



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, regardless of what the city, county, or special district proposes to use the funds for.

However, local school districts must only achieve 55 percent voter approval for school bonds to fund the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of schools, or the acquisition or lease of real property vote (Proposition 39, 2000).

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 or affordable housing, or the acquisition or lease of real property for those purposes. 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:

American Planning Association CA`
 Bay Area Council
 California Association of Housing Authorities
 California Association of Sanitation Agencies
 California Coalition for Rural Housing
 California Contract Cities
 California Council of Governments
 California Housing Consortium
 California Housing Partnership
 California Labor Federation
 California Library Association
 California Park & Recreation Society
 California Professional Firefighters
 California Special Districts Association
 California State Association of Counties
 California State Association of Electrical Workers
 California State Council of Laborers
 California State Pipe Trades Council
 California Transit Association
 City of Camarillo
 City of Davis
 City of Gustine
 City of Laguna Beach
 City of Lathrop
 City of Lodi
 City of Moorpark
 City of San Luis Obispo
 City/County Association of Governments of San Mateo County
 East Bay Municipal Utilities District
 Greater Merced Chamber of Commerce
 International Union of Elevator Constructors
 International Union of Operating Engineers
 League of California Cities
 Midpeninsula Regional Open Space District
 Professional Engineers in California Government (PECG)
 Santa Clara Valley Water District
 Silicon Valley @ Home
 Solano Transportation Authority
 Southern California Association of NonProfit Housing
 SPUR (San Francisco Bay Area Planning & Urban Research Association)
 Urban Counties of California
 Ventura Council of Governments
 Western States Council of Sheet Metal Workers

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