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
Antelope Valley Healthcare District
Association of Bay Area Governments
Association of California Healthcare Districts
Bay Area Council
Bay Area Housing Advocacy Coalition
Bay Area Regional Health Inequities Initiative
Beach Cities Health District
Bear Valley Community Services District
Beaumont Library District
Beaumont-Cherry Valley Water District
Brooktrails Township Community Services District
Burbank Housing
Byron-Bethany Irrigation District
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 Community Builders
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 Transportation Commission (CTC)
California State Treasurer, Fiona Ma
Cameron Park Community Services District
Chan Zuckerberg Initiative
Chicano Federation of San Diego County
Chico Area Recreation and Park District
Chino Valley Fire District

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SUPPORT (continued)
Cities Association of Santa Clara
City of Alameda
City of Albany
City of Arvin
City of Berkeley
City of Beverly Hills
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 El Cerrito
City of Emeryville
City of Goleta
City of Gustine
City of Hayward
City of La Quinta
City of Laguna Beach
City of Lathrop
City of Lodi
City of Long Beach
City of Los Alamitos
City of Manteca
City of Marin
City of Merced
City of Milpitas
City of Moorpark
City of Murrieta
City of Napa
City of Novato
City of Oakdale
City of Oakland
City of Oceanside
City of Pinole
City of Placentia
City of Redwood City
City of Ripon
City of Riverbank
City of Sacramento
City of San Luis Obispo
City of Santa Monica
City of Stockton
City of Tracy
City of Ventura
City of Walnut Creek
City of West Hollywood
City of Yucaipa
City/County Association of Governments of San Mateo County
Coalition for a New Community Library and Resource Center
Conejo Recreation District
Contra Costa Family Economic Security Partnership
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
Eastern Plumas Recreation District
Eden Housing
Enterprise Community Partners
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
Gateway Cities Council of Governments
Goleta West Sanitary District
Greater Merced Chamber of Commerce
Groveland Community Services District
Habitat for Humanity East Bay/Silicon Valley
Hamilton Families
Hayward Area Recreation and Park District
Inland Empire Utilities Agency
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
Manteca Chamber of Commerce
Marin County Transit District
Marin County Council of Mayors and Councilmembers
Metropolitan Transportation Commission
Midpeninsula Regional Open Space District
SUPPORT (continued)
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)
Sacramento Metro Chamber
Salinas Valley Memorial Healthcare System
San Diego City Council President, Georgette Gómez
San Diego Habitat for Humanity
San Diego 350
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)
Related California
Rural County Representatives of California (RCRC)
Stege Sanitary District
Tahoe City Public Utilities District
The Two Hundred
TMG Partners
Town of Discovery Bay Community Services District
Town of Yountville
Transportation Agency for Monterey County (TAMC)
Transportation California
United Contractors
Urban Counties of California
Valley Center Fire Protection District
Valley Center Parks & Recreation District
Ventura Council of Governments
Ventura County Transportation Commission
West County Wastewater District
Western Center on Law and Poverty
Western States Council Sheet Metal, Air, Rail, and Transportation
Working Partnership USA
ACA 1 – Fiscal Accountability Provisions

ACA 1 requires that a qualifying proposition must contain ALL of the following accountability and transparency measures to ensure fiscal responsibility:

1. The proceeds of the tax may only be used for purposes specified in the proposition. Proceeds may not be used for any other purpose, including employee salaries or other operating expenses of the local government.
2. The proposition itself must list the specific project(s) to be funded, and certify that the local government has evaluated alternative funding sources.
3. The local government must conduct an annual, independent performance audit during the entire lifetime of the tax to ensure that the proceeds have been expended only on the specific projects listed in the proposition.
4. The local government must post these audits publically and in a manner easily accessible to the public.
5. The local government must appoint a citizens’ oversight committee to ensure the proceeds are expended only for the purposes described in the measure approved by the voters.

At the request of the California Chamber of Commerce, ACA 1 requires that any tax imposed must apply uniformly to all taxpayers or real property. This bill prohibits a tax imposed on a particular class of property or group of taxpayers, like business properties only

AB 570 (the ACA 1 companion measure) clarifies that a parcel tax imposed pursuant to ACA 1 may include an exemption for any of the following (this is existing law):
(a) Seniors age 65 or older.
(b) Persons receiving Supplemental Security Income (SSI) for a disability, regardless of age.
(c) Persons receiving Social Security Disability Insurance (SSDI) benefits, regardless of age, whose yearly income does not exceed 250 percent of the 2012 federal poverty guidelines.