



COUNCIL AGENDA: 03-20-12
ITEM: 2.7

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Dennis Hawkins, CMC
City Clerk

SUBJECT: SEE BELOW

DATE: 3-08-12

SUBJECT: SB 1220 (DESAULNIER AND STEINBERG) – HOUSING OPPORTUNITY TRUST FUND ACT OF 2012

RECOMMENDATION

As recommended by the Rules and Open Government Committee on March 7, 2012 and outlined in the attached memo previously submitted to the Rules and Open Government Committee, approve a support position for SB 1220 (DeSaulnier and Steinberg) – Housing Opportunity Trust Fund Act of 2012.



Subject: SB 1220 (DeSaulnier and Steinberg; Atkins, principal co-author)
Housing Opportunity Trust Fund Act of 2012

Recommend Position: Support

CITY COUNCIL ACTION REQUEST

<u>Department:</u> Housing	<u>CEQA:</u> N/A	<u>Coordination:</u> City Mgr/City Atty/ Legis. Rep in Sacramento	CMO Approval: /s/ Norberto Duenas Dept. Approval: /s/
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RECOMMENDED ACTION:

1. Pursuant to the City's streamlined bill process for responding quickly to legislative proposals, approve support for SB 1220 (DeSaulnier and Steinberg) – Housing Opportunity Trust Fund Act of 2012.
2. Recommend a one-week turnaround to the City Council so that the City's Legislative Advocate in Sacramento can indicate support for SB 1220 (DeSaulnier and Steinberg) – Housing Opportunity Trust Fund Act of 2012 prior to an April committee meeting.

BILL SYNOPSIS:

SB 1220 would create a new State fund called the Housing Opportunity Trust Fund, a permanent source of funding for the creation of affordable housing for low- and moderate-income Californians. If enacted, a fee of \$75 would be imposed on recorded real estate documents, would be collected by counties, and would be deposited into the state Housing Opportunity Trust Fund.

IMPACTS TO CITY OF SAN JOSE:

If created, the Housing Opportunity Trust Fund would provide much-needed funding to finance and build affordable housing units statewide. With the cessation of new redevelopment funds for low- and moderate-income residents, the City has lost a significant source of funds for its affordable housing programs, including rehabilitation, preservation, and new construction. These programs are essential for creating the units needed to house the City's workforce as well as to ending chronic homelessness. While the bill contains no allocation method for distributing these funds or the scope of eligible uses, it represents a critical first step in identifying a permanent source of funding for California's dormant and empty Housing Trust fund that was created in 1985. If approved, California would join 38 other states that already have housing trust funds with permanent ongoing revenues, including five—Missouri, Ohio, Oregon, Pennsylvania, and Washington—that have dedicated ongoing revenues generated by document recording fees.

POLICY ALIGNMENT:

This bill aligns with the Council-approved *2012 Legislative Guiding Principles and Priorities* to support the creation of new permanent sources of funding for affordable housing at the State level.

SUPPORTERS/OPPONENTS:

Support: The bill is being co-sponsored by Housing California and the California Housing Consortium. Other supporters include: the Silicon Valley Leadership Group, the Nonprofit Housing Association of Northern California, and Habitat for Humanity.

Opposed: None on file

STATUS OF BILL:

The bill was introduced on February 23. It is expected to be scheduled for a hearing in April.

FOR QUESTIONS CONTACT: LESLYE CORSIGLIA, 408-535-3851