

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

SoCAL CHAPTER

Legislative Affairs Update



Legislative Affairs Committee

www.naiopsocal.org

A Report to the Board of Directors, Sponsors and Members

Committee Chair Justin McCusker • Co-Chair Stephane M. Wandel

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It is Election Time and Your Vote Counts!

Tuesday, November 6, 2018 is election day. Yet, election season is in full swing. Voter pamphlets from the State and local Registrar of Voters are arriving in your mailboxes. The vote by mail ballots will be mailed out on October 9, next Tuesday, so many will start voting next week. Campaigns for numerous ballot measures and candidates are well underway. It is a very long ballot and so the below only touches on some of the issues facing California voters that are of importance to the commercial real estate industry.

Please be sure to share these recommendations with family members, friends and business associates and encourage them to join you in voting. Every vote counts and this, like every election, is very important.

The State Legislature

Currently in California one political party controls all of the statewide offices from Governor on down. Additionally, that same party holds a two-thirds majority in the State Assembly, and they probably will continue to do so after this November's election. In the State Senate, that same party is just one vote away from a two-thirds majority. It appears the election that will decide if there is a two-thirds majority in the Senate will play out in the central part of the State. The issue of one party holding a two-thirds majority is important because they then have the ability to pass anything, including increasing taxes, without even having to pretend to get input from the other party. This completely stifles, even ends, any real discussion of any issue facing California. Two thirds majority single party rule by any party, Republican, Democrat or other, is completely inconsistent with our form of government.

It should also be noted single party control of California has been in existence for over 10 years. So, any problems such as California having the highest poverty rate in the nation, problems with our educational system, the housing crisis, homelessness, traffic congestion, you name it, lie solely on the shoulders of the party in complete control.

This cannot be allowed to continue and we must vote into office a more balanced representation. ***It is strongly recommended that you cast your Vote for candidates from the "super-minority" party.***

General Election State Ballot Measures

Proposition 10

Repeal of Costa Hawkins

VOTE NO

This measure will repeal the Costa Hawkins Ban on Rent Control. This is by far the most important measure on the ballot. Currently, cities and counties are prevented by state law from imposing rent control on any residential properties built since 1995, including condominiums and single-family homes. This measure would remove this ban and specifically say rent control can be imposed.



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Rent control is a failed policy that does not “create” affordable housing, just ask San Francisco, and leads to the decline in both the availability of housing and the quality of rental housing.

Proposition 3 **Vote YES** **California Water Infrastructure Bond**

The California Business Properties Association (CBPA) and many others are supporting this measure to authorize \$8.877 billion in general obligation bonds for water infrastructure, groundwater supplies and storage, surface water storage and dam repairs, watershed and fisheries improvements, and habitat protection and restoration.

Proposition 5 **Vote YES** **Property Tax Transfer**

This initiative amends Proposition 13 to allow homebuyers who are age 55 or older or severely disabled to transfer their tax assessments, with a possible adjustment, from their prior home to their new home, no matter (a) the new home's market value; (b) the new home's location in the state; or (c) the buyer's number of moves. Prop 5 is also supported by CBPA.

Proposition 6 **Heavily Debated** **Repeal of the 2017 Gas Tax Increase, SB 1**

Senate Bill 1 was enacted into law in 2017 and increased the gas tax by \$0.12 per gallon, increased the diesel fuel tax by \$0.20 per gallon, increased the sales tax on diesel fuels by an additional 4 percentage points, created an annual transportation improvement fee, and created an annual zero-emission vehicles fee. Prop 6 would repeal SB 1 and require voter approval (via ballot propositions) for the California State Legislature to impose, increase, or extend fuel taxes or vehicle fees in the future. Prop 6 has split the business community with many concerned about California's high tax level and allowing the State Legislature to raise taxes without a vote of the people. Others strongly feel we need SB 1 to maintain and improve our transportation infrastructure that businesses rely upon daily. For more information: www.gastaxrepeal.org and www.noonprop6.com.

Local Elections

LA County Measure W **Vote NO** **Implements A Permanent Stormwater Parcel Tax**

Measure W is another new parcel tax in the amount of 2.5 cents per square foot of the impermeable space on your property located within the County jurisdiction and any of the 88 cities in the County. Both commercial and residential properties are included. The purpose of the measure is supposed to be to clean up the storm water runoff and generate more local water supply. No one would argue with those goals, but this is not the proposal to get that done. The problem is there are no projects, no plan, no schedule, and no end to the tax. It will last forever. **At this point it is critical for every member of NAIOP SoCal to tell all of your friends, relatives, acquaintances, everyone you know in L A County to vote NO on Measure W.**

City Council Races

Many of the 88 cities in LA County and all 34 cities in Orange County are having city council elections. They may not sound as interesting as state and federal elections, but these elections are becoming more and more critical to our members. Not only do city council members govern all land use decisions, they also create rules and regulations, taxes and fees, that make it more difficult to do business. Additionally, city council members are the ones who get appointed to the many regional boards, such as the South Coast Air Quality Management District (SCAQMD), that have tremendous power and authority over your day to day business activities. NAIOP SoCal PAC is focused on electing business-friendly candidates who understand and appreciate the role of business in securing a high quality of life for the 14 million people who live in LA and Orange Counties. We urge you to take the time to learn about the candidates in your own city and vote for those who support the business community.



"Power tends to corrupt, and absolute power corrupts absolutely." — Sir John Dalberg-Acton