

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: DEBORAH LAUCHNER, CHIEF FINANCIAL OFFICER

SUBJECT: AMENDMENT TO COUNCIL POLICY 000-048 – POLICY TO
DESIGNATE GENERAL FUND FUNDING FOR HOMELESS AND
AFFORDABLE HOUSING PRODUCTION INCREASING THE
REAL PROPERTY TRANSFER TAX FUNDING FOR HOMELESS
AND AFFORDABLE HOUSING PROGRAMS TO 25%

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Finance Department that the Council, by Resolution, approve an amendment to Council policy #000-048 designating General Fund Real Property Transfer Tax funding to homeless and affordable housing production to increase funding from 20% to 25% as directed by Council in June.

EXECUTIVE SUMMARY

At the June 2016 budget hearings, the City Council directed staff to amend the existing policy providing a calculated amount of 20% of Real Property Transfer Tax (RPTT) revenue to increase the calculated amount to be 25% of this General Fund revenue source.

BACKGROUND

In 2004, the City Council established a Policy to dedicate funding from the General Fund to provide funding for homeless and affordable housing programs. The 2004 Policy established a baseline funding amount of \$3.114 million to be retained in the General Fund and a transfer of any amount received over the baseline to the Housing Trust. The Policy was amended in 2006 to remove the baseline requirement and provide for a simple calculation of 20% of the revenue being transferred to the Housing Trust.

The Council has expressed a desire to increase this identified funding from the current 20% to an increased amount of 25%. This does not prevent the Council from funding these programs at a higher amount, nor does it prevent the Council from suspending this Policy when necessary.

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PRIOR CITY COUNCIL REVIEW

Council has had discussion on this topic several times throughout the 2016 budget process.

ANALYSIS

Over the past several months, the City has been grappling with a large homeless population and lack of affordable housing. The Council has had several study sessions regarding housing issues and has developed a Housing Action Plan with many initiatives that will need funding in order to implement. The current policy designates 20% of the General Fund revenue source known as Real Property Transfer Tax (RPTT) to provide funding for homeless and affordable housing programs. This policy amendment will increase that funding to 25% of RPTT. A redline version of the existing policy is attached to this report as Attachment 1.

FISCAL IMPACT

Increasing the funding from 20% to 25% will not have a fiscal impact on the General Fund for Fiscal Year 2016-17 as the Council is currently funding these programs at 44% of the projected RPTT revenue. For the future fiscal years, this amendment will dedicate an estimated additional amount of \$185,000 of General Fund funding for homeless and affordable housing programs reducing funding for other General Fund programs in an equal amount.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – Redline Version of Existing Policy

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- Resolution
- Exhibit A – Clean Copy of Policy

CONTACT

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