

County of Santa Clara  
Board of Supervisors  
Supervisorial District Three  
Supervisor Dave Cortese



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97968

**DATE:** August 13, 2019

**TO:** Board of Supervisors

**FROM:** Dave Cortese, Supervisor

**SUBJECT:** SB 5 (Beall/McGuire) - Affordable Housing and Community Development Investment Program

**RECOMMENDED ACTION**

Approve referral to Administration to report to the Board with options for consideration relating to taking a public position on Senate Bill 5 (Beall/McGuire). (Cortese)

**FISCAL IMPLICATIONS**

There are no direct fiscal impacts with the submitting of this referral.

**REASONS FOR RECOMMENDATION**

This referral is requesting that staff conduct an analysis of Senate Bill 5 (SB 5) introduced by State Senators Jim Beall and Mike McGuire before the Board of Supervisors adopts a formal vote on the bill. SB 5 seeks to address the housing crisis in Santa Clara County by establishing an Affordable Housing and Community Development Investment Program in the state government and allow local governments to apply for funding. County Counsel should carefully review the bill's language and reach out to the bill's author (s) within one week, to further discuss the legislation and its intent.

**BACKGROUND**

According to the fact sheet created by Senator Beall's office, this bill "allows local governments to collaborate on state approved redevelopment plans, which would be funded by reducing their contributions to local Education Revenue Augmentation Funds (ERAFs). Funding can be used for the following five purposes: (1) affordable housing, (2) transit-oriented development, (3) infill development, (4) revitalizing and restoring neighborhoods, and (5) planning for sea level rise. The funding mechanism will allow local governments that have opted-in and have an approved project plan to receive a reduction of their ERAF contribution. This bill will commit at least \$1 billion in ongoing state funding and will ensure schools are held harmless to meet the Prop 98 guarantee. At a minimum, 50% of the

program’s funding must be used to construct workforce and affordable housing. The bill also creates a Sustainable Investment Incentive Committee to review and approve or disapprove proposed projects. The Committee will be comprised of individuals appointed by the Legislature and the Governor. Each applicant that has received financing pursuant to the program for any fiscal year shall provide a report to the Committee. The Committee will provide oversight of the funds and will be responsible for providing an annual report on program outputs to the Joint Legislative Budget Committee.”