

1 [Supporting Senate Bill 391 (DeSaulnier) - Establishing Permanent Funding Source for
2 Affordable Housing Development]

3 **Resolution supporting Senate Bill 391, authored by Senator Mark DeSaulnier, to**
4 **establish a permanent funding source for affordable housing development in**
5 **California.**

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7 WHEREAS, The credit and foreclosure crisis resulted in a reduction in home prices, an
8 increase pressure on the rental housing market and slower growth in housing production; and

9 WHEREAS, Seven of the top 10 cities in the nation hit hardest by the foreclosure crisis
10 were in California; and

11 WHEREAS, California has 12 percent of the United States population but 21.4 percent
12 of its homeless population; and

13 WHEREAS, Seventy-three percent of people who are homeless in California are
14 experiencing homelessness because they could not afford a place to live; and

15 WHEREAS, Economists agree that the State's high unemployment rate is due to the
16 massive shrinkage in the construction industry from 2005 to 2009, including the loss of nearly
17 700,000 jobs, a 60 percent decline in construction spending, and an 83 percent reduction in
18 residential permits; and

19 WHEREAS, The elimination of redevelopment agencies that were required to set aside
20 20 percent of tax increment for affordable housing has caused the funding stream of roughly
21 one billion dollars per year to disappear; and

22 WHEREAS, The State of California has provided over \$333 million in financing for the
23 development of permanent affordable housing in San Francisco since 2006 through the
24 disbursement of Propositions 46 and 1C funds; and

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1 WHEREAS, These State funds has resulted in the development of 6,730 units of
2 housing affordable to low income families, seniors and people with special needs in San
3 Francisco; and

4 WHEREAS, These State funds have leveraged over \$1.4 billion in private and public
5 dollars, which helped to create jobs and stabilize communities; and

6 WHEREAS, Propositions 46 and 1C funds have been fully disbursed and there is a
7 critical need for another State source of affordable housing funding to replace it; and

8 WHEREAS, A healthy housing market that provides homes affordable to Californians
9 at all income levels is necessary for the economic prosperity and quality of life in the State;
10 and

11 WHEREAS, California’s workforce continues to experience longer commute times as
12 residents seek affordable housing outside the areas in which they work, straining the state’s
13 transportation system and exacerbating green house gas emissions; and

14 WHEREAS, Instability in housing impedes economic growth and development by
15 making it difficult for California employers to attract and retain employees; and

16 WHEREAS, California continues to have the second lowest homeownership rate in the
17 nation and minimum wage earners have to work 120 hours per week to afford an average
18 two-bedroom apartment; and

19 WHEREAS, Without a reliable source of funding for housing that is affordable to the
20 State’s workforce and most vulnerable residents, the State and its local and private housing
21 development partners will not be able to increase the supply of housing after existing housing
22 bonds are depleted; and

23 WHEREAS, Senate Bill (SB) 391, also known as the California Homes and Jobs Act,
24 would establish permanent sources of funding devoted to affordable housing development;
25 and

1 WHEREAS, SB 391 would impose a small recordation fee for all real estate
2 transactions excluding home sales; and

3 WHEREAS, The fee revenue would be sent to the Department of Housing and
4 Community Development to be deposited in the California Homes and Jobs Trust Fund, which
5 supports affordable housing and administers housing programs; and

6 WHEREAS, The fee revenue would raise \$500 million annually and leverage an
7 additional \$278 billion in investments in affordable housing production and jobs for
8 Californians; and

9 WHEREAS, SB 391 would create 29,000 jobs annually, including in the construction
10 sector, and help employers attract and retain employees; now, therefore be it

11 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
12 supports SB 391 and the creation of permanent sources of funding for affordable housing
13 development; and, be it

14 FURTHER RESOLVED, That the Board of Supervisors of the City and County of San
15 Francisco urges the California State Legislature to pass SB 391, the California Homes and
16 Jobs Act.

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