



ASIAN PACIFIC POLICY & PLANNING COUNCIL

NOVEMBER 2018 VOTER GUIDE

California

Prop 1 – Veterans and Affordable Housing Act SUPPORT

In 2017, the State Legislature passed SB 3 as part of a legislative package focused on increasing housing and lowering housing costs in California. SB 3 required voter approval of Prop 1 in this upcoming general election to become operative. Prop 1 would authorize \$4 billion in general obligation bonds for affordable housing, including veterans' housing. Funds will go to permanent and transitional rental housing for lower-income households; transit-oriented development; home ownership assistance; housing for agricultural workers; and infrastructure to support infill affordable housing.

California continues to struggle with its housing crisis as 1 in 3 Californians are paying more than 30% of their income on housing. The state's poorest households are the most impacted: more than 1.54 million of the state's lowest income households have no affordable housing options. In Los Angeles, nearly 70% of poor households are unable to afford housing – which means they are either overpaying or experiencing homelessness.

Asian Pacific Islander Americans (APIA) face significant levels of discrimination in their search for affordable housing. From 2007 to 2014, Asian American poverty increased by 50% while Native Hawaiian and Pacific Islander (NHPI) poverty increased by 71%. In comparison, the increase in the general population during that timeframe was only 22%. And, from 2007 to 2011, the number of homeless Asian Americans and NHPI in the LA Continuum of Care increased 40%.

California also has the largest population of unsheltered homeless veterans in the nation. Prop 1 would create more affordable housing opportunities for those most in need, including \$1 billion to veterans' housing.

According to the Legislative Analyst's Office, the bond funds would provide annual subsidies for up to 30,000 multifamily and 7500 farmworker households and would provide down payment assistant to about 15,000 homebuyers and home loans to about 3,000 veterans.

Fiscal impact: increase in state costs to repay bonds, averaging \$170 million/year over the next 35 years.

A3PCON supports Prop 1 to create more affordable housing and housing for veterans in our state.

Prop 2 – No Place Like Home Act SUPPORT

Prop 63, also known as the Mental Health Services Act (MHSA), was passed by California voters in 2004 to provide funding for mental health services via 1% income tax on millionaires. The No Place Like Home Program was created by the State Legislature in 2016 to develop housing for those suffering from mental illness who are homeless or at risk of homelessness. Prop 2 would allow up to \$140 million of Mental Health Services Act funds to be used for No Place Like Home in any year and ratify issuance of up to \$2 billion in bonds to finance the No Place Like Home Program and amend the MHSA to explicitly allow Prop 63 millionaire tax revenue to repay the bonds.

Homelessness in California is on the rise. The state has 21% of the nation's homeless population despite the fact that only 12% of the nation's total population in California. In Los Angeles County alone, over 50,000 individuals experience homelessness, with one-third suffering from some form of mental illness. Housing stability is critical to the success of those living with mental illness.

Prop 2 would begin to address this problem by financing 20,000 new permanent supportive housing units – providing homes and coordinated services to Californians experiencing homelessness or at risk of homelessness while living with mental illness.

Fiscal impact: state costs associated with repayment of up to \$2 billion in bonds.

A3PCON supports the passage of Prop 2 to finance new permanent supportive housing in California.

Prop 3 – Water Bond SUPPORT

Prop 3 would authorize \$8.877 billion in general obligation bonds for water-related infrastructure and environmental projects. Over \$4 billion of these funds is required to be spent on projects for disadvantaged communities, including communities with annual median household incomes less than 80% of the state's annual median income. The largest investments would go to restore and protect watershed lands and river parkways; ; and improve and increase drinking water and wastewater treatment, water recycling, collection and clean-up of rainwater, and increase water conservation..

There has not been any major new federal water infrastructure investment in California for nearly 40 years, during which time the state has filled this funding gap through 20 voter-approved water bonds. The last water bond measure on the ballot was in 2014.

Disaster preparedness, continued climate change and California's history of drought underscore the state's need to secure its future water supply. Prop 3 recognizes the inequities of access to healthy water for lower-income communities in California. The

revenue generated by Prop 3 will target disadvantaged communities, and improve long term drought preparedness, provide safe drinking water to millions of Californians, provide new and diverse water supplies, repair infrastructure to irrigate food crops, and repair dams.

Fiscal impact: state cost of \$17.3 billion to pay off principal and interest on bonds over a 40-year period, equaling an average yearly costs of \$430 million.

A3PCON supports Prop 3 to generate additional revenue to address issues related to the lack of adequate clean drinking water and the need for protection and improvement of watershed lands and improved water infrastructure.

Prop 4 – Construction Bonds for Children’s Hospitals SUPPORT

Prop 4 would authorize \$1.5 billion in general obligation bonds to award grant to children’s hospitals for construction, expansion, renovation and equipment projects. 72% (\$1.08 billion) of the funding would go to eight nonprofit children’s hospitals to providing comprehensive services to children eligible for government benefits and children with special needs eligible California Children’s Services. These include Children’s Hospital and Research Center, Oakland; Children’s Hospital of Los Angeles; Children’s Hospital of Orange County; Earl and Lorraine Miller Children’s Hospital of Long Beach; Loma Linda University Children’s Hospital; Lucile Packard Children’s Hospital at Stanford; Rady Children’s Hospital, San Diego; and Valley Children’s Hospital, Madera. 18% (\$270 million) of the funds would go to five University of California general acute hospitals, including Mattel Children’s Hospital at University of California, Los Angeles; University Children’s Hospital at University of California, Irvine University of California, Davis Children’s Hospital; University of California, San Diego Children’s Hospital; and University of California, San Francisco Children’s Hospital. The remaining 10% (\$150 million) of funding would go to roughly 150 public and private hospitals that provide pediatric services to children eligible for California Children’s Services.

Prop 4 provides funding to children’s hospitals which largely rely on low reimbursement from Medi-Cal. The ballot measure seeks to bridge the gap between that funding and the financial requirements for treating significant health issues of low-income children and children with special needs.

Children’s hospitals in California provide much-needed care to thousands of low-income children and children with special needs every year. Fourteen percent of pediatric patients served by the Children’s Hospital Los Angeles are API. Many API children, like Caucasian, African American and Latinx children in LA County, benefit from the services of that hospital as well as the Mattel Hospital at UCLA and other facilities that specialize in pediatric care. Cost should not be an impediment to these children obtaining the best care available. Prop 4 helps to ensure that.

Fiscal impact: the total cost of the bond is \$2.9 billion, which includes \$1.4 billion in interest on the bond; the average annual repayment cost is approximately \$80 million over 35 years, bringing.

A3PCON supports the passage of Prop 4 to provide funding for construction, expansion, renovation and equipment projects by eight nonprofit children's hospitals, five University of California hospitals and additional hospitals that provide pediatric services to children eligible for California Children's Services.

**Prop 5 – Property Tax Transfer Initiative
OPPOSE**

Prop 5 amends Prop 13 (1978) to allow homeowners aged 55 or older or severely disabled to transfer the tax-assessed value from their prior home to their new home regardless of the new home's market value, its location in the state or the number of moves. Currently, homebuyers over the age of 55 are eligible to transfer their tax assessments from their prior home to their new home once in their lifetime if the new home's market value is less than or equal to the value of their prior home. Counties decide if the tax assessment can be transferred over county lines. If the new home is a different value than the old home, the measure allows for an adjusted value.

Prop 5 reduces revenues available to our state, cities and counties as well as our school districts while doing little to nothing to increase housing stock or deal with the issue of affordable housing or homelessness.

Fiscal impact: the annual property losses for cities, counties and special districts of approximately \$150 million in the near term, increasing to \$1 billion or more per year in later years. Additionally, the annual property tax losses for schools are expected to be \$150 million in the next few years, growing to \$1 billion or more in later years.

A3PCON opposes the passage of Prop 5 to transfer the property tax-assessed value to purchases of new, more expensive homes for those ages 55 and older.

**Prop 6 – Gas and Vehicle Taxes Repeal Initiative
OPPOSE**

Prop 6 repeals the gas and diesel tax increases and vehicle fees enacted in 2017 and would require voter approval for all future fuel taxes and vehicle fees in the future. Currently, increasing a tax in California requires a two-thirds vote of each house of the legislature and the governor's signature. This measure would add the step of voter approval through ballot measures. Prop 6 will stop projects to improve the state's infrastructure, including the upgrade of bridges and overpasses to meet earthquake safety standards and improve the safety of roads.

Prop 6 not only eliminates tax revenues from SB 1, the act that increased gas taxes and vehicle fees in 2017, but it also amends the California Constitution to require the legislature to get voter approval for new and increased taxes on the sale, storage, use or consumption of gasoline or diesel fuel and for taxes paid for the privilege of operating a vehicle on public highways.

The gas tax and vehicle fees in California pay for repairs and road improvements for the thousands of miles of streets and highways in our state. Many of these thoroughfares and bridges have not been improved in decades, some since they were originally built.

Additionally, earthquakes, flooding, mudslides, fires and other disasters brought on by climate change have had a significant impact on our road and freeways, requiring the California Department of Transportation to be vigilant in keeping them safe and navigable. Revenues from taxes and vehicle fees are absolutely critical for doing this important work.

Fiscal impact: Prop 6 eliminates \$5 billion annually in funds dedicated to fixing roads, bridges and infrastructure.

A3PCON opposes the passage of Prop 6 to repeal the 2017 increases in gas tax and vehicle fee revenues, which pay for much-needed repairs and road improvements to the state's streets, highways and bridges, and to require voter approval for all future increases.

Prop 7 – Permanent Daylight Savings Time Initiative SUPPORT

Prop 7 would allow the California State Legislature to establish a permanent, year-round daylight saving time (DST) in the state by a two-thirds vote if federal law is changed to allow for permanent DST. The Uniform Time Act allows states to adopt daylight savings time between the second Sunday in March and the first Sunday in November or remain on standard time year-round. In 2016, the California State Legislature asked the President and Congress to pass an act that allows California to adopt year-round DST. Prop 7 repeals Prop 12, which established DST in 1949.

A number of health studies indicates that the rates of strokes and heart attacks increase following a time change. Other studies show a decrease in workplace productivity along with an increase in automobile accidents and workplace injuries at those times of year.

Prop 7 may result in future decreases in the use of electricity and fuel. Additionally, it may have a beneficial impact on the incidence of stroke and heart attack in California.

Fiscal impact: no direct impacts on state and local governments.

A3PCON supports Prop 7 to create a permanent Daylight Savings Time in California.

Prop 8 – Limits on Kidney Dialysis Clinic Revenue and Required Refunds Initiative SUPPORT

Prop 8 requires dialysis clinics to issue refunds to patients or patients' payers for revenue over 115% of the costs of direct patient care and healthcare improvements. Clinics that do not issue refunds within 210 day of the end of the fiscal year would be required to pay fines equals to five percent of their total required funds, not to exceed \$100,000. The measure requires dialysis clinics to report clinic costs, patient charges and revenues to the state. Additionally, the measure prohibits dialysis clinics from discriminating or refusing services based on a patient's payer, including the patient, a private insurer, Medi-Cal, Medicaid or Medicare.

APIs, like other Angelenos, need access to dialysis services when they experience kidney failure. Asian American are twice as likely as Caucasians to develop kidney failure. Increased rates of diabetes as well as lack of access to quality healthcare are two of the factors related to this disparity. Reducing the costs associated with receipt of kidney dialysis will save individual APIs thousands of dollars a year in dialysis costs and will likely lead to lower premiums for all Californians.

Fiscal impact: while state administrative costs associated with implementation of this bill could reach \$1 million a year, the increase in license fees are likely to cover the expense. Additionally, state and local governments are expected to save up to \$10 million a year in reduced expenses to cover dialysis treatments.

A3PCON supports the passage of Prop 8 to limit revenue of kidney dialysis clinics to 115% of the costs of direct patient care and healthcare improvements and offer refunds of payments over that amount.

Prop 10 – Local Rent Control Initiative SUPPORT

Prop 10 would lift the state prohibition on rent control and give power back to local governments to decide how to regulate, if at all, rents in their jurisdiction. Prop 10 would repeal the Costa-Hawkins Rental Housing Act (Costa Hawkins) which prohibits local governments from enacting rent control on housing first occupied after February 1, 1995. Costa Hawkins would be replaced with the Affordable Housing Act which would allow local governments to adopt rent control ordinances – policies that limit rents and rent increases charged to tenants – as long as such ordinances do not abridge a landlord's fair rate of return.

5.8 million California households are renting – more than ever before. Yet, more than half of California renters are overpaying for housing and one-third are paying more than 50% of their income on rent. Nationally, over 110,000 Asian American and 2,800 NHPI households spend 30% or more of their household income on rent. A number of API communities, including 60% of Sri Lankans and Vietnamese and 59% of Bangladeshi (59%) Americans, spend more than 50% of their income on rent.

Median rents are higher in California than any other state in the nation and California is experiencing the 4th highest increase in rents in the nation. The LA Metro area has the 4th highest share of renters in the nation at 54%, while the City of LA is nearly 60% renters. Currently, 15 cities in California – including the City of LA, West Hollywood, Santa Monica & Beverly Hills – have some form of rent control in place, but all other cities are currently barred from adopting any form of rent control due to Costa Hawkins.

Prop 10 would eliminate the current ban on local rent control ordinances and give cities and counties power to develop rent control policy solutions tailored to the rental needs and market in their locality. **Prop 10 does not establish local rent control ordinances anywhere in the state**, but rather gives local jurisdictions the authority to regulate rents. It would allow cities with existing rent control ordinances to expand their policies to regulate rents on more (newer) housing units and cities without any form of rent control to adopt such a policy, if they so choose. Prop 10 provides local jurisdictions

with an immediate strategy to alleviate rent burdens on its residents and prevent displacement due to dramatic rent increases.

Fiscal impact: changes in state and local government tax revenue are unclear and depend on how many communities pass new laws, how many properties are covered and how much rents are limited.

A3PCON supports the passage of Prop 10 which would repeal Costa Hawkins and allow local jurisdictions to develop local policy solutions regarding rental control that are tailored to the rental needs and market in their locality.

Prop 11 – Ambulance Employees Paid On-Call, Breaks, Training and Mental Health Services Initiative
NEUTRAL

Prop 11 would allow ambulance providers to require their employees to be on-call during breaks and meals. The initiative would require that the employees would be paid at a regular rate during breaks and not require them to take breaks during the first or last hour of their shifts and space their meals breaks during a shift by at least two hours. If the employee is contacted during the break, that break would not be counted toward the breaks the employee is required to take. The measure also requires the provider to secure adequate staffing to allow for required breaks. Additionally, ambulance providers would be required to provide training to their ambulance employees related to active shooters, multiple casualties, natural disasters, violence prevention and mental health. The initiative would also require ambulance providers to offer employees a minimum of ten mental health services a year and for those who offer health insurance, to offer health plans that provide long-term mental health services.

This issue should be addressed by the legislature. Progress was made in the 2017 legislative session to deal with issues resulting from the state Supreme Court decision in *Augustus v. ABM Security Services*, but a resolution was not achieved. Interested parties should go back to the drawing board and determine what works for ambulance providers and unions representing ambulance employees.

Fiscal impact: potentially lower costs to local government associated with ambulance companies avoiding payment for off-duty meals and rest breaks.

A3PCON remains neutral on the passage of Prop 11 related to working conditions, trainings and benefits of ambulance employees.

Prop 12 – Farm Animal Confinement Initiative
SUPPORT

Prop 12 establishes new minimum space requirements for confining veal calves, breeding pigs, and egg-laying hens. Starting in 2020, it bans the sale of meat and eggs from calves raised for veal, and egg-laying hens confined to areas below a specific number of square feet: 43 square feet of usable floor space per calf and one square foot of usable floor space per hen. Beginning in 2022, it adds to the ban the sale of breeding pigs who are confined to less than 24 square feet of usable floor space per pig

and the sale of eggs produced in caged environments. The measure would make the California Department of Food and Agriculture and the Department of Public Health responsible for its implementation and allow them to institute fines up to \$1000 for violations of the initiative.

Prop 12 strengthens protections against animal cruelty for veal calves, breeding pigs and egg-laying hens. The space requirements can potentially prevent or reduce ill health effects on humans resulting from the heavy use of antibiotics in these animals, increased incidence of Salmonella and other bacterial infections and the bacterial contamination of California waterways and sources of drinking water caused by animal fecal matter.

Fiscal impact: the initiative would reduce tax revenues from farm businesses up to a few million dollars a year. State costs to enforce the measure could be as high as ten million dollars a year.

A3PCON supports the passage of Prop 12 that would ban the sale of meat and eggs of animals confined to small living spaces.

City of Los Angeles

Charter Amendment B – Municipal Financial Institution SUPPORT

Amendment B would amend the City of LA's Charter "to allow the City to establish a municipal financial institution or bank." Amendment B would not, in and of itself, establish a public bank. Rather, it would serve as the first of many layers of authorization, including future at the state and federal levels as well as future City Council and voter approval, that would be required if the City of Los Angeles wishes to establish a public bank.

The City pays \$100 million each year in bank fees and interest. Like any private bank account holder, the City has no influence on where its money is invested or how the private bank carries out its business. A public bank would allow public accountability and transparency that does not exist with private banks. The hope of many supporters is that a public bank would invest locally, prioritize affordable housing, provide low/no interest and more flexible financial products to small businesses, students, and other under-resourced communities. However, it is important to note that Amendment B does not dictate any practices or priorities of a future public bank; those decisions would require approval at a much later point in time.

Fiscal impact: it is unclear at this time what costs the city financial institution or bank would cost taxpayers.

A3PCON supports the passage of Charter Amendment B to authorize the establishment of a city financial institution or bank.

Charter Amendment E – Realign City and State Election Dates SUPPORT

Amendment E would amend the LA City Charter to realign the City's primary election date with the State's primary election held in March of even-numbered years and make other related technical changes to the City election procedures.

Voter apathy in Los Angeles is high. In recent local elections, turnout of registered voters has been as low as 11.45%. One way to increase the number of voters who vote in primary elections is to realign the City's primaries with the State's primaries in even-numbered years. This will have an especially strong positive effect in presidential election years, including 2020. Evidence shows that while APIs make up 15% of LA County's population, our civic participation rates are low. This measure will encourage all voters, including APIs, to turn out as it will allow them to vote for both State and local offices in one primary election.

Fiscal impact: it is unclear at this time what costs the city would incur as a result of this change though the realignment is expected to reduce the costs for the city of Los Angeles in the near and long term.

A3PCON supports the passage of Charter Amendment E to realign city and state election dates to encourage more of LA City residents to vote in the city's primaries.

County of Los Angeles

County Measure W – Flood Control District (1) SUPPORT

Measure W would establish a parcel tax of 2.5 cents per square foot of impermeable area, exempting low-income seniors, to improve and protect water quality, capture rain/stormwater to increase safe drinking water supplies and prepare for future drought and protect public health and marine life by reducing pollution, trash, toxins and plastics entering the LA County waterways, bays and beaches.

According to the United Nations, access to water and sanitation are basic human rights. In Los Angeles, a metropolitan desert, water is in very short supply and clean water free from pesticides and herbicides, organic chemical contaminants from industrial processes, inorganic contaminants from urban storm water and radioactive contaminants can be difficult to access. Ensuring that our populace has adequate clean drinking water is no easy task given that much of our water is imported. Climate change and resulting droughts have made this task even more challenging. The small parcel tax on LA County residents provides funding that would help prepare for droughts, protect our public health and marine life and improve our water quality, all of which are important to keeping LA a safe and healthy place for families to live.

Fiscal Impact: Measure W would raise approximately \$300,000,000 annually.

A3PCON supports the passage of Measure W to generate additional revenue in the County of Los Angeles to address issues related to the drought, lack of adequate safe drinking water and water infrastructure.