



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: Legislation Committee

DATE: May 1, 2015

FR: Executive Director

W. I. 1131

RE: AB 35 (Chiu) / AB 1335 (Atkins): Affordable Housing Incentives

Background

With San Francisco and East Bay rental rates and housing prices reaching historical highs, the need to encourage the construction of more affordable housing in the Bay Area could not be more apparent. The National Association of Realtors put the median price in the San Francisco metropolitan statistical area (Marin, San Francisco, San Mateo, Alameda and Contra Costa counties) for the final three months of 2014 at \$743,000 while in Silicon Valley the median reached about \$855,000. The story is equally grim on the rental market where the median cost of a 1-bedroom in San Francisco exceeded \$3,400 in March 2015, according to rental website Zumper.

Recognizing that transportation challenges are inextricably linked to the availability of housing — and that transportation funds are stretched too thin to be used to any large extent for this purpose — MTC's 2015 State Advocacy Program supports establishing a new, dedicated funding source for affordable housing. California currently has no dedicated affordable housing funding to address the problem; state housing bond proceeds have been almost fully exhausted and the elimination of redevelopment removed tax increment financing as the tool available to local agencies.

Recommendation: Support

Discussion

AB 35, authored by Assembly Member David Chiu and co-authored by Speaker Atkins, would increase California's Low Income Housing Tax Credit — the state's complement to a federal low-income housing tax credit — by \$300 million for the construction and rehabilitation of affordable housing units across the state. According to Assembly Member Chiu's office, this change would leverage an additional \$600 million in federal tax credits and federal tax-exempt bond authority.

AB 1335, authored by Assembly Speaker Toni Atkins, establishes an Affordable Housing Trust Fund supported by a \$75 fee on real estate recorded documents (other than residential or commercial sales), similar to SB 391 (DeSaulnier), proposed in 2013. MTC and many other organizations supported SB 391 but the bill ultimately died in the Assembly Appropriations Committee. While annual revenue will vary from year to year based on real estate activity, the fee is estimated to generate between \$200-\$300 million per year. Affordable homeownership programs would receive 20 percent of the funds, with the remainder available for a wide range of affordable housing activities, including supplementing local and regional housing funds. Funds

would be administered by the State Department of Housing and Community pursuant to a Building Homes and Jobs Investment Strategy plan that HCD is tasked with developing and updating every five years.

Staff recommends a support position on each of these bills for the reasons outlined above.

Known Positions

AB 35

Support
(See attached)

Oppose
None on file

AB 1335

Support
(see attached)

Oppose
Howard Jarvis Tax Association



Steve Heminger

SH: RL

J:\COMMITTEE\Legislation\Meeting Packets\Legis2015\05_Legis_May2015\3c_AB 35.1335.744_Support.docx

AB 35 Support

(Partial List of Bay Area Public Agencies, Nonprofit Organizations & Statewide Associations)

Alameda County Housing Authority	City of Lafayette	Housing Consortium of the East Bay (HCEB)
American Planning Association California Chapter (APA California)	City of Livermore	Housing Leadership Council of San Mateo County
Association of Bay Area Governments (ABAG)	City of Napa	Housing Trust Silicon Valley
Bridge Housing	City of Oakland	Korean Resource center (KRC)
California Alliance for Retired Americans	City of Union City	Larkin Street Youth Services
California Association of Local Housing Finance Agencies (CAL-ALHFA)	Community Action North Bay (CAN-B)	Law Foundation of Silicon Valley
California Building Industry Association (CBIA)	Community Economics	Leading Age California
California Center for Cooperative Development	Community Housing Opportunities Corporation (CHOC)	League of California Cities
California Coalition for Rural Housing	Community Housing Partnership	League of Women Voters of California (Support if Amended)
California Coalition for Youth (CCY)	Community Land Trust Association (CLAM)	Mercy Housing
California Council for Affordable Housing (CCAH)	Community Overcoming Relationship Abuse (CORA)	Napa Valley Community Housing (NVCH)
California Housing Consortium (CHC)	Contra Costa Interfaith Housing	Non-Profit Housing Association of Northern California (NPH)
California Infill Builders Federation	Core Affordable Housing Corporation For Supportive Housing (CSH)	Nor Cal Rental Property Association
California Rural Legal Assistance Foundation	East Bay Developmental Disabilities Legislative Coalition	North Bay Leadership Council
Capitol Area Development Authority (CADA)	East Bay Rental Housing Association	North Valley Property Owners Association
City of Concord	Eden Housing	Northern California Community Loan Fund
City of Emeryville	Housing Authority of the County of Santa Clara (HACSC)	Retirement Housing Foundation (RHF)
City of Fremont	Housing California	Rural Communities Assistance Corporation (RCAC)
	Housing Choices Coalition	

AB 1335 List of Supporters

Bridge Housing	City of Sacramento
Burbank Housing Development Corp	City of Santa Monica
California Association of Code Enforcement Officers	City of Taft
California Association of Housing Authorities	City of Tulare
California Association of Local Housing Finance Agencies	City of Turlock
California Building Industry Association	Community Economics, Inc.
California Coalition for Rural Housing	Community Housing Works
California Coalition for Youth	Corporation for Supportive Housing (CSH)
California College and University Police Chiefs Association	Downtown Women's Center
California Housing Consortium	EAH Housing
California Housing Partnership Corporation	Habitat for Humanity California
California Infill Builders Federation	Habitat for Humanity Greater San Francisco
California Narcotics Officers Association	Highridge Costa Partners, LLC
California Partnership to End Domestic Violence	Housing California
California Police Chiefs Association	Housing Choices Coalition
California State Council of Service Employees International Union (SEIU)	Housing Consortium of the East Bay
Capitol Area Development Authority	Housing Leadership Council of San Mateo County
Charities Housing	Hunger Advocacy Network
Christian Church Homes	Larkin Street Youth Services
City of Emeryville	Laurin Associates
City of Eureka	League of California Cities
City of Lafayette	LINC Housing
City of Lakeport	Los Angeles Business Council
City of Los Angeles	Los Angeles Community Action Network
City of Napa	Many Mansions (Ventura County)
City of Oakland	Mercy Housing California
	Mutual Housing California
	National Council of La Raza

AB 1335 List of Supporters

Non-Profit Housing Association of Northern California (NPH)

Pacific West Communities

PEP Housing

Promise Energy, Inc.

Rural Smart Growth Task Force

Sacramento Homeless Organizing Committee

San Diego Housing Commission

San Diego Housing Federation

San Diego Organizing Project

Satellite Affordable Housing Associates

Social Justice Alliance of the Interfaith Council of Contra Costa County

Southern California Association of Non Profit Housing

St. Anthony Foundation

T.R.U.S.T. South LA

The ARC and United Cerebral Palsy California Collaboration

Transform

Western Regional Advocacy Project

Women Organizing Resources, Knowledge and Services (WORKS)

AB 1335 List of Opposition

Howard Jarvis Taxpayers Association