



# Memorandum

**TO:** RULES COMMITTEE

**FROM:** Leslye Krutko

**SUBJECT:** SEE BELOW

**DATE:** May 2, 2007

Approved

Date

5/3/07

Council District: All

SNI: All

**SUBJECT: AB 239 (DESAULNIER) – COUNTIES' RIGHT TO LEVY INCREASED RECORDING FEES TO FUND AFFORDABLE HOUSING DEVELOPMENT**

## RECOMMENDATION

The Housing Department urges the Rules Committee to recommend to the Mayor and City Council support for AB 239 (DeSaulnier). Staff also requests that the item receive a one-week turn around for Mayor and City Council review.

A fact sheet and analysis of the bill is attached.

## COORDINATION

This memorandum was coordinated with the City Attorney's Office.

LESLEYE KRUTKO  
Director of Housing

**AB 239 (DeSaulnier) – COUNTIES’ RIGHT TO LEVY INCREASED RECORDING  
FEES TO FUND AFFORDABLE HOUSING DEVELOPMENT**

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*What’s the issue the bill is trying to resolve?*

This bill would allow the Contra Costa County Board of Supervisors and the San Mateo County Board of Supervisors to charge an additional flat fee up to \$25, for each recorded real estate document longer than one page. The additional fees would be exclusively used for financing the construction, rehabilitation, or purchase of infill housing for extremely low-, very-low-, low-, and moderate-income households.

*How would the passage of this bill affect San José?*

The need for affordable housing in San José exceeds the current resources available. As a result, the Administration is exploring several different options of sustainable funding sources. Other fiscal realities, like the eventual expiration of tax increment financing in redevelopment project areas, will further increase the need for additional local funding sources for affordable housing. If AB 239 passes, Santa Clara County and the City of San José could observe and analyze how extra recording fees for affordable housing may or may not work locally.

*Staff’s Proposed Position:*

Staff recommends that the City support AB 239 (DeSaulnier) which is in keeping with the City’s 2007 Legislative Priority that states that the City should seek “permanent sources of funding for affordable housing.” In an environment of limited fiscal resources, alternate sources of funding like the one that would result from the passage of AB 239, are becoming increasingly necessary. While this legislation does not directly impact San José, it will create a pilot effort that the City can learn from and evaluate.

*Who are the bill’s supporters and opponents?*

AB 239 is supported by Contra Costa County, the California Alliance for Jobs, the California Alliance for Retired Americans, the California Labor Federation, the City/County Association of Governments of San Mateo County, the City of Pinole, the Contra Costa Building and Construction Trades Council, the Contra Costa Council, the County of San Mateo, EAH Housing, Eden Housing, Gray Panthers, Housing Rights, Inc., Human Investment Project Housing, the Interfaith Council of Contra Costa County, the Non-Profit Housing Association of Northern California, Peninsula Habitat for Humanity, Peninsula Interfaith Action, Shelter Inc., Shelter Network, Starr King School of the Ministry, Susan A. Bonilla - Contra Costa County District IV Supervisor, the Central Labor Council of Contra Costa County, AFL-CIO, the United Brotherhood Carpenters and Joiners of America- Local Union No. 152. AB 239 is opposed by the California Association of Realtors and the Stop Hidden Taxes Coalition.

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*What is the current status of the measure?*

AB 239 passed out of the Assembly Local Government Committee on March 28, 2007 by a vote of 5-2. The bill was referred to the Assembly Housing and Community Development Committee, and is scheduled to be heard by that committee on May 9, 2007.