

## ATTACHMENT B

**BILL:** ASSEMBLY CONSTITUTIONAL AMENDMENT  
AS AMENDED MARCH 18, 2019  
REVISED MAY 16, 2019

**AUTHOR:** ASSEMBLYMEMBER CECILIA AGUIAR-CURRY (D-WINTERS)

**SUBJECT:** LOCAL GOVERNMENT FINANCING: AFFORDABLE HOUSING  
AND PUBLIC INFRASTRUCTURE: VOTER APPROVAL

**STATUS:** ASSEMBLY APPROPRIATIONS COMMITTEE  
APPROVED 11-7

**ACTION:** SUPPORT

### **RECOMMENDATION**

Staff recommends that the Board of Directors adopt a SUPPORT position on Assembly Constitutional Amendment 1 (Aguiar-Curry).

### **ISSUE**

This bill was amended on March 18, 2019 to amend the California State Constitution to include provisions related to voter thresholds and general obligation bonds.

Specifically the bill:

- Lowers the necessary vote threshold from a two-thirds majority to a 55 percent majority to approve local (city, county and special district) general obligation (GO) bonds and certain special taxes for affordable housing, public infrastructure and permanent supportive housing projects.
- Provides requirements for voter protections, public noticing and fiscal accountability by requiring a local proposition involving general obligation Bonds or a special tax include all of the following:
  - A requirement that the proceeds from the bonds or taxes be used only for the purposes specified in the ACA, and not for employee salaries or other operating expenses.
  - A list of specific projects to be funded and a certification that the city, county or special district has evaluated alternative funding sources.
  - A requirement that the city, county or special district conduct both an annual performance audit and an independent financial audit that is then posted and easily accessible to the public.
  - A requirement that the city, county or special district appoint a citizens' oversight committee to ensure that the proceeds of the bonds or special tax are expended only for the purposes described in the measure approved by the voters.

## **DISCUSSION**

ACA 1 was introduced by Assemblymember Aguiar-Curry and has a number of co-authors, including members of the Los Angeles County Assembly delegation. The bill was amended in the Assembly on March 18, 2019, and the Assembly Appropriations Committee made additional revisions on May 16, 2019. The measure would make various changes in voting thresholds for various local government funding measures. There is a specific provision that would lower the vote threshold for local sales taxes for special taxes including those related to transportation. ACA 1 will facilitate the ability of various local governments to raise needed revenue and finance important infrastructure projects.

Metro has supported similar measures in the past to reduce the vote threshold specifically for special transportation related sales taxes. ACA 1 includes a provision reducing the threshold specifically for these taxes. A number of counties have gone to the ballot and receive over a majority support for such taxes but have fallen short of the two-thirds threshold. Additionally, a number of counties with existing measures will need to go to the ballot in the future to reauthorize their measures.

For these reasons, staff recommends that the Board adopt a SUPPORT position on the measure ACA 1.

## **DETERMINATION OF SAFETY IMPACT**

There is no determined safety impact due to the enactment of the proposed legislation.

## **FINANCIAL IMPACT**

The estimated financial impact of this action is still being evaluated. Potential sales tax measures that would increase funding for public infrastructure projects would have a direct, positive benefit to Metro's programs, projects and budget.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Staff recommendation supports strategic plan goal # 4.2: Metro will help drive mobility agendas, discussions and policies at the state, regional and national levels.

## **ALTERNATIVES CONSIDERED**

Staff has considered adopting either an oppose or neutral position on the bill. An oppose or neutral position would be inconsistent with Metro's Board approved 2019 State Legislative Program Goal #7 to actively work with State, Regional and local transportation interests to enhance transportation and infrastructure funding and programs statewide.

## **NEXT STEPS**

Should the Board decide to adopt a SUPPORT position on this legislation; staff will communicate the Board's position to the author and work to ensure inclusion of the Board's priorities in the final version of the bill. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.