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CITY OF OAKLAND

Councilmember Dan Kalb  
CITY HALL - ONE FRANK H. OGAWA PLAZA, 2<sup>ND</sup> FLOOR - OAKLAND - CALIFORNIA 94612

## Agenda Memorandum

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To: Rules & Legislation Committee

From: Councilmember Dan Kalb

Date: September 5, 2018

Subject: Resolution in Support of Props 1 & 2

Colleagues on the City Council and Members of the Public,

With the introduction of the Resolution in Support of Propositions 1 and 2, I am submitting the attached official title and summary, analysis by the state legislative analyst, and full measure text for both propositions.

Respectfully submitted,

A handwritten signature in cursive script that reads "Dan Kalb".

Dan Kalb, Councilmember

PROPOSITION **1** **AUTHORIZES BONDS TO FUND SPECIFIED HOUSING ASSISTANCE PROGRAMS. LEGISLATIVE STATUTE.**

**OFFICIAL TITLE AND SUMMARY**

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Authorizes \$4 billion of state general obligation bonds to fund existing housing programs.
- Includes \$1.5 billion for Multifamily Housing Program for low-income residents, \$1 billion for loans to help veterans purchase farms and homes, \$450 million for infill and transit-oriented housing projects, \$300 million for farmworker housing program, and \$300 million for manufactured and mobile homes.
- Provides housing assistance for buyers, infrastructure financing, and matching grants to expand affordable housing stock.
- Appropriates General Fund revenues to pay off bonds for existing programs that have no revenues or insufficient revenues.

**SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:**

- Increased state costs to repay bonds averaging about \$170 million annually over the next 35 years. These bond funds would be used to provide affordable housing.

<b>State Bond Cost Estimate</b>	
Authorized new borrowing	\$4 billion
Average annual cost to pay off bond	\$170 million
Likely repayment period	35 years
Source of repayment	General tax revenue

**FINAL VOTES CAST BY THE LEGISLATURE ON SB 3 (PROPOSITION 1)  
(CHAPTER 365, STATUTES OF 2017)**

Senate: Ayes 30 Noes 8  
 Assembly: Ayes 56 Noes 21

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

***Housing Is Expensive in California.***

Housing in California has long been more expensive than most of the rest of the country. While many factors have a role in driving California's high housing costs, the most important is the significant shortage

of housing, particularly within coastal communities. A shortage of housing means households wishing to live in the state compete for limited housing. This competition increases home prices and rents. Today, an average California home costs 2.5 times the national average. California's average

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

monthly rent is about 50 percent higher than the rest of the country.

**State Housing Programs Fund Some Home Building.** In most years, about 100,000 houses and apartments are built in California. Most of these housing units are built entirely with private dollars. Some, however, receive financial help from federal, state, or local governments. In these cases, the state provides local governments, nonprofits, and private developers with grants or low-cost loans to fund a portion of the housing units' construction costs. Typically, housing built with these funds must be sold or rented to Californians with low incomes. A portion of housing units built with state funds is set aside for homeless Californians. While the state historically has not provided ongoing funding for these housing programs, California receives approximately \$2 billion annually from the federal government to support these projects.

**Home Loan Program for Veterans.** The state's veteran home loan program provides home loans to eligible veterans,

including veterans who may not otherwise qualify for a home loan. Under the program, the state sells general obligation bonds to investors and uses the funds to provide loans to eligible veterans to purchase homes. Participating veterans repay the state for these home loans. These funds are then used to repay the bonds.

**PROPOSAL**

**New General Obligation Bonds for Housing.** This measure allows the state to sell \$4 billion in new general obligation bonds for various housing programs. (For more information on the state's use of bonds, see "Overview of State Bond Debt" later in this guide.)

**USE OF FUNDS**

As shown in Figure 1, the measure provides bond funding for various

**Figure 1**

**Proposed Uses of Bond Funds**  
*(In Millions)*

Category	Amount
<b>State Housing Programs</b>	
Affordable multifamily housing programs	\$1,800
Infrastructure programs	450
Homeownership programs	450
Farmworker housing program	300
Subtotal	(\$3,000)
<b>Veterans Housing Program</b>	
Veteran home loans	\$1,000
<b>Total</b>	<b>\$4,000</b>

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

housing programs, which are described below in more detail.

**State Housing Programs.** The measure provides \$3 billion for various state housing programs. Proceeds from the bond sale would be awarded to program applicants—local governments, nonprofit organizations, and private developers—through a competitive process administered by the state.

- **Affordable Multifamily Housing Programs.** The measure provides \$1.8 billion to build or renovate rental housing projects, such as apartment buildings. These programs generally provide local governments, nonprofit organizations, and private developers with low-interest loans to fund part of the construction cost. In exchange, projects must reserve units for low-income households for a period of 55 years.
- **Infrastructure Programs.** The measure provides \$450 million to programs that build housing in existing urban areas and near public transportation. The funds also would provide loans and grants for a wide variety of projects that support this housing—such as parks and water, sewage, and transportation infrastructure.

- **Homeownership Programs.** The measure provides \$450 million to encourage homeownership for low- and moderate-income homebuyers. Most of the funds would be used to provide down payment assistance to first-time homebuyers through low-interest loans or grants. Additionally, the measure provides funds to assist low- and moderate-income families to build their own homes.
- **Farmworker Housing Program.** This measure provides \$300 million in loans and grants to build housing for farmworkers. Program funds would be used for both rental and owner-occupied housing.

**Veterans Housing Program.** This measure also provides \$1 billion for home loan assistance to veterans. Veterans generally use these loans to purchase single-family residences, condominiums, farms, and mobile homes.

## FISCAL EFFECTS

**Bond Cost for State Housing Programs.** This measure would allow the state to borrow up to \$3 billion by selling general obligation bonds to investors, who would be repaid with interest from the state's General Fund. The cost of these bonds would depend on various factors—such as the interest

**ANALYSIS BY THE LEGISLATIVE ANALYST**

CONTINUED

rates in effect at the time they are sold, the timing of the bond sales, and the time period over which they are repaid. We estimate that the cost to taxpayers to repay the bonds would average **about \$170 million annually for 35 years**—totaling \$5.9 billion to pay off both the principal (\$3 billion) and interest (\$2.9 billion). This amount is about one-tenth of 1 percent of the state's current General Fund budget.

***Bond Cost for Veterans Housing Program.***

This measure would allow the state to borrow up to \$1 billion by selling general obligation bonds to investors. Veterans participating in the home loan program would make monthly payments to the state, allowing the state to repay the bonds. These payments have always covered the amount owed on the bonds, meaning the program has always operated at no direct cost to the state.

***How Many People Could the Measure Help?*** The funds from this measure typically would be used together with other government monies to provide housing assistance. In many cases,

the measure would allow the state to receive additional federal funding for affordable housing. In total, the bond funds would provide annual subsidies for up to 30,000 multifamily and 7,500 farmworker households. The funds also would provide down payment assistance to about 15,000 homebuyers and home loans to about 3,000 veterans. In some cases, such as for the down payment assistance programs, Californians could quickly begin to benefit from the bond funding. In other cases, such as for the construction of new affordable multifamily housing, it could take several years for Californians to benefit from the measure.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee's top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email [vigfeedback@sos.ca.gov](mailto:vigfeedback@sos.ca.gov) and a copy will be mailed at no cost to you.

PROPOSITION **2** **AUTHORIZES BONDS TO FUND EXISTING HOUSING PROGRAM FOR INDIVIDUALS WITH MENTAL ILLNESS. LEGISLATIVE STATUTE.**

**OFFICIAL TITLE AND SUMMARY**

PREPARED BY THE ATTORNEY GENERAL

The text of this measure can be found on the Secretary of State's website at <http://voterguide.sos.ca.gov>.

- Ratifies existing law establishing the No Place Like Home Program, which finances permanent housing for individuals with mental illness who are homeless or at risk for chronic homelessness, as being consistent with the Mental Health Services Act approved by the electorate.
- Ratifies issuance of up to \$2 billion in previously authorized bonds to finance the No Place Like Home Program.
- Amends the Mental Health Services Act to authorize transfers of up to \$140 million annually from the

existing Mental Health Services Fund to the No Place Like Home Program, with no increase in taxes.

**SUMMARY OF LEGISLATIVE ANALYST'S ESTIMATE OF NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT:**

- Allows the state to use up to \$140 million per year of county mental health funds to repay up to \$2 billion in bonds. These bonds would fund housing for those with mental illness who are homeless.

FINAL VOTES CAST BY THE LEGISLATURE ON AB 1827 (PROPOSITION 2)  
(CHAPTER 41, STATUTES OF 2018)

Senate:	Ayes 35	Noes 0
Assembly:	Ayes 72	Noes 1

**ANALYSIS BY THE LEGISLATIVE ANALYST**

**BACKGROUND**

**Counties Provide Mental Health Services.**

Counties are primarily responsible for providing mental health care for persons who lack private coverage. Counties provide psychiatric treatment, counseling, hospitalization, and other mental health services. Some counties also arrange other types of help for those with mental illness—such as housing, substance abuse treatment, and employment services.

**Mental Health Services Act.** In 2004, California voters approved Proposition 63,

also known as the Mental Health Services Act. The act provides funding for various county mental health services by increasing the income tax paid by those with income above \$1 million. This income tax increase raises \$1.5 billion to \$2.5 billion per year.

**No Place Like Home Program.** 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 state plans to pay for this housing by borrowing up to \$2 billion.

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

The state would borrow this money by selling bonds, which would be repaid with interest over about 30 years using revenues from the Mental Health Services Act. This means less funding would be available for other county mental health services. No more than \$140 million of Mental Health Services Act funds could be used for No Place Like Home in any year. The bond payments would be around \$120 million in a typical year.

**Court Approval Needed for No Place Like Home.** Before these bonds can be sold, the state must ask the courts to approve the state's plan to pay for No Place Like Home. The courts must decide two main issues:

- Whether using Mental Health Services Act dollars to pay for No Place Like Home goes along with what the voters wanted when they approved the Mental Health Services Act.
- Whether voters need to approve the No Place Like Home bonds. (The State Constitution requires voters to approve certain kinds of state borrowing.)

This court decision is pending.

## PROPOSAL

The measure allows the state to carry out No Place Like Home. In particular, the measure:

- **Approves the Use of Mental Health Services Act Funds for No Place Like Home.** The measure says that Mental Health Services Act funds can be used for No Place Like Home. No more than \$140 million of Mental Health Services

Act funds could be used for No Place Like Home in any year.

- **Authorizes \$2 Billion in Borrowing.** The measure allows the state to sell up to \$2 billion in bonds to pay for No Place Like Home. The bonds would be repaid over many years with Mental Health Services Act funds.

With this measure, the state would no longer need court approval on the issues discussed above to carry out No Place Like Home.

## FISCAL EFFECTS

### **Fiscal Effect Depends on the Court Decision.**

The fiscal effect of the measure depends on whether or not the courts would have approved the state's plan to pay for No Place Like Home. If the courts would have approved the state's plan, the measure would have little effect. This is because the state would have gone forward with No Place Like Home in any case. If the courts would have rejected the state's plan, the state would not have been able to move forward with No Place Like Home. This measure would allow the state to do so.

Visit <http://www.sos.ca.gov/campaign-lobbying/cal-access-resources/measure-contributions/2018-ballot-measure-contribution-totals/> for a list of committees primarily formed to support or oppose this measure. Visit <http://www.fppc.ca.gov/transparency/top-contributors/nov-18-gen.html> to access the committee's top 10 contributors.

If you desire a copy of the full text of the state measure, please call the Secretary of State at (800) 345-VOTE (8683) or you can email [vigfeedback@sos.ca.gov](mailto:vigfeedback@sos.ca.gov) and a copy will be mailed at no cost to you.

## PROPOSITION 1

This law proposed by Senate Bill 3 of the 2017–2018 Regular Session (Chapter 365, Statutes of 2017) is submitted to the people in accordance with the provisions of Article XVI of the California Constitution.

This proposed law adds sections to the Health and Safety Code and the Military and Veterans Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

## PROPOSED LAW

SEC. 3. Part 16 (commencing with Section 54000) is added to Division 31 of the Health and Safety Code, to read:

### PART 16. VETERANS AND AFFORDABLE HOUSING BOND ACT OF 2018

#### CHAPTER 1. GENERAL PROVISIONS

54000. *Together with Article 5z (commencing with Section 998.600) of Chapter 6 of Division 4 of the Military and Veterans Code, this part shall be known, and may be cited, as the Veterans and Affordable Housing Bond Act of 2018.*

54002. *As used in this part, the following terms have the following meanings:*

(a) *“Board” means the Department of Housing and Community Development for programs administered by the department, and the California Housing Finance Agency for programs administered by the agency.*

(b) *“Committee” means the Housing Finance Committee created pursuant to Section 53524 and continued in existence pursuant to Sections 53548 and 54014.*

(c) *“Fund” means the Affordable Housing Bond Act Trust Fund of 2018 created pursuant to Section 54006.*

54004. *This part shall only become operative upon adoption by the voters at the November 6, 2018, statewide general election.*

#### CHAPTER 2. AFFORDABLE HOUSING BOND ACT TRUST FUND OF 2018 AND PROGRAM

54006. *The Affordable Housing Bond Act Trust Fund of 2018 is hereby created within the State Treasury. It is the intent of the Legislature that the proceeds of bonds (exclusive of refunding bonds issued pursuant to Section*

*54026) be deposited in the fund and used to fund the housing-related programs described in this chapter. The proceeds of bonds issued and sold pursuant to this part for the purposes specified in this chapter shall be allocated in the following manner:*

(a) *One billion five hundred million dollars (\$1,500,000,000) to be deposited in the Housing Rehabilitation Loan Fund established pursuant to Section 50661. The moneys in the fund shall be used for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to be expended to assist in the new construction, rehabilitation, and preservation of permanent and transitional rental housing for persons with incomes of up to 60 percent of the area median income (AMI). These funds may also be used to provide technical assistance pursuant to Section 54007.*

(b) *One hundred fifty million dollars (\$150,000,000) to be deposited into the Transit-Oriented Development Implementation Fund, established pursuant to Section 53561, for expenditure, upon appropriation by the Legislature, pursuant to the Transit-Oriented Development Implementation Program authorized by Part 13 (commencing with Section 53560) to provide local assistance to cities, counties, cities and counties, transit agencies, and developers for the purpose of developing or facilitating the development of higher density uses within close proximity to transit stations that will increase public transit ridership. These funds may also be expended for any authorized purpose of this program and for state incentive programs, including loans and grants, within the department. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.*

(c) *Three hundred million dollars (\$300,000,000) to be deposited in the Regional Planning, Housing, and Infill Incentive Account, which is hereby created within the fund. Moneys in the account shall be available, upon appropriation by the Legislature, pursuant to the Infill Incentive Grant Program of 2007*



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established by Section 53545.13 for infill incentive grants to assist in the new construction and rehabilitation of infrastructure that supports high-density affordable and mixed-income housing in locations designated as infill, including, but not limited to, any of the following:

- (1) Park creation, development, or rehabilitation to encourage infill development.
- (2) Water, sewer, or other public infrastructure costs associated with infill development.
- (3) Transportation improvements related to infill development projects.
- (4) Traffic mitigation.

These funds may also be expended for any authorized purpose of this program. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(d) One hundred fifty million dollars (\$150,000,000) to be transferred to the Self-Help Housing Fund established pursuant to Section 50697.1. Notwithstanding Section 13340 of the Government Code and Section 50697.1, these funds are hereby continuously appropriated to the Department of Housing and Community Development without regard to fiscal years, which funds shall be transferred by the department to the California Housing Finance Agency for purposes of the home purchase assistance program established pursuant to Chapter 6.8 (commencing with Section 51341) of Part 3.

(e) Three hundred million dollars (\$300,000,000) to be deposited in the Joe Serna, Jr. Farmworker Housing Grant Fund, established pursuant to Section 50517.5, to fund grants or loans, or both, for local public entities, nonprofit corporations, limited liability companies, and limited partnerships, for the construction or rehabilitation of housing for agricultural employees and their families or for the acquisition of manufactured housing as part of a program to address and remedy the impacts of current and potential displacement of farmworker families from existing labor camps,

mobilehome parks, or other housing. These funds may also be expended for any authorized purpose of this program. These funds may also be used to provide technical assistance pursuant to Section 54007. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(f) Three hundred million dollars (\$300,000,000) to be deposited in the Affordable Housing Innovation Fund established pursuant to subparagraph (F) of paragraph (1) of subdivision (a) of Section 53545. Moneys in the fund shall be available, upon appropriation by the Legislature, pursuant to the Local Housing Trust Fund Matching Grant Program established by Section 50842.2 to fund competitive grants or loans to local housing trust funds that develop, own, lend, or invest in affordable housing and used to create pilot programs to demonstrate innovative, cost-saving approaches to creating or preserving affordable housing. Local housing trust funds shall be derived on an ongoing basis from private contribution or governmental sources that are not otherwise restricted in use for housing programs. These funds may also be expended for any authorized purpose of this program. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

(g) Three hundred million dollars (\$300,000,000) to be deposited in the Self-Help Housing Fund established pursuant to Section 50697.1. The moneys in the fund shall be available for the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, to provide direct, forgivable loans to assist development projects involving multiple home ownership units, including single-family subdivisions, for self-help mortgage assistance programs, and for manufactured homes. These funds may also be

expended for any authorized purpose of this program. At least thirty million dollars (\$30,000,000) of the amount deposited in the Self-Help Housing Fund shall be used to provide grants or forgivable loans to assist in the rehabilitation or replacement, or both, of existing mobilehomes located in a mobilehome or manufactured home community. These funds may also be used to provide technical assistance pursuant to Section 54007. Any funds not encumbered for the purposes of this subdivision by November 6, 2028, shall revert for general use in the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, unless the Department of Housing and Community Development determines that funds should revert sooner due to diminished demand.

54007. (a) (1) Notwithstanding any other provision of this part, the Department of Housing and Community Development may provide technical assistance to eligible counties and eligible cities, or developers of affordable housing within eligible counties and eligible cities, to facilitate the construction of housing for the target populations for the following programs funded pursuant to this part:

(A) The Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2).

(B) The Joe Serna, Jr. Farmworker Housing Grant Program (Chapter 3.2 (commencing with Section 50515.2) of Part 2).

(C) The CalHome Program (Chapter 6 (commencing with Section 50650) of Part 2).

(2) Technical assistance pursuant to this section shall be provided using the bond proceeds allocated pursuant to Section 54006 to the program for which the technical assistance is provided.

(3) The Department of Housing and Community Development shall not provide more than three hundred sixty thousand dollars (\$360,000) total in technical assistance pursuant to this section, and an eligible county or eligible city shall not receive more than thirty thousand dollars (\$30,000) in technical assistance annually.

(b) For purposes of this section, the following definitions shall apply:

(1) "Eligible city" means a city that is located within a county with a population of 150,000 residents or fewer.

(2) "Eligible county" means a county with a population of 150,000 residents or fewer.

(3) "Technical assistance" includes engineering assistance and environmental review related to an affordable housing project and reimbursement of administrative costs related to developing a grant proposal.

54008. (a) The Legislature may, from time to time, amend any law related to programs to which funds are, or have been, allocated pursuant to this chapter for the purposes of improving the efficiency and effectiveness of those programs or to further the goals of those programs.

(b) The Legislature may amend this chapter to reallocate the proceeds of bonds issued and sold pursuant to this part among the programs to which funds are to be allocated pursuant to this chapter as necessary to effectively promote the development of affordable housing in this state.

54009. Programs funded with bond proceeds shall, when allocating financial support, give preference to projects that are "public works" for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and other projects on which all construction workers will be paid at least the general prevailing rate of per diem wages as determined by the Director of Industrial Relations.

### CHAPTER 3. FISCAL PROVISIONS

54010. Bonds in the total amount of three billion dollars (\$3,000,000,000), exclusive of refunding bonds issued pursuant to Section 54026, or so much thereof as is necessary as determined by the committee, are hereby authorized to be issued and sold for carrying out the purposes expressed in this part and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. All bonds herein authorized which have been duly issued, sold, and delivered as provided herein shall constitute valid and binding general obligations of the state, and the full faith and credit of the state is hereby pledged for the punctual

payment of both principal of and interest on those bonds when due.

54012. The bonds authorized by this part shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), except subdivisions (a) and (b) of Section 16727 of the Government Code, and all of the provisions of that law as amended from time to time apply to the bonds and to this part, except as provided in Section 54028, and are hereby incorporated in this part as though set forth in full in this part.

54014. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this part, the committee is continued in existence. For the purposes of this part, the Housing Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law.

(b) The Department of Housing and Community Development may adopt guidelines establishing requirements for administration of its financing programs. The guidelines shall not constitute rules, regulations, orders, or standards of general application and are not subject to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) For the purposes of the State General Obligation Bond Law, the Department of Housing and Community Development is designated the "board" for programs administered by the department, and the California Housing Finance Agency is the "board" for programs administered by the agency.

54016. Upon request of the board stating that funds are needed for purposes of this part, the committee shall determine whether or not it is necessary or desirable to issue bonds, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and are not required to be sold at any one time. Bonds may bear interest subject to federal income tax.

54018. There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money in

addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collections of state revenues to do or perform each and every act which is necessary to collect that additional sum.

54020. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this part, an amount that will equal the total of both of the following:

(a) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this part, as the principal and interest become due and payable.

(b) The sum which is necessary to carry out Section 54024, appropriated without regard to fiscal years.

54022. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this part. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold, excluding any refunding bonds authorized pursuant to Section 54026, for purposes of this part, less any amount loaned pursuant to this section and not yet repaid and any amount withdrawn from the General Fund pursuant to Section 54024 and not yet returned to the General Fund. The board shall execute any documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated in accordance with this part.

54024. For purposes of carrying out this part, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of any amount or amounts not to exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold, excluding any refunding bonds authorized pursuant to Section 54026, for purposes of this part, less any amount loaned pursuant to Section 54022 and not yet repaid and any amount withdrawn from the General Fund pursuant to this section and not yet returned to

the General Fund. Any amounts withdrawn shall be deposited in the fund to be allocated in accordance with this part. Any moneys made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from moneys received from the sale of bonds which would otherwise be deposited in that fund.

54026. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. Approval by the electors of this act shall constitute approval of any refunding bonds issued to refund bonds issued pursuant to this part, including any prior issued refunding bonds. Any bond refunded with the proceeds of a refunding bond as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

54028. Notwithstanding any provisions in the State General Obligation Bond Law, the maturity date of any bonds authorized by this part shall not be later than 35 years from the date of each such bond. The maturity of each series shall be calculated from the date of issuance of each bond.

54030. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this part are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

54032. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this part that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, may order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of tax-exempt bonds and to obtain any

other advantage under federal law on behalf of the funds of this state.

54034. All moneys derived from premiums and accrued interest on bonds sold pursuant to this part shall be transferred to the General Fund as a credit to expenditures for bond interest; provided, however, that amounts derived from premiums may be reserved and used to pay the costs of bond issuance prior to transfer to the General Fund.

SEC. 4. Article 5z (commencing with Section 998.600) is added to Chapter 6 of Division 4 of the Military and Veterans Code, to read:

Article 5z. The Veterans and Affordable Housing Bond Act of 2018

998.600. Together with Part 16 (commencing with Section 54000) of Division 31 of the Health and Safety Code, this article shall be known and may be cited as the Veterans and Affordable Housing Bond Act of 2018.

998.601. (a) The State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as amended from time to time, except as otherwise provided herein, is adopted for the purpose of the issuance, sale, and repayment of, and otherwise providing with respect to, the bonds authorized to be issued by this article, and the provisions of that law are included in this article as though set out in full in this article. All references in this article to "herein" refer both to this article and that law.

(b) For purposes of the State General Obligation Bond Law, the Department of Veterans Affairs is designated the board.

998.602. As used herein, the following terms have the following meanings:

(a) "Board" means the Department of Veterans Affairs.

(b) "Bond" means a veterans' bond, a state general obligation bond, issued pursuant to this article adopting the provisions of the State General Obligation Bond Law.

(c) "Bond act" means this article authorizing the issuance of state general obligation bonds and adopting the State General Obligation Bond Law by reference.

(d) "Committee" means the Veterans Finance Committee of 1943, established by Section 991.

(e) "Fund" means the Veterans' Farm and Home Building Fund of 1943, established by Section 988.

(f) "Payment Fund" means the Veterans' Bonds Payment Fund established by Section 988.6.

998.603. For the purpose of creating a fund to provide farm and home aid for veterans in accordance with the Veterans' Farm and Home Purchase Act of 1974 (Article 3.1 (commencing with Section 987.50)), and of all acts amendatory thereof and supplemental thereto, the committee may create a debt or debts, liability or liabilities, of the State of California, in the aggregate amount of not more than one billion dollars (\$1,000,000,000), exclusive of refunding bonds, in the manner provided herein.

998.604. (a) All bonds authorized by this article, when duly sold and delivered as provided herein, constitute valid and legally binding general obligations of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal and interest thereof.

(b) There shall be collected annually, in the same manner and at the same time as other state revenue is collected, a sum of money, in addition to the ordinary revenues of the state, sufficient to pay the principal of, and interest on, these bonds as provided herein, and all officers required by law to perform any duty in regard to the collection of state revenues shall collect this additional sum.

(c) On the dates on which funds are to be remitted pursuant to Section 16676 of the Government Code for the payment of debt service on the bonds in each fiscal year, there shall be transferred to the Payment Fund to pay the debt service all of the money in the fund, not in excess of the amount of debt service then due and payable. If the money transferred on the remittance dates is less than debt service then due and payable, the balance remaining unpaid shall be transferred to the General Fund out of the fund as soon as it shall become available, together with interest thereon from the remittance date until paid, at the same rate of interest as borne by the bonds, compounded semiannually. Notwithstanding any other provision of law to the contrary, this subdivision shall apply to all veterans' farm and home purchase bond acts pursuant to this chapter.

This subdivision does not grant any lien on the fund, the Payment Fund, or the moneys therein to the holders of any bonds issued under this article. For the purposes of this subdivision, "debt service" means the principal (whether due at maturity, by redemption, or acceleration), premium, if any, or interest payable on any date with respect to any series of bonds. This subdivision shall not apply, however, in the case of any debt service that is payable from the proceeds of any refunding bonds.

998.605. There is hereby appropriated from the General Fund, for purposes of this article, a sum of money that will equal both of the following:

(a) That sum annually necessary to pay the principal of, and the interest on, the bonds issued and sold as provided herein, as that principal and interest become due and payable.

(b) That sum necessary to carry out Section 998.606, appropriated without regard to fiscal years.

998.606. For the purposes of this article, the Director of Finance may, by executive order, authorize the withdrawal from the General Fund of a sum of money not to exceed the amount of the unsold bonds which have been authorized by the committee to be sold pursuant to this article. Any sums withdrawn shall be deposited in the fund. All moneys made available under this section to the board shall be returned by the board to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this article.

998.607. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purposes of carrying out this article. The amount of the request shall not exceed the amount of unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of carrying out this article. The board shall execute whatever documents are required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this article.

998.608. Upon request of the board, supported by a statement of its plans and projects approved by the Governor, the committee shall determine whether to issue any bonds authorized under this article in order to carry out the board's plans and projects, and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out these plans and projects progressively, and it is not necessary that all of the bonds be issued or sold at any one time.

998.609. (a) As long as any bonds authorized under this article are outstanding, the Secretary of Veterans Affairs shall, at the close of each fiscal year, require a survey of the financial condition of the Division of Farm and Home Purchases; together with a projection of the division's operations, to be made by an independent public accountant of recognized standing. The results of each survey and projection shall be reported in writing by the public accountant to the Secretary of Veterans Affairs, the California Veterans Board, the appropriate policy committees dealing with veterans affairs in the Senate and the Assembly, and the committee.

(b) The Division of Farm and Home Purchases shall reimburse the public accountant for these services out of any money that the division may have available on deposit with the Treasurer.

998.610. (a) The committee may authorize the Treasurer to sell all or any part of the bonds authorized by this article at the time or times established by the Treasurer.

(b) Whenever the committee deems it necessary for an effective sale of the bonds, the committee may authorize the Treasurer to sell any issue of bonds at less than their par value, notwithstanding Section 16754 of the Government Code. However, the discount on the bonds shall not exceed 3 percent of the par value thereof.

998.611. Out of the first money realized from the sale of bonds as provided herein, there shall be redeposited in the General Obligation Bond Expense Revolving Fund, established by Section 16724.5 of the Government Code, the amount of all expenditures made for the purposes specified in that section, and this money may be used for the same purpose and repaid in the same manner whenever additional bond sales are made.

998.612. Any bonds issued and sold pursuant to this article may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code. The approval of the voters for the issuance of bonds under this article includes approval for the issuance of bonds issued to refund bonds originally issued or any previously issued refunding bonds.

998.613. Notwithstanding any provision of the bond act, if the Treasurer sells bonds under this article for which bond counsel has issued an opinion to the effect that the interest on the bonds is excludable from gross income for purposes of federal income tax, subject to any conditions which may be designated, the Treasurer may establish separate accounts for the investment of bond proceeds and for the earnings on those proceeds, and may use those proceeds or earnings to pay any rebate, penalty, or other payment required by federal law or take any other action with respect to the investment and use of bond proceeds required or permitted under federal law necessary to maintain the tax-exempt status of the bonds or to obtain any other advantage under federal law on behalf of the funds of this state.

998.614. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this article are not "proceeds of taxes" as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by Article XIII B.

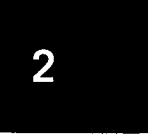
**PROPOSITION 2**

This law proposed by Assembly Bill 1827 of the 2017–2018 Regular Session (Chapter 41, Statutes of 2018) is submitted to the people in accordance with Section 10 of Article II of the California Constitution.

This proposed law amends and adds sections to the Welfare and Institutions Code; therefore, provisions proposed to be deleted are printed in ~~strikeout~~ type and new provisions to be added are printed in *italic type* to indicate that they are new.

**PROPOSED LAW**

SECTION 1. The voters hereby find and declare that housing is a key factor for



stabilization and recovery from mental illness and results in improved outcomes for individuals living with a mental illness. The Mental Health Services Act, an initiative measure enacted by the voters as Proposition 63 at the November 2, 2004, statewide general election, must therefore be amended to provide for the expenditure of funds from the Mental Health Services Fund to the No Place Like Home Program established pursuant to Part 3.9 (commencing with Section 5849.1) of Division 5 of the Welfare and Institutions Code, which finances the acquisition, design, construction, rehabilitation, or preservation of permanent supportive housing for individuals living with a severe mental illness who are homeless or at risk of chronic homelessness.

SEC. 2. Section 1, this section, and Sections 3 to 7, inclusive, shall be known, and may be cited, as the No Place Like Home Act of 2018.

SEC. 3. Section 5849.35 of the Welfare and Institutions Code is amended to read:

5849.35. (a) The authority may do all of the following:

(1) Consult with the commission and the State Department of Health Care Services concerning the implementation of the No Place Like Home Program, including the review of annual reports provided to the authority by the department pursuant to Section 5849.11.

(2) Enter into one or more *single-year or multiyear* contracts with the department for the department to provide, and the authority to pay the department for providing, services described in Sections 5849.7, 5849.8, and 5849.9, related to permanent supportive housing for the target ~~population~~: *population and to provide for payments to the department from amounts on deposit in the Supportive Housing Program Subaccount created within the Mental Health Services Fund pursuant to paragraph (1) of subdivision (f) of Section 5890*. Before entering into any contract pursuant to this paragraph, the executive director of the authority shall transmit to the commission a copy of the contract in substantially final form. The contract shall be deemed approved by the commission unless it acts within 10 days to disapprove the contract.

(3) On or before June 15 and December 15 of each year, the authority shall certify to the Controller the amounts the authority is required to pay as provided in Section 5890 for the

following six-month period to the department pursuant to any service contract entered into pursuant to paragraph (2).

(b) The department may do all of the following:

(1) Enter into one or more *single-year or multiyear* contracts with the authority to provide services described in Sections 5849.7, 5849.8, and 5849.9, related to permanent supportive housing for the target ~~population~~: *population and to receive payments from amounts on deposit in the Supportive Housing Program Subaccount pursuant to paragraph (1) of subdivision (f) of Section 5890*. Payments received by the department under any service contract authorized by this paragraph shall be used, before any other allocation or distribution, to repay loans from the authority pursuant to Section 15463 of the Government Code.

(2) Enter into one or more loan agreements with the authority as security for the repayment of the revenue bonds issued by the authority pursuant to Section 15463 of the Government Code. The department shall deposit the proceeds of these loans, excluding any refinancing loans to redeem, refund, or retire bonds, into the fund. The department's obligations to make payments under these loan agreements shall be limited obligations payable solely from amounts received pursuant to its service contracts with the authority.

(3) The department may pledge and assign its right to receive all or a portion of the payments under the service contracts entered into pursuant to paragraph (1) directly to the authority or its bond trustee for the payment of principal, premiums, if any, and interest under any loan agreement authorized by paragraph (2).

(c) The Legislature hereby finds and declares both of the following:

(1) The consideration to be paid by the authority to the department for the services provided pursuant to the contracts authorized by paragraph (2) of subdivision (a) and paragraph (1) of subdivision (b) is fair and reasonable and in the public interest.

(2) The service contracts and payments made by the authority to the department pursuant to a service contract authorized by paragraph (2) of subdivision (a) and paragraph (1) of subdivision (b) and the loan agreements and loan repayments made by the department to the



authority pursuant to a loan agreement authorized by paragraph (2) of subdivision (b) shall not constitute a debt or liability, or a pledge of the faith and credit, of the state or any political subdivision: *subdivision, except as approved by the voters at the November 6, 2018, statewide general election.*

(d) The state hereby covenants with the holders from time to time of any bonds issued by the authority pursuant to Section 15463 of the Government Code that it will not alter, amend, or restrict the provisions of this section, *paragraph (1) of subdivision (f) of Section 5890, or subdivision (b) of Section 5891* in any manner adverse to the interests of those bondholders so long as any of those bonds remain outstanding. The authority may include this covenant in the resolution, indenture, or other documents governing the bonds.

(e) Agreements under this section are not subject to, and need not comply with, the requirements of any other law applicable to the execution of those agreements, including, but not limited to, the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code shall not apply to any contract entered into between the authority and the department under this section.

SEC. 4. Section 5849.4 of the Welfare and Institutions Code is amended to read:

5849.4. (a) The No Place Like Home Fund is hereby created within the State Treasury and, notwithstanding Section 13340 of the Government Code, continuously appropriated to the department, the authority, and the Treasurer for the purposes of this part. Accounts and subaccounts may be created within the fund as needed. Up to 5 percent of the amount deposited in the fund may be used for administrative expenses in implementing this part.

(b) There shall be paid into the fund the following:

(1) Any moneys from the receipt of loan proceeds by the department derived from the issuance of bonds by the authority under subdivision (b) of Section 15463 of the Government Code.

(2) *Any appropriation or transfer to the fund from the General Fund or other funds.*

~~(2)~~

(3) Any other federal or state grant, or from any private donation or grant, for the purposes of this part.

~~(3)~~

(4) Any interest payment, loan repayments, or other return of funds.

SEC. 5. Section 5849.15 is added to the Welfare and Institutions Code, to read:

*5849.15. The voters ratify all of the following provisions as being consistent with and in furtherance of Proposition 63, enacted by the voters at the November 2, 2004, statewide general election, and approve all of the following provisions for purposes of Section 1 of Article XVI of the California Constitution:*

(a) *Chapter 43 of the Statutes of 2016, which amended Sections 5830, 5845, 5847, 5848, 5897, and 5899 and added this part.*

(b) *Chapter 322 of the Statutes of 2016, which added Section 15463 to the Government Code, and amended Sections 5849.1, 5849.2, 5849.3, 5849.4, 5849.5, 5849.7, 5849.8, 5849.9, 5849.11, 5849.14, 5890, and 5891 of, added Section 5849.35 to, and repealed and added Section 5849.13 of, this code.*

(c) *Those provisions of Chapter 561 of the Statutes of 2017 that amended any of the provisions referenced in subdivisions (a) and (b).*

(d) *The amendments to Section 5849.35, 5849.4, and 5890 made by the act adding this section.*

(e) *The issuance by the California Health Facilities Financing Authority of bonds in an amount not to exceed two billion dollars (\$2,000,000,000) for the purposes of financing permanent supportive housing pursuant to the No Place Like Home Program and related purposes as set forth in subdivision (b) of Section 15463 of the Government Code, the issuance of bonds for the purpose of redeeming, refunding, or retiring bonds as set forth in subdivision (c) of Section 15463 of the Government Code, and the process by which those bonds are issued, secured, and repaid, as set forth in the provisions referenced in subdivisions (a) to (d), inclusive.*



SEC. 6. Section 5890 of the Welfare and Institutions Code is amended to read:

5890. (a) The Mental Health Services Fund is hereby created in the State Treasury. The fund shall be administered by the state. Notwithstanding Section 13340 of the Government Code, all moneys in the fund are, except as provided in subdivision (d) of Section 5892, continuously appropriated, without regard to fiscal years, for the purpose of funding the following programs and other related activities as designated by other provisions of this division:

(1) Part 3 (commencing with Section 5800), the Adult and Older Adult *Mental Health* System of Care Act.

(2) Part 3.2 (commencing with Section 5830), Innovative Programs.

(3) Part 3.6 (commencing with Section 5840), Prevention and Early Intervention Programs.

(4) Part 3.9 (commencing with Section 5849.1), No Place Like Home Program.

(5) Part 4 (commencing with Section 5850), the Children's Mental Health Services Act.

(b) The establishment of this fund and any other provisions of the act establishing it or the programs funded shall not be construed to modify the obligation of health care service plans and disability insurance policies to provide coverage for mental health services, including those services required under Section 1374.72 of the Health and Safety Code and Section 10144.5 of the Insurance Code, related to mental health parity. This act shall not be construed to modify the oversight duties of the Department of Managed Health Care or the duties of the Department of Insurance with respect to enforcing these obligations of plans and insurance policies.

(c) This act shall not be construed to modify or reduce the existing authority or responsibility of the State Department of Health Care Services.

(d) The State Department of Health Care Services shall seek approval of all applicable federal Medicaid approvals to maximize the availability of federal funds and eligibility of participating children, adults, and seniors for medically necessary care.

(e) Share of costs for services pursuant to Part 3 (commencing with Section 5800) and Part 4

(commencing with Section 5850) of this division, shall be determined in accordance with the Uniform Method of Determining Ability to Pay applicable to other publicly funded mental health services, unless this Uniform Method is replaced by another method of determining copayments, in which case the new method applicable to other mental health services shall be applicable to services pursuant to Part 3 (commencing with Section 5800) and Part 4 (commencing with Section 5850) of this division.

(f) (1) The Supportive Housing Program Subaccount is hereby created in the Mental Health Services Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the subaccount are reserved and continuously appropriated, without regard to fiscal years, to the California Health Facilities Financing Authority to provide funds to meet its financial obligations pursuant to any service contracts entered into pursuant to Section 5849.35. Notwithstanding any other law, including any other provision of this section, no later than the last day of each month, the Controller shall, before any transfer or expenditure from the fund for any other purpose for the following month, transfer from the Mental Health Services Fund to the Supportive Housing Program Subaccount an amount that has been certified by the California Health Facilities Financing Authority pursuant to paragraph (3) of subdivision (a) of Section 5849.35, but not to exceed an aggregate amount of one hundred forty million dollars (\$140,000,000) per year. If in any month the amounts in the Mental Health Services Fund are insufficient to fully transfer to the subaccount or the amounts in the subaccount are insufficient to fully pay the amount certified by the California Health Facilities Financing Authority, the shortfall shall be carried over to the next ~~month~~ *month, to be transferred by the Controller with any transfer required by the preceding sentence*. Moneys in the Supportive Housing Program Subaccount shall not be loaned to the General Fund pursuant to Section 16310 or 16381 of the Government Code.

(2) *Prior to the issuance of any bonds pursuant to Section 15463 of the Government Code, the Legislature may appropriate for transfer funds in the Mental Health Services Fund to the Supportive Housing Program Subaccount in an*

amount up to one hundred forty million dollars (\$140,000,000) per year. Any amount appropriated for transfer pursuant to this paragraph and deposited in the No Place Like Home Fund shall reduce the authorized but unissued amount of bonds that the California Health Facilities Financing Authority may issue pursuant to Section 15463 of the Government Code by a corresponding amount. Notwithstanding Section 13340 of the Government Code, all moneys in the subaccount transferred pursuant to this paragraph are reserved and continuously appropriated, without regard to fiscal years, for transfer to the No Place Like Home Fund, to be used for purposes of Part 3.9 (commencing with Section 5849.1). The Controller shall, before any transfer or expenditure from the fund for any other purpose for the following month but after any transfer from the fund for purposes of paragraph (1), transfer moneys appropriated from the Mental Health Services Fund to the subaccount pursuant to this paragraph in equal amounts over the following 12-month period, beginning no later than 90 days after the effective date of the appropriation by the Legislature. If in any month the amounts in the Mental Health Services Fund are insufficient to fully transfer to the subaccount or the amounts in the subaccount are insufficient to fully pay the amount appropriated for transfer pursuant to this paragraph, the shortfall shall be carried over to the next month.

(3) The sum of any transfers described in paragraphs (1) and (2) shall not exceed an aggregate of one hundred forty million dollars (\$140,000,000) per year.

(4) Paragraph (2) shall become inoperative once any bonds authorized pursuant to Section 15463 of the Government Code are issued.

SEC. 7. The provisions of this act may be amended by a two-thirds vote of the Legislature so long as such amendments are consistent with and further the intent of this act.

**PROPOSITION 3**

This initiative measure is submitted to the people in accordance with the provisions of Section 8 of Article II of the California Constitution.

This initiative measure adds sections to the Fish and Game Code and the Water Code; therefore,

new provisions proposed to be added are printed in *italic type* to indicate that they are new.

**PROPOSED LAW**

The people of the State of California do enact as follows:

SECTION 1. Division 38 (commencing with Section 86000) is added to the Water Code, to read:

*DIVISION 38. STATE WATER SUPPLY INFRASTRUCTURE, WATER CONVEYANCE, ECOSYSTEM AND WATERSHED PROTECTION AND RESTORATION, AND DRINKING WATER PROTECTION ACT OF 2018*

*CHAPTER 1. SHORT TITLE*

86000. This division shall be known and may be cited as the *Water Supply and Water Quality Act of 2018*.

*CHAPTER 2. FINDINGS AND DECLARATIONS*

86001. The people find and declare the following:

(a) *In our frequently very dry state, our high-tech, agricultural and urbanized economy relies on an uninterrupted and high-quality water supply. By making water use more efficient, reducing the demand for water, providing new and diverse water supplies, improving the quality of our source watersheds, and protecting key environmental uses of water, this measure will assure that the economic and environmental engines of California are not derailed by a shortage of water.*

(b) *California's recent historic drought raises serious questions about the long-term reliability of our current water supplies. The drought underscores the need to use our existing water supplies more efficiently, increase investments in our water infrastructure, and more effectively integrate our water system from the headwaters to the end user.*

(c) *California's water situation requires implementation of the California Water Action Plan to provide for the water needs of people, agriculture, and the environment. This division will help provide a more reliable water supply by reducing waste, increasing the amount of water available to meet our needs, and improving water quality. This division also provides additional protection for our communities from floods.*



18 SEP -7 AM 3:40

**DRAFT**

City Attorney's Office

## OAKLAND CITY COUNCIL

RESOLUTION NO. \_\_\_\_\_ C.M.S.

INTRODUCED BY COUNCILMEMBER DAN KALB

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**RESOLUTION IN SUPPORT OF PROPOSITION 1, THE HOUSING PROGRAMS AND VETERANS' LOANS BOND, AND PROPOSITION 2, USE MILLIONAIRE'S TAX REVENUE FOR HOMELESSNESS PREVENTION HOUSING BONDS MEASURE**

**WHEREAS**, California, one of the largest economies in the world, is experiencing an extreme housing shortage and increase in homelessness; and

**WHEREAS**, California Proposition 1, the Housing Programs and Veterans' Loans Bond, on the November 2018 ballot, initially introduced by Senator Jim Beall as Senate Bill 3, would authorize \$4 billion in general obligation bonds for affordable housing-related programs, loans, grants, and projects and housing loans for veterans; and

**WHEREAS**, Proposition 1 is supported by numerous organizations, businesses, community groups, officials, and municipalities, including East Bay Housing Organizations, State Building and Construction Trades Council of California, San Francisco, the City of Alameda, and Oakland Mayor Libby Schaaf; and

**WHEREAS**, California Proposition 2, Use Millionaire's Tax Revenue for Homelessness Prevention Housing Bonds Measure, on the November 2018 ballot would authorize the state to use revenue from 2004's Proposition 63, a 1% tax on income above \$1 million for mental health services, on \$2 billion in revenue bonds for homelessness prevention housing for persons in need of mental health services; and

**WHEREAS**, Proposition 2 is supported by numerous organizations, community groups, and officials, including East Bay Housing Organizations and Habitat for Humanity CA; and

**WHEREAS**, No public funds shall be used in the campaign for or against Propositions 1 and 2; now, therefore be it

2. **RESOLVED:** That the Oakland City Council hereby supports Propositions 1 and 2.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN, AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: \_\_\_\_\_  
LATONDA SIMMONS  
City Clerk and Clerk of the Council of  
the City of Oakland, California