



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 9/18/2018
Agenda Placement: 9D
Set Time: 9:50 AM
Estimated Report Time: 15 Minutes

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Minh Tran - County Executive Officer
County Executive Office
REPORT BY: Molly Rattigan, Deputy County Executive Officer - 253-4112
SUBJECT: November 6, 2018 Ballot Initiatives

RECOMMENDATION

County Executive Officer, on behalf of the Legislative Subcommittee, requests discussion on the November 6, 2018 ballot propositions and recommends the following:

1. Take a position of SUPPORT on:
 - a. Proposition 1: Authorizes Bonds To Fund Specified Housing Assistance Programs
 - b. Proposition 2: Authorizes Bonds To Fund Existing Housing Program For Individuals with Mental Illness
 - c. Proposition 3: Authorizes Bonds To Fund Water Supply and Quality
2. Take a position of OPPOSE on:
 - a. Proposition 5: Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replace Property
 - b. Proposition 6: Eliminates Certain Road Repair and Transportation Funding. Requires Certain Fuel Taxes and Vehicle Fees Be Approved By The Electorate
3. Discuss and take a possible position on:
 - a. Proposition 10: Expands Local Governments' Authority To Enact Rent Control on Residential Property
4. Take NO POSITION on:
 - a. Proposition 4: Authorizes Bond Funding Construction at Hospitals Providing Children's Health Care
 - b. Proposition 7: Conforms California's Daylight Saving Time to Federal Law, Allows Legislature To Change Daylight Savings Period
 - c. Proposition 8: Regulates Amounts Outpatient Kidney Dialysis Clinics Charge For Dialysis Treatment
 - d. Proposition 11: Requires Private-Sector Emergency Ambulance Employees to Remain On Call During Work Breaks
 - e. Proposition 12: Establishes New Standards For Confinement of Specified Farm Animals: Bans Sale of Noncomplying Products

EXECUTIVE SUMMARY

Staff will present the November 6, 2018 ballot measures and seek possible action based on the recommendations of the Legislative Subcommittee.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public Comment.
3. Motion, second and vote on item.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

California Secretary of State Alex Padilla has certified twelve statewide measures to appear on the November 6, 2018 General Election ballot.

Proposition 1: Authorizes Bonds To Fund Specified Housing Assistance Programs

This measure allows the state to sell \$4 billion in new general obligation bonds for various housing programs. This funding includes \$1.5 billion for Multifamily Housing for low-income families, \$1 billion in loans for Veterans to purchase farms and homes, \$450 million for infill and transit-oriented housing projects, \$300 million for farmworker housing programs, and \$300 million for manufactured and mobile homes. In total, the bond funds would provide annual subsidies for up to 30,000 multifamily and 7,500 farmworker households. The funds would also provide down payment assistance to about 15,000 homebuyers and loans to 3,000 veterans. The cost to taxpayers to repay the debt averages about \$170 million annually or 1/10th of 1% of the budget for 35 years totaling \$5.9 billion (\$3 billion in principal and \$2.9 billion in interest). The \$1 billion borrowed for the Veteran's home loan program would be repaid via monthly payments to the state from the recipients of the loan.

Rural County Representatives of California: No Position
California State Association of Counties: Support
Legislative Subcommittee Recommended Position: Support

Proposition 2: Authorizes Bonds To Fund Existing Housing Program For Individuals with Mental Illness

In 2016, the Legislature created the No Place Like Home Program to build and rehabilitate housing for those with mental illness who are homeless or at risk of becoming homeless. The measure allows the state to carry out No

Place Like Home by selling \$2 billion in bonds and repaying those bonds with revenue from the Mental Health Services Act. The Mental Health Services Act, approved by voters in 2004, increased the income tax to those with incomes above \$1 million and raises \$1.5 to \$2.5 billion per year. No more than \$140 million of Mental Health Services Act funds could be diverted to repay No Place Like Home Bonds in a given year.

Before these bonds can be sold, the state must ask the court to rule on the state's plan to pay for No Place Like Home with Mental Health Services Act Funds. The specific questions before the court are whether the use of funds is consistent with the Mental Health Services Act and if it requires voter approval to approve the shifting of funds. The court decision is pending.

Rural County Representatives of California: Pending
California State Association of Counties: Support
Legislative Subcommittee Recommended Position: Support

Proposition 3: Authorizes Bonds to Projects for Water Supply and Quality

This proposition allows the State to sell \$8.9 billion in new general obligation bonds for various water and environmental projects. These funds will fall into six broad categories that include over 100 subcategories:

- | Watershed Lands-\$2.495 billion
- | Water Supply- \$2.1 billion
- | Fish and Wildlife Habitat-\$1.4 billion
- | Water Facility Upgrades-\$1.2 billion
- | Groundwater-\$1.1 billion
- | Flood Protection-\$500 million

The average annual cost to pay off the bonds is \$430 million a year for the next 40 years with the source of funds being General Fund Tax revenues. Separate from the \$8.9 billion bond, this proposition also changes how the state must spend existing funding related to Green House Gas emissions by requiring that a portion of funding from cap and trade revenues be provided to four water agencies: the State Department of Water Resources, the Metropolitan Water District of Southern California, the Contra Costa Water District and the San Luis and Delta Mendota Water Authority. These funds could total tens of millions each year (out of \$3 billion) and would be spent on water conservation programs.

Rural County Representatives of California: Support
California State Association of Counties: Support
Legislative Subcommittee Recommended Position: Support

Proposition 4: Authorizes Bond Funding Construction at Hospitals Providing Children's Health Care.

State law identifies eight private nonprofit hospitals and five University of California academic medical center campuses as "children's hospitals." Children's hospitals focus on treating infants and children with severe illness or injuries, or complex chronic health conditions that require specialized care. The California Children's Services (CCS) program is a federal-state-local health care coverage program that pays for specialized treatment and other services for children with complex chronic conditions. The state approves hospitals and other medical providers to receive payment for treating children in the CCS program. This measure authorizes the state to \$1.5 billion in general obligation bonds for capital improvements at the 13 children's hospitals and hospitals that provide significant CCS services.

Rural County Representatives of California: Pending

California State Association of Counties: No position
Legislative Subcommittee Recommended Position: No position

Proposition 5: Changes Requirements for Certain Property Owners to Transfer Their Property Tax Base to Replace Property

Under current law, in some cases, special rules allow existing homeowners to move to a different home without paying higher property taxes. These special rules apply to homeowners who are over 55, are severely disabled, or has property impacted by natural disaster or contamination. This proposition amends the State Constitution to expand the special tax rules that give property tax savings to eligible homeowners when they buy a different home. Beginning January 1, 2019, the measure:

- | Allows moves anywhere in the State: Eligible homeowners could transfer the taxable value of their existing home to another home anywhere in the State.
- | Allows the purchase of a more expensive home: Eligible homeowners could transfer the taxable value of their existing home (with some adjustment) to a more expensive home.
- | Reduces taxes for newly-purchased homes that are less expensive: When an eligible homeowner moves to a less expensive home, the taxable value is adjusted downward.
- | Removes limits on how many times an eligible homeowner can use the special rules.

The true financial impact of this law is unknown. However, there is concern that in the first few years, schools and local governments would lose over \$100 million annually. This amount is estimated to grow to over \$1 billion in today's value.

Rural County Representatives of California: Oppose
California State Association of Counties: Oppose
Legislative Subcommittee Recommended Position: Oppose

Proposition 6: Eliminates Certain Road Repair and Transportation Funding. Requires Certain Fuel Taxes and Vehicle Fees Be Approved By The Electorate.

Proposition 6 amends the State Constitution to require the Legislature to get voter approval for new or increased taxes on the sale, storage, use, or consumption of gasoline or diesel fuel, as well as for taxes paid for the privilege of operating a vehicle on public highways. Proposition 6 also eliminates any such fuel and vehicle taxes passed by the Legislature after January 1, 2017 and up to the date that Proposition 6 takes effect in December. This would eliminate the increased fuel taxes and the transportation fees enacted by SB 1. In the current fiscal year, Proposition 6 would reduce SB 1 tax revenues from \$4.4 billion to \$2 billion. Two years from now, the revenue reduction would be a total of \$5.1 billion annually. The funding reductions would mainly effect highway and road maintenance repair programs and transit programs. The impact to Napa County is estimated to be \$3-\$4 million annually.

Rural County Representatives of California: Oppose
California State Association of Counties: Oppose
Legislative Subcommittee Recommended Position: Oppose

Proposition 7: Conforms California's Daylight Saving Time to Federal Law. Allows Legislature To Change Daylight Saving Time Period.

This measure establishes Pacific Standard Time as the standard time within California. Proposition 7 allows the Legislature with a two-thirds vote to change daylight savings time, as long as the change is allowed under federal law. Until any such change, California would maintain the current daylight savings time period. Passage of this

measure would allow the Legislature to consider extending daylight savings time year round.

Rural County Representatives of California: Pending
California State Association of Counties: No position
Legislative Subcommittee Recommended Position: No position

Proposition 8: Regulates Amounts Outpatient Kidney Dialysis Clinics Charge for Dialysis Treatment

Individuals with kidney failure may receive dialysis treatment at hospitals or in their own homes, but most receive treatment at chronic dialysis clinics (CDCs). As of May 2018, 588 licensed CDCs in California provided treatment to roughly 80,000 patients each month. Two private, for-profit entities operate and have at least partial ownership of the majority of CDCs in California. Under Proposition 8, beginning in 2019, the measure requires CDCs each year to calculate the amount by which their revenues exceed a specified cap. The measure then requires CDCs to pay rebates to payers, excluding Medicare and other government payers, in the amount that revenues exceed the cap. The more the payer paid for a service, the larger the rebate the payer would receive.

Rural County Representatives of California: Pending
California State Association of Counties: No position
Legislative Subcommittee Recommended Position: No position

Proposition 9

On July 18, 2019, Proposition 9 was removed from the ballot by order of the California Supreme Court.

Proposition 10: Expands Local Governments' Authority To Enact Rent Control on Residential Property

A state law, known as Costa-Hawkins Rental Housing Act, limits local rent control laws. Costa-Hawkins created three main limitations. First, rent control cannot apply to any single-family homes. Second, rent control can never apply to any newly built housing completed on or after February 1, 1995. Third, rent control laws cannot tell landlords what they can charge a new renter moving in. Proposition 10 repeals the limits on local rent control laws in Costa Hawkins. Under the measure, cities and counties can regulate rents for any housing. This measure will also allow restrictions on how much a landlord can increase rents when a new renter moves in. The measure itself does not impose or make any changes to existing local rent control laws. With a few exceptions, cities and counties would have to take separate actions to change their local laws.

Rural County Representatives of California: No position
California State Association of Counties: No position
Legislative Subcommittee Recommended Position: Recommends further report and discussion on September 18, 2018

Proposition 11: Requires Private-Sector Emergency Ambulance Employees to Remain On Call During Work Breaks

State law requires ambulances to transport all patients, even patients without insurance. More than two-thirds of ambulance trips are for patients with government insurance. County agencies divide the county into several zones. The ambulance company that is chosen to serve each zone has the exclusive right to respond to emergencies in that area. The company generates revenue by collecting payments from insurers. California employers must follow various labor laws, including rules about how many hours can be worked, and meal and rest breaks. In practice, EMTs and Paramedics often have their breaks interrupted by a 911 call. In 2016, the California Supreme Court ruled that on-call breaks violate state labor law, however cases specific to EMTs and Paramedics are still pending. This measure makes changes to state laws that affect private-sector EMTs and paramedics by requiring on-call

status during the entire shift. The measure also requires ambulance companies to offer EMTs and paramedics certain trainings and mental health services.

Rural County Representatives of California: Pending
California State Association of Counties: No position
Legislative Subcommittee Recommended Position: No position

Proposition 12: Establishes New Standards For Confinement of Specified Farm Animals; Bans Sale of Noncomplying Products.

Proposition 12 created new minimum requirements on farmers to provide more space for egg-laying hens, breeding pigs and calves raised for veal. These requirements, which apply to farm animals raised in California, would be phased in over the next several years. This measure would also make it illegal for businesses to knowingly sell eggs or uncooked pork or veal that came from animals housed in ways that do not meet the measure's requirements.

Rural County Representatives of California: Pending
California State Association of Counties: No position
Legislative Subcommittee Recommended Position: No position

SUPPORTING DOCUMENTS

A . November 6, 2018 Voter Guide

CEO Recommendation: Approve

Reviewed By: Molly Rattigan