

CITY OF OAKLAND



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February 18, 2016

The Honorable Rob Bonta
California State Assembly
State Capitol, Room 6005
Sacramento, CA 95814-4900

**Re: AB 2031 (Bonta) Local government: affordable housing: financing.
City of Oakland sponsorship**

Dear Assemblymember Bonta:

On behalf of the City of Oakland, the sponsor of AB 2031, I am writing to express our strong support of this measure that will help address the issue of affordable housing in California.

AB 2031 will 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. Since the dissolution of redevelopment agencies, no permanent source of funds from the State have been made available to support the construction of affordable housing. What local governments need is a stable, ongoing source of funding in order to build and support the construction of affordable and workforce housing immediately.

As the State's economy has improved, the cost of renting and homeownership in Oakland and other Bay Area cities has increased dramatically and working class families are being driven further and further away from job centers and public transportation hubs. Between 2010 and 2014, the Bay Area added roughly half a million private-sector jobs, but only 54,000 more units of housing. This housing scarcity is further exacerbating the regional affordability crisis for vulnerable and long-time residents in cities like Oakland. AB 2031 is badly needed because it offers a mechanism for meeting California's high demand for more affordable housing development.

The City of Oakland has adopted a local ordinance dedicating at least 25% of "net available revenue," or "boomerang funds," for affordable housing. This legislation would allow cities to bond against that revenue stream without raising taxes or diverting property taxes from other taxing entities. There is no fiscal impact to the State's general fund and no property taxes would be diverted from the other taxing entities.

By front-loading projects with a bond we can build more units more quickly and address displacement. Thank you for your leadership on this very important policy topic.

Sincerely,

A handwritten signature in black ink, appearing to read "Libby Schaaf". The signature is fluid and cursive, with a large, stylized initial "L".

Libby Schaaf
Mayor of Oakland