



ACA 1 – 55% Vote for Local Affordable Housing and Public Infrastructure

Assembly Coauthors: Chiu (PC), Berman, Bloom, Bonta, Burke, Chu, Cooper, Eggman, Frazier, Eduardo Garcia, Gipson, Gloria, Gonzalez, Grayson, Holden, Jones-Sawyer, Kalra, Levine, Low, McCarty, Mullin, Nazarian, Quirk, Luz Rivas, Robert Rivas, Blanca Rubio, Santiago, Stone, Ting, Weber, Wicks, Wood

Senate Coauthors: Wiener (PC), Beall, Hill, Skinner

SUMMARY

ACA 1 will lower the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation (GO) bonds and special taxes for affordable housing and public infrastructure projects.

ACA 1 is targeted to the urgent needs of local communities. This measure gives local governments a more realistic financing option to fund an increase in the supply of affordable housing, and to address the numerous local public infrastructure challenges cities, counties, and special districts are facing.

BACKGROUND

The California Constitution requires a two-thirds vote at the local level for both GO bonds and special taxes.

However, local school districts must only achieve 55 percent voter approval for school bonds to fund construction, reconstruction, rehabilitation, replacement of school facilities, furnishing of schools, or the acquisition or lease of real property.

From 2001 to 2013, over 2,200 local revenue measures have been placed before voters concerning school, city, county, or special district taxes or bonds. Majority vote tax measures have proven to be much more likely to pass, while just half of two-thirds vote measures succeeded. School bonds with a 55 percent have been the most successful, with four out of every five passing. In contrast, just half of two-thirds vote measures succeeded. A 55 percent voter threshold for special taxes would have made a dramatic difference. Nearly 80 percent of all two-thirds supermajority measures garnered more than 55 percent of “yes” votes.

1) AFFORDABLE HOUSING NEED

According to the Department of Housing & Community Development (HCD), in the last 10 years California has built an average of 80,000 homes per year, while the need to keep up with the housing need is approximately 180,000 homes per year. There is a shortfall of over one million rental homes affordable to extremely low and very low-income households.

2) LACK OF FUNDING FOR PUBLIC INFRASTRUCTURE

Cities, counties, and special districts face numerous challenges in securing funding for important local public infrastructure projects, including:

Water. Much of the state’s water supply, wastewater, and flood control infrastructure is aging. Rebuilding typically requires costly upgrades to meet increasingly high standards for water quality and infrastructure safety. In the last few decades, new mandates on managing stormwater runoff and climate change have added increased costs and heightened levels of management complexity. The water sector has historically relied heavily on locally generated revenues, which means that Proposition 13 (1978), Proposition 218 (1996), and Proposition 26 (2010), have made it increasingly difficult for local agencies to raise funds.

Parks and Recreation. According to the Statewide Comprehensive Outdoor Plan of 2015, 62 percent of Californians live in areas with less than 3 acres of parkland per 1,000 residents (the recognized standard for adequate parks). Additionally, 9 million people do not have a park within a half mile of their home.

Other Local Needs. Our local governments across the state know best what specific priorities matter most in their communities. For some, funding the costs of a new library or other public building is a means to create local engagement and encourage learning. For others, funding the expansion of broadband is a concern that can seem financially impossible. Strained public safety and emergency response resources in many regions could also benefit from much needed investment. Plus, with discussions underway in Washington D.C. about a possible federal infrastructure initiative, the ability to provide matching-dollars for federal grants is critical to being competitive for new grants.

3) IMPACT OF TWO-THIRDS VOTER REQUIREMENT

The California Constitution limits the opportunity for communities to decide to tax themselves to provide funding for local projects that meet goals and laws approved by the majority. One-third of local voters have the power to overrule fiscal decisions.

THIS BILL:

ACA 1 will lower the constitutional vote threshold to 55 percent for both GO bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or supportive housing. The bill will also specify requirements for voter protection, public notice, and financial accountability.

In practice, local officials propose a local bond or special tax, and then the voters in that community decide whether they support the idea or not. The voters would still need to overwhelmingly (with 55 percent of the vote) support a bond or special tax in order for it to be approved. ACA 1 will level the playing field and create parity between school districts and cities, counties, and special districts, so that all local governments have a viable financing tool to address community needs.

ACA 1 defines “public infrastructure” to include:

- Projects to provide water or protect water quality, sanitary sewer, treat wastewater or reduce pollution from storm water runoff;
- Protect property from impacts of sea level rise;
- Public buildings, including fire and police facilities;
- Parks, open space, and recreation facilities;
- Improvements to transit and streets and highways;
- Flood control;
- Public library facilities;
- Broadband expansion in underserved areas;
- Local hospital construction;
- Public safety buildings, facilities, and equipment;
- Public library facilities.

ACA 1 defines “affordable housing” and “supportive housing” to include:

- Housing developments that provide workforce housing affordable to households earning up to 150% of countywide median income;
- Housing developments that provide housing affordable to lower, low, or very low-income households, as those terms are defined in state law;
- Targeted housing that is linked to services that assist residents in retaining the housing, improving their health status, and maximizing their ability to live and, when possible, work in the community.

This bill proposes an amendment to the California Constitution, which means that if passed by the Legislature, the proposal would then go to the ballot for voter approval during the next statewide election.

SUPPORT:

California Professional Firefighters (cosponsor)
 Housing California (cosponsor)
 State Building and Construction Trades Council (cosponsor)
 California Labor Federation (cosponsor)
 Alpine Village-Sequoia Crest Community Services District
 American Planning Association California
 Association of Bay Area Governments
 Association of California Healthcare Districts
 Bay Area Council
 Bay Area Housing Advocacy Coalition
 Bear Valley Community Services District
 Beaumont Library District
 Beaumont-Cherry Valley Water District
 Brooktrails Township Community Services District
 Burbank Housing
 California Apartment Association
 California Association of Council of Governments
 California Association of Housing Authorities (CAHA)
 California Association of Nonprofits
 California Association of Recreation & Park Districts
 California Association of Sanitation Agencies
 California Coalition for Rural Housing
 California Contract Cities
 California Fire Chiefs Association
 California Housing Consortium
 California Housing Partnership
 California Library Association
 California Library Services Board
 California Nurses Association
 California Park & Recreation Society
 California Rural Legal Assistance Foundation (CRLAF)
 California Special Districts Association
 California State Association of Counties (CSAC)
 California State Association of Electrical Workers
 California State Council of Laborers
 California State Pipe Trades Council
 California Transit Association
 California State Treasurer, Fiona Ma
 Cameron Park Community Services District
 Chicano Federation of San Diego County
 Chico Area Recreation and Park District
 Chino Valley Fire District
 Cities Association of Santa Clara
 City of Alameda
 City of Albany
 City of Arvin
 City of Burbank
 City of Camarillo
 City of Ceres
 City of Chowchilla
 City of Davis
 City of East Palo Alto
 City of Emeryville
 City of Goleta
 City of Gustine
 City of Laguna Beach

SUPPORT (continued)

City of Lathrop
City of Lodi
City of Long Beach
City of Manteca
City of Marin
City of Merced
City of Milpitas
City of Moorpark
City of Napa
City of Novato
City of Oakland
City of Oceanside
City of Placentia
City of Ripon
City of Riverbank
City of San Luis Obispo
City of Santa Monica
City of Stockton
City of Ventura
City of Walnut Creek
City of West Hollywood
City/County Association of Governments of San Mateo
County
Coalition for a New Community Library and Resource Center
Conejo Recreation District
County Mono
County of Marin
County of Monterey
County of Napa
County of Santa Clara
County of Solano
County of Yolo
Crestline Sanitation District
Cucamonga Valley Water District
Desert Recreation District
EAH Housing
East Bay for Everyone
East Bay Housing Organizations
East Bay Municipal Utilities District
East Bay Regional Park District
East Contra Costa Fire Protection District
Eden Housing
Environmental Defense Fund
Fallbrook Public Utility District
Fallbrook Regional Health District
Feather River Recreation and Park District
Fire Districts Association of California
Foundation for Monterey County Free Libraries
Fresno Mosquito and Vector Control District
Fulton-El Camino Recreation and Park District
Goleta West Sanitary District
Greater Merced Chamber of Commerce
Habitat for Humanity East Bay/Silicon Valley
Hayward Area Recreation and Park District
International Union of Elevator Constructors
International Union of Operating Engineers

League of California Cities
League of Women Voters of California
Los Angeles County Metropolitan Transportation Authority
Marin County Transit District
Marin County Council of Mayors and Councilmembers
Metropolitan Transportation Commission
Midpeninsula Regional Open Space District
MuniServices
Non-Profit Housing Association of Northern California
North Bay Leadership Council
North County Fire Protection District
North Tahoe Fire Protection District
Oceano Community Services District
Olivenhain Municipal Water District
Orange County Cemetery District
Palomar Health
Palos Verdes Library District
Pleasant Valley Recreation and Park District
Professional Engineers in California Government (PECG)
Salinas Valley Memorial Healthcare System
San Diego City Council President, Georgette Gómez
San Diego Habitat for Humanity
San Joaquin County Hispanic Chamber of Commerce
San Mateo County Transit District (SamTrans)
San Ramon Valley Fire Protection District
Santa Clara Valley Water District
Santa Ynez Community Services District
Shafter Parks and Recreation District
Silicon Valley @ Home
Silicon Valley Leadership Group
Solano Irrigation District
Solano Transportation Authority
South Coast Water District
Southern California Association of NonProfit Housing
SPUR (San Francisco Bay Area Planning and Urban Research
Association)
Rural County Representatives of California (RCRC)
Stege Sanitary District
The Two Hundred
Town of Discovery Bay Community Services District
Town of Yountville
United Contractors
Urban Counties of California
Ventura Council of Governments
Western Center on Law and Poverty
Western States Council Sheet Metal, Air, Rail, and
Transportation