

Legislation and Communications Committee



# Express support for ballot measure ACA 1: Local government financing: affordable housing and public infrastructure: voter approval

Item 7-8

June 10, 2024

# Ballot Measure ACA 1

## Subject

Express support for ballot measure ACA 1: Local government financing: affordable housing and public infrastructure: voter approval; the General Manager has determined that the action is exempt or otherwise not subject to CEQA.

## Purpose

Seeking Board support for ACA 1 which adjusts the voting threshold for local agency revenue measures for specified public infrastructure projects, including water and wastewater; scheduled for November 2024 ballot

# Ballot Measure ACA 1

## ACA 1: Local government financing: affordable housing and public infrastructure: voter approval

### Sponsors

- California Professional Firefighters
- California State Building and Construction Trades Council

### Summary

ACA 1 adjusts the voting threshold for local agency revenue measures to 55% for specified public infrastructure projects, including water and wastewater, which is consistent with public school districts

# Ballot Measure ACA 1

## Key Provisions

- Adjusts voter approval threshold to 55% from supermajority (two-thirds) for specified project types (housing and public infrastructure)
- Allows for new ad valorem tax, exempt from the 1% limit, for voter-approved debt if approved by 55% of voters
- Allows bonds & local special taxes (parcel, sales and use) by the local agency on the ballot to be passed with a 55% majority
- Includes control measures, and allows for additional legislative control

# Benefits to Metropolitan & Member Agencies

If passed, ACA 1 would:

- Provide parity for local governments with public school systems regarding voting thresholds for specified revenue measures
- Improve local agency ability to raise revenues for water and other specified infrastructure projects
- Increases project success rate and improves water supply management

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## Ballot Measure ACA 1

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## Support & Opposition

### Supporters (partial)

- California Professional Firefighters (co-sponsor)
- California State Building and Construction Trades Council (co-sponsor)
- California American Federation of State, County and Municipal Employees, AFL-CIO
- Santa Clara Valley Water District Valley Water

### Opposition (partial)

- California Association of Realtors
- California Chamber of Commerce
- California Taxpayers Association
- Howard Jarvis Taxpayers Association



# Ballot Measure ACA 1

## Opposition Arguments

- Vague definition of “infrastructure”
- Erodes Proposition 13 property tax protections, including the 1 percent ad valorem total cap
- Lowers current voter thresholds from two-thirds (supermajority) to 55%, and may result in increased special and property taxes to property owners

# Ballot Measure ACA 1

## Options

### Option #1

- Express Support for Ballot Measure ACA 1: Local government financing: affordable housing and public infrastructure: voter approval

### Option #2

- Take no action



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# Staff Recommendation

- Option #1

