

Legislation Text

File #: 19-1232, **Version:** 1

Spending Priorities for Potential General Fund Revenue from a Real Property Transfer Tax Measure.

As recommended by the Rules and Open Government Committee on December 4, 2019:

- (a) Conduct a budgeting discussion and consideration of spending priorities for potential General Fund revenue that may result from the passage of a real property transfer tax measure.
- (b) Direct staff to provide the necessary amendments to Council Policy 1-18, *Operating Budget and Capital Improvement Program Policy*, for the outcome of the Council's deliberations on this budgeting decision.
- (c) Include within the Council Policy the following spending priorities for General Fund revenue flowing from the potential real property transfer tax measure:
 - (1) Up to 5% set-aside for City administration of funding related to increased workload resulting from more robust homeless prevention efforts and the creation of more affordable housing, and
 - (2) Of the remaining revenue, allocate:
 - (i) 10% for homelessness prevention and rental assistance for homeless college and school-engaged students, victims of domestic violence, seniors, and families,
 - (ii) 45% for permanent supportive and affordable rental housing for extremely low-income (ELI) households-defined as earning less than 30% of area median income (AMI),
 - (iii) 35% for affordable rental housing for 30%-80% AMI households, and
 - (iv) 10% for below market-rate for-sale housing and moderate-income rental housing-up to and including 120% AMI-including rent-restricted ADU forgivable loans, down payment assistance, and first-time homeownership opportunities for households up to 120% AMI.
- (d) We also propose further transparency and accountability of the City Council's spending decisions relating to revenue from the real property transfer tax revenue, in addition to the already-directed requirement of a two-thirds Council vote amending any spending priorities and establishment of an Oversight Committee:
 - (1) Requiring a 60-day notice and at least two public hearings prior to the Council taking action on any proposed change to the annual spending plan that could shift any funding, and
 - (2) Creating a separate accounting for the revenues generated by the measure for the purposes of oversight by the Oversight Committee.

CEQA: Not a Project, File No. PP17-007, Preliminary direction to staff, eventual action requires approval from decision-making body, and File No. PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment. (Mayor, Peralez, Diep, Foley)
[Rules Committee referral 12/4/19 - Item G.3]