



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Adopt Positions on State and Local Ballot Measures for the November 3, 2020 Election

BACKGROUND

This report provides an opportunity for the Sunnyvale City Council to take positions on state and local measures on the November 3, 2020 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 7.4.16 *Ballot Measure Positions*, 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 7.4.14 *Legislative Advocacy Positions*).

As required by state law, no public funds have been or will be used to campaign for or against any of these measures. Public resources may be used to adopt a position on a measure, as long as that position is taken at an open and public meeting where all perspectives have the opportunity to be heard. 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.

EXISTING POLICY

Council Policy 7.4.16 *Ballot Measure Positions*: 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

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

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 7.4.14, *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.

State and local ballot measures deemed City business

Measure M - Fremont Union High School District Parcel Tax

Summary: The following is the ballot question for Measure M:

To renew its existing parcel tax without increasing the annual levy, support strong academic programs in reading, writing, math, science, technology and engineering, and prepare students for college and careers by attracting and retaining high quality teachers and staff, shall the Fremont Union High School District measure to renew its existing \$98 parcel tax providing approximately \$5 million annually for 8 years, with citizen oversight, exemptions for seniors, and all funds benefitting local high schools be adopted?

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact: N/A

City of Sunnyvale Staff Analysis: This measure is in alignment with Sunnyvale's goal of supporting efforts to improve quality education. Funding from this measure would be dedicated to provide high schools with reliable, stable funds to support classroom programs and to continue to attract and retain teachers and staff. Funding would also support educational programs in science, math, social studies, technology and engineering.

Existing City Policy: Policy 5.1.1 Goal 5.1E Support efforts to improve the availability and quality of education made available in Sunnyvale.

Staff Recommendation: **Support**

Measure S - Santa Clara Valley Water District

Summary: The following is the ballot question for Measure S:

Safe, Clean Water and Natural Flood Protection Program.

Shall the measure to renew the Safe, Clean Water and Natural Flood Protection Program which ensures public health and safety by:

- protecting drinking water supply, dams from earthquakes and climate change;
- reducing pollution, toxins and contaminants in waterways; and

- providing flood protection;

by renewing Santa Clara Valley Water District's existing parcel tax without increasing rates, averaging \$.006 per square foot annually as described in Resolution 20-64 until ended by voters, raising approximately \$45,500,000 annually, with qualifying senior exemption, annual audits, independent citizen oversight be adopted?

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact: N/A

City of Sunnyvale Staff Analysis: This measure will fund projects related to Sunnyvale East and West Channel flood protection and the San Francisco Bay Shoreline Study that addresses sea level rise in Sunnyvale. In addition, it will protect drinking water supplied to Sunnyvale and ensure safe and adequate water supply sources by protecting and rebuilding dams for earthquake protection.

Existing City Policy:

Policy EM-1.1 Manage water supply to meet demands for potable water through the effective use of water supply agreements.

Goal EM-8 Assure the reasonable protection of beneficial uses of creeks and San Francisco Bay, established in the Regional Board's Basin Plan, and protect environmentally sensitive areas.

Policy SN-1.2 Take measures to protect the life and property from the effects of a 1 percent (100 year) flood.

Policy SN-1.4 Monitor and plan for hydraulic changes due to global warming, earthquakes and/or subsidence.

Staff Recommendation: **Support**

Measure RR - Peninsula Corridor Joint Powers Authority (CalTrain)

Summary: The following is the ballot question for Measure RR:

To preserve Caltrain service and support regional economic recovery, prevent traffic congestion, make Caltrain more affordable and accessible, reduce air pollution with cleaner and quieter electric trains, make travel times faster, and increase Caltrain frequency and capacity between Santa Clara, San Mateo and San Francisco counties, shall the Peninsula Corridor Joint Powers Board's resolution levying a 30-year one-eighth cent sales tax with oversight and audits, providing approximately \$100 million annually for Caltrain that the State cannot take away, be adopted?

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact: N/A

City of Sunnyvale Staff Analysis: Prior to COVID-19, Caltrain was the 7th largest commuter railroad in the County, carrying an average of 65,000 passengers each weekday with 70% fare box recovery. The Caltrain system provides a very important transportation alternative to help relieve congested streets and freeways. The Sunnyvale Caltrain stations are highly utilized and will be supported further in the future with buildout of Downtown Sunnyvale and the Lawrence Station Area. Currently, the

Sunnyvale Caltrain stations do not have a dedicated revenue source to help fund operations relying on contributions from VTA, SamTrans and SF MUNI.

Existing City Policy:

Policy LT-1.1 - Participate in coordinated Land Use and Transportation planning in the region.

LT-1.1a Actively monitor and participate in intergovernmental activities with federal, state, and regional agencies related to regional and sub-regional land use and transportation planning in order to advance the City's policies.

Policy LT-1.7 - Emphasize efforts to reduce regional vehicle miles traveled by supporting active modes of transportation including walking, biking and public transit.

Policy LT-1.8 - Actively participate in discussions and decisions regarding transportation between regions, including regional airport and regional rail planning, to ensure benefit to the community.

LT-1.8g Monitor and participate in decision-making processes regarding regional rail planning, such as those for High-Speed Rail and Caltrain.

Policy LT-3.6 - Promote modes of travel and actions that provide safe access to city streets and reduce single-occupant vehicle trips and trip lengths locally and regionally.

Policy LT-3.28 - Support statewide, regional, and subregional efforts that provide for a safe, effective transportation system that serves all travel modes consistent with established service standards.

Staff Recommendation: **Support**

State and local ballot measures deemed City business with staff not recommending a specific position

Proposition 15 - Increases Funding Sources for Public Schools, Community Colleges, and Local Government Services by Changing Tax Assessment of Commercial and Industrial Property. Initiative Constitutional Amendment.

Summary: Increases funding sources for K-12 public schools, community colleges, and local governments by requiring commercial and industrial real property be taxed based on current market value, instead of purchase price. Fiscal Impact: Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact: Increased property taxes on commercial properties worth more than \$3 million providing \$6.5 billion to \$11.5 billion in new funding to local governments and schools.

City of Sunnyvale Staff Analysis: Property taxes are a major source of funding for the City. This change could substantially increase the City's tax base; however, there has been significant turnover

in commercial properties and they are taxed at current market rate. Significant increases in property taxes could create an incentive for some businesses to relocate to lower-cost areas. The impact of this change is uncertain.

Existing City Policy: 7.0 B(5) Long-term Advocacy Positions - Planning and Management: Ensure local governments' revenue sources are protected and predictable.

Staff Recommendation: **Take No Position**

Proposition 16 - Allows Diversity as a Factor in Public Employment, Education, and Contracting Decisions. Legislative Constitutional Amendment.

Summary: Permits government decision-making policies to consider race, sex, color, ethnicity, or national origin in order to address diversity by repealing constitutional provision prohibiting such policies. Fiscal Impact: No direct fiscal effect on state and local entities. The effects of the measure depend on the future choices of state and local government entities and are highly uncertain.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact: No direct fiscal effect on state and local entities because the measure does not require any change to current policies or programs. Possible fiscal effects would depend on future choices by state and local entities to implement policies or programs that consider race, sex, color, ethnicity, or national origin in public education, public employment, and public contracting. These fiscal effects are highly uncertain.

City of Sunnyvale Staff Analysis: Staff recommends that Council abstain from taking a position due to the City already taking measures to hire and attract a diverse pool for candidates and future employees. Additionally, the ballot measure is not clear and doesn't indicate what steps/documentation would be required if this were to pass. The City's Charter requires hiring and promotions to be based on merit and fitness and could conflict with a new system that would consider diversity.

Existing City Policy:

Charter Section 1100 Merit Principle - Appointments and promotions in the administrative service of the City shall be made according to merit and fitness, to be ascertained, so far as practicable, by competitive examination.

Policy 7.1.1 Fiscal - Long Range Goals and Financial Policies

H.1.2 Purchasing policies and procedures will be as fair and open as possible so that everyone involved will understand the elements of the process, including procedures, timelines, expectations, requirements, and criteria for supplier selection.

Policy 7.3.1 Legislative Management - Goals and Policies, Goal 7.3D: Maintain a quality work force, consistent with state and federal laws, City Charter, and adopted policies in order to assure that City services are provided in an effective, efficient, and high-quality manner.

Staff Recommendation: **Take No Position**

Proposition 19 - Changes Certain Property Tax Rules. Legislative Constitutional Amendment.

Summary: Allows homeowners who are over 55, disabled, or wildfire/disaster victims to transfer primary residence's tax base to replacement residence. Changes taxation of family-property transfers. Establishes fire protection services fund. Fiscal Impact: Local governments could gain tens of millions of dollars of property tax revenue per year, probably growing over time to a few hundred million dollars per year. Schools could receive similar property tax gains.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact: Local governments could gain tens of millions of dollars of property tax revenue per year. These gains could grow over time to a few hundred million dollars per year. Schools could gain tens of millions of dollars of property tax revenue per year. These gains could grow over time to a few hundred million dollars per year. Revenue from other taxes could increase by tens of millions of dollars per year for both the state and local governments. Most of this new state revenue would be spent on fire protection.

City of Sunnyvale Staff Analysis: Seventy five percent of the calculated revenue from these changes would be required to go to the Fire Response Fund and fifteen percent to the County Revenue Protection Fund. Staff are unclear if the revenue changes would result in any significant changes to Sunnyvale.

Existing City Policy: 7.0 B(5) Long-term Advocacy Positions - Planning and Management: Ensure local governments' revenue sources are protected and predictable.

Staff Recommendation: **Take No Position**

Proposition 21 - Expands Local Governments' Authority to Enact Rent Control on Residential Property. Initiative Statute.

Summary: Allows local governments to establish rent control on residential properties over 15 years old. Local limits on rate increases may differ from the statewide limit. Fiscal Impact: Overall, a potential reduction in state and local revenues in the high tens of millions of dollars per year over time. Depending on actions by local communities, revenue losses could be less or more.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact: Overall, a potential reduction in state and local revenues in the high tens of millions of dollars per year over time. Depending on actions by local communities, revenue losses could be less or more.

City of Sunnyvale Staff Analysis: Prop 21 seeks to modify the existing Costa Hawkins Act and rename it the Rental Affordability Act. In 2018, California voters rejected a similar initiative, however the 2020 proposition varies by including more favorable parameters for small landlords and vacancy control settings. Prop 21 is very similar to the current AB 1482 which was passed by the CA State Legislature in 2019. AB 1482 caps annual rent increases at 5 percent plus inflation for tenants and requires that a landlord have a just cause, as defined in the law, to evict tenants that had occupied the rental for at least one year. AB 1482 included exemptions for housing built in the past 15 years and some single-family homes and duplexes. The legislation was designed to sunset after 10 years. While Prop 21 does not mandate a city or county establish a rent control program, there are many pros and cons to rent control in general. While keeping housing affordable to Sunnyvale residents is

critical, rent control programs can also slow housing production due to developer costs and revenue. Sunnyvale remains an advocate of local control, a strong jobs/housing balance and meeting the needs of our housing supply.

Existing City Policy:

GOAL HE-3 Minimized Governmental Constraints on Housing. Minimizes the impact of governmental constraints on the maintenance, improvement and development of housing

Policy HE-3.1 Monitor all regulations, ordinances, departmental processing procedures and fees related to the rehabilitation and construction of housing units to assess the impact on housing costs and/or future supply.

Staff Recommendation: **Take No Position**

State and local ballot 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 14 - Authorizes Bonds Continuing Stem Cell Research. Initiative Statute.

Summary: Authorizes \$5.5 billion state bonds for: stem cell and other medical research, including training; research facility construction; administrative costs. Dedicates \$1.5 billion to brain-related diseases. Appropriates General Fund moneys for repayment. Expands related programs. Fiscal Impact: Increased state costs to repay bonds estimated at about \$260 million per year over the next roughly 30 years.

Proposition 17- Restores Right to Vote After Completion of Prison Term. Legislative Constitutional Amendment.

Summary: Restores voting rights upon completion of prison term to persons who have been disqualified from voting while serving a prison term. Fiscal Impact: Annual county costs, likely in the hundreds of thousands of dollars statewide, for voter registration and ballot materials. One-time state costs, likely in the hundreds of thousands of dollars, for voter registration cards and systems.

Proposition 18 - Amends California Constitution to Permit 17-Year-Olds to Vote in Primary and Special Elections If They Will Turn 18 by the Next General Election and Be Otherwise Eligible to Vote. Legislative Constitutional Amendment.

Summary: Fiscal Impact: Increased statewide county costs likely between several hundreds of thousands of dollars and \$1 million every two years. Increased one-time costs to the state of hundreds of thousands of dollars.

Proposition 20 - Restricts Parole for Certain Offenses Currently Considered to Be Non-Violent. Authorizes Felony Sentences for Certain Offenses Currently Treated Only as Misdemeanors. Initiative Statute.

Summary: Limits access to parole program established for non-violent offenders who have completed the full term of their primary offense by eliminating eligibility for certain offenses. Fiscal

Impact: Increase in state and local correctional, court, and law enforcement costs likely in the tens of millions of dollars annually, depending on implementation.

Proposition 22 - Exempts App-Based Transportation and Delivery Companies From Providing Employee Benefits to Certain Drivers. Initiative Statute.

Summary: Classifies app-based drivers as “independent contractors,” instead of “employees,” and provides independent-contractor drivers other compensation, unless certain criteria are met. Fiscal Impact: Minor increase in state income taxes paid by rideshare and delivery company drivers and investors.

Proposition 23 - Establishes State Requirements for Kidney Dialysis Clinics. Requires On-Site Medical Professional. Initiative Statute.

Summary: Requires physician, nurse practitioner or physician assistant on site during dialysis treatment. Prohibits clinics from reducing services without state approval. Prohibits clinics from refusing to treat patients based on payment source. Fiscal Impact: Increased state and local government costs likely in the low tens of millions of dollars annually.

Proposition 24 - Amends Consumer Privacy Laws. Initiative Statute.

Summary: Permits consumers to: prevent businesses from sharing personal information, correct inaccurate personal information, and limit businesses’ use of “sensitive personal information,” including precise geolocation, race, ethnicity, and health information. Establishes California Privacy Protection Agency. Fiscal Impact: Increased annual state costs of at least \$10 million, but unlikely exceeding low tens of millions of dollars, to enforce expanded consumer privacy laws. Some costs would be offset by penalties for violating these laws.

Proposition 25 - Referendum on Law That Replaced Money Bail With System Based on Public Safety and Flight Risk.

Summary: A “Yes” vote approves, and a “No” vote rejects, law replacing money bail with system based on public safety and flight risk. Fiscal Impact: Increased costs possibly in mid hundreds of millions of dollars annually for a new process for release from jail prior to trial. Decreased county jail costs, possibly in high tens of millions of dollars annually.

Measure T - Santa Clara Valley Open Space Authority Parcel Tax.

Summary: The following is the ballot question for Measure T:

To continue protecting and preserving natural open spaces without increasing tax rates by:

- managing land and water to reduce wildfires and floods;
- protecting land around creeks to prevent pollution and improve water quality;
- creating urban parks;
- preserving wildlife habitats; and, preserving family farms, and healthy food sources;

shall the measure to renew Santa Clara Valley Open Space Authority’s existing \$24 annual parcel tax

with no increase, generating approximately \$8,000,000 annually, until ended by voters, with oversight/audits, be adopted?

FISCAL IMPACT

As required by state law, no public funds have been or will be used to campaign for or against any of these measures and therefore 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, Sunnyvale Public Library and Department of Public Safety. In addition, the agenda and report are available at the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Adopt the following staff-recommended positions on the ballot measures deemed *City business*, including any items where staff recommends Council remain neutral (take no position).

TAKE NO POSITION - Prop 15 Increases Funding Sources for Public Schools, Community Colleges, and Local Government Services by Changing Tax Assessment of Commercial and Industrial Property. Initiative Constitutional Amendment.

TAKE NO POSITION - Prop 16 Allows Diversity as a Factor in Public Employment, Education, and Contracting Decisions. Legislative Constitutional Amendment.

TAKE NO POSITION - Prop 19 Changes Certain Property Tax Rules. Legislative Constitutional Amendment.

TAKE NO POSITION - Prop 21 Expands Local Governments' Authority to Enact Rent Control on Residential Property. Initiative Statute.

SUPPORT - Measure M Fremont Union High School District Parcel Tax

SUPPORT - Measure S Santa Clara Valley Water District Parcel Tax

SUPPORT - Measure RR Peninsula Corridor Joint Powers Authority (CalTrain) Sales Tax

2. Adopt alternative positions on the ballot measures.
3. Other action as directed by Council.

STAFF RECOMMENDATION

Alternative 1:

Adopt the following staff-recommended positions on the ballot measures deemed *City business*, including any items where staff recommends Council remain neutral (take no position).

TAKE NO POSITION - Prop 15 Increases Funding Sources for Public Schools, Community Colleges, and Local Government Services by Changing Tax Assessment of Commercial and Industrial Property. Initiative Constitutional Amendment.

TAKE NO POSITION - Prop 16 Allows Diversity as a Factor in Public Employment, Education, and Contracting Decisions. Legislative Constitutional Amendment.

TAKE NO POSITION - Prop 19 Changes Certain Property Tax Rules. Legislative Constitutional Amendment.

TAKE NO POSITION - Prop 21 Expands Local Governments' Authority to Enact Rent Control on Residential Property. Initiative Statute.

SUPPORT - Measure M Fremont Union High School District Parcel Tax

SUPPORT - Measure S Santa Clara Valley Water District Parcel Tax

SUPPORT - Measure RR Peninsula Corridor Joint Powers Authority (CalTrain) Sales Tax

Prepared by: Michelle Zahraie, Management Analyst

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager