

TOWNSEND

PUBLIC AFFAIRS

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MEMO

To: City of Cupertino
Legislative Review Committee

From: Townsend Public Affairs, Inc.

Date: March 12, 2021

Subject: Consider adopting a position on Assembly Constitutional Amendment 1 (Aguiar-Curry) Local Government Financing: Affordable Housing and Public Infrastructure: Voter Approval

Summary

ACA 1 would lower the necessary voter threshold from a two-thirds supermajority to 55 percent to approve local general obligation bonds and special taxes for affordable housing and public infrastructure projects.

Under the provisions of ACA 1, projects eligible for approval with a 55 percent threshold would be:

- Affordable Housing including housing developments, or portions of housing developments, that provide workforce housing affordable to households earning up to 150 percent of countywide median income, and housing developments, or portions of housing developments, that provide housing to lower, low-, or very-low income households.
- Permanent supportive housing for persons at risk of chronic homelessness.
- The acquisition or lease of real property for public infrastructure, which includes projects that provide the following: water or protect water quality, sanitary sewer, treatment of wastewater or reduction of pollution from stormwater runoff, protection of property from impacts of rising sea levels, parks and recreation facilities, open space, improvements to transit and streets and highways, flood control, broadband internet access service expansion in underserved areas, local hospital construction, public safety buildings or facilities, or public library facilities.

ACA 1 also contains other requirements related to the issuance of bonds, including that annual independent audits be performed to ensure that funds have been expended only on specific projects outlined above, that audit information be made easily accessible to the public, and that a citizens' oversight committee be appointed to ensure that bond proceeds are expended only for the purposes described in the measure approved by voters.

Should ACA 1 be approved by the Legislature, it would appear on a statewide ballot and need to be approved by a majority of voters at a statewide election prior to becoming law.

According to the author, "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.”

The provisions contained within ACA 1 support several of the items contained within the City's Legislative Platform related to the support for legislation that creates funding opportunities for water and wastewater infrastructure, transportation, and efforts to address homelessness.

Status

ACA 1 was introduced on December 7th. The bill has not yet been referred to policy committee.

Support

Since ACA 1 has not yet been set for hearing, an official list of supporters is not yet available. However, the measure is substantially similar to ACA 1 from the 2019-20 Legislative Session, which was supported by a number of organizations, including: California Labor Federation, California Professional Firefighters, League of California Cities, California State Assn of Counties, California Contract Cities Assn, California Assn of Housing Authorities, California Library Assn, Santa Clara Valley Water District, and Santa Clara County.

Opposition

Since ACA 1 has not yet been set for hearing, an official list of opposition is not yet available. However, the measure is substantially similar to ACA 1 from the 2019-20 Legislative Session, which was opposed by Howard Jarvis Taxpayers Assn and Valley Industry and Commerce Assn.

Recommended Action

A) Adopt a support position on ACA 1 and authorize the Mayor to send letters to the state legislature, unless the City Council decides to place this bill on a future Council agenda to consider as the full Council; Or B) Make a recommendation that the City Council take a support position on ACA 1.