



Memorandum

TO: RULES COMMITTEE

FROM: Leslye Krutko and Betsy Shotwell

SUBJECT: SEE BELOW

DATE: August 16, 2006

Approved

Date

Council District: All
SNI: All

SUBJECT: PROPOSITION 1C - THE HOUSING AND EMERGENCY SHELTER TRUST FUND ACT OF 2006

RECOMMENDATION

It is recommended that the Mayor and City Council support Proposition 1C the Housing and Emergency Shelter Trust Fund Act of 2006, which is on the November 2006 Statewide ballot. It is also requested that the Rules Committee permit a one-week turn around for City Council review. A complete copy of Propositions 1A-E on the November 2006 State ballot can be reviewed in the City Clerk's Office. The November ballot is also available on the Secretary of State's website at www.ss.ca.gov

OUTCOME

By supporting Proposition 1C, the City will would support the passage of a \$2.85 billion bond for affordable housing and homeownership opportunities in California.

COORDINATION

This memorandum was coordinated with the City Attorney's office and the City's State lobbyist.

LESLYE KRUTKO
Director of Housing

BETSY SHOTWELL
Director of Intergovernmental Relations

For more information MELISSA WHATLEY, POLICY MANAGER, at (408) 975-4418.

Attachment

**PROPOSITION 1C – THE HOUSING AND EMERGENCY SHELTER TRUST FUND
ACT OF 2006**

What issue is the proposition trying to address?

In 2002, California voters recognized the strong need for more affordable housing and agreed on a Statewide Housing Bond, Proposition 46, in the amount of \$2.1 billion. Proposition 46 funds for shelter and affordable housing construction will run out at the end of this year. Proposition 1C, (SB 1689 (Perata) Chapter 27, 2006 Statutes), was passed by the California State Legislature in May 2006 and placed on the November 2006 ballot in order to replenish those funds expended over the last four years.

How would this proposition seek to resolve the issue?

The Housing and Emergency Shelter Trust Fund Act offers a variety of housing options for California's middle- to low-income families in communities throughout the state. The bond represents a \$2.85 Billion investment for California. Both renters as well as future homeowners benefit from the bond's critical programs, which include:

- Multifamily Housing Program - Builds apartments for seniors, families, and people with disabilities — \$395 million
- Emergency Housing Assistance Program - Builds and renovates emergency shelters and transitional rental homes for homeless families with children, battered women, and individuals — \$50 million
- Supportive Housing Program - Builds apartments with support services for people with chronic disabilities, such as mental illness or physical disabilities — \$195 million
- Farmworker Housing Grant Program — Builds for-sale and rental homes for agricultural workers — \$135 million
- Cal-HOME Program - Funds a range of homeownership programs — \$300 million
- California Homebuyer Downpayment Assistance Program - Provides assistance in the form of second loans for down payment and closing costs — \$200 million
- Programs to provide infrastructure vital to home development — \$1.35 billion

How would the passage of this proposition affect San José?

In San José, Proposition 46 has provided housing opportunities for hundreds of families and individuals, leveraged significant private investment, and created new jobs. The Housing Department has used Proposition 46 Housing Bond funds to leverage the City's own scarce resources for the development of affordable housing.

To date, the City of San José has received over **\$50 million** in funding through this source for affordable housing development, homeownership, capital infrastructure needs, code enforcement, and accessibility improvements. It can be assumed that we will receive a similar amount of money under Proposition 1C.

Staff's Proposed Position:

The City of San José should support Proposition 1C, which is on the November 2006 ballot.

Who are the proposition's supporters and opponents?

As currently listed on the Secretary of State's website under Proposition 1C, supporters include Housing California, American Association of Retired Persons (AARP), California Partnership to End Domestic Violence, Habitat for Humanity, the League of Women Voters, and the California Chamber of Commerce and the League of California Cities has also adopted a position of support for the Proposition. Opponents listed include the California Taxpayer Protection Committee and a member of the California State Assembly and member of the California State Board of Equalization.