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Billions in New Spending for Housing, Water, Parks and More Could Be on the 2018 California Ballot.

Californians could vote on billions of dollars in new spending for low-income housing developments and water and parks improvements next year.

Gov. Jerry Brown and lawmakers are considering five proposals that would finance new homes for low-income residents, build parks in neighborhoods without them and restore rivers, streams and creeks among dozens of other projects. The Legislature is likely to decide how much money would be borrowed and where it would be spent before it adjourns for the year in mid-September — a debate that legislative leaders say is pressing.

“We know that housing is such a major crisis up and down the state of California,” Senate President Pro Tem Kevin de León (D-Los Angeles) said. “The issue of aging infrastructure goes hand in hand. We need to strike while the iron is hot.”

Voters have long backed bond financing, which allows the state immediately to spend more money than is otherwise available and pay back the debt with interest over time. Over the last four decades, California voters have approved \$164 billion in bond spending while only rejecting \$18 billion, according to the nonpartisan Legislative Analyst’s Office.

But statewide bond proposals have been relatively few in recent years, with Brown and others bemoaning California’s “wall of debt,” which rose substantially during the economic recession and budget crisis as the state’s credit rating sunk. The governor supported a \$7-billion water bond in 2014, but opposed last year’s \$9-billion measure for school improvements, both of which were successful.

Brown is supporting bond spending in 2018. He’s announced that he’ll back a low-income housing bond as part of a package of measures to deal with the housing affordability crisis.

How much lawmakers will agree to spend on housing hasn’t been determined. The pending proposal calls for \$3 billion to finance new construction of homes for low-income residents and preserve existing units. But that amount of money will do little to dent the state’s housing crisis and advocates want more.

State Treasurer John Chiang, who is running for governor, recently released private campaign polling that showed voters would be willing to support a \$9-billion affordable-housing bond to build many more homes than could be constructed under the bond currently in the Legislature.

“This is an opportunity to do something at a much larger scale,” Chiang said.

Housing is also competing with other major issues. De León has written a bond measure that would authorize nearly \$4 billion in spending on water and parks improvements. A second bond from Assemblyman Eduardo Garcia (D-Coachella), which focuses more on parks than De León’s plan, also is pending.

Two outside groups have put forward initiatives that propose much higher spending on water projects, and they're influencing the debate at the Capitol.

One measure, which has support from agricultural interests, calls for \$8.7 billion in boosts to water infrastructure through funding conservation, recycling and storage projects as well as \$200 million set aside for Oroville Dam repairs. The other, which is backed by organizations including the Nature Conservancy and Environmental Defense Fund, would dedicate \$7.9 billion to improving drinking-water quality, protecting water systems from the effects of climate change and improving state and local parks. Supporters of both measures said they'd prefer Brown and lawmakers agree to a plan with enough funding directed toward their preferred projects so that they could abandon their efforts. But they realize there are many competing priorities and limited interest to endorse too much spending in general.

"You can see a pretty big squeeze play going on there," said Joe Caves, an environmental consultant and author of the Nature Conservancy's preferred measure.

Brown, De León said, has agreed to support a water-and-parks bond in addition to one for housing. Brown's office declined to comment.

De León said his goal also is to agree to a bond package that would eliminate the need for competing ballot initiatives.

"Negotiations are always fluid and dynamic," De León said. "We've had productive conversations. We cannot work at cross-purposes with each other."

Despite the focus on the big-ticket items, supporters of more limited spending plans hope there's enough room for them too.

Secretary of State Alex Padilla is pushing a \$450-million bond that would upgrade voter systems across the state. Counties are relying on outdated technology — one county, which was not named in a legislative analyst's report, had to purchase replacement parts for its voting machines on EBay because the manufacturer doesn't make them anymore — and the state needs to invest now in new technology and equipment to boost security and reliability, he said.

"If it doesn't happen, it's only a matter of time before the equipment itself begins to fail at increasing rates," Padilla said.

While Brown and lawmakers are expected to put some bond measures on the 2018 ballot by the end of the legislative session, they still have plenty of time to add more when legislators return in January.

The proposals for bond measures under consideration for the 2018 ballot are:

- \$3.1 billion for parks improvements in Assembly Bill 18 by Assemblyman Eduardo Garcia (D-Coachella)
- \$450 million for voting system improvements in Assembly Bill 668 by Assemblywoman Lorena Gonzalez Fletcher (D-San Diego)
- \$3 billion for low-income housing development in Senate Bill 3 by Sen. Jim Beall (D-San Jose)
- \$3.8 billion for water and parks improvements in Senate Bill 5 by Senate President Pro Tem Kevin de León (D-Los Angeles)
- \$500 million for Salton Sea improvements in Senate Bill 701 by Sen. Ben Hueso (D-San Diego)
- \$7.9 billion for water improvements in a proposed initiative supported by groups including the Nature Conservancy and the Environmental Defense Fund

- \$8.7 billion for water improvements in a proposed initiative from Gerald Meral, former deputy director of the state Department of Water Resources

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By Liam Dillon

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