



2018 STATEWIDE AND LOCAL BALLOT MEASURES

City Council Meeting
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BACKGROUND

- On Tuesday, November 6, 2018 a General Election will be held throughout California.
- The City of Santa Rosa has identified statewide and local ballot measures that may have potential impacts to Santa Rosa.
- City Council may consider taking a formal position of support or opposition.

2018 CALIFORNIA BALLOT PROPOSITIONS

- Staff has identified six (6) statewide ballot propositions and one (1) local ballot measure to be considered.
- The statewide ballot measures are Proposition 1, Proposition 2, Proposition 3, Proposition 5, Proposition 6 and Proposition 10.
- The local ballot measure is Measure M.

PROPOSITION 1: AUTHORIZE BONDS TO FUND SPECIFIED HOUSING ASSISTANCE PROGRAMS

- This proposition allows the state to sell \$4 billion in new general obligation bonds for various housing programs.
- Proceeds from the bond sale would be awarded to program applicants through a competitive process administered by the state.
- This proposition could provide needed affordable housing resources for Santa Rosa's most vulnerable populations.
- *Staff recommends supporting Proposition 1.*

PROPOSITION 2: AUTHORIZES BONDS TO FUND EXISTING HOUSING PROGRAM FOR INDIVIDUALS WITH MENTAL ILLNESS

- This proposition allows the state to carry out the No Place Like Home program.
- Specifically, the measure approves the use of Mental Health Services Act Funds for the No Place Like Home program and authorizes \$2 billion in bonds to pay for the No Place Like Home Program.
- Absent this proposition, the state will need court approval to proceed with the No Place Like Home program.
- This proposition could provide needed affordable housing resources for Santa Rosa's most vulnerable populations.
- *Staff recommends supporting Proposition 2.*

PROPOSITION 3: AUTHORIZES BONDS TO FUND PROJECTS FOR WATER SUPPLY AND QUALITY, WATERSHED, FISH, WILDLIFE, WATER CONVEYANCE, AND GROUNDWATER SUSTAINABILITY STORAGE

- This proposition allows the state to sell \$8.9 billion in new general obligation bonds for various water and environmental projects.
- The funds fall into six broad categories: watershed lands, water supply, fish and wildlife habitat, water facility upgrades, groundwater and flood protection.
- Separate from the \$8.9 billion bond, this proposition also changes how the state must spend some existing funding relating to Green House Gases (GHG's).
- This proposition provides opportunities for grant funding for Santa Rosa water.
- *Staff recommends supporting Proposition 3.*

PROPOSITION 5: CHANGES REQUIRMENTS FOR CERTAIN PROPERTY OWNERS TO TRANSFER THEIR PROPERTY TAX BASE TO REPLACEMENT PROPERTY

- This proposition amends the State Constitution to expand the special rules that give property tax savings to eligible homeowners when they buy a different home.
 - The measure could have multiple effects on property tax revenue.
 - It is anticipated that in the first few years, schools and local governments would each potentially lose over \$100 million per year.
 - Proposition 5 could certainly impact Santa Rosa, but the fiscal impact or dollar amount is very hard to quantify.
- *Staff does not recommend taking action on Proposition 5.*

PROPOSITION 6: ELIMINATES CERTAIN ROAD REPAIR AND TRANSPORTATION FUNDING. REQUIRES CERTAIN FUEL TAXES AND VEHICLE FEES BE APPROVED BY THE ELECTORATE

- This proposition amends the State Constitution to require the Legislature to get voter approval for new or increased taxes on the sale, storage, use, or consumption of gasoline or diesel fuel, as well as for taxes paid for the privilege of operating a vehicle on public highways.
 - This proposition also eliminates any fuel and vehicle taxes passed after January 1, 2017 and up to the date the Proposition 6 could take effect in December. This would eliminate the increased fuel taxes and transportation improvement fees enacted by SB 1.
 - It is anticipated that in the current fiscal year, this proposition would reduce SB 1 tax revenues by \$2.4 billion. Two years from now the revenue reduction would total approximately \$5.1 billion annually.
 - The funding reductions would mainly affect highway and road maintenance and repair programs, as well as transit programs.
- *Staff recommends opposing Proposition 6.*

PROPOSITION 10: EXPANDS LOCAL GOVERNMENTS' AUTHORITY TO ENACT RENT CONTROL ON RESIDENTIAL PROPERTY

- This proposition repeals the limits on local rent control laws in Costa Hawkins Rental Housing Act. If passed, cities and counties could regulate rents for any housing.
- The measure does not make any changes to local rent control laws, with cities and counties needing to take separate actions to change their local laws.
- The effects of this proposition would depend on how many communities pass new laws, how many properties are covered, and how much rents are limited.
- Overall, the proposition likely would reduce state and local revenues in the long term, with the largest effect on property taxes.

➤ *Staff does not recommend taking action on Proposition 10.*

MEASURE M: SONOMA COUNTY PARKS MEASURE

- This local measure proposes a 1/8-cent sales tax dedicated to parks within Sonoma County, including city operated parks, which will generate \$11.5 million per year for 10 years.
- If passed, two-thirds of the funds would go to county parks and one-third would go to cities for park improvements.
- This measure must pass with two-thirds voter approval and funds may only be utilized for parks, and not reduce existing funding for parks and recreation.
- The funds could benefit the City of Santa Rosa by providing additional support for projects at city-wide, neighborhood and community parks, recreational program support, and fire fuel reduction projects.

➤ *Staff recommends supporting Measure M.*

STAFF RECOMMENDATION SUMMARY

- Proposition 1 – Support
- Proposition 2 – Support
- Proposition 3 – Support
- Proposition 5 - No Action
- Proposition 6 – Oppose
- Proposition 10 – No Action
- Measure M - Support

RECOMMENDATION

- It is recommended by the City Manager's Office that the Council, by resolution, consider taking a formal position on the November 6, 2018 California statewide and local ballot measures that could potentially have impact to the City of Santa Rosa.