



## Assemblymember Cecilia Aguiar-Curry, 4<sup>th</sup> Assembly District

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

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**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  
 Bay Area Regional Health Inequities Initiative  
 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 Berkeley  
 City of Burbank  
 City of Camarillo  
 City of Ceres  
 City of Chowchilla  
 City of Davis  
 City of East Palo Alto  
 City of El Centro  
 City of Emeryville

**SUPPORT (continued)**

City of Goleta  
City of Gustine  
City of Hayward  
City of Laguna Beach  
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 Sacramento  
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 Sonoma  
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  
Eric Garcetti, Mayor, City of Los Angeles  
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  
Pacifica Friends of the Library  
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