
MEMORANDUM

To: City of Fullerton
From: Townsend Public Affairs
Date: July 3, 2018
Subject: Monthly Report for the City of Fullerton — June 2018

| Legislative Platform | Topic | Specific Activity | Status |
|--|---------------------------|---|--|
| FUNDING | | | |
| <p>Guiding Principles: Support Funding Opportunities</p> <p>Parks and Recreation: Support funding for the acquisition of additional land in West Coyote Hills.</p> | West Coyote Hills Funding | <p>TPA is working with City staff and Blaise on creating and tracking a funding strategy for West Coyote Hills.</p> <p><i>Statewide Legislation:</i></p> <p>With the recall of Senator Newman, SB 714 is now dead. TPA is working with key stakeholders in Sacramento to allocate the \$15 million that was secured in the 2017 State Budget to the City of Fullerton</p> <p>On June 5, California voters approved Proposition 68 which authorized \$4 billion in general obligation bonds for state and local parks, environmental protection projects, water infrastructure projects, and flood protection projects. The Proposition included the \$4.8 million to the State Coastal Conservancy to fund a conservation program at West Coyote Hills.</p> | <p><i>Statewide Legislation:</i></p> <p>TPA is working with key stakeholders in Sacramento to allocate the \$15 million that was secured in the 2017 State Budget to the City of Fullerton as well as to allocate the Proposition 68 funding in the FY 2019-2020 Budget.</p> |
| LEGISLATION | | | |
| Legislative Action | Pending Legislation | <p>TPA has provided the City with a priority legislative funding matrix and tracker along with draft letters of support and opposition on various bills that are consistent with the priorities adopted in the platform. A comprehensive list of bills as well as the status of letters can be found in the attached legislative matrix.</p> <p>TPA has provided updates and information on relevant legislation to appropriate City staff. TPA has provided updates and information on the following issues: federal</p> | <p>TPA has provided timely updates on several state federal issues of importance to the City. TPA has provided draft letters of support and opposition and has transmitted signed letters to the</p> |

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| | | appropriations process, budget updates on budget funding that would impact the City of Fullerton including funding for West Coyote Hills, the Fox Theatre, the Fullerton Boys and Girls Club and the Muckenthaler, and State legislative updates on various bills that link to the city's legislative platform. | appropriate Legislators and Committee staff. |
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State Political Update

In the month of June, the Legislature focused on passing bills out of their respective policy committees as well as finalizing the 2018-2019 Budget in preparation for the June 15 Budget deadline. There are approximately 1400 bills still alive in the Legislature. All bills will need to be addressed before the Legislature adjourns on August 31.

Below is a list of upcoming dates in the Legislature:

- **July 6 – Last day for policy committees to pass bills**
- **July 6 – Summer Recess begins on adjournment**
- **August 6 – Legislature reconvenes from Summer Recess**
- **August 17 – Last day for fiscal committees to pass bills**

On June 5 voters participated in the Statewide Primary Election. Assembly Democrats retained their two-thirds majority by electing Luz Rivas (D-North Hollywood) and Jesse Gabriel (D-Northridge). Additionally, it was confirmed that Senate Democrats lost their two-thirds majority when Senator Josh Newman (D-Diamond Bar) was recalled. Senator Ling-Ling Chiang (R-Diamond Bar) was sworn in on June 25 to replace Senator Newman. Furthermore, a special election for Senate District 32, which was vacated by Senator Tony Mendoza, will be held on August 7. If Democrats retain their control of this Senate seat, they will still be one vote shy from a two-thirds majority. Any legislation requiring a two-thirds vote for the rest of this legislative year will require Republican support.

Update on West Coyote Hills Legislation and Funding:

SB 714 (Newman) – Oppose unless Amended

- With the recall of Senator Newman, SB 714 is now dead. TPA is working with key stakeholders in Sacramento to allocate the \$15 million that was secured in the 2017 State Budget to the City of Fullerton.

Proposition 68 – Parks Bond

On June 5, California voters approved Proposition 68 which authorized \$4 billion in general obligation bonds for state and local parks, environmental protection projects, water infrastructure projects, and flood protection projects.

The Proposition included \$4.8 million to the State Coastal Conservancy to fund a conservation program at West Coyote Hills. TPA will be working with key stakeholders in Sacramento to allocate this funding in the FY 2019-2020 budget.

Fiscal Year 2018-2019 Enacted Budget

The Legislature passed the 2018-2019 Budget (SB 840) on June 14, one day before the constitutional deadline of June 15. The enacted budget includes \$201.4 billion in both general and special funds. Additionally, the 2018-2019 budget is the third consecutive budget that includes a notably higher-than-expected tax revenue. The Governor and Legislature used this budget surplus to invest in the State's Rainy-Day Fund as well as other one-time expenditures.

The Budget included the following items to benefit the City of Fullerton

- \$45,000 to the Boys and Girls Club of Fullerton
- \$25,000 to the Natural Resources Agency for the Muckenthaler sprinkler system
- \$2,500,000 for the Fox Theatre

The Budget also represents the first full year of funding under SB 1 (2017) with \$4.6 billion in new transportation funding allocated to state agencies and local governments. The funding will repair local roads, State highways and bridges, potholes, passenger rail, public transit, and ease congestion in busy trade and travel corridors throughout the State.

Another key item in this year's budget is the State's expanding efforts to combat poverty and homelessness. The budget invests \$5 billion to provide affordable housing, including \$500 million to assist local governments in their immediate efforts to help homeless Californians.

Building on the Legislature's desire to curb higher education costs to students, the enacted Budget also continues to increase funding for the State's education system, including university and community colleges. The Budget increases per-student funding more than \$4,600 over 2011-2012 levels and allocates \$78.4 billion in funding to K-14 schools, representing a 66 percent increase in annual funding from seven years ago. The Budget also establishes the State's first-ever online community college system and will increase higher education spending by over \$600 million compared to fiscal year 2017-2018.

The Budget was signed by the Governor on June 27. The Governor did not exercise any line item vetoes in signing the budget package.

Cap and Trade Funding

The Governor and Legislature each introduced their respective expenditure plans for Cap and Trade funds earlier this year. Shortly after the Budget negotiations, the Governor and the Legislature agreed on a \$1.4 billion Cap and Trade expenditure plan to invest in programs that further reduce pollution and support climate related efforts. Major allocations were made to the following:

- \$20 million to the California Natural Resources Agency for Urban Greening Program
- \$40 million to the Strategic Growth Council for the Transformative Climate Communities Program
- \$165 million to the Department of Forestry and Fire Protection for preventative measures to combat wildfires
- \$645 million to the Air Resources Board for investments in low emission fleet vehicles and regional air quality improvements

November 2018 Ballot Update

There are twelve ballot propositions that have been certified for the election on November 6, 2018. At the end of this report, a summary of those twelve measures has been included.

Federal Legislative Update

In June, Congress advanced several appropriations bills to fund the federal government in Fiscal Year (FY) 2019 as the possibility of a government shutdown in October becomes more prevalent.

Furthermore, Congress failed to advance immigration bills to provide legal protections for Dreamers and harden border security infrastructure despite increased efforts from Congressional leadership and the White House.

In a flurry of activity, the Supreme Court handed down major rulings on immigration, labor, and women's health before Justice Anthony Kennedy announced his retirement, effective July 31. The pending Supreme Court nomination will likely further contribute to the tension as Congress is running out of opportunities to pass major legislation before the midterm election campaign season accelerates.

Budget and Appropriations

House and Senate Appropriations Committees are in the process of releasing 12 funding bills each (24 total) with proposed federal funding levels in FY 2019. As these bills are released, they will begin moving through each chamber's process (committee consideration, floor consideration, floor passage). So far, none have been passed by both chambers and signed by the President.

Due to TPA's continued advocacy efforts, many of the funding levels for FY 2019 are proposed to be similar to the FY 2018 levels (most of which also saw increases over FY 2017 levels). Many of these funding increases create better opportunities to receive grant funding, both through federal programs that award funds directly to applicants and through state programs that receive federal dollars.

Congress will continue to debate these appropriations bills before FY 2019 begins on October 1, 2018. TPA is monitoring any potential roadblocks to the passage of all appropriations bills prior to September 30, which Congress has only been able to do without an extension four times in the last 40 years. TPA anticipates seeing similar delays this September.

Justice Anthony Kennedy's Retirement

On the day the Supreme Court completed their cases for the current term, Associate Justice Anthony Kennedy, who President Reagan appointed to the court in 1988, announced he would retire effective July 31. Justice Kennedy was often considered the swing vote between four liberal and four conservative justices. This announcement has set off a battle between Senate Democrats and Republicans over the nomination of a new justice that could solidify a 5-4 conservative majority for years to come and potentially reopen rulings on abortion, LGBT rights, affirmative action, and other issues.

Replacement Process

President Trump indicated that his search for a nominee to replace Justice Kennedy would begin immediately, and that his nominee would be chosen from a list of 25 potential candidates released by the White House last November.

Majority Leader Mitch McConnell (R-KY) indicated that the Senate intends to vote this Fall on whether to confirm President Trump's nominee. Additionally, Senate Judiciary Committee Chairman Chuck Grassley (R-IA) signaled that President Trump's nominee will receive swift consideration by his panel.

Senate Minority Leader Chuck Schumer (D-NY) also indicated that Leader McConnell is "engaging in hypocrisy" by pledging to advance a Supreme Court nomination during an election year after blocking President Obama's nomination of Judge Merrick Garland after the death of Justice Antonin Scalia in February 2016. Shortly after Justice Scalia's death, Leader McConnell said that the Senate should not vote on a Supreme Court nominee as the presidential election would occur that November. This indicates that Democrats may be planning an opposition that could push nomination consideration later in the year.

Filibuster Rule Change

Prior to the consideration of President Trump's nomination of Neil Gorsuch in April 2017, Senate rules required 60 votes to allow for the consideration of Supreme Court nominees. However, after nearly all Senate Democrats opposed the nomination of Justice Gorsuch, Leader McConnell invoked the "nuclear option" to change Senate rules to allow for the consideration of Supreme Court nominees with just a simple majority of 51 votes.

As a result of this rule change and Vice President Mike Pence's role as the tiebreaking vote, the Senate can currently confirm President Trump's nominee with support from all but one Senate Republican if all Democrats vote no. If Senator John McCain (R-AZ) is unable to return to the Senate chamber for a vote due to health issues, Senate Republicans would need to maintain unified support for the President's nominee if Senate Democrats are united in opposition.

City of Fullerton Legislative Priorities

Housing and Economic Development

Legislative Platform: Policy Statements – Land Use Planning and Housing

- *Support housing measures that promote the development and enhancement of safe and affordable housing and accessible housing within the City for all economic segments of the population, while still retaining local control*
- *Support efforts to strengthen the legal and fiscal capability of local agencies to prepare, adopt and implement plans for orderly growth, development, beautification and conservation of local planning areas.*
- *Support local control over the licensure and regulation of alcoholism or drug abuse recovery or treatment facilities.*

Legislative Platform: Policy Statements – Public Works

- *Support the City securing their fair share of funding from SB 1 revenues to fund local transportation projects.*

Sober Living Homes

Legislation in Sacramento regulating sober living homes is working their way through the legislative process. All related bills are now in their respective appropriations committees after successfully passing out of their policy committees.

AB 1136 (Eggman) – Health facilities: residential mental or substance use disorder treatment.

AB 1136 would direct the State Department of Health to prepare a proposal to solicit a grant under the federal 21st Century Cures Act to develop a database to collect data about residential mental or substance use disorder treatment facilities. **AB 1136 has been referred to the Senate Appropriations Committee.**

AB 3162 (Friedman) – Alcoholism or drug abuse recovery or treatment facilities

AB 3162 would require the Department of Health Care Services to establish a permitting structure for sober living homes and would penalize operators who are not in compliance. Additionally, this bill would require the Department to post the addresses of sober living home licensees on their website. **AB 3162 has been referred to the Senate Appropriations Committee.**

SB 992 (Hernandez) – Alcoholism or drug abuse or recovery or treatment facilities.

Would change the definition of “alcoholism or drug abuse recovery or treatment facility” to include facilities that provide residential nonmedical services for less than 24 hours in a day, thereby subjecting additional facilities to oversight by the Department of Health Care Services. **SB 992 has been referred to the Assembly Appropriations Committee.**

At the federal level, TPA has been working with House and Senate committee staff, congressional members’ offices, including Representatives Rohrabacher, Moulton, Chu, Frankel, Bilirakis, and Knight, and non-governmental stakeholders, such as the National Fair Housing Alliance at the federal level, to identify a path forward for various pieces of sober living legislation.

Political Prospects for Zoning

Although there has been a persistent hesitancy in Congress to take up legislation that targets federal housing laws, due to the high probability of legal challenges citing Fair Housing Act violations, we are seeing a renewed resistance to touching the issue because of activist backlash to recent Fair Housing rule changes at the Department of Housing and Urban Development. Due to this resistance, there is a shrinking likelihood of zoning legislation moving in this Congress.

However, TPA has identified an increasing opportunity to leverage existing interest by instituting restrictions on the bad actors themselves to combat the proliferation of problematic recovery homes, and we have been taking advantage of that interest to create momentum for the issue at large. TPA has also worked to reframe the issue by building on public and congressional attention on the opioid crisis.

Despite political pushback in some areas, TPA is realizing major progress in the movement of two pieces of legislation concerning sober living homes. The House spent a significant portion of its focus in June advancing a package of opioid bills, including some related to sober living homes.

Congresswoman Chu's Bill

On June 12, the House unanimously passed the "Ensuring Access to Quality Sober Living Act" (H.R. 4684), sponsored by Congresswoman Judy Chu (D-CA). This bill would direct the Substance Abuse and Mental Health Services Administration to identify and publish best practices for operating recovery housing and to provide technical assistance to states seeking to adopt such practices. If finalized, this bill would be a first step to codifying standards against which recovery facilities could be judged.

TPA is working with Congresswoman Chu's office on the next steps, including consideration of their language as part of a larger Senate package expected to be considered later this year.

Congressman Rohrabacher's Amendment

On June 14, the House considered H.R. 5735, a bill sponsored by Congressman Andy Barr (R-KY) to create a demonstration program to set aside 10,000 section 8 housing vouchers for supportive and transitional housing for individuals recovering from substance use disorders. While this original bill text did not directly address issues with the operation of sober living homes, TPA urged Congressman Rohrabacher's office to attach components of his standalone sober living bill, H.R. 5742, to an opioid bill. Subsequently, Congressman Rohrabacher offered an amendment to the bill requiring facilities to demonstrate their compliance with local ordinances in order to be eligible for these funds. This amendment passed the House by a voice vote, and the underlying bill passed the House by a vote of 230 to 173.

Local Control Legislation

Legislative Platform: Guiding Principles – Preserve Local Control

- *Preserve and protect the City's powers, duties and prerogatives to enact local legislation and policy direction concerning local affairs and oppose legislation that preempts local authority. Local agencies should preserve authority and accountability for revenues raised and services provided*

Legislative Platform: Policy Statement - Administration

- *Support legislation that facilitates the ability of local government to share resources to increase efficiencies and decrease costs, including local efforts to address regional management of public safety personnel.*
- *Support legislation that facilitates the ability of local government to share resources to increase efficiencies and decrease costs, including local efforts to address regional management of public safety personnel.*

Legislative Platform: Policy Statement – Public Works

- *Oppose efforts that remove local regulatory authority on wireless infrastructure development.*

AB 1912 (Rodriguez) - Public employees' retirement: joint powers agreements: liability.

AB 1912 would hold all individual agencies of a JPA both jointly and severally liable for the retirement obligations of the JPA if that JPA should dissolve or cease their operations. AB 1912 took considerable amendments on June 20 which were aimed to address some stakeholder concerns. Those amendments included:

- Member agencies of a JPA would have no liability for a JPA's pension obligations unless the JPA fails or dissolves. (applies to all existing contracts)
- Prior to the final dissolution/termination of a JPA contract with CalPERS, the member agencies shall agree to proportional liability of the remaining pension obligations of the JPA.
 - If an agreement can't be reached, CalPERS would assign proportional liability.
 - If the member agencies don't agree with CalPERS assigned proportional liability, then the agencies would go to arbitration to be assigned liability.

After those amendments, the League of California Cities dropped their opposition to the bill. It is expected that AB 1912 will take further amendments prior to being heard in the Appropriations Committee. **AB 1912 has been referred to the Senate Appropriations Committee.**

Public Sector Labor Unions

On June 27, the U.S. Supreme Court ruled that public-sector unions cannot charge non-members mandatory agency fees. In siding with the petitioner in *Janus v. AFSCME*, the Court declared collection of agency fees a violation of constitutional First Amendment rights and overturned 41 years of precedent established by *Abood v. Detroit Board of Education*.

Background

In 1977, the Supreme Court unanimously ruled in *Abood v. Detroit Board of Education* that public-sector unions were permitted to collect fees from non-members to cover the cost of collective bargaining. The decision helped to clarify the distinction between a union's bargaining activities and its political activities, noting that non-members could not be compelled to pay for the latter.

Since the *Abood* case, there have been several attempts to reverse the Court's ruling. In 2013, Rebecca Friedrichs of Orange County challenged that distinction in *Friedrichs v. California Teachers Association*, arguing that public-sector employee unions were using funds from agency fees to support political activities. The case reached the Supreme Court but stalled after the sudden death of Justice Antonin Scalia left the court deadlocked at 4-4.

The lawyers representing *Janus* took a slightly different approach, arguing instead that all nonpolitical activities undertaken by a public-employee union, including collective bargaining, were inherently political because they concerned the expenditure of public funds.

Political Impacts

California's public-sector unions have been bracing for this decision since 2013 and have worked with state lawmakers to strengthen their position in the workplace and in the political arena. In 2017, the State budget included a provision adding a union presentation to the agenda for new employee orientations. That same year, Governor Brown approved a measure that would prevent employers from pressuring employees not to join a union. There are a number of bills currently working their way through the legislative process that would help unions maintain membership and incentivize workers to remain in their unions.

Still, most public-sector unions are expecting a membership decline, ranging from 10 percent to 30 percent of total membership. This drop equals hundreds of thousands of dollars annually and could significantly weaken the political strength of California's public-sector unions. Nationally, public sector political spending could drop from the \$166 million spent on federal races in 2016 to roughly \$55 million based on existing private-sector union membership trends.

Workplace Impacts

Twenty-eight states already prevent union organizing with "right to work" laws and this ruling effectively creates a nation-wide right to work environment. Locally, union membership must be opted into by employees and members must consent to having dues deducted from their pay, rather than opted out of as is currently the process. The larger impacts of the decision will vary greatly depending on local union leadership and direction from statewide union leaders.

Despite Justice Kagan's concern in the dissenting opinion that the decision could "disrupt existing contracts for millions of employees," the ruling does not address existing collective bargaining agreements, leaving them in place pursuant to contractual obligations. It also leaves local jurisdictions to determine how to deal with the "free rider" issue, providing employers and employee unions with flexibility of how to handle the distinction between member and non-members. It is widely anticipated that unions will stop offering grievance representation for afflicted employees who are not members and will likely push to provide larger pay increases and other benefits for collectively bargained positions while leaving non-represented positions to fend for themselves. Again, this will vary from union to union and may even vary from bargaining unit to bargaining unit within some of the larger unions.

Fiscal Sustainability

Legislative Platform: Guiding Principles – Promote Fiscal Sustainability

- *Oppose measures that shift local funds to the County, State or Federal Governments and/or make cities more dependent on the County, State or Federal Governments for financial stability, such as unfunded mandates or mandated costs with no guarantee of local reimbursement or offsetting benefits.*

Legislative Platform: Policy Statements – Administration

- *Support local sales and use tax reform to create an equitable distribution structure that appropriately captures and allocates online sales tax.*

State and Local Sales Tax Authority

On June 21, the U.S. Supreme Court ruled that state and local governments can require retailers with no physical presence in the state to collect sales tax. This 5-4 decision on *South Dakota v. Wayfair* is expected to result in billions of dollars in additional revenue for state and local governments.

Though most Internet retailers have a physical presence in the State of California and a 2012 state law requires many out-of-state Internet retailers to collect sales tax, a Government

Accountability Office (GAO) report estimates that this expanded taxing authority could potentially result in \$1 billion to \$1.7 billion in additional sales tax revenues in California. Prior to today's ruling, the same GAO report estimated that state and local governments could collect only 75 to 80 percent of the sales taxes that would be owed if all sellers were required to collect sales taxes on all remote sales.

In the majority opinion, Justice Anthony Kennedy noted that the rise in Internet sales provided an unfair advantage to certain online retailers. He said states should have the ability to seek fair enforcement of sales tax laws, which are key sources of revenue. This opinion reverses rulings made in 1967 and 1992 that ruled state laws to force collection of sales tax by out-of-state retailers as unconstitutional.

In the wake of this decision, TPA met with Lisa Soronen, the Executive Director of the State Local Legal Center. Ms. Soronen indicated that this decision is just the beginning of a process, particularly in terms of how states choose to try to implement this expanded taxing authority. TPA will continue to engage on this issue in Sacramento and Washington, DC and report back to the City.

Tax Fairness, Transparency and Accountability Act of 2018

In early 2018, California Business Roundtable, with major funding from the American Beverage Association, sponsored the Tax Fairness, Transparency and Accountability Act of 2018 as a result of recent fees on soda administered by various cities. This ballot measure would have required a two-thirds vote on all local tax measures (both general taxes and special taxes), repealed local taxes approved in 2018 by majority vote, and imposed restrictions on local fee adoption.

In an effort to convince the proponents to rescind the ballot initiative, the Legislature and Governor negotiated a deal that prevents cities and other local agencies from levying any new tax, fee or assessment on groceries, including soda, for twelve years. The legislative vehicle for the negotiated compromise, SB 872 (Budget), was introduced on June 25 and signed into law on June 28. The signing of this legislation successfully persuaded the ballot measure proponents to pull their initiative from the November 6 ballot.

SCA 20 (Glazer) – local sales tax: online sales

SCA 20 amends the California Constitution to provide that for purposes of allocating the Bradley-Burns share of the sales and use tax, the retail sale of tangible personal property transacted online is consummated at the point of delivery to the purchaser's address, or to any address designated by the purchaser. **SCA 20 is currently in the Senate Appropriations Committee Suspense File.**

Water Quality and Water Supply

Legislative Platform: Policy Statements – Water Quality and Water Supply

- *Monitor the development of a State framework for long term water conservation measures.*

Legislative Platform: Guiding Principles – Promote Fiscal Sustainability

- *Oppose measures that shift local funds to the County, State or Federal Governments and/or make cities more dependent on the County, State or Federal Governments for financial stability, such as unfunded mandates or mandated costs with no guarantee of local reimbursement or offsetting benefits.*

Budget Trailer Bill Language – Tax on Water

The Water Tax discussion is still in process and is expected to be discussed and debated after Summer Recess. During the Budget subcommittee process, both the Assembly and Senate rejected the Governor's proposal as written. The Assembly elected to replace the Governor's proposal with one of their own, while the Senate chose to take a most cautious approach and funded additional research staff positions as well as utilized the general fund and Proposition 2 funding for drinking water infrastructure.

Medicinal/Recreational Cannabis

Legislative Platform: Land Use Planning and Housing

- *Monitor local, state and federal actions related to medical and recreational marijuana regulatory changes.*

Legislative Platform: Police

- *Support local control for the regulation of cultivation, storage, manufacture, transport and use of medicinal and recreational marijuana and monitor legislative and administration activity to create a regulatory structure for medical and adult use.*

Cannabis

Senators Elizabeth Warren (D-MA) and Cory Gardner (R-CO) announced that they will partner to introduce a bill allowing states to set their own policies on cannabis, including on banking. The bill will be called the "Strengthening the Tenth Amendment Through Entrusting States (STATES) Act."

The Senators asserted that the bill would end the current legal conflicts where states like California have legalized cannabis, yet the substance remains illegal under federal law. Specifically, the bill would modify the existing Controlled Substances Act to say it no longer applies to those following state, territory or tribal laws "relating to the manufacture, production, possession, distribution, dispensation, administration or delivery of marijuana." The bill also is expected to exclude industrial hemp from the definitions of marijuana and clarify that certain business transactions are not considered trafficking under federal law.

While Senator Gardner stressed the pro-federalism aspects of the legislation, Senator Warren focused on how the bill might fix inequities that prohibit cannabis businesses from accessing banking.

Additionally, Senate Minority Leader Chuck Schumer (D-NY) introduced his own bill, the "Marijuana Freedom and Opportunity Act," which would entirely decriminalize cannabis at the federal level by removing it from the list of scheduled substances under the Controlled Substances

Act. Under such a regulatory regime, the federal government would maintain authority to prevent trafficking of cannabis to states where it is not legal.

November 2018 Ballot Update

There are twelve ballot propositions that have been certified for the election on November 6, 2018. The following is a summary of those twelve measures.

Proposition 1 – SB 3 (Beall) – Veterans and Affordable Housing Bond Act of 2018

Summary: Would issue \$4 billion in bonds for affordable housing, veterans housing, and home loans. The measure would distribute bond revenue as follows:

- \$1 billion for the CalVet Home Loan Program, which offers loans to veterans for the purchase of homes, farms, units in cooperative developments, and mobile homes;
- \$1.5 billion for the Multifamily Housing Program (MHP), which offers loans for the construction, rehabilitation, and preservation of rental housing for persons with incomes of 60 percent or below of the area median income;
- \$150 million for the Transit-Oriented Development Implementation Fund, which offers loans and grants to local governments and developers for housing projects near transit stations;
- \$300 million for the Regional Planning, Housing, and Infill Incentive Account, which offers grants for infill infrastructure that supports high-density affordable and mixed-income housing;
- \$150 million for the Home Purchase Assistance Program, which offers loans to low-income and moderate-income homebuyers;
- \$300 million for the Joe Serna, Jr. Farmworker Housing Grant Fund, which offers grants and loans for farmworker housing;
- \$300 million for the Local Housing Trust Matching Grant Program, which offers matching grants to local housing trust funds for "pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing;" and
- \$300 million for the Self-Help Housing Fund, which provides forgivable loans for mortgage assistance, the development of multiple home ownership units, and manufactured homes.

Support: Speaker of the Assembly Anthony Rendon (D - South Gate)

Opponents: No opposition at this time

Proposition 2 – AB 1827 (Committee on Budget) – No Place like Home Act of 2018

History: In 2004, voters approved Proposition 63, which hiked the income tax on millionaires by 1 percent in order to fund mental health services and related programs. Twelve years later, state lawmakers passed a bill to spend \$2 billion on permanent supportive housing for those suffering from mental illness and to fund it out of the Proposition 63 account. A Sacramento lawyer sued, arguing that voters didn't sign off on housing construction or servicing new debt in 2004. Counties are now sitting on millions of dollars reserved for the homeless and unsure how to spend it. Rather than wait out the court battle, state lawmakers are taking the question to voters.

Summary: This Proposition will amend the previously passed ballot initiative and will provide the Legislature with the authority to spend \$2 billion from Proposition 63 in an effort to house the chronically homeless with mental illness.

Support: Speaker of the Assembly Anthony Rendon (D-63)

Opponents: No opposition at this time

Proposition 3 – Authorizes Bonds to Fund Projects for Water Supply and Quality, Watershed, Fish, Wildlife, Water Conveyance, and Groundwater Sustainability and Storage.

Summary: Would authorize \$8.77 billion in general obligation bonds for water infrastructure, groundwater supplies and storage, surface water storage and dam repairs, watershed and fisheries improvements, and habitat protection and restoration. The largest amount of bond revenue, \$2.355 billion, would go toward conservancies and state parks to restore and protect watershed lands and toward nonprofits and local agencies for river parkways. The measure would also allocate \$640 million to groundwater sustainability agencies to implement their plans and \$500 million for public water system infrastructure improvements to meet safe drinking water standards, including the treatment of contaminants or to ensure affordable drinking water.

Support: California Waterfowl Association, Ducks Unlimited, California Fresh Fruit Association.

Opponents: No opposition at this time

Proposition 4 – Authorizes Bonds Funding Construction at Hospitals Providing Children’s Health Care.

History: The California Children's Hospital Association has been very active in years past on ballot measures. In 2004, voters backed a \$750-million bond to fund similar infrastructure investments. Four years later, they approved another \$980-million in borrowing.

Summary: Would authorize \$1.5 billion in bonds for the construction, expansion, renovation, and equipping of children’s hospitals in California. Most of the funding is reserved for private non-profit hospitals and hospitals run through one of University of California campuses.

Support: California Teachers Association, California Children’s Hospital Association

As new breakthroughs in medicine enable children with complex health conditions to grow and thrive, the demand for specialized pediatric care is increasing

Opponents: Howard Jarvis Taxpayers Association

Proposition 5 – Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replacement Property.

Summary: As of 2018, homebuyers over 55 years of age were eligible to transfer their tax assessments from their prior home to their new home if the new home's market value is equal to or less than the prior home's value and only once in their lifetime. This measure would amend Proposition 13, (1978) to allow homebuyers who are age 55 or older or severely disabled to transfer the tax-assessed value from their prior home to their new

home, no matter the new home's market value; the new home's location in the state; or the number of moves. If the new home is a different value than the prior home, the initiative would allow for an adjusted value between the old and new values. If the new home has a higher market value than the prior home, the assessed value would be adjusted upward. If the new home has a lower market value than the prior home, the assessed value would be adjusted downward.

Support: California Realtors Association, California Chamber of Commerce

The benefit will free up single-family homes in a tight market

Opponents: California Teachers Association

Schools and local governments could lose billions in property tax revenue

Proposition 6 – Eliminates Recently Enacted Road Repair and Transportation Funding by Repealing Revenues Dedicated for those Purposes. Requires any Measure to Enact Certain Vehicle Fuel Taxes and Vehicle Fees be Submitted to and Approved by the Electorate. (SB 1 Repeal)

Summary: Would repeal fuel tax increases and vehicle fees that were enacted in 2017 and require majority voter approval (via ballot propositions) for the California State Legislature to impose, increase or extend fuel taxes or vehicle fees in the future.

Support: California Republican Party, Gubernatorial Candidate John Cox

Our politicians waste our tax dollars – and keep coming back for more

Opponents: California Chamber of Commerce, Governor Jerry Brown

This measure jeopardizes the safety of millions of Californians by stopping local communities from fixing their crumbling infrastructure.

Proposition 7 – AB 807 (Chu) Daylight Savings Time

Summary: Would repeal Proposition 12 (1949) which established California Daylight Savings Time. The Legislature would then be able to determine how the state sets its time—to eliminate moving clocks backward and forward every spring and fall. This measure has a couple of caveats even if voters approve it. It will require a second bill in the Legislature, and Congress would have to approve the ultimate goal—year-round daylight savings time.

Support: Governor Jerry Brown

Opponents: No opposition at this time

Proposition 8 – Authorizes State Regulation of Kidney Dialysis Clinics. Limits Charges for Patient Care.

History: The Service Employees International Union-United Healthcare Workers has had their sites trained on the California dialysis industry for years. They've sponsored legislation and floated ballot measures to mandate higher staffing ratios and regulate insurance payments. The majority of California Dialysis clinics, which serve patients suffering from kidney failure, are owned by two companies: DaVita Kidney Care and Fresenius Medical Care.

Summary: Would require dialysis clinics to issue refunds to patients or patients' payers for revenue above 115 percent of the costs of direct patient care. This ballot initiative aims

to curb the drastic increases in costs to dialysis patients by requiring repayments for amounts totaling the 115 percent cap. This Proposition would also prohibit the discrimination or refusal of service based on a patient's payer, including the patient him or herself, a private insurer, Medi-Cal, Medicaid, or Medicare. Currently there are over 575 state-licensed dialysis clinics in California.

Support: California Public Employee Retirement System (CalPERS)

Dialysis patient care is in crisis and it's driving up costs for all Californians

Opponents: California Medical Association, National Kidney Association

These arbitrary limits fail to cover all costs necessary to provide quality patient care

Proposition 9 – Division of California into Three States.

Summary: Would divide California into three separate states: California, Northern California and Southern California. "Northern California" would encompass cities such as San Francisco, San Jose and Sacramento. "California" would include the coastal cities of San Luis Obispo, Santa Barbara, as well as Los Angeles County. Southern California would include the majority of the Central Valley as well as San Bernardino, Orange, and San Diego counties. Partitioning California into three states would increase the size of the U.S. Senate from 100 to 104 members, thus requiring congressional approval.

Support: Tim Draper, Rep. Joel Anderson (R-38)

It will simply divide the state into smaller, more manageable populations

Opponents: Lt. Gov. Gavin Newsom, Gubernatorial Candidate John Cox

There have been repeated attempts to break up California and the voters have said over and over and over again that we aren't interested in doing that

Proposition 10 – Expands Local Governments' Authority to Enact Rent Control on Residential Property.

History: The State Legislature passed the Costa Hawkins Act in 1995 which places a state-wide moratorium on rent control laws. In addition, it also banned cities from applying existing rent regulation ordinances to new units. Now with an affordable housing crisis state wide, housing advocates want to give cities a tool to put a cap on rents.

Summary: Would allow local governments to adopt laws and regulations to govern how much landlords can charge tenants for renting apartments and houses by repealing the Costa-Hawkins Rental Housing Act (Costa-Hawkins). Costa Hawkins (1995) is a statute that limits the use of rent control in California by prohibiting cities from enacting rent control on housing first occupied after February 1, 1995. Costa-Hawkins also provided that landlords have the right to increase rent prices to market rates when a tenant vacates a unit. In 2016, the median rent in California was \$1,297 per month, according to the census bureau. Proposition 10 aims to provide immediate relief to the housing crisis by allowing local governments to use rent control to combat California's skyrocketing housing costs.

Support: California Teachers Association, Los Angeles Mayor Eric Garcetti

California is experiencing a housing and homeless crisis like we've never seen before and policies like Costa-Hawkins have had a devastating effect on housing affordability.

Opponents: California Apartment Association

Proposition 11 – Requires Private-Sector Emergency Ambulance Employees to Remain on Call During Work Breaks. Changes Other Conditions of Employment.

History: Two years ago, the state Supreme Court ruled that security guards cannot be required to keep their radios on and remain on call while enjoying their meal or break time. The EMT industry wants a specific exemption made for its workers. A number of private ambulance firms are facing class action lawsuits in California courts over break time violations, including American Medical Response, the Colorado-based company backing the initiative.

Summary: This proposition would change the labor law to allow for an exemption for employees of private-sector ambulance operators. Would allow ambulance providers to require workers to remain on-call (reachable by a portable communications device) during meals and rest breaks. Regulates timing of meal breaks for these employees. Exempts employers from potential liability for violations of existing law regarding work breaks. Requires employers to pay for employees to be trained regarding certain emergency incidents, violence prevention, and mental health and wellness.

Support: Californians for Emergency Preparedness and Safety

Opponents: California Teachers Association

Proposition 12 – Establishes New Standards for Confinement of Certain Farm Animals; Bans Sale of Certain Non-Complying Products.

History: In 2008, voters passed Proposition 2, an initiative sponsored by the Humane Society, which required that farm animals be allowed to stand up and turn around in their cages. This measure, also backed by the Humane Society, would put some specific numbers to the requirement and go a few steps further.

Summary: Would ban the sale of meat and eggs from valves raised for veal, breeding pigs, and egg-laying hens confined in areas below a specified number of square feet. The proposition would set specific criteria for the confinement of certain animals which would resolve ambiguity in current law.

Support: The Humane Society of the United States, Center for Food Safety, The Humane League

Californians know that locking farm animals in tight cages for the duration of their lives is cruel and compromises food safety

Opponents: Association of California Egg Farmers, National Pork Producers Council

This may result in supply disruptions, price spikes and shortage of food product available to consumers