



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 6/19/2017

Agenda Placement: 7A

Napa County Legislative Subcommittee Board Agenda Letter

TO: Napa County Legislative Subcommittee

FROM: Molly Rattigan for Minh Tran - Interim County Executive Officer
County Executive Office

REPORT BY: Michael Karath, Staff Assistant - BOS - 299-1477

SUBJECT: SB 2 (Atkins) - Building Homes and Jobs Act

RECOMMENDATION

County Executive Officer seeks discussion and possible action on SB 2 (Atkins), The Building Homes and Jobs Act, a bill that establishes a permanent, ongoing source of funding dedicated to affordable housing development by imposing a \$75 fee on the recording of real property documents.

EXECUTIVE SUMMARY

SB 2 (Atkins), The Building Homes and Jobs Act, seeks to alleviate a shortage of affordable housing in California by establishing a permanent funding source for affordable housing through a \$75 fee on real estate transaction documents. The fee is capped at \$225 on a per parcel, per transaction basis, and exempts commercial and residential real-estate transactions.

The bill's author states that providing a sustainable funding source will give incentive to developers to take on the risk that comes with affordable housing projects and create a reliable pipeline of well-paying construction jobs in the process.

CSAC: Support

RCRC: Watch

FISCAL IMPACT

Is there a Fiscal Impact?

No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Historically, the State has funded housing programs through the sale of general obligations bonds and through revenue generated by redevelopment agencies. With the elimination of redevelopment agencies and expenditure of existing bond funds, these sources of funding for affordable housing are no longer available.

SB 2 creates a permanent and ongoing source of funding for housing to fill the gap in funding lost from the loss of redevelopment agencies and the exhaustion of prior bond funds.

The bill requires Housing and Community Development (HCD), as part of the 2018-19 Budget, to submit an investment strategy for the funds to be collected and provide an update every five years, thereafter. The investment strategy must identify the statewide needs, goals, objectives, and outcomes for housing for a five-year period and meet a number of other minimum requirements. HCD must seek public input by holding at least four workshops across the state to inform the development of the investment strategy.

Local jurisdictions may only receive funds if they: (a) submit a plan detailing how funds will be used, (b) submit a compliant housing element as required under existing law, (c) submit an annual report on the General Plan as required under existing law, (d) submit an annual report to HCD that provides ongoing tracking and uses of the funds, and (e) emphasize investments that serve households at or below 60% AMI.

CSAC: Support
RCRC: Watch

SUPPORTING DOCUMENTS

A . SB 2 - BILL TEXT

B . SB 2 - Senate Floor Analysis, May 26, 2017

Recommendation: Approve

Reviewed By: Molly Rattigan