community college districts
34 attempting to attract and retain district employees, including
35 teachers, through provision of oncampus housing.

36 (c) Funds shall be made available in the form of grants to school
37 districts or community college districts for predevelopment costs
38 associated with creating housing for district employees, including
39 teachers, located on campus.

1 SEC. 2. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the Constitution and shall go into
4 immediate effect. The facts constituting the necessity are:

5 In order to ensure that available funds for needed housing
6 programs are distributed as quickly as possible, it is necessary that
7 this act take effect immediately.

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