



# City of Sunnyvale

## Agenda Item-No Attachments (PDF)

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File #: 14-0598, Version: 1

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### REPORT TO COUNCIL

#### **SUBJECT**

Adoption of Position on State and Local Ballot Measures for the November 4, 2014 Election

#### **BACKGROUND**

This report provides an opportunity for the Sunnyvale City Council to take positions on state and local measures on the November 4, 2014 Ballot. The report summarizes each measure, provides the City's adopted policy on the measure (if any), and a staff recommendation when appropriate. Council Policy 7. 3.13 *Support for Councilmembers; Staff-Council Communications*, states that staff will provide analysis and a position recommendation on only those ballot measures that directly impact *City business*. *City business* is defined as all matters directly related to service delivery, or otherwise contributing to the City's operational success (Per Council Policy 7.3.2 *Legislative Advocacy Positions*). **Consistent with other ballot measures, no public funds have been or will be used to campaign for or against these measures.**

Staff's recommendations are generally based on existing City policies from documents such as the General Plan, Legislative Advocacy Positions, and impact on City services and/or operations. Staff has deemed the following measures as *City business* and is recommending the following positions:

#### State Ballot Measures

##### **Proposition 1 (Support)**

The Water Quality, Supply and Infrastructure Act of 2014

##### **Proposition 47 (Oppose)**

Criminal Sentences. Misdemeanor Penalties. Initiative Statute.

In addition, the following measures have been deemed **not** *City business* and do not include staff analysis or recommendation; they are presented for potential Council Action.

#### State Ballot Measures

##### **Proposition 2 (No Staff Recommendation)**

State Budget. Budget Stabilization Account. Legislative Constitutional Amendment

##### **Proposition 45 (No Staff Recommendation)**

Healthcare Insurance. Rate Changes. Initiative Statute.

##### **Proposition 46 (No Staff Recommendation)**

Drug and Alcohol Testing of Doctors. Medical Negligence Lawsuits. Initiative Statute.

##### **Proposition 48 (No Staff Recommendation)**

Indian Gaming Compacts. Referendum.

Local Ballot Measures

**Measure H (No Staff Recommendation)**

Santa Clara Unified School District

**Measure J (No Staff Recommendation)**

Fremont Union High School District

**Measure K (No Staff Recommendation)**

Fremont Union High School District

**Measure Q (No Staff Recommendation)**

Santa Clara County Open Space Authority

**EXISTING POLICY**

**Council Policy 7.3.13** *Support for Councilmembers; Staff-Council Communications:* As soon as possible following the release of the Secretary of State's *Official Voter Information Guide* or the Santa Clara County Registrar of Voter's *Voter Information Pamphlet*, staff will present to Council a report reviewing proposed ballot measures.

**ENVIRONMENTAL REVIEW**

N/A

**DISCUSSION**

A brief analysis of each measure follows including a measure summary and, for statewide measures only, the California Legislative Analyst's estimate of state and local government fiscal impact; for those measures deemed *City business*, City staff analysis by the appropriate department, existing City policy citation (if any), and, as appropriate, a staff recommendation are also identified.

Staff recommendation options are: Support, Oppose, No Staff Recommendation, or Take No Position. While the meaning of Support and Oppose recommendations are clear, "No Staff Recommendation" and "Take No Position" are clarified as follows:

*No Staff Recommendation* - Consistent with City policy, staff does not provide analysis or make recommendations on measures that do not impact *City business* as defined in Council Policy 7.3.2, *Legislative Advocacy Positions*.

*Take No Position* - Despite a measure's ability to impact *City business*, Staff may recommend that Council abstain from taking a position. This recommendation to remain neutral on an issue may be made for a variety of reasons (e.g., ballot language is not clear; the pros and cons of the business impact cancel each other out; etc.). The reason for recommending this position will be explained as part of the staff analysis.

**Measures Deemed City Business**

**Proposition 1:** The Water Quality, Supply and Infrastructure Act of 2014

Summary:

On August 13, 2014, Proposition 43 was removed and Proposition 1 was added to the ballot by the State Legislature and Governor. Information on Proposition 1, including the official summary and summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact will be provided in a Supplemental Voter Information Guide.

City Staff's Summary of the Measure:

Proposition 1 provides for the sale or redirecting of \$7.5 billion in general obligation bonds to fund projects related to water supply, watershed protection and restoration, improvements to groundwater and surface water quality, and flood protection. Money would be allocated as follows; \$4.2 billion for water supply projects including dams, groundwater storage, water recycling and desalination; \$1.5 billion for watershed protection and restoration including habitat protection and projects that increase flows in rivers and streams; \$1.4 billion for improvements to groundwater and surface water quality including pollution prevention and local projects to manage groundwater; and almost \$400 million for improving the Delta levies and other flood control projects around the state.

City of Sunnyvale Staff Analysis:

The goals of Proposition 1 are to ensure greater reliability of water supply, improve water quality and invest in updated water infrastructure. In addition, if approved by the voters, this Proposition will allocate \$725 million for recycled water projects. These are all goals that the City should enthusiastically support. The details of how the money will be allocated for applicable projects are yet to be determined and should be closely watched by staff. However, the possibility does exist that the City could receive financial assistance with water supply infrastructure projects in the future. Therefore, staff recommends a support position on Proposition 1.

Existing City Policy:

**General Plan, *Environmental Management Element*:**

**Goal EM-1:** Acquire and manage water supplies so that existing and future reasonable demands for water, as projected in the 20-year forecast, are reliably met.

**Goal EM-2:** Promote more efficient use of the City's water resources to reduce the demands placed on the City's water supplies.

**Goal EM-3:** Proactively maintain the water distribution system infrastructure to ensure the reliable and safe delivery of water under normal and emergency conditions to both current and future customers.

Staff Recommendation: **SUPPORT**

**Proposition 47:** Criminal Sentences. Misdemeanor Penalties. Initiative Statute.

Summary:

- Requires misdemeanor sentence instead of felony for certain drug possession offenses.
- Requires misdemeanor sentence instead of felony for the following crimes when amount involved is \$950 or less: petty theft, receiving stolen property, and forging/writing bad checks.
- Allows felony sentence for these offenses if person has previous conviction for crimes such as rape, murder, or child molestation or is registered sex offender.
- Requires resentencing for persons serving felony sentences for these offenses unless court

finds unreasonable public safety risk.

- Applies savings to mental health and drug treatment programs, K-12 schools, and crime victims.

#### Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- Net state criminal justice system savings that could reach the low hundreds of millions of dollars annually. These savings would be spent on school truancy and dropout prevention, mental health and substance abuse treatment, and victim services.
- Net county criminal justice system savings that could reach several hundred million dollars annually.

#### City of Sunnyvale Staff Analysis:

This legislation will require the release of an estimated 10,000 dangerous inmates. Additionally, any persons who were convicted of several identified felonies would be able to petition for immediate reduction to misdemeanor and reduced sentencing, likely resulting in even more prisoner releases. The automatic felony charge for stealing a handgun would be eliminated. Several drug laws that are currently felonies would be reduced to misdemeanors with limitations on sentencing rights for judges. This legislation would force many of these previously serious criminals into county jails rather than state prison causing even more local overcrowding. This legislation is intended to address an overcrowding problem in the correctional system by finding ways to reduce sentences and crime severity. This is follow-on legislation to the previously adopted AB 109 which is still being analyzed for the impact to public safety and crime recidivism. It is important to note that without proper analysis and understanding of the community impact there could be serious ramifications to public safety with these sentencing changes. The legislation provides no additional support or funding for law enforcement to manage any of the potential impact.

The League of California Cities has taken an oppose position on this measure.

Existing City Policy: *Goal SN-3 Safe and Secure City:* Ensure a safe and secure environment for people and property in the community by providing effective public safety response and prevention and education services.

Staff Recommendation: **OPPOSE**

#### Measures Deemed Not City Business

All measures deemed not *City business* are presented for potential Council action; however, do not include staff analysis or recommendation.

**Proposition 2:** State Budget. Budget Stabilization Account. Legislative Constitutional Amendment.

#### Summary:

- Requires annual transfer of state general fund revenues to budget stabilization account.
- Requires half the revenues be used to repay state debts. Limits use of remaining funds to emergencies or budget deficits.
- Fiscal Impact: Long-term state savings from faster payment of existing debts.
- Different levels of state budget reserves, depending on economy and decisions by elected officials.
- Smaller local reserves for some school districts.

**Proposition 45:** Healthcare Insurance. Rate Changes. Initiative Statute.

Summary:

- Requires Insurance Commissioner's approval before health insurer can change its rates or anything else affecting the charges associated with health insurance.
- Provides for public notice, disclosure, and hearing, and subsequent judicial review.
- Exempts employer large group health plans.
- Fiscal Impact: Increased state administrative costs to regulate health insurance, likely not exceeding the low millions of dollars annually in most years, funded from fees paid by health insurance companies.

**Proposition 46:** Drug and Alcohol Testing of Doctors. Medical Negligence Lawsuits. Initiative Statute.

Summary:

- Requires drug testing of doctors. Requires review of statewide prescription database before prescribing controlled substances.
- Increases \$250,000 pain/suffering cap in medical negligence lawsuits for inflation.
- Fiscal Impact: State and local government costs from raising the cap on medical malpractice damages ranging from tens of millions to several hundred million dollars annually, offset to some extent by savings from requirements on health care providers.

**Proposition 48:** Indian Gaming Compacts. Referendum.

Summary:

- A "Yes" vote approves, and a "No" vote rejects, tribal gaming compacts between the state and the North Fork Rancheria of Mono Indians and the Wiyot Tribe.
- Fiscal Impact: One-time payments (\$16 million to \$35 million) and for 20 years annual payments (\$10 million) from Indian tribes to state and local governments to address costs related to the operation of a new casino.

**Measure H:** Issue \$419 Million in Bonds

Summary:

To repair or replace deteriorating roofs, plumbing and wiring, remove asbestos, lead and hazardous materials; to upgrade outdated classrooms and career training facilities to support 21st century learning and prepare students for college and careers; to acquire, renovate, construct/equip classrooms and facilities to relieve overcrowding and attract quality teachers, shall the Santa Clara Unified School District issue \$419 million in bonds at legal rates, with independent citizen oversight, no money for administrators and all money staying local?

**Measure J:** Renewal of \$98 Parcel Tax

Summary:

To renew its existing parcel tax without increasing the cost or changing the structure of the proposal voters first approved in 2004, shall the Fremont Union High School District continue to levy a \$98 parcel tax for 6 more years beginning July 1, 2016 to protect the math, science, English, foreign

language, music and art classes currently offered, maintain class sizes, retain high quality teachers and staff and offer an exemption to individuals age 65 and over?

### **Measure K: \$295 Million School Bond**

#### Summary:

To avoid overcrowding at Cupertino, Fremont, Homestead, Lynbrook and Monta Vista High Schools by building the new classrooms and facilities needed to serve a growing student population, updating computer network capability and science labs, upgrading classroom computers and technology, and replacing, acquiring, constructing and renovating school facilities shall the Fremont Union High School District issue \$295 million in bonds at interest rates within the legal limit with annual audits and all expenditures monitored by an Independent Citizens' Oversight Committee?

### **Measure Q: \$94 Parcel Tax**

#### Summary:

To protect and preserve natural open space areas for future generations by: improving parks, open spaces and trails; protecting land around creeks, rivers and streams to prevent pollution and improve local water quality; preserving wildlife habitat; expanding public access; enhancing environmental education; and protecting scenic hillsides, shall Santa Clara County Open Space Authority levy a special tax of \$24 annually per parcel for 15 years, with citizen oversight and all funds benefitting local open space?

### **FISCAL IMPACT**

There is no fiscal impact to this report.

### **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

### **ALTERNATIVES**

1. Adopt the following positions on the ballot measures: a) **Support Proposition 1**, The Water Quality, Supply and Infrastructure Act of 2014; b) **Oppose Proposition 47** regarding Criminal Sentences. Misdemeanor Penalties. Initiative Statute.
2. Adopt alternative positions on the ballot measures.
3. Other action as directed by Council.

### **STAFF RECOMMENDATION**

Alternative 1: Adopt the following positions on the ballot measures: a) **Support Proposition 1**, The Water Quality, Supply and Infrastructure Act of 2014; b) **Oppose Proposition 47** regarding Criminal Sentences. Misdemeanor Penalties. Initiative Statute.

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