




Office of the City Manager

CONSENT CALENDAR
September 19, 2006

To: Honorable Mayor and
Members of the City Council

From:  Phil Kamlarz, City Manager

Submitted by: Stephen Barton, Director, Housing

Subject: Endorsing California Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006

RECOMMENDATION

Adopt a Resolution endorsing California Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006.

FISCAL IMPACTS OF RECOMMENDATION

None.

CURRENT SITUATION AND ITS EFFECTS

Proposition 1C was placed on the November ballot by the California Legislature as part of a long-term plan to rebuild California. Proposition 1C would dedicate funds to create housing options including affordable apartment buildings, emergency shelter, supportive housing, and homeownership for working families, people with disabilities, survivors of domestic violence, and farm workers.

The need for affordable housing in Berkeley and throughout the Bay Area is well established. Someone working full time must earn \$23 per hour or more to afford the rent on a two-bedroom apartment in the Bay Area. In Alameda County, more than 5,000 people are homeless on any given night. The Alameda Countywide Homeless and Special Needs Housing Plan, adopted by the City in May 2006, identified a need for 15,000 affordable homes in Alameda County, as well as the need for new resources to make this feasible.

BACKGROUND

California voters previously passed Proposition 46, the Housing Bond of 2002, to fund housing development throughout the state. Alameda County projects received more than \$126 million in Proposition 46 funds, more than any other county in the Bay Area region. As a result, 2,824 homes were created, including the Berkeley developments Ashby Lofts and Sacramento Senior Homes, as well as the planned Allston House and Oxford Plaza. However, Proposition 46 funds will be depleted by 2007.

RATIONALE FOR RECOMMENDATION

Proposition 1C will ensure that state funds continue to be available for the development of affordable housing. Increased state funds make local investment in housing development go further, and allow for a higher level of housing production than would otherwise be feasible.

ALTERNATIVE ACTIONS CONSIDERED

The City could not take a position on the proposition.

CONTACT PERSON

Stephen Barton, Director, Housing, 981-5400

Attachments:

1: Resolution

RESOLUTION NO. ##,###-N.S.

ENDORING CALIFORNIA PROPOSITION 1C, THE HOUSING AND EMERGENCY
SHELTER TRUST FUND ACT OF 2006

WHEREAS, to provide greater choice and a sufficient supply of affordable homes for working families and vulnerable people in the City of Berkeley, including homes for disabled people, seniors and families, homes near day care and services, homes nearer jobs; and

WHEREAS, it has been demonstrated that a state investment in housing creates local housing opportunities, in that the last state housing bond, Proposition 46, the Housing Bond of 2002, brought \$126,404,897 into Alameda County, helping create 2,824 homes, such as these Berkeley developments: Allston House, Ashby Lofts, Oxford Plaza, and Sacramento Senior Homes; and; and

WHEREAS, Proposition 46 funds will be depleted by 2007 and the need remains urgent in that in the Bay Area, a worker must earn \$23 per hour to afford a typical two-bedroom apartment rent, and a family must make at least \$166,000 per year to buy the average single family home, and more than 5,000 people in Alameda County are homeless on any given night; and

WHEREAS, to continue the successes of Proposition 46, the California Legislature has placed Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, on the November ballot as part of a long-term plan to rebuild California; and

WHEREAS, Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, will dedicate and protect funds to create housing options for 20,000 working families to buy a home, 6,500 college graduates, retired seniors, essential public safety workers to afford rent in their communities, 2,000 homeless families and individuals to find safe shelter and services, and 2,800 farm workers to be housed through these programs:

- Multifamily Housing Program - \$395 million to build apartments for seniors, families, foster youth and people with disabilities;
- Emergency Housing Assistance Program - \$50 million to build and renovate emergency shelters and transitional rental homes for homeless families with children, battered women, and individuals;
- Supportive Housing Program - \$195 million to build apartments with support services for people with chronic disabilities, such as mental illness or physical disabilities;
- Farm worker Housing Grant Program — \$135 million to build for-sale and rental homes for agricultural workers;
- Cal-HOME Program - \$300 million to fund a range of homeownership programs;
- California Homebuyer Down payment Assistance Program - \$200 million to provide assistance in the form of second loans for down payment and closing costs;

- Building Equity and Growth in Neighborhoods - \$125 million for local jurisdictions to adopt measures to support affordable housing;
- Affordable Housing Innovation Fund - \$100 million to incent development of innovative and cost-saving approaches to housing development; and

WHEREAS, the bond will also boost California's economy, through new jobs and \$9 billion added to local economies.

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley endorses Proposition 1C, The Housing and Emergency Shelter Trust Fund Act of 2006, and urges local voters to support the measure.