



## **AB 2031 (Bonta) Fact Sheet**

### ***Affordable Housing***

#### **Summary**

AB 2031 allows cities to pass an ordinance to issue bonds for construction of affordable housing.

#### **Background**

Since the economic recovery housing and rental prices have skyrocketed, leaving many Californians behind. According to a 2013 study, a person working full time at minimum wage must work 130 hours a week to afford a two-bedroom rental, which was the second highest rate in the nation. One-third of California's working households are paying more than half of their income towards housing.

#### **Problem**

It takes years to put enough new affordable housing on the market to make an impact on prices. Depending on the project, construction time can take a few weeks to several months. In addition, average approval time is eight months to a year in cities like San Francisco and Los Angeles. Finally, with the dissolution of redevelopment agencies, and no permanent source of funds from the state to support the construction of affordable housing, there is no ongoing source to subsidize the construction of affordable and workforce housing.

#### **Solution**

AB 2031 empowers local governments to rapidly address the affordable housing crisis. The bill allows cities to pass an ordinance to issue bonds for affordable housing without raising taxes or diverting property taxes from other sources. AB 2031 allows cities to tap any portion of their net available revenue to use bonds for affordable housing. The net available, also known as "boomerang funds", is distributed by the county auditor-controller to cities from the Redevelopment Property Tax Trust Fund (RPTTF). By front-loading projects with a bond cities can build more units more quickly and address displacement.

#### **Support**

City of Oakland (Sponsor)

Non-profit Housing Association of California (Co-Sponsor)

Housing Leadership Council of San Mateo County

#### **Contact**

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