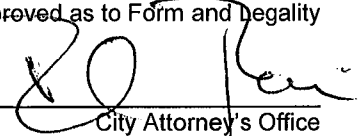


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Approved as to Form and Legality


City Attorney's Office

OAKLAND CITY COUNCIL

RESOLUTION NO. 86011 C.M.S.

INTRODUCED BY COUNCILMEMBERS DAN KALB AND LYNETTE GIBSON
MCELHANEY

RESOLUTION IN SUPPORT OF SENATE BILL 2 (ATKINS) THAT WOULD ESTABLISH A PERMANENT FUNDING SOURCE FOR AFFORDABLE HOUSING THROUGH A SMALL FEE ON REAL ESTATE TRANSACTION DOCUMENTS, EXCLUDING MOST PROPERTY SALE TRANSACTIONS

WHEREAS, an adequate supply of housing affordable to persons at all income levels is critical to the economic prosperity and the quality of life of all people; and

WHEREAS, California faces a housing affordability crisis and has the second lowest homeowner rate in the nation, with five out of eight of the metropolitan areas with the lowest homeowner rates being located in California, most low-income and moderate-income residents struggling to afford the cost of living, and, for the first time, Standard and Poor's Ratings Services cited California's "Persistently high cost of housing" as contributing to a relatively weaker business climate and a credit weakness in the rating of California General Obligation bonds; and

WHEREAS, according to the Public Policy Institute of California, roughly 36% of mortgaged homeowners and approximately 48% of all renters are spending more than one-third of their household incomes on housing and, according to the McKinsey Global Institute, California loses an estimated \$140 billion per year in output (or 6% of state GDP) due to the housing shortage from lost construction investment and consumption crowded out by housing costs; and

WHEREAS, in the Bay Area, a region with great demand for housing and a high cost of living, the lack of affordable housing is a proven impediment to the attraction and retention of employees; and

WHEREAS, providing affordable housing for the City's homeless, low-income residents, and workforce has been identified as a top priority of the City Council; and

WHEREAS, the City Council has sought to identify on-going funding sources for affordable housing and has directed the City's lobbyists in Sacramento and Washington, D.C. that affordable housing is a high priority for the City; and

WHEREAS, with state housing bonds running dry and the elimination of redevelopment, the availability of state dollars to leverage federal and private funds for housing has decreased to the lowest level in many years; and

WHEREAS, Senate Bill (SB) 2 (Atkins) would require payment of a fee of seventy-five dollars (\$75) on recordation of documents related to real estate transactions for which document recording is required or permitted by law, provided, however this fee would not be imposed on most property sale transactions and would be capped at \$225 per transaction, and would establish an ongoing funding source to help residents of the state live within their means without incurring additional state debt; and

WHEREAS, SB 2 fees shall, after deduction of administrative costs incurred in their collection, be deposited in the Building Homes and Jobs Trust Fund to be expended for affordable housing, home ownership opportunities, and other housing-related programs; and

WHEREAS, SB 2 requires the California Department of Housing and Community Development (the "Department") to develop and submit to the California Legislature an investment strategy which, among other things, shall identify statewide needs, goals, objectives and outcomes for housing for a five-year time period and to promote a geographically balanced distribution of funds, including a 50% direct allocation to local governments; and

WHEREAS, SB 2 would require periodic auditing and reporting by the State Auditor's Office to ensure that the annual allocation to different programs are awarded by the Department in a timely manner; and

WHEREAS, SB 2 would generate an estimated 29,000 jobs for every \$500 million dollars of fees spent on affordable housing; and

WHEREAS, in May of 2015, the Oakland City Council unanimously approved a Resolution introduced by Councilmembers Lynette Gibson McElhaney and Dan Kalb supporting Assembly Bill 1335 (Atkins), which was not enacted and to which SB 2 is substantially similar; and

WHEREAS, AB 1335 was endorsed by a wide range of groups, including business, labor, and nonprofit representatives and the League of California Cities, and similar endorsements are expected for SB 2; now, therefore, be it

RESOLVED: That the Oakland City Council hereby endorses SB 2 (Atkins) and urges the California State Legislature and Governor Jerry Brown to support its enactment into law.

IN COUNCIL, OAKLAND, CALIFORNIA,

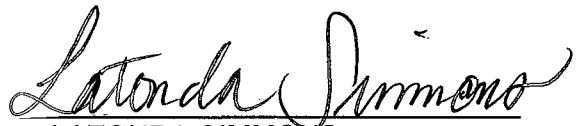
FEB 21 2017

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN, AND PRESIDENT REID ~ 9

NOES - 0
ABSENT - 0
ABSTENTION - 0

ATTEST



LATONDA SIMMONS
City Clerk and Clerk of the Council of
the City of Oakland, California