

HEBER PUBLIC UTILITY DISTRICT

REPORT TO BOARD OF DIRECTORS

MEETING DATE: July 19, 2019

FROM: Laura Fischer, General Manager

SUBJECT: Authorize the HPUD Board President to sign a letter of support for the ACA 1 Local Government Financing Voter Approval.

ISSUE: Shall the Heber PUD Board authorize the President to sign a letter of support for the [ACA 1 \(Aguiar-Curry D\)](#) Local government financing: affordable housing and public infrastructure: voter approval.

GENERAL MANAGER'S RECOMMENDATION:

Approve.

FISCAL IMPACT:

NONE

BACKGROUND:

Current Text: Amended: 3/18/2019

Introduced: 12/3/2018

Status: 5/20/2019-Read second time. Ordered to third reading.

Location: 5/20/2019-A. THIRD READING

ACA 1 Summary:

Currently, the California Constitution requires a two-thirds vote at the local level for both General Obligation (G.O.) bonds and special taxes, regardless of what the city, county, or special district proposes to use the funds for.

ACA 1 creates a new constitutional vote threshold of 55 percent for both G.O. bonds and special taxes, when proposed specifically for the construction, reconstruction, rehabilitation, or replacement of public infrastructure or affordable housing, or the acquisition or lease of real property for those purposes. The bill also specifies requirements for voter protection, public notice, and financial accountability.

ACA 1 defines "public infrastructure" to include (but not limited to) projects that provide the following:

- Water or protect water quality, sanitary sewer, treatment of wastewater or reduction of pollution from storm water runoff;
- Protection of property from impacts of sea level rise.
- Open space, parks and recreation facilities.
- 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 and equipment.
- Public library facilities.

In practice, local officials propose a local bond or special tax, and then the voters in that community decide whether they support the idea or not. The voters would still need to overwhelmingly (with 55 percent of the vote) support a bond or special tax in order for it to be approved. ACA 1 will level the playing field and create parity between school districts and cities, counties, and special districts, so that all local governments have a viable financing tool to address community needs.

However, local school districts must only achieve 55 percent voter approval for school bonds to fund the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of schools, or the acquisition or lease of real property vote (Proposition 39, 2000).

From 2001 to 2013, over 2,200 local revenue measures have been placed before voters concerning school, city, county, or special district taxes or bonds. Majority vote tax measures have proven to be much more likely to pass, while just half of two-thirds vote measures succeeded. School bonds with a 55 percent have been the most successful, with four out of every five passing. In contrast, just half of two-thirds vote measures succeeded. A 55 percent voter threshold for special taxes would have made a dramatic difference. Nearly 80 percent of all two-thirds supermajority measures garnered more than 55 percent of “yes” votes.

Cities, counties, and special districts face numerous challenges in securing funding for important local public infrastructure projects. ACA 1 would provide viable financing options while providing robust public accountability. If ACA 1 should pass both houses of the Legislature with 2/3rds vote, it would then go before the voters in 2020 in order to take effect.

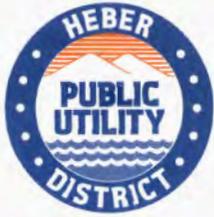
CONCLUSION:

Staff recommends that the Board authorize the HPUD Board President to sign a letter of support ACA 1 as presented.

Respectfully Submitted,

Laura Fischer, General Manager

Attachment: Letter of Support for ACA 1



Heber Public Utility District

1078 Dogwood Rd., Suite 103 • P. O. Box H
Heber, CA 92249
TEL. (760) 482-2440 • FAX (760) 353-9951
www.heber.ca.gov

July 18, 2019

The Honorable Eduardo Garcia
California State Assembly
State Capitol, Room 4140
Sacramento, CA 95814

Re: ACA 1 (Aguiar-Curry) – Local Government Financing - SUPPORT

Dear Assemblyman Garcia:

On behalf of the Heber Public Utility District, I am writing to support ACA 1 (Aguiar-Curry), which will create a new voter approved mechanism with a vote threshold of 55% to approve local general obligation (G.O.) bonds and special taxes for certain affordable housing and public infrastructure projects. The Heber Public Utility District provides water, sewer, trash and parks & recreation services to our community.

ACA 1 targets 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 California Constitution currently requires a two-thirds vote at the local level for both G.O. bonds and special taxes, regardless of the purpose a city, county, or special district is seeking those funds.

ACA 1 will provide mechanisms for cities, counties, and special districts to have a viable financing tool to help address important community needs for affordable housing and public infrastructure. Local voters would still need to overwhelmingly support a bond or special tax (with 55%) in order for it to be approved, thus protecting voters' control over how their tax dollars are spent. The bill also provides specific requirements for voter protection, public notice, and financial accountability.

Supporting ACA 1 will provide a fair and viable financing options while providing public accountability. The Heber Public Utility District will greatly benefit from having a tax measure that will be much more likely to pass as just about half of the two-thirds vote measures succeed.

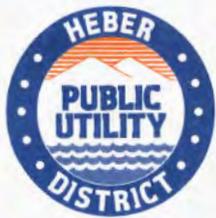
If approved by the Legislature, ACA 1 would then have to achieve voter approval during a statewide election. This would further solidify the fact that voters support this change. Californians want to have an impact on their communities, because they know best what their families and neighbors need.

For these reasons, the Heber Public Utility District is pleased to support Assembly Constitutional Amendment 1. Please feel free to contact me if you have any questions.

Sincerely,

Pompeyo Tabarez, President
Heber Public Utility District

cc: Anthony Tannehill, Legislative Representative, California Special Districts Association



Heber Public Utility District

1078 Dogwood Rd., Suite 103 • P. O. Box H
Heber, CA 92249
TEL. (760) 482-2440 • FAX (760) 353-9951
www.heber.ca.gov

July 18, 2019

The Honorable Ben Hueso
California State Senate
State Capitol, Room 4035
Sacramento, CA 95814

Re: ACA 1 (Aguiar-Curry) – Local Government Financing - SUPPORT

Dear Senator Hueso;

On behalf of the Heber Public Utility District, I am writing to support ACA 1 (Aguiar-Curry), which will create a new voter approved mechanism with a vote threshold of 55% to approve local general obligation (G.O.) bonds and special taxes for certain affordable housing and public infrastructure projects. The Heber Public Utility District provides water, sewer, trash and parks & recreation services to our community.

ACA 1 targets 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 California Constitution currently requires a two-thirds vote at the local level for both G.O. bonds and special taxes, regardless of the purpose a city, county, or special district is seeking those funds.

ACA 1 will provide mechanisms for cities, counties, and special districts to have a viable financing tool to help address important community needs for affordable housing and public infrastructure. Local voters would still need to overwhelmingly support a bond or special tax (with 55%) in order for it to be approved, thus protecting voters' control over how their tax dollars are spent. The bill also provides specific requirements for voter protection, public notice, and financial accountability.

Supporting ACA 1 will provide a fair and viable financing options while providing public accountability. The Heber Public Utility District will greatly benefit from having a tax measure that will be much more likely to pass as just about half of the two-thirds vote measures succeed.

If approved by the Legislature, ACA 1 would then have to achieve voter approval during a statewide election. This would further solidify the fact that voters support this change. Californians want to have an impact on their communities, because they know best what their families and neighbors need.

For these reasons, the Heber Public Utility District is pleased to support Assembly Constitutional Amendment 1. Please feel free to contact me if you have any questions.

Sincerely,

Pompeyo Tabarez, President
Heber Public Utility District

cc: Anthony Tannehill, Legislative Representative, California Special Districts Association