



Monterey County

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Board Report

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Current Status: Agenda Ready

Matter Type: General Agenda Item

Adopt an oppose position and resolution on Proposition 5: People's Initiative to Protect Proposition 13 Savings; and a support position on Proposition 10: Affordable Housing Act, which will appear on the November 6, 2018 ballot.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt an oppose position and resolution on Proposition 5: People's Initiative to Protect Proposition 13 Savings; and a support position on Proposition 10: Affordable Housing Act, which will appear on the November 6, 2018 ballot.

SUMMARY

The Board's Legislative Committee met on September 10, 2018 and reviewed and made recommendations to the Board of Supervisors two statewide ballot measures appearing on the November 6, 2018 ballot, Propositions 5 and 10. The Committee recommends an oppose position on Proposition 5. The California State Association of Counties (CSAC) opposes this measure and has requested that Counties adopt a resolution in opposing

DISCUSSION

Proposition 5 - People's Initiative to Protect Proposition 13 Savings - OPPOSE

Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replacement Property. Initiative Constitutional Amendment and Statute.

The California State Association of Counties (CSAC) voted in May to formally oppose Proposition 5, the People's Initiative to Protect Proposition 13 Savings (i.e. the Realtors Property Tax Initiative). For counties interested in joining CSAC's opposition, CSAC encourages counties to adopt the attached Resolution. **(Exhibit A)**

According to CSAC, Proposition 5 is solely sponsored by the real estate industry and is opposed by a broad coalition including local government, public safety, education, seniors, and labor. The Proposition would permanently erode the property tax base and result in county losses totaling hundreds of millions dollars statewide growing to \$1 billion annually for local governments. Statewide, Proposition 5 will also result in losses totaling \$1 billion annually from school property tax.

CSAC further notes that despite claims by the real estate industry: 1) State law already provides seniors, homeowners with a disability, and disaster victims the ability to transfer their existing property

tax bill to a new home; 2) Proposition 5 does nothing to address the statewide housing crisis or help first time homebuyers or seniors struggling to afford their rent. In fact, it could drive the housing costs higher; and 3) The local control currently granted to a Board of Supervisors for property tax bill transfers is wiped out by Proposition 5. The Proposition would require every county to accept out-of-county tax bills to transfer in to their county. Current law authorizes each Board of Supervisors to make that decision.

Attached to this report is a report from the Legislative Analyst's Office (LAO), the California Legislature's nonpartisan fiscal and policy advisor, on Proposition 5. **(Exhibit B)**

Proposition 10 - Local Rent Control Initiative - SUPPORT

Expands Local Governments' Authority to Enact Rent Control on Residential Property. Initiative Statute.

Proposition 10 would repeal the limits on local rent control laws under the Costa-Hawkins Rental Housing Act. Under the measure, cities and counties can regulate rents for any housing. They also can limit how much a landlord may increase rents when a new renter moves in. The measure itself does not make any changes to local rent control laws. With a few exceptions, cities and counties would have to take separate actions to change their local laws. The measure requires that rent control laws allow landlords a fair rate of return. This puts the results of past court rulings into state law.

The chief proponent of the measure is Michael Weinstein of the Aids Healthcare Foundation (AHF). AHF is a powerful player in Los Angeles healthcare and housing policy. Supporters of Proposition 10 include housing and tenants groups, the Democratic Party and public employee labor groups. Opponents include business groups, developers, property owners and building trades labor groups.

When Proposition 10 was discussed at the September 10, 2018, Legislative Committee meeting, four members of the public, most of whom were representing the Monterey County Area Agency on Aging Advisory Council, spoke in support of the measure.

Attached to this report is a report from the Legislative Analyst's Office (LAO), the California Legislature's nonpartisan fiscal and policy advisor, on Proposition 10. **(Exhibit C)**

If the Board adopts positions on Proposition 5 and/or Proposition 10 CAO-IGLA staff will notify CSAC and the appropriate campaigns for and against the initiatives as appropriate of the Board's positions.

OTHER AGENCY INVOLVEMENT

The CAO-Intergovernmental & Legislative Affairs Division prepared this report with information provided by the County's state legislative advocates (Nossaman LLP), the Legislative Analyst's Office, and Ballotpedia.

FINANCING

Approval of the recommendation included in this report will not result in additional General Fund contributions.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES

Support for these ballot measures is in alignment with all of the Board's Strategic Initiatives.

Mark a check to the related Board of Supervisors Strategic Initiatives

- R Economic Development
- R Administration
- R Health & Human Services
- R Infrastructure
- R Public Safety

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Approved by: Nicholas E. Chiulos, Assistant CAO

Nicholas E. Chiulos, Assistant County Administrative Officer

Date

Attachments are on file with the Clerk of the Board

September 17, 2018

Attachments:

- **Exhibit A** - Resolution - Opposing Proposition 5
- **Exhibit B** - LAO Report on Proposition 5
- **Exhibit C** - LAO Report on Proposition 10