## **Ballot Propositions**

Homeownership Housing Committee Land Use and Environmental Committee Taxation and Government Finance Committee Legislative Committee

The following is for study only and has NOT been approved by the Taxation and Government Finance Committee, the Legislative Committee, the Executive Committee, or the Board of Directors.

**Issue:** What position should C.A.R. take on the upcoming ballot propositions?

**Action:** Necessary, if C.A.R. wishes to take positions on the 8 additional propositions scheduled to appear on the November 2012 ballot and the 1 additional proposition scheduled to appear of the November 2014 ballot.

Option: C.A.R. Ballot Position Options:

- 1. FOR: This ballot measure is real estate related and consistent with C.A.R. policy and its passage could be beneficial to the real estate industry.
- 2. AGAINST: This ballot measure is real estate related and conflicts with C.A.R. policy and its passage could have a harmful effect on the real estate industry.
- 3. NEUTRAL: This ballot measure may be real estate related, but C.A.R. has chosen not to take a position.
- 4. NOT REAL ESTATE RELATED: This ballot measure may be significant, but is deemed to not be related to property or real estate transactions

## June 3, 2014, Primary Election Ballot

PROPOSITION NUMBER PENDING: Veterans Housing and Homeless Prevention Bond Act of 2014: Veterans Housing and Homeless Prevention Act of 2014. Legislative Constitutional Amendment.

**Committee:** Homeownership Housing Committee

**Summary:** Placed on the ballot in late 2013 by AB 639 (J. Perez), this measure proposes to amend the Veterans Bond Act of 2008 (Prop. 12), which authorized \$900 million in general obligation (GO) bonds for California Department of Veterans Affairs (CalVets) Home Loan Program. The program provides assistance to veterans purchasing homes, farms, and mobilehomes as principle residences. This measure would reallocate \$600 million of those bond funds to the Veteran's Housing and Homeless Prevention Bond Act of 2014 and will be used to construct, rehabilitate and preserve affordable multifamily and transitional housing for veterans and their families, with a specific focus on homeless veterans or those veterans at risk of homelessness.

**Pro:** CalVet has roughly \$1.1 billion of unused GO bonds from previous ballot measures for its veteran home purchase assistance program. California is home to one quarter of the entire nation's homeless veterans and yet has no programs directly targeted at meeting the housing needs for lower-income veterans. This measure creates a comprehensive and cost-effective approach to respond to the full range of housing and service needs of our veterans by reallocating unused funds from Prop. 12. It proposes to develop affordable multifamily and transitional housing for low-income veterans while preserving over \$500 million in existing bond authority for future veteran home purchase needs.

Con: Opposition to the measure has yet to register with the Secretary of State

NOTE: C.A.R.'s Board of Directors, at its Fall 2000 Meetings, voted to take a "FOR" position on Proposition 32 of 2000, known as the Veterans' Bond Act of 2000, which was approved by the voters. Proposition 32 provided for a bond issuance of \$500 million to provide financing for CalVet farm and home purchase program.

C.A.R.'s Board of Directors, at its Spring 2002 meetings took a "FOR" position on Proposition 46 of 2002, known as the Housing and Emergency Shelter Trust Fund Act of 2002, which was approved by the voters. Proposition 46 created the Housing and Emergency Shelter Trust Fund Act of 2002 which issued bonds totaling \$2.1 billion. This act has provided homeownership assistance for veterans and financed battered women shelters. It has also helped provide housing for low-income senior citizens, emergency shelters for homeless families with children, housing and social services for the homeless and mentally ill, as well as repairs and accessibility improvements to apartments for families and handicapped citizens.

C.A.R.'s Board of Directors, at its Fall 2008 Meetings, voted to take a "FOR" position on Proposition 12 of 2008, known as the Veterans Bond Act of 2008, which was approved by the voters. Proposition 12 authorized the state to sell \$900 million in GO bonds for the purpose of providing veteran's with CalVet Home Loans.

Position:	FOR	AGAINST	NEUTRAL	NOT REAL ESTATE RELATED
PROPOSIT	TION NUMBE	ER PENDING: Pu	ıblic Information.	Legislative Constitutional Amendment.

Committee: Taxation and Government Finance

**Summary:** Existing law under the California Public Records Act (CPRA) requires state and local agencies and governments to make records available to the general public for review while the Ralph M. Brown Act (Brown Act) requires both state and local agencies and governments to make meeting times, locations and discussion items available for participation and comment in advance of any scheduled meeting or hearing. With some exceptions, the state is required to reimburse cities, counties and local agencies for services related to state mandated programs and services. This measure has been placed on the ballot by SCA 3 (Leno) and clarifies that local agencies are required to comply with <u>all</u> current and future provisions of CPRA and the Brown Act regardless of whether the state reimburses local funds used to comply with these Acts.

**Pro:** proponents argue that this measure will ensure transparency in the government by requiring local agencies to comply with CPRA and the Brown Act.

**Con:** Opponents argue that this measure sets a dangerous precedent in exempting state mandates from reimbursement and would impose unmanageable costs on local governments.

NOTE: C.A.R.'s Board of Directors, at its Fall 2004 Meetings, voted to take a "NOT REAL ESTATE RELATED" position on Proposition 59 of 2004, which was approved by the voters. Proposition 59 amended the State Constitution to require meetings of public bodies and writings of public officials and agencies be open to public scrutiny.

C.A.R. has sponsored several pieces of legislation pertaining to government transparency. In 2011 C.A.R. sponsored AB 392 (Alejo) which failed to pass out of the legislature. That measure would have amend the Brown Act to require local governments to post meeting agendas as well as any accompanying staff reports on their website, if they have one, 72 hours prior to a scheduled meeting. In 2012 C.A.R. sponsored AB 1590 (Campos), which failed to pass out of the legislature. This measure would have made property tax Assessment Appeals Boards subject to the provisions of the Brown Act.

In 2013 C.A.R. sponsored SB 176 (Galgiani), which has stalled in the Senate Appropriations Committee. This measure originally encouraged government transparency by requiring the posting of all regulatory rulemaking notices in a central repository.

Position:	FOR	AGAINST	NEUTRAL	NOT REAL ESTATE RELATED
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## November 4, 2014, General Election Ballot

PROPOSITION NUMBER PENDING: Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Bond Measure.

**Summary:** Placed on the ballot in late 2009 by SB 2VXX (Cogdill) and amended by AB 1265 (Caballero), this measure proposes to enact the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 which would authorize \$11.14 billion of general obligation bonds to fund water infrastructure. The allocation of the bond funds would be as follows: \$3 billion for water storage projects, \$2.25 billion for delta sustainability, \$1.785 for ecosystem and watershed protection and restoration projects, \$1.4 billion for regional water supply reliability, \$1.25 billion for water recycling and treatment technologies, \$1billion for groundwater protection and water quality, and \$455 million for drought relief.

**Pro:** Proponents argue that there is an urgent need for comprehensive water reform, and this bond puts California on the path toward restoring the Sacramento-San Joaquin Delta, expanding water supplies and promoting conservation efforts that will ensure a clean, reliable water supply for the state.

**Con:** Opponents argue the state can't afford another massive bond, especially one that contains so many pet projects unrelated to solving the state's water crisis. Opponents further argue that those bond funds that would be used to improve the state's water supply may end up financing projects that have been previously discredited. Furthermore, this bond opens the door to the privatization of California's most precious resource by permitting private companies to own, operate and profit from reservoirs and other water-storage projects built with billions of taxpayer dollars and is tantamount to a giveaway to corporate farmers, and other special interests who will benefit from the water projects.

NOTE: C.A.R.'s Board of Directors, at its Winter 2010 meetings, adopted a "NEUTRAL" position on this proposition.					
Position: _	FOR	AGAINST	_X_NEUTRAL	NOT REAL ESTATE RELATED	
PROPOSITION NUMBER PENDING: State Budget, Changes California Budget Process, Limits					

PROPOSITION NUMBER PENDING: State Budget. Changes California Budget Process. Limits State Spending. Increases "Rainy Day" Budget Stabilization Fund. Legislative Constitutional Amendment.

**Summary:** Currently 3% of General Fund revenues are required to be transferred from the General Fund into the Budget Stabilization Fund (the state's reserve account) until the total amount in the reserve Fund reaches 5% of state revenues. Under this proposition, in addition to the 3% transfer, any "unanticipated" revenues (i.e., revenues that exceeded the amount expected based on revenues received by the state over the past twenty years) not used to satisfy education funding obligations, are to be transferred into the Budget Stabilization Fund. These transfers will be required until the Budget Stabilization Fund has reached 10% of the General Fund revenues. Once the fund has reached the 10% threshold, "unanticipated" revenues will then be directed toward debt repayment and other one-time expenditures. This measure also limits the spending of the Budget Stabilization Fund to periods when state revenues are insufficient to support the previous year's expenditures or when there is a state emergency (i.e., earthquake, flood, etc.) Finally, this measure creates the Supplemental Budget Stabilization Account, which will receive half of the mandatory 3% transfer from the General Fund and which can only be used to pay for one-time infrastructure projects or debt service obligations.

**Pro:** Proponents argue that this proposition could limit further deficits by increasing the size of the state "rainy day" fund and by requiring unexpected or above-average revenues to be deposited into the fund. They argue that this will provide readily available funds for use during economic downturns and for other purposes.

**Con:** Opposition to the measure has yet to register with the Secretary of State.

NOTE: C.A.R.'s Board of Directors, at its 1979 Meetings, voted to take a "FOR" position on Proposition 4 of 1979, known as the Gann Spending Limit, which was approved by the voters. The Gann Spending Limit amended the state constitution, and limited the amount of tax revenues the state can spend each year. In a series of changes occasioned by initiatives over the years, the spending limit has been modified and adjusted to the point where it no longer works to effectively limit or "cap" spending. C.A.R.'s Board of Directors, at its January 2004 Meetings, voted to take a "FOR" position on Proposition 58 of 2004, known as the California Balanced Budget Act, which was approved by the voters. This proposition requires that the state enact a budget that is balanced and provides for a "midyear adjustment," where the Governor may declare a fiscal emergency if he or she determines that the state is experiencing a revenue shortfall. The Legislature must send corrective legislation to the Governor within 45 days or it will be barred from acting on any other non-budget related measure or adjourning in joint-recess until the legislation is passed. This initiative also creates a Budget Stabilization Account (BSA). A portion of General Fund revenues would be transferred in this account until it reaches \$8 billion. Funds from this account can be transferred to the General Fund through a majority vote of the Legislature and Governor's approval to be used for various purposes or to cover budget shortfalls. However, once the money is transferred into the General Fund, it will require an additional vote to be spent. C.A.R.'s Board of Directors adopted a "NOT REAL ESTATE RELATED" position on Proposition 1A of 2009 part of the Governor's budget package, which was rejected by the voters. Under this proposition, "unanticipated" revenues would have been directed to meet the funding obligations under the state constitution for K-14 education, fill the existing budget reserve to its target (which would have been increased from 5% to 12.5% of state revenues) and to pay off any budgetary borrowing. Only after these payments were made, could "unanticipated" revenues have been used for other purposes. Proposition 1A also proposed the extension of numerous temporary taxes such as the Vehicle License Fee and the Personal Income Tax increases.

C.A.R.'s Board of Directors, at its Fall 2011 meetings, adopted a "NOT REAL ESTATE RELATED" position on this proposition.

PROPOSITION NUMBER PENDING: Approval of Healthcare Insurance Rate Changes. Initiative Statute.

**Summary:** This measure requires, for insurance rates taking effect after November 6, 2012, insurance companies have their rates approved by the Insurance Commissioner, and publicly disclose and justify their rates before the rates can go into effect. Additionally, health, home and auto insurance companies will be prohibited from charging higher rates due to an applicant's lack of prior insurance coverage or credit history.

**Pro:** Proponents of this measure argue that it will ensure fair and transparent rates for health, home and auto insurance, all of which are either mandatory or a necessity for Californians.

**Con:** Opposition to the measure has yet to register with the Secretary of State.

NOTE: C.A.R.'s Board of Directors, at its October 1988 Meetings, voted to take "NO POSITION" on Proposition 103 of 1988, which was approved by the voters. (Prior to 1994, C.A.R. considered three possible positions on each ballot measure - "FOR," "AGAINST" and "NO POSITION." Beginning in 1994, C.A.R. opted to remove the "NO POSITION" option and replaced it with two more specific options - "NEUTRAL" and "NOT REAL ESTATE RELATED.")This measure required insurance companies to reduce rates for various types of insurance, including motor vehicle, fire, and liability by 20% and to keep the discounted rates until at least November 8, 1989. The insurance Commissioner would be required to review and approve rate increases on a go forward basis and he or she could approve an increase prior to November 8, 1989 if it is apparent that the insurer is threatened with insolvency. Finally, this measure required insurance companies to offer a "Good Driver Discount Plan" and made other changes regarding

auto insurance.  C.A.R.'s Board of Directors, at its Fall 2012 meetings, adopted a "NOT REAL ESTATE RELATED" position on this proposition.					
Position:FOR	AGAINST	NEUTRAL	_X_NOT REAL ESTATE RELATED		
PROPOSITION NUMBER PENDING: Referendum to Overturn Indian Gaming Compacts. Referendum.					

Committee: Land Use and Environmental Committee

Summary: On August 31, 213 the State of California and the North Fork Rancheria Band of Mono Indians (Mono Indians) entered into a compact which allows for the establishment of a casino, through 2033, with up to 2,000 gaming devices on land granted to them in Madera County. This land was provided as an alternative to land they already hold in trust due to that lands designation for individuals rather than the tribe as a whole as well as the lands proximity to environmentally sensitive areas near Yosemite National Park, a National Scenic Byway, a national forest and several state wilderness areas. The tribe will be required to pay a percentage, beginning at 10% and increasing to 15%, of its Annual Net Win from the gaming devices for non-gaming tribes, local mitigation, state regulation, and mitigation to the Wiyot Tribe and the Picayune Rancheria of Chukchansi Indians. On March 20, 2013 State of California and the Wiyot Tribe also entered into a compact in which the tribe, in exchange for 3.5% of the gaming revenue for the Mono Indians' facility in Madera County, agreed to forgo building a casino on its lands due to their proximity to the Humboldt Bay National Wildlife Refuge. In 2013 the legislature ratified these compacts with the passage of AB 277 (Hall), which would have taken effect on January 1, 2014. However, this proposition is a referendum to AB 277, which will now only take effect if the ballot measure is approved by the voters.

**Pro:** Proponents of this measure argue that it will provide needed employment and business opportunities for the Mono Indians and will generate tourism to Madera and San Joaquin Valley. Additionally the Compact will provide income to the Wiyot Tribe who has committed to using a portion of the funds for environmental work in Humboldt Bay and Eel River, water quality monitoring, Brownfield cleanup, environmental education and habitat restoration.

**Con:** Opposition to this measure argue that California has a long standing policy of limited gaming. The Mono Indians already have land in trust that is eligible for gaming and that land should be used rather than extending gaming privileges to new land. Opponents also argue that the compact creates legal issues as it takes land out of state and county regulatory control which means less property taxes, sales tax and possessory tax revenue. Finally, the opposition argues that this compact is inconsistent with state law with regards to the separation of powers and voter approved state gaming policy.

NOTE: C.A.R.'s Board of Directors, at its January 2000 Meetings, voted to take "NOT REAL ESTATE RELATED" position on Proposition 29 of 2000, which was approved by the voters. Proposition 29 was a referendum to enacted legislation which approves 11 tribal-state compacts that were concluded in 1998; provides procedures for approving future compacts; declares the Governor responsible for negotiation of compacts; and authorizes Governor to waive state's immunity to suit by tribes.

C.A.R.'s Board of Directors, at its January 2004 Meetings, voted to take "NOT REAL ESTATE RELATED" position on Proposition 94 of 2004, which was approved by the voters. This Proposition was a referendum to SB 903 which amended the gaming compact between the State of California and the Pechanga Band of Luiseno Indians to extend the length of the terms, increase the number of allowed gaming devices and increased the amount paid to the state by the tribe.

C.A.R.'s Board of Directors, at its January 2004 Meetings, voted to take "NOT REAL ESTATE RELATED" position on Proposition 95 of 2004, which was approved by the voters. This Proposition was a referendum to SB 174 which amended the gaming compact between the State of California and the Morongo Band of Mission Indians to extend the length of the terms, increase the number of allowed gaming devices and increased the amount paid to the state by the tribe.

C.A.R.'s Board of Directors, at its January 2004 Meetings, voted to take "NOT REAL ESTATE RELATED" position on Proposition 96 of 2004, which was approved by the voters. This Proposition was a referendum to SB 175 which amended the gaming compact between the State of California and the Sycuan Band of the Kumeyaay Nation to extend the length of the terms, increase the number of allowed gaming devices and increased the amount paid to the state by the tribe.

C.A.R.'s Board of Directors, at its January 2004 Meetings, voted to take "NOT REAL ESTATE RELATED" position on Proposition 97 of 2004, which was approved by the voters. This Proposition was a referendum to SB 957 which amended the gaming compact between the State of California and the Agua Caliente Band of Cahullia Indians to extend the length of the terms, increase the number of allowed gaming devices and increased the amount paid to the state by the tribe.

Position: \_\_\_ FOR \_\_\_AGAINST \_\_\_NEUTRAL \_\_\_NOT REAL ESTATE RELATED