

Assemblymember Rob Bonta
Affordable Housing Legislative Proposal
Sponsor: Oakland Mayor Libby Schaaf
Co-Sponsor: Non-Profit Housing Association of Northern California

The proposal is to give cities the authority to approve issuance of affordable housing bonds to be paid for with any portion of its "net available revenue" without voter approval. The net available revenue is referred to as "boomerang funds" distributed by the county auditor-controller to cities from the Redevelopment Property Tax Trust Fund (RPTTF).

With the dissolution of redevelopment agencies, and no permanent source of funds from the state to support the construction of affordable housing, what is needed is an ongoing source to build and support the construction of affordable and workforce housing immediately.

There is no fiscal impact to the State's general fund and no property taxes would be diverted from the other taxing entities.

ARGUMENTS IN SUPPORT:

- 1. The rents and cost of homeownership in Oakland and other Bay Area cities have increased dramatically and working class families are being driven further and further away.*
- 2. With the dissolution of redevelopment agencies and no permanent source of funds to support the construction of affordable housing.*
- 3. City budgets are strapped and the cost to have an election is very expensive.*

ADDITIONAL BACKGROUND INFORMATION:

The City of Oakland has adopted an ordinance dedicating at least 25% of "net available revenue" a.k.a. "boomerang funds" for affordable housing. This legislative proposal would allow the City to bond against that revenue stream without raising taxes or diverting property taxes from other taxing entities.

Earlier this year, the Governor signed AB 2 (Alejo) into law that authorizes a Community Revitalization and Investment Authority to issue bonds without voter approval. Additionally, Senator Leno authored SB 441 and was able to get it folded into the State Budget which was very similar.

In 2014, the Governor signed SB 628 (Beall) which authorizes the use of "net available revenue" to finance bonds. This proposal would build off of those two bills and authorize the City to issue affordable housing bonds against "net available revenue" without voter approval.

In addition, cities also issue certificates of participation, which are very similar to a bond without a vote of the people. A specific local example is the City of Albany financed a library and community center in that manner.