



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and City Council **DATE:** August 20, 2018

FROM: Matthew Bronson, City Manager

PREPARED BY: Matthew Bronson, City Manager

SUBJECT: November 2018 State Ballot Initiatives Including Proposition 6

RECOMMENDATION

Receive information on upcoming November 2018 State ballot initiatives and adopt Resolution opposing Proposition 6 and consider taking City positions on other initiatives.

BACKGROUND

Staff wished to bring the Council an update on State ballot initiatives on the upcoming general election on November 6, 2018 and engage the Council about potentially taking positions as a City on initiatives that impact local governments in consultation with the League of California Cities (League). The League will be present at the Council meeting to speak on these initiatives and the League's positions. The Council previously adopted a resolution on May 21, 2018 taking positions on select statewide initiatives for the June 2018 primary election and three prospective initiatives for the November 2018 ballot as shown in Attachment 2.

November 2018 Ballot Initiatives

Below are the initiatives included on the November ballot (note the numbering has restarted with this election:

- Proposition 1 (\$4 billion bond for housing assistance and veterans home ownership programs)
 - Proposition 2 (enaction of No Place Like Home Act of 2018 to support homeless housing)
 - Proposition 3 (\$9 billion bond for water infrastructure projects)
 - Proposition 4 (\$1.5 billion bond for construction at hospitals providing children's health care)
 - Proposition 5 (changes requirements for certain property owners to transfer their property tax base for new property)
 - Proposition 6 (repeal of SB 1 funding for road repair and transportation projects)
 - Proposition 7 (repeals Daylight Saving Time Act and conforms Daylight Savings Time to federal law)
 - Proposition 8 (regulates charges for outpatient kidney dialysis clinics)
 - Proposition 9 (removed from ballot by California Supreme Court)
 - Proposition 10 (expands local government authority to enact rent control on residential property)
 - Proposition 11 (requires private sector emergency ambulance employees to remain on-call during work breaks)
 - Proposition 12 (establishes new standards for confinement of specified farm animals)
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Further information about these initiatives is available on the California Secretary of State's website at <http://www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures/> with additional information at the League's website at <https://www.cacities.org/2018BallotMeasures>. Of these 12 initiatives on the November ballot, the League has taken a support position on Propositions 1, 2, and 3 and an oppose position on Proposition 6. Below is additional information on these four initiatives:

Proposition 1

The "Veterans and Affordable Housing Bond Act" is a \$4 billion general obligation bond for affordable housing projects, infill infrastructure projects, and veterans home ownership programs. The Legislature placed the bond on the ballot through the passage of SB 3 in 2017 as part of a 15 bill legislative package designed to generate funds for affordable housing construction and streamline the housing construction process. If the Housing Bond passes, money will be available to invest in much-needed affordable housing for very-low and low-income households, veterans and agricultural workers. Funds will be geared toward multi-family housing construction, development and rehabilitation, transit-oriented development, infill development and other programs. The League supports this initiative to help fund affordable housing programs in the state.

Proposition 2

The League supports this initiative that would enact the No Place Like Home Act of 2018 and submits that act to the voters at the November 2018 statewide general election. The initiative would specify that the service contracts between the authority and the department may be single-year or multiyear contracts and provide for payments to the department from amounts on deposit in the Supportive Housing Program Subaccount. In addition, it would include any appropriation or transfer to the No Place Like Home Fund from the General Fund or other funds as monies required to be paid into the No Place Like Home Fund. The initiative would authorize the Legislature to amend the No Place Like Home Act of 2018 by a two-thirds vote, so long as the amendment is consistent with and furthers the intent of the act.

Proposition 3

The League supports this measure that would authorize approximately \$9 billion in state general obligation bonds for various water infrastructure projects: \$3.03 billion for safe drinking water and water quality, \$2.895 billion for watershed and fisheries improvements, \$940 million for habitat protection, \$855 million for improved water conveyance, \$685 million for groundwater sustainability/storage, and \$472 million for surface water storage/dam repairs. It appropriates money from the General Fund to pay off bonds and requires certain projects to provide matching funds from non-state sources; gives priority to disadvantaged communities.

Proposition 6

The League opposes Proposition 6 which would repeal SB 1 approved by the Legislature in 2017. SB 1 (The Road Repair and Accountability Act of 2017) provides over \$5 billion in transportation funding annually through increasing the gas tax and vehicle license fees for road repairs and other critical transportation funding needs. Grover Beach is anticipated to receive approximately \$225,000 annually in SB 1 funding which the Council has allocated along with other gas tax revenues for repairing major streets. Repealing SB 1 would eliminate \$5 billion in existing transportation funding to cities over the next 10 years and stop funding for more than 6,500 bridge, road safety, transportation, and public transit improvement projects currently underway throughout the state. As an example, the Grover Beach train station expansion project is funded in part through SB 1 funding provided to San Luis Obispo County. There is a broad coalition opposing this initiative including the California Professional Firefighters, California Association of Highway Patrolmen, American Society of Civil Engineers, business, local government, labor, environmentalists and first responders. The SLOCOG Board of

Directors has also taken action to oppose Proposition 6 given the funding impacts to San Luis Obispo County. More information about this proposition is available from the League at <https://www.cacities.org/Policy-Advocacy/Hot-Issues/2018-Statewide-Ballot-Measures/No-on-Proposition-6>.

Requested Action

The Council is asked to consider adoption of a Resolution opposing Proposition 6 and provide policy direction on potential City positions on other initiatives. Staff is recommending adoption of a Resolution opposing Proposition 6 given the Council's previous adoption of a Resolution on May 21, 2018 with City positions on June 2018 ballot initiatives and prospective November 2018 initiatives including the repeal of SB 1. The Proposition 6 Resolution would be consistent with the Council's previous action. Pending policy direction on potential positions on other statewide initiatives, staff would bring a Resolution with these positions to the Council for adoption at a later date.

FISCAL IMPACT

There is no specific fiscal impact from this item. However, repeal of SB 1 funding through passage of Proposition 6 would reduce existing transportation funding to the City of Grover Beach by approximately \$225,000 annually.

ALTERNATIVES

The Council has the following alternatives to consider:

1. Adopt Resolution opposing Proposition 6 and consider taking City positions on other initiatives; or
2. Modify or do not adopt the Resolution opposing Proposition 6; or
3. Do not consider taking City positions on other statewide initiatives; or
4. Provide alternative direction to staff.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

ATTACHMENTS

1. Resolution
2. City positions on June 2018 statewide initiatives and prospective November 2018 initiatives

RESOLUTION NO. 18-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, TAKING A POSITION TO OPPOSE PROPOSITION 6 ON THE NOVEMBER 2018 GENERAL ELECTION WHICH WOULD REPEAL SB 1 FUNDING FOR TRANSPORTATION PROJECTS THROUGHOUT CALIFORNIA

WHEREAS, in May 2018 the Grover Beach City Council reviewed upcoming and prospective statewide ballot initiatives on the June 2018 and November 2018 elections in consultation with the League of California Cities to determine whether to take City positions on these initiatives; and

WHEREAS, the Grover Beach City Council adopted a Resolution on May 21, 2018 opposing a prospective ballot initiative for the November 2018 general election that would repeal SB 1 transportation funding throughout California and this initiative subsequently qualified for the ballot as Proposition 6; and

WHEREAS, SB 1 provides over \$5 billion in transportation funding annually through increasing the gas tax and vehicle license fees for road repairs and other critical transportation funding needs; and

WHEREAS, the League of California Cities opposes Proposition 6 as repealing SB 1 which would eliminate \$5 billion in existing transportation funding to cities over the next 10 years and stop funding for more than 6,500 bridge, road safety, transportation, and public transit improvement projects currently underway throughout the state.

WHEREAS, the City of Grover Beach would lose approximately \$225,000 annually in existing transportation funding if SB 1 was repealed which the City Council has allocated along with other gas tax funding to repair major streets in the city.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover Beach, does hereby take a position to oppose Proposition 6 on the November 2018 general election.

On motion by Council Member _____, seconded by Council Member _____, and on the following roll-call vote, to wit:

AYES:	Council Member –
NOES:	Council Member –
ABSENT:	Council Member –
ABSTAIN:	Council Member –

the foregoing Resolution was **PASSED, APPROVED**, and **ADOPTED** at a regular meeting of the City Council of the City of Grover Beach, California this 20th day of August, 2018.

**** D R A F T ****

JOHN P. SHOALS, MAYOR

Attest:

DONNA L. McMAHON, CITY CLERK

**City of Grover Beach Positions on June 2018 State Ballot Initiatives and
Prospective November 2018 State Ballot Initiatives**

Upcoming Initiatives on June 2018 Primary Election			
Initiative	Description	League Position	City Position
Proposition 68	\$4 billion bond for parks, water, and climate and environmental protection projects	Support	Support
Proposition 69	Constitutional protection for new vehicle license fees under SB 1 to only be used for transportation projects	Support	Support
Proposition 70	Creation of Greenhouse Gas Reduction Reserve Fund	Neutral	Neutral
Proposition 71	Effective date of statewide ballot measures	Neutral	Neutral
Proposition 72	Exclusion of rain-capture systems from property-tax reassessment requirement	Support	Support

Prospective Initiatives on November 2018 General Election			
Initiative	Description	League Position	City Position
Restriction of Local Tax Authority	Requires 2/3 vote for all tax measures and 2/3 Council vote on all fees and applies retroactive to January 1, 2018	Oppose	Oppose
SB 1 Repeal	Repeals SB 1 approved in 2017 by the Legislature that provides over \$15 billion in new transportation funding for local streets and roads over the next 10 years by increasing the gas tax and vehicle license fees	Oppose	Oppose
Housing Bond	Provides \$4 billion in new funding for affordable housing and infill development projects	Support	Support