

AB 2031 (Bonta) Fact Sheet

Affordable Housing

Summary

AB 2031 allows cities to pass an ordinance to issue bonds for construction of affordable housing.

Background

Since the economic recovery housing and rental prices have skyrocketed, leaving many Californians behind. According to a 2013 study, a person working full time at minimum wage must work 130 hours a week to afford a two-bedroom rental, which was the second highest rate in the nation. One-third of California's working households are paying more than half of their income towards housing.

Problem

It takes years to put enough new affordable housing on the market to make an impact on prices. Depending on the project, construction time can take a few weeks to several months. In addition, average approval time is eight months to a year in cities like San Francisco and Los Angeles. Finally, with the dissolution of redevelopment agencies, and no permanent source of funds from the state to support the construction of affordable housing, there is no ongoing source to subsidize the construction of affordable and workforce housing.

Solution

AB 2031 empowers local governments to rapidly address the affordable housing crisis. The bill allows cities to pass an ordinance to issue bonds for affordable housing without raising taxes or diverting property taxes from other sources. AB 2031 allows cities to tap any portion of their net available revenue to use bonds for affordable housing. The net available, also known as "boomerang funds", is distributed by the county auditor-controller to cities from the Redevelopment Property Tax Trust Fund (RPTTF). By front-loading projects with a bond cities can build more units more quickly and address displacement.

Support

City of Oakland (Sponsor)

Non-profit Housing Association of California (Co-Sponsor)

Burbank Housing Development Corporation

California Housing Partnership Coalition

Community Housing Opportunities Corporation

Continuum of Care for Alameda County

East Bay Asian Local Development Corporation

Equity Community Builders

Housing Leadership Council of San Mateo County

MidPen Housing

Northern California Community Loan Fund

San Diego Housing Federation

Contact

Rylan Gervase

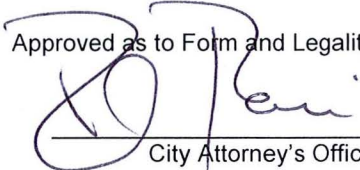
Legislative Aide

Rylan.gervase@asm.ca.gov

Phone: (916) 319-2018

Fax: (916) 319-2118

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OAKLAND
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Approved as to Form and Legality

City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS ABEL GUILLÉN AND DAN KALB

RESOLUTION IN SUPPORT OF AB 2031 (BONTA) THAT WOULD ALLOW CITIES AND COUNTIES TO REDIRECT THEIR NET AVAILABLE REAL PROPERTY TAX TRUST FUND REVENUE ("BOOMERANG FUNDS") TO AN AFFORDABLE HOUSING SPECIAL BENEFICIARY DISTRICT FOR FUNDING AFFORDABLE HOUSING

WHEREAS, the City of Oakland is facing an affordability crisis, perpetuated by the lack of housing stock available to all that wish to live in the city, combined with the increased costs in rent of the limited housing sources available; and

WHEREAS, since 2011, fair market rents have doubled, according to a survey conducted by SmartAsset, and Oakland's fair market rent prices have far outpaced every other large city in the United States, and it has become nearly impossible to obtain affordable housing in Oakland, and new residents to Oakland searching for a market-rate rental apartment would need to allocate 70% of their income on rent; and

WHEREAS, the City of Oakland needs to build new housing for all income levels and especially for the very-low income to low income residents at 30% - 80% of area median income, and the Association of Bay Area Governments (ABAG) estimates that in order to address the shortage of affordable housing in Oakland, 15,000 units need to be built by 2022; and

WHEREAS, in recognition of this extreme housing need, the City of Oakland is working with its county, state and federal legislative representatives to address the housing emergency; and

WHEREAS, with the dissolution of redevelopment agencies, and no permanent source of funds from the state to support the construction of affordable housing, there is no ongoing source to subsidize the construction of affordable and workforce housing; and

WHEREAS, Assembly Bill (AB) 2031 (Bonta) would enable the City of Oakland to address the affordability housing crisis by allowing local governments to redirect their net available real property tax trust fund revenue ("boomerang funds") to an affordable

housing special beneficiary district for funding the construction of affordable housing;
and

WHEREAS, AB 2031 is endorsed by the Non-Profit Housing Association of Northern California, California Housing Partnership Coalition, Housing Leadership Council of San Mateo County, MidPen Housing, San Diego Housing Federation, and other groups; now, therefore, be it

RESOLVED: That the Oakland City Council hereby endorses AB 2031 and urges the California State Legislature and Governor Jerry Brown to support its enactment into law.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLEN, KALB, KAPLAN, REID, AND
PRESIDENT GIBSON MCELHANEY

NOES –

ABSENT –

ABSTENTION –

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the
City of Oakland, California

OAKLAND CITY COUNCIL

Resolution No. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS NOEL GALLO

**ADOPT A RESOLUTION IN CELEBRATION OF CESAR CHAVEZ DAY
HONORING OAKLAND RESIDENTS WHO THROUGH THEIR
LEADERSHIP AND COMMUNITY SERVICE HAVE CONTINUED THE
LEGACY OF CESAR CHAVEZ**

WHEREAS, Cesar Chavez was an American farm worker, labor leader and civil rights activist, who, with Dolores Huerta, co-founded the National Farm Workers Association; and

WHEREAS, Cesar Chavez believed in the principles of nonviolence practiced by Mahatma Gandhi and Dr. Martin Luther King, Jr., and employed nonviolent means to bring attention to the plight of farm workers, and as a labor leader, led marches, called for boycotts and went on several hunger strikes and brought national awareness to the dangers of pesticides to workers' health; and

WHEREAS, the legacy of Cesar Chavez lives on through the leadership and activism of Oakland residents who today continue to practice Cesar Chavez' efforts and core values of **Service to Others, Sacrifice, A Preference to Help the Most Needy, Determination, Non-Violence, Acceptance of all People, Respect for Life, Celebrating Community, Knowledge and Innovation**; now, therefore be it

RESOLVED: That the City Council recognizes these Oakland leaders who through their activism and exemplary community service have continued to strengthen, improve, and enhance Oakland communities.

IN COUNCIL, OAKLAND, CALIFORNIA, PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GUILLÉN, KALB,
KAPLAN, REID, AND PRESIDENT GIBSON MCELHANEY

NOES –
ABSENT –
ABSTENTION –

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the
Council of the
City of Oakland, California