

Memorandum

TO: Joint MTC Legislation Committee and
ABAG Legislation Committee

DATE: February 1, 2019

FR: Executive Director

RE: ACA 1 (Aguiar-Curry): Voter Approval Requirements for Local Tax and Bond Measures

Background

ACA 1 would lower the vote threshold for local special taxes and bonds to fund affordable housing and public infrastructure projects from two-thirds to 55 percent, the same level required for certain school bonds. In 2000, voters passed Proposition 39, a similar constitutional amendment allowing school districts, community colleges and county offices of education to issue certain school bonds (capped at a certain amount based on the tax burden it would impose on property owners) by 55 percent. Similar proposals have been introduced in Sacramento virtually every year. To date, few have progressed beyond the committee stage due to the challenge of the legislation itself obtaining two-thirds support of each house.

Recommendation: Support

Discussion

Bay Area voters are extremely generous and enthusiastic supporters of taxing themselves to help fund transportation improvements. Local and regional funds comprise 70 percent of transportation revenue in Plan Bay Area 2040's Final Preferred Scenario, the majority of which were voter approved. In addition, voters in a number of cities and Bay Area counties have recently approved bonds and taxes dedicated to affordable housing. Nonetheless, in some parts of the region, such as Solano County, a sales tax measure has been tried numerous times, but repeatedly fallen short of the two-thirds margin. In November 2018, 63 percent of voters in the City of Dixon (which is part of Assembly Member Aguiar-Curry's district), supported a new 10-year ½-cent sales tax dedicated to transportation, falling short of the 2/3rds threshold. The success stories are also hard fought; in November 2018, San Mateo County's Measure W, a new ½-cent sales tax, barely squeaked passed the 2/3rds hurdle after almost a month of nail-biting.

In the affordable housing realm, several local measures would have passed last November under a 55 percent approval threshold. Specifically, the City of San Jose's \$650 million affordable housing bond (Measure V) had 62 percent support, the City of Santa Rosa's \$124 million bond (Measure N) had 58 percent support and the City of Richmond's vacant property tax (Measure T) had 60 percent support.

MTC and ABAG have long supported proposed constitutional amendments to reduce the vote threshold for transportation improvements, most recently in the case of SCA 6 (Wiener, 2017). ACA 1 takes a broader approach and includes affordable housing and public infrastructure, consistent with the CASA Compact's *Call to Action* to lower the vote threshold for special taxes or bonds related to affordable housing. The bill defines affordable housing to include "housing developments, or portions of housing developments, that provide workforce housing affordable to households earning up to 150 percent of countywide median income, and housing developments, or portions of housing developments, that provide housing affordable to lower, low-, or very low income households, as those terms are defined in state law." The bill defines public infrastructure to include any of the following:

- Water or protect water quality.
- Sanitary sewer.
- Treatment of wastewater or reduction of pollution from stormwater runoff.
- Protection of property from impacts of sea level rise.
- Parks.
- Open space and recreation facilities.
- Improvements to transit and streets and highways.
- Flood control.
- Broadband Internet access service expansion in underserved areas.
- Local hospital construction.

Consistent with our 2019 Joint Advocacy Program, staff recommends a support position on ACA 1.

Bill Positions

Support: Pending

Oppose: None on file



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