




Date: October 22, 2018

To: Mayor and Members of the City Council

From: Patrick H. West, City Manager 

Subject: **Statewide Ballot Measures — November 6, 2018**

Introduction

On Tuesday, November 6, 2018, voters will consider 12 statewide ballot measures. A summary of these ballot measures is provided below. For additional information, please visit the California Secretary of State Official Voter Information Guide at: <http://voterguide.sos.ca.gov>.

Ballot Measures

Proposition 1. Housing Programs and Veterans' Loans Bond

Proposition 1 was placed on the November ballot by the State Legislature. This measure would authorize \$4 billion in general obligation bonds for housing-related program loans, grants, and projects and housing loans for veterans.

- **Long Beach Impacts:** Proposition 1 would provide \$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 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, and Infill Incentive Account, which offers grants for infill infrastructure that supports high-density affordable and mixed-income housing; \$300 million for the CalHome, which offers loans to low-income and moderate-income homebuyers; \$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 \$150 million for the Self-Help Housing Fund, which provides forgivable loans for mortgages assistance, the development of multiple home ownership units, and manufactured homes.

Proposition 2. Use Millionaire's Tax Revenue for Homelessness Prevention Housing Bonds Measure

Proposition 2 was placed on the November ballot by the State Legislature. This measure would authorize the state to use revenue from Proposition 63 (2004) to, instead, be spent on \$2 billion in revenue bonds for homelessness prevention housing for persons in need of mental health services.

- **Long Beach Impacts:** If authorized, funds from Proposition 63 revenue could be reallocated for homelessness prevention housing for persons in need of mental health services.

Proposition 3. Water Infrastructure and Watershed Conservation Bond Initiative

Proposition 3 qualified to appear on the November ballot as an initiated state statute. This measure proposes to issue \$8.9 billion in general obligation bonds for water-related infrastructure and environmental projects. The bond would generate about \$430 million in average annual borrowing costs over a 40-year period.

- Long Beach Impacts: If approved by the voters, Proposition 3 would provide the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) with \$40 million for stormwater projects, and \$60 million for watershed protection and restoration projects. This measure would also provide \$150 million for projects that would restore and protect the Los Angeles River and its tributaries.

Proposition 4. Children's Hospital Bonds Initiative

Proposition 4 proposes to authorize \$1.5 billion in State general obligation bonds to provide for the Children's Hospital Bond Act Fund. The fund would be used to award grants to construct, expand, renovate, and equip children's hospitals. The bond would generate an interest of \$1.4 billion over 35 years which would bring the total cost of the bond to \$2.9 billion.

- Long Beach Impacts: Proposition 4, if approved, would allocate 72 percent, or \$1.08 billion, to seven nonprofit hospitals, one of which will be Long Beach Memorial Medical Center's Miller Children's Hospital.

Proposition 5. Proposition 13 Tax Transfer Initiative

Proposition 5 proposes to amend Proposition 13 (1978) to allow homebuyers who are age 55 or older or severely disabled to transfer tax-assessed value from their prior home to a new home, no matter: (a) the new home's market value, (b) the new home's location in the state, or (c) the number of moves. 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 once in their lifetimes.

- Long Beach Impacts: Proposition 5, if approved, would likely result in an annual loss of property tax revenues to local governments.

Proposition 6. Voter Approval for Future Gas and Vehicle taxes and 2017 Tax Repeal Initiative

Proposition 6 would repeal the fuel tax increases and vehicle fees that were enacted in 2017 through Senate Bill 1; and further proposes to amend the California State Constitution to require the State Legislature to secure voter approval for all new or increased taxes on the sale, storage, use, or consumption of gasoline or diesel fuel, as well as for taxes paid to operate a vehicle on public highways.

- Long Beach Impacts: Proposition 6, if approved by voters, would eliminate the dedicated source of funding for 11 planned and approved projects in the City of Long Beach, totaling \$8 million in FY 19. Projects will be delayed until a new source of funding can be identified. Going forward, all future State funding for local street and road projects will be reduced by half.

Proposition 7. Permanent Daylight Savings Time Measure

Proposition 7 would allow the California State Legislature to establish a permanent daylight savings time in California by a two-thirds vote if federal law is changed to allow for permanent daylight savings time (DST). Because day light savings time was previously approved through Proposition 12 (1949), this measure would repeal Proposition 12 and would add new text to the state Government Code.

- Long Beach Impacts: Proposition 7 would give Long Beach an extra hour of daylight year-round, but only if the federal government allows for permanent daylight savings, and only if the State Legislature approves permanent daylight savings by a two-thirds vote.

Proposition 8. Limits on Dialysis Clinics' Revenue and Required Refunds Initiative

Proposition 8 proposes to require kidney dialysis clinics to pay rebates when total clinic revenues exceed a specific cap. If approved by voters, Proposition 8 would require chronic dialysis clinics each year to calculate the amount by which their revenues exceed a specified cap. The measure then requires chronic dialysis clinics to pay rebates to payers, excluding Medicare and other government payers, in the amount that revenues exceed the cap.

- Long Beach Impacts: This measure would have no significant impact on City revenues, operations or programs.

Proposition 9. Three States Initiative

Proposition 9 proposed to divide California into three separate states: California, Northern California, and Southern California. On July 18, 2018, the California Supreme Court blocked the measure from appearing on the November ballot.

- Long Beach Impacts: Proposition 9, if approved by the voters, would leave Long Beach in the Southern California portion of the division.

Proposition 10. Local Rent Control Initiative

Proposition 10 proposes to repeal the Costa-Hawkins Rental Housing Act (1995), thus removing State restrictions on local rent control laws.

- Long Beach Impacts: Proposition 10, if approved by voters, would allow local government to apply local rent control laws to homes that are currently not eligible for rent control laws.

Proposition 11. Ambulance Employees Paid On-Call Breaks, Training, and Mental Health Services Initiative

If Proposition 11 is approved by voters, private ambulance companies could continue their current practice of requiring emergency medical technicians (EMTs) and paramedics remain on-duty during their meal and rest breaks. If this measure fails, private ambulance companies would be subject to labor laws for this industry. Based on a recent court decision, these laws likely would require ambulance companies provide EMTs and paramedics with off-duty meal and rest breaks that cannot be interrupted by a 911 call.

- Long Beach Impacts: The City does not employ private ambulance companies. Therefore, this measure would not have a direct impact on City operations, programs or services.

Proposition 12. Farm Animal Confinement Initiative

Proposition 12 proposes to create new minimum requirements on farmers to provide more space for egg-laying hens, breeding pigs, and calves raised for veal. This measure would also make it illegal for businesses in California to knowingly sell eggs or uncooked pork or veal that came from animals housed in ways that do not meet the measure's requirements. The measure provides the California Department of Food and Agriculture would write implementing regulations.

- *Long Beach Impacts: This measure would have no significant impact on City revenues, operations or programs.*

Next Steps

Voters will consider each of these ballot measures on November 6, 2018. Per Proposition 71, which was approved by voters on June 5, 2018, ballot measures that are approved by voters become effective on the fifth day after the Secretary of State certifies election results.

If you have any questions, please contact Diana Tang, Manager of Government Affairs, at 562-570-6506.

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