

Assembly Constitutional Amendment

No. 11

Introduced by Assembly Member Caballero

March 20, 2017

Assembly Constitutional Amendment No. 11—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by adding Article XXXIV A thereto, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

ACA 11, as introduced, Caballero. California Middle Class Affordable Housing and Homeless Shelter: funding.

The California Constitution prohibits the development, construction, or acquisition of a low-rent housing project, as defined, in any manner by any state public body until a majority of the qualified electors of the city, town, or county in which the development, construction, or acquisition of the low-rent housing project is proposed approve the project by voting in favor at an election, as specified.

This measure would create the California Middle Class Affordable Housing and Homeless Shelter Account in the General Fund for the support of local and state programs that assist in the development or acquisition of housing, as specified. The measure would impose a tax upon all retailers at the rate of 0.25% of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this state on and after January 1, 2019. The measure would impose an excise tax on the storage, use, or other consumption in this state of tangible personal property purchased from any retailer on and after January 1, 2019, for the storage, use, or other consumption in this state at a rate of 0.25% of the sales price of the property. The measure would require

the revenues, less refunds, from these taxes to be deposited in the California Middle Class Affordable Housing and Homeless Shelter Account. The measure would require the funding to be distributed throughout the state in an equitable fashion for housing acquisition and development projects in local jurisdictions in proportion to the local jurisdiction's share of the regional housing need incorporated into the housing element of the local jurisdiction's general plan. The measure would authorize the distribution of these revenues in the form of loans, grants, tax credits, revenue bonds, and other financing options to acquire or construct additional affordable housing stock, as specified. The measure would prohibit these revenues from being used for any other purposes except as specified.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

1 WHEREAS, The availability of affordable housing for middle
2 class and lower income households, and adequate housing and
3 shelter options for homeless individuals is of vital statewide
4 importance; and
5 WHEREAS, Lack of supply and rising costs are compounding
6 growing inequality and limiting advancement opportunities for
7 younger Californians and decreasing California's ability to attract
8 and retain employers; and
9 WHEREAS, Californians from all walks of life, including
10 veterans, teachers, school employees, public safety employees,
11 seniors, young families, people with disabilities, farmworkers,
12 homeless people, and individuals and families of lower and
13 moderate income need additional rental and home ownership
14 opportunities; and
15 WHEREAS, Providing Californians with additional safe and
16 affordable rental and home ownership opportunities requires a
17 stable and reliable source of funding which, when combined with
18 other local, state, and federal housing programs, ensures that
19 funding will be available for these opportunities; and
20 WHEREAS, The purpose of this measure is to provide a
21 significant, stable, and reliable source of funding to expand the
22 availability of affordable housing for middle class and lower
23 income households, and increase housing and shelter options for
24 homeless individuals; now, therefore, be it

1 *Resolved by the Assembly, the Senate concurring,* That the
2 Legislature of the State of California at its 2017–18 Regular
3 Session commencing on the fifth day of December 2016, two-thirds
4 of the membership of each house concurring, hereby proposes to
5 the people of the State of California, that the Constitution of the
6 State be amended as follows:

7 That Article XXXIV A is added thereto, to read:

8
9 ARTICLE XXXIV A

10 CALIFORNIA MIDDLE CLASS AFFORDABLE HOUSING
11 AND HOMELESS SHELTER
12

13 SECTION 1. (a) The California Middle Class Affordable
14 Housing and Homeless Shelter Account is hereby created in the
15 General Fund to receive and disburse the revenues derived from
16 the incremental increases in taxes imposed by this section, as
17 specified in subdivision (b).

18 (b) (1) In addition to the taxes imposed by Part 1 (commencing
19 with Section 6001) of Division 2 of the Revenue and Taxation
20 Code, for the privilege of selling tangible personal property at
21 retail, a tax is hereby imposed upon all retailers at the rate of 0.25
22 percent of the gross receipts of any retailer from the sale of all
23 tangible personal property sold at retail in this State on and after
24 January 1, 2019.

25 (2) In addition to the taxes imposed by Part 1 (commencing
26 with Section 6001) of Division 2 of the Revenue and Taxation
27 Code, an excise tax is hereby imposed on the storage, use, or other
28 consumption in this State of tangible personal property purchased
29 from any retailer on and after January 1, 2019, for the storage, use,
30 or other consumption in this State at the rate of 0.25 percent of the
31 sales price of the property.

32 (3) The Sales and Use Tax Law (commencing with Section
33 6001 of the Revenue and Taxation Code) including any
34 amendments thereof enacted on or after the effective date of this
35 section, shall apply to the taxes imposed pursuant to this
36 subdivision.

37 (c) Revenues, less refunds, derived pursuant to subdivision (b)
38 shall be deposited in the California Middle Class Affordable
39 Housing and Homeless Shelter Account and shall not be considered
40 “General Fund revenues,” “state revenues,” or “General Fund

1 proceeds of taxes” for purposes of Sections 8 and 8.5 of Article
2 XVI, and their implementing statutes. Revenues authorized by this
3 article shall not be used for any purpose except as specified in this
4 article.

5 SEC. 2. (a) Revenues within the California Middle Class
6 Affordable Housing and Homeless Shelter Account shall be
7 available to support local and state programs that assist in the
8 development or acquisition of the following:

9 (1) Home ownership assistance for first-time home buyers.

10 (2) Multifamily housing with rents affordable to middle-,
11 moderate-, lower, low-, and very low income households, as those
12 terms are defined in Section 50093 of the Health and Safety Code,
13 on January 1, 2017.

14 (3) Housing and shelter for homeless individuals.

15 (b) Funding shall be distributed throughout the State in an
16 equitable fashion for housing acquisition and development projects
17 in local jurisdictions in proportion to the local jurisdiction’s share
18 of the regional housing need incorporated into the housing element
19 of the local jurisdiction’s general plan.

20 (c) Revenues made available by this article to support local and
21 state housing programs may be distributed in the form of loans,
22 grants, tax credits, revenue bonds, and other financing options to
23 acquire or construct additional affordable housing with the
24 objective of efficiently leveraging the availability of other state,
25 federal, and local resources and private sector investment to
26 maximize the number of households and individuals assisted.