



Memorandum

TO: RULES COMMITTEE

FROM: Leslye Krutko

SUBJECT: SEE BELOW

DATE: May 2, 2007

Approved

Deanna J. Antonne

Date

5/4/07

Council District: All
SNI: All

SUBJECT: AB 927 (SALDAÑA) – REQUIRED SENIOR RENTAL HOUSING IN THE MULTIFAMILY HOUSING PROGRAM

RECOMMENDATION

The Housing Department urges the Rules Committee to recommend to the Mayor and City Council support for AB 927 (Saldaña). 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.


LESLYE KRUTKO
Director of Housing

AB 927 (Saldaña) – REQUIRED SENIOR RENTAL HOUSING IN THE MULTIFAMILY HOUSING PROGRAM

What's the issue the bill is trying to resolve?

The State's Department of Housing and Community Development (HCD) oversees the Multifamily Housing Program (MHP), which subsidizes family housing projects throughout the State. Currently, the MHP awards higher scores for projects that include family oriented units and developments with units that are reserved for special needs populations. Senior housing developments are less competitive. HCD reports that about ten percent of the units developed through the MHP since 2003 were developed specifically for seniors. AB 927 would require a set aside of the MHP funds in order to subsidize the development of senior rental housing. The percentage reserved for rental senior housing under AB 927 would be equal to the percentage of lower income renter households in the State that are lower income elderly renter households. The term "lower" income encompasses "extremely-low, very-low and low-income households.

How would the passage of this bill affect San José?

Like other jurisdictions, San José will soon experience a sharp increase in its population of seniors. The increased population of seniors will require the City to provide for their housing needs – a daunting proposition considering that seniors make up a disproportionate share of the lower-income population. Currently, the MHP subsidizes some senior rental housing development, but AB 927 seeks to greatly increase the MHP's contribution to senior rental housing.

Staff's Proposed Position:

Staff recommends that the City support AB 927 (Saldaña), as it will induce affordable senior housing development through a permanent source of State funding. One of the Council-adopted 2007 legislative priorities calls for the City to pursue permanent State and federal sources of Funding for affordable housing, such as the MHP. The MHP's subsidy of senior rental housing is well-timed considering the expanded affordable housing resources the City will obtain through Proposition 1C. Much needed senior rental housing can be provided without forgoing other housing development, and the development community will be encouraged by additional options for housing development.

Who are the bill's supporters and opponents?

Co-sponsors of AB 927 include Aging Services of California, the California American Association of Retired Persons, the California Commission on Aging, the Congress of California Seniors, and Housing California. Other organizations supporting AB 927 include the Retirement Housing Foundation and the San Diego Housing Federation. To date, staff has not identified any opponents to the AB 927, however, the Department of Housing and Community Development has expressed some concerns about the bill.

What is the current status of the measure?

AB 927 passed out of both the Assembly Housing and Community Development Committee (4-0) and the Assembly Appropriations Committee (10-5). It will now go to the Assembly floor for consideration where it must be heard by June 8, 2007.