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CITY OF OAKLAND

BILL ANALYSIS



Date: April 10, 2008

Bill Number: AB 2513

Bill Author: Caballero

DEPARTMENT INFORMATION

Contact: Jeffrey Levin

Department: CEDA Housing and Community Development

Telephone: 238-6188 **FAX #** 238-3691 **E-mail:** jplevin@oaklandnet.com

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

SUPPORT

Summary of the Bill

State Proposition 1C, which was approved by the voters in November 2006, authorized \$2.85 billion in bonds for affordable housing programs and for development of infrastructure in support of infill housing and transit-oriented development. Funds are deposited to the Housing and Emergency Shelter Trust Fund of 2006 ("the Fund").

AB 2513 would require that when awarding grants and loans from the Fund, the California Department of Housing and Community Development shall give priority to projects located within jurisdictions that have been allocated an increased share of the regional housing need in the most recent Housing Element planning period as compared to the previous planning period.

Positive Factors for Oakland

If passed, the bill would require that projects located in Oakland would receive additional competitive points when applying for funding from Proposition 1C programs. Oakland received a substantial increase in its "fair share" regional housing allocation for the 2007-2014 planning period.

When the draft "fair share" allocations were adopted by the Association of Bay Area Governments (ABAG), Oakland's representatives succeeded in adding language to the resolution that committed ABAG to working to secure increased funding for housing, infrastructure and transportation for those cities that took sizeable increases in their allocations. AB 2513 is consistent with this policy goal.

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Negative Factors for Oakland

None

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)

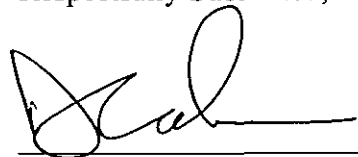
Minimal or **None** (do not review with City Council, position not required)

Known support: None yet

Known Opposition: None yet

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

Respectfully Submitted,



Dan Lindheim
Director, Community and Economic
Development Agency

Approved for Forwarding to
Rules Committee



Office of City Administrator

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ASSEMBLY BILL

No. 2513

Introduced by Assembly Member Caballero

February 21, 2008

An act to amend Section 53545 of the Health and Safety Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 2513, as introduced, Caballero. Housing and Emergency Shelter Trust Fund of 2006: allocation of funds: regional housing need share.

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 deposited in the Housing and Emergency Shelter Trust Fund of 2006, which the act establishes in the State Treasury, and used to finance various existing housing programs, capital outlay related to infill development, brownfield cleanup that promotes infill development, and housing-related parks.

The Planning and Zoning Law requires a city or county general plan to include specified mandatory elements, including a housing element that identifies and analyzes existing and projected housing needs and includes a statement of goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement, and development of housing.

The Planning and Zoning Law requires each local government to revise its housing element in accordance with a specified schedule. The Department of Housing and Community Development, in consultation with each council of governments, is required to determine each region's existing and projected housing need at least 2 years prior to a scheduled

revision. The appropriate council of governments, or for cities and counties without a council of governments, the department, is required to adopt a final regional housing need plan that allocates a share of the regional housing need to each city, county, or city and county at least one year prior to a scheduled revision.

This bill would require the department, when awarding grants or loans from the fund, to give priority to projects within jurisdictions that have been allocated an increased share of the regional housing need for the most recent housing element planning period, as compared to the previous housing element planning period.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 53545 of the Health and Safety Code is
2 amended to read:
3 53545. The Housing and Emergency Shelter Trust Fund of
4 2006 is hereby created in the State Treasury. The Legislature
5 intends that the proceeds of bonds deposited in the fund shall be
6 used to fund the housing-related programs described in this chapter
7 over the course of the next decade. The proceeds of bonds issued
8 and sold pursuant to this part for the purposes specified in this
9 chapter shall be allocated in the following manner:
10 (a) (1) One billion five hundred million dollars (\$1,500,000,000)
11 to be deposited in the Affordable Housing Account, which is
12 hereby created in the fund. Notwithstanding Section 13340 of the
13 Government Code, the money in the account shall be continuously
14 appropriated in accordance with the following schedule:
15 (A) (i) Three hundred forty-five million dollars (\$345,000,000)
16 shall be transferred to the Housing Rehabilitation Loan Fund to
17 be expended for the Multifamily Housing Program authorized by
18 Chapter 6.7 (commencing with Section 50675) of Part 2. The
19 priorities specified in Section 50675.13 shall apply to the
20 expenditure of funds pursuant to this clause.
21 (ii) Fifty million dollars (\$50,000,000) shall be transferred to
22 the Housing Rehabilitation Loan Fund to be expended under the
23 Multifamily Housing Program authorized by Chapter 6.7
24 (commencing with Section 50675) of Part 2 for housing meeting
25 the definitions in paragraphs (2) and (3) of subdivision (e) of

1 Section 11139.3 of the Government Code. The department may
2 provide higher per-unit loan limits as necessary to achieve
3 affordable housing costs to the target population. Any funds not
4 encumbered for the purposes of this clause within 30 months of
5 availability shall revert for general use in the Multifamily Housing
6 Program.

7 (B) One hundred ninety-five million dollars (\$195,000,000)
8 shall be transferred to the Housing Rehabilitation Loan Fund to
9 be expended for the Multifamily Housing Program authorized by
10 Chapter 6.7 (commencing with Section 50675) of Part 2, to be
11 used for supportive housing for individuals and households moving
12 from emergency shelters or transitional housing or those at risk of
13 homelessness. The Department of Housing and Community
14 Development shall provide for higher per-unit loan limits as
15 reasonably necessary to achieve housing costs affordable to those
16 individuals and households. For purposes of this subparagraph,
17 “supportive housing” means housing with no limit on length of
18 stay, that is occupied by the target population, as defined in
19 subdivision (d) of Section 53260, and that is linked to onsite or
20 offsite services that assist the tenant to retain the housing, improve
21 his or her health status, maximize his or her ability to live, and,
22 when possible, work in the community. The criteria for selecting
23 projects shall give priority to:

24 (i) Supportive housing for people with disabilities who would
25 otherwise be at high risk of homelessness where the applications
26 represent collaboration with programs that meet the needs of the
27 person’s disabilities.

28 (ii) Projects that demonstrate funding commitments from local
29 governments for operating subsidies or services funding, or both,
30 for five years or longer.

31 (C) One hundred thirty-five million dollars (\$135,000,000) shall
32 be transferred to the fund created by subdivision (b) of Section
33 50517.5 to be expended for the programs authorized by Chapter
34 3.2 (commencing with Section 50517.5) of Part 2.

35 (D) Three hundred million dollars (\$300,000,000) shall be
36 transferred to the Self-Help Housing Fund created by Section
37 50697.1. These funds shall be available to the Department of
38 Housing and Community Development, to be expended for the
39 purposes of enabling households to become or remain homeowners
40 pursuant to the CalHome Program authorized by Chapter 6

1 (commencing with Section 50650) of Part 2, except ten million
2 dollars (\$10,000,000) shall be expended for construction
3 management under the California Self-Help Housing Program
4 pursuant to subdivision (b) of Section 50696.

5 (E) Two hundred million dollars (\$200,000,000) shall be
6 transferred to the Self-Help Housing Fund created by Section
7 50697.1. These funds shall be available to the California Housing
8 Finance Agency, to be expended for the purposes of the California
9 Homebuyer's Downpayment Assistance Program authorized by
10 Chapter 11 (commencing with Section 51500) of Part 3. Up to one
11 hundred million dollars (\$100,000,000) of these funds may be
12 expended pursuant to subdivision (b) of Section 51504.

13 (F) One hundred million dollars (\$100,000,000) shall be
14 transferred to the Affordable Housing Innovation Fund, which is
15 hereby created in the State Treasury, to be administered by the
16 Department of Housing and Community Development. Funds shall
17 be expended for competitive grants or loans to sponsoring entities
18 that develop, own, lend, or invest in affordable housing and used
19 to create pilot programs to demonstrate innovative, cost-saving
20 approaches to creating or preserving affordable housing. Specific
21 criteria establishing eligibility for and use of the funds shall be
22 established in statute as approved by a $\frac{2}{3}$ vote of each house of
23 the Legislature. Any funds not encumbered for the purposes set
24 forth in this subparagraph within 30 months of availability shall
25 revert to the Self-Help Housing Fund created by Section 50697.1
26 and shall be available for the purposes described in subparagraph
27 (D).

28 (G) One hundred twenty-five million dollars (\$125,000,000)
29 shall be transferred to the Building Equity and Growth in
30 Neighborhoods Fund to be used for the Building Equity and
31 Growth in Neighborhoods (BEGIN) Program pursuant to Chapter
32 14.5 (commencing with Section 50860) of Part 1. Any funds not
33 encumbered for the purposes set forth in this subparagraph within
34 30 months of availability shall revert for general use in the
35 CalHome Program.

36 (H) Fifty million dollars (\$50,000,000) shall be transferred to
37 the Emergency Housing and Assistance Fund to be distributed in
38 the form of capital development grants under the Emergency
39 Housing and Assistance Program authorized by Chapter 11.5
40 (commencing with Section 50800) of Part 2 of Division 31. The

1 funds shall be administered by the Department of Housing and
2 Community Development in a manner consistent with the
3 restrictions and authorizations contained in Provision 3 of Item
4 2240-105-0001 of the Budget Act of 2000, except that any
5 appropriations in that item shall not apply. The competitive system
6 used by the department shall incorporate priorities set by the
7 designated local boards and their input as to the relative merits of
8 submitted applications from within the designated local board's
9 county in relation to those priorities. In addition, the funding
10 limitations contained in this section shall not apply to the
11 appropriation in that budget item.

12 (2) The Legislature may, from time to time, amend the
13 provisions of law related to programs to which funds are, or have
14 been, allocated pursuant to this subdivision for the purpose of
15 improving the efficiency and effectiveness of the program, or for
16 the purpose of furthering the goals of the program.

17 (3) The Bureau of State Audits shall conduct periodic audits to
18 ensure that bond proceeds are awarded in a timely fashion and in
19 a manner consistent with the requirements of this subdivision, and
20 that awardees of bond proceeds are using funds in compliance with
21 applicable provisions of this subdivision. The first audit shall be
22 conducted no later than one year from voter approval of this part.

23 (4) In its annual report to the Legislature, the Department of
24 Housing and Community Development shall report how funds that
25 were made available pursuant to this subdivision and allocated in
26 the prior year were expended. The department shall make the report
27 available to the public on its Internet Web site.

28 (b) Eight hundred fifty million dollars (\$850,000,000) shall be
29 deposited in the Regional Planning, Housing, and Infill Incentive
30 Account, which is hereby created in the fund. Funds in the account
31 shall be available, upon appropriation by the Legislature, and
32 subject to such other conditions and criteria as the Legislature may
33 provide in statute, for the following purposes:

34 (1) For infill incentive grants for capital outlay related to infill
35 housing development and other related infill development,
36 including, but not limited to, all of the following:

37 (A) No more than two hundred million dollars (\$200,000,000)
38 for park creation, development, or rehabilitation to encourage infill
39 development.

1 (B) Water, sewer, or other public infrastructure costs associated
2 with infill development.

3 (C) Transportation improvements related to infill development
4 projects.

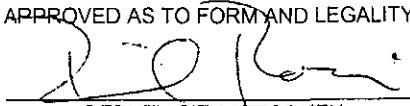
5 (D) Traffic mitigation.

6 (2) For brownfield cleanup that promotes infill housing
7 development and other related infill development consistent with
8 regional and local plans.

9 (c) Three hundred million dollars (\$300,000,000) to be deposited
10 in the Transit-Oriented Development Account, which is hereby
11 created in the fund, for transfer to the Transit-Oriented
12 Development Implementation Fund, for expenditure, upon
13 appropriation by the Legislature, pursuant to the Transit-Oriented
14 Development Implementation Program authorized by Part 13
15 (commencing with Section 53560).

16 (d) Two hundred million dollars (\$200,000,000) shall be
17 deposited in the Housing Urban-Suburban-and-Rural Parks
18 Account, which is hereby created in the fund. Funds in the account
19 shall be available upon appropriation by the Legislature for
20 housing-related parks grants in urban, suburban, and rural areas,
21 subject to the conditions and criteria that the Legislature may
22 provide in statute.

23 (e) *When awarding grants or loans from the fund, the*
24 *department shall give priority to projects within jurisdictions that*
25 *have been allocated an increased share of the regional housing*
26 *need under Section 65584.04, 65584.06, or 65584.08 of the*
27 *Government Code for the most recent housing element planning*
28 *period, as compared to the previous housing element planning*
29 *period.*

OFFICE OF THE CITY CLERK
DATE RECD

 DEPUTY CITY ATTORNEY

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OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C. M. S.

INTRODUCED BY COUNCILMEMBER _____

RESOLUTION TO SUPPORT AB 2513 (CABALLERO) GIVING FUNDING PRIORITY TO HOUSING AND HOUSING-RELATED INFRASTRUCTURE PROJECTS LOCATED IN JURISDICTIONS WITH INCREASED SHARES OF REGIONAL HOUSING NEED

WHEREAS, in November 2006 the voters of California passed Proposition 1C, the Housing and Emergency Shelter Trust Fund of 2006, authorizing bonds in the amount of \$2.85 billion for affordable housing and for housing-related infrastructure; and

WHEREAS, California's Planning and Zoning Law requires each city and county to prepare a general plan including a housing element; and

WHEREAS, California's Planning and Zoning Law requires each regional council of governments to allocate shares of regional housing needs to each city and county within its jurisdiction as the basis for the preparation of housing elements; and

WHEREAS, the draft Regional Housing Needs Allocation adopted by the Association of Bay Area Governments for the 2007 – 2014 housing element planning period provided for a substantial increase in the regional share allocated to Oakland; and

WHEREAS, the City of Oakland's share of the regional housing need is unlikely to be developed without substantial public funding for housing and related infrastructure; and

WHEREAS, State Assembly Member Anna Caballero has introduced AB 2513 (Housing and Emergency Shelter Trust Fund of 2006: allocation of funds: regional housing need share) in the 2008 session of the California Legislature; and

WHEREAS, AB 2513 would require that when awarding grants and loans from Proposition 1C funds, the California Department of Housing and Community Development shall give priority to projects located within jurisdictions that have been allocated an increased share of the regional housing need compared to the previous planning period; and

WHEREAS, AB 2513 would thereby increase the competitiveness of projects located in Oakland when seeking funding from Proposition 1C; now, therefore, be it

RESOLVED: That the City Council of the City of Oakland hereby supports AB 2513 (Caballero) which will require that priority for funding under Proposition 1C be given to projects located in jurisdictions such as Oakland that have been allocated an increased share of the regional housing need; and be it

FURTHER RESOLVED: That the City Council hereby authorizes and directs the City Administrator, and/or her designee, to work actively for the passage of AB 2513.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2008

PASSED BY THE FOLLOWING VOTE:

AYES - BRUNNER, BROOKS, CHANG, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT DE LA FUENTE

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council