



Memorandum

TO: Joint MTC Legislation Committee and
ABAG Legislation Committee

DATE: November 8, 2018

FR: Executive Director

RE: November 2018 Election: Impact on Transportation & Housing

This memorandum focuses primarily on statewide and regional transportation and housing measures, but it is not exhaustive. The memo also surveys the landscape of the legislative races in this election. All results are unofficial and based on results available as of November 8, 2018.

SB 1 Transportation Funding Remains Intact

A comfortable majority of voters statewide (55 percent) rejected Proposition 6, which aimed to repeal the new taxes for transportation enacted by Senate Bill 1 (2017) and institute a new voter approval requirement for future vehicle or fuel taxes. Opposition to the proposal was overwhelming in the Bay Area with 70 percent voting no. Specific votes by county are listed below.

Bay Area Proposition 6 Votes by County

County	Yes	No	Total	Vote in Favor	Votes Against
Alameda	65,880	180,766	246,646	27%	73%
Contra Costa	81,276	144,314	225,590	36%	64%
Marin	16,883	51,744	68,627	25%	75%
Napa	8,007	13,188	21,195	38%	62%
San Francisco	37,735	171,479	209,214	18%	82%
San Mateo	28,322	62,015	90,337	31%	69%
Santa Clara	98,625	193,894	292,519	34%	66%
Solano	50,727	65,148	115,875	44%	56%
Sonoma	37,654	90,304	127,958	29%	71%
Bay Area Total	425,109	972,852	1,397,961	30%	70%

Statewide Housing Bonds Approved

Another important success story on Tuesday was passage of Propositions 1 and 2 by 54 percent and 61 percent, respectively. Proposition 1 authorizes up to \$4 billion in general obligation bonds to fund specified housing assistance programs and Proposition 2 authorizes up to \$2 billion in revenue bonds to fund existing housing programs for individuals with mental illness. Proposition 10, which would have expanded local governments' authority to enact rent control on residential property was rejected by 62 percent and Proposition 5, which would have allowed homeowners over 55 to transfer their previous Proposition-13-set property tax base to replacement property, was rejected by 58 percent of voters.

Dozens of Significant Local & Regional Measures Approved

Bay Area voters were generally in favor of making significant new local investments in affordable housing, transportation and resilient infrastructure on Tuesday, though there were some notable disappointments, including the City of San Jose's affordable housing bond. See Attachment A for a listing by category of some of the more significant measures tracked by staff. The biggest ticket items approved include:

- City of San Jose's Measure T, which authorizes \$650 million in general obligation bonds to upgrade infrastructure and mitigate for flooding, among other elements.
- San Francisco's Proposition A, which authorizes \$425 million in bonds over 30 years to gird the San Francisco Embarcadero seawall for earthquakes, flooding, and rising seas.
- San Francisco's Proposition C, a new tax on San Francisco-based businesses to fund housing and homeless services. Note that this measure is likely to face a legal challenge on the basis of vote threshold.
- Marin County Measure AA, an extension of the county's 1/2-cent transportation sales tax through 2049 expected to generate an estimated \$872 million over 30 years.
- San Mateo's proposed transportation sales tax increase is currently just short of passage with 66.18% but there are many votes that remain to be counted in San Mateo County.

The November 2018 election was notable for the number of local taxes proposed, whether new taxes on cannabis businesses, hotels, or general sales taxes. Overall, of the 54 local taxes staff tracked that were not related to transportation, 49 were approved for a 90% success rate. The five that failed were all subject to a 2/3 vote.

Outside the Bay Area, voters in San Benito County passed Measure G, a 1-cent sales tax for transportation, expected to raise \$480 million over 30 years. City of Burbank voters passed Measure P, a 3/4-cent sales tax, at least part of which is proposed to fund streets, bridges, and other infrastructure, and is expected to bring in \$600 million over 30 years. City of Pasadena voters passed Measure I, a 3/4-cent general sales tax with an accompanying advisory measure that directs two-thirds of the funds to aging infrastructure and services to the homeless. Los Angeles County passed Measure W (Yes: 67%, No: 33%), a parcel tax for water capture and flood protection, expected to raise \$9 billion over 30 years.

Very Limited Changes to Bay Area's State and Federal Delegations

The Bay Area's Congressional delegation remains unchanged with the vast majority of incumbents winning their re-election by 70 percent or more. Control of the U.S. House of Representatives is currently estimated to belong to the Democratic Party, which won at least 220 of the 435 seats. Local representative, and former Speaker of the House, Nancy Pelosi, is the possible next Speaker of the new cohort of Representatives. All committees of jurisdiction in the House are to be headed by new chairpersons, as of yet unannounced. California's Senate delegation remains unchanged, as Senator Dianne Feinstein was reelected with at least 54% of the vote. The Republican Party remains in control of the U.S. Senate, likely strengthening their majority in that chamber.

In the California Assembly, we welcome two new assembly members to the Bay Area delegation:

- Buffy Wicks (56% of the vote, D-14th District), replacing outgoing Assembly Member Tony Thurmond who ran for School Superintendent.
- Robert Rivas (64% of the vote, D-30th District) who defeated Neil Kitchens. (The seat was previously held by Assembly Member Anna Caballero, who won her bid for Senate District 12).

In the California State Senate, only Senator Mike McGuire and Senator Bob Wieckowski were up for reelection and both won their races by substantial margins.

Steve Heminger

SH:rl

J:\COMMITTEE\Legislation\Meeting Packets\Legis2018\11_LEGIS_Nov 2018\Sai_Handout_Election Recap.docx

Summary of Major Bay Area Ballot Measures Related to Transportation, Housing & Infrastructure

Status as of November 7, 2018 (subject to change pending final vote certification)

Dedicated Transportation Funding Measures		
Marin County Measure AA	Extension of ½-cent sales tax through 2049	Passed (Yes: 75%, No: 25%)
San Mateo County Measure W	New ½-cent sales tax for transportation	Unclear (Currently Yes: 66%, No: 34%)
City of Dixon Measure N	New 10-year ½-cent sales tax for transportation	Failed (Yes: 38%, No: 62%)

Dedicated Housing Funding		
City of San Jose Measure V	\$650 million in GO bonds for homeless and affordable housing	Failed (Currently Yes: 61%, No: 39%)
San Francisco Proposition C	Tax on businesses to raise funds for housing and homeless services. Estimated to raise \$7.5-9.0 billion over 30 years	Passed (Yes: 60%, No: 40%)
East Palo Alto Measure HH	Commercial office space parcel tax to fund affordable housing and job opportunities (\$2.50 per square foot) for affordable housing estimated to raise \$50 million over 30 years	Passed (Yes: 77%, No: 23%)
City of Santa Rosa Measure N	\$124 million bond to advance housing recovery following the 2017 wildfires	Failed (Yes: 59%, No: 41%)
City of Berkeley Measure O	\$135 million bond for affordable housing	Passed (Yes: 76%, No: 24%)
City of Napa Measure F	Hotel tax increase of 1% to improve or preserve availability of affordable or workforce housing estimated to raise \$63 million over 30 years	Passed (Yes: 68%, No: 32%)
County of Napa Measure I	Hotel tax increase of 1% to improve or preserve availability of affordable or workforce housing estimated to raise \$33 million over 30 years	Too close to call (Yes: 67%, No: 33%)
City of Calistoga Measure D	Hotel tax increase of 1% to improve or preserve availability of affordable or workforce housing estimated to raise \$15 million over 30 years	Passed (Yes: 76%, No: 24%)

Vacant Property Taxes		
City of Oakland Measure W	Estimated to generate \$200 million over 20 years	Passed (Yes: 68%, No: 32%)
City of Richmond Measure T	20-year vacant property tax to fund homeless services, housing and blight reduction	Failed (Yes: 58, No: 43)

Other Infrastructure/Open Space Funding Measures		
San Francisco Proposition A	\$425 million bond for SF Embarcadero seawall	Passed (Yes: 82%, No: 18%)
City of San Jose Measure T	\$650 million bond for infrastructure and resiliency to mitigate floods and general disaster response. \$50 million set-aside for Coyote Valley to help protect city from floods.	Passed (Yes: 69%, No: 31%)
East Bay Regional Parks Measure FF	Extension of \$12/year parcel tax to maintain and improve the parks, including wildfire prevention, public access improvements and habitat enhancement	Passed (Yes: 84, No 17%)
Sonoma County Measure M	10-year, 1/8-cent sales tax to improve and protect Sonoma County's parks, safeguard water and wildlife, reduce wildfire risk, and expand walking, biking and hiking trails estimated to raise \$42 million over 30 years	Passed (Yes: 70%, No: 30%)

Rent Stabilization		
City of Alameda Measure K	Changes to city's rent review and limitations on eviction's law	Failed (Yes: 41, No: 59)
City of Berkeley Measure Q	Adjustments to anticipate potential passage of Proposition 10 and exempt accessory dwelling units from rent stabilization	Passed (Yes: 69, No: 31)
City of Oakland Measure Y	Just Cause Eviction to remove exemption for owner-occupied duplexes and triplexes and allow city counsel to limit landlord's right to eviction	Passed (Yes: 56, No: 45)

Business Taxes		
City of Mountain View Measure P	New business license between \$8 to \$149 per employee estimated to raise \$180 million over 30 years. Revenue for general purposes.	Passed (Yes: 69%, No: 31%)