

South Bay Cities Council of Governments

January 27, 2022

TO: SBCCOG Board of Directors

FROM: SBCCOG Legislative Committee

SUBJECT: Proposed Initiative to Remove Local Control

Adherence to Strategic Plan:

Goal B: Regional Advocacy. Advocate for the interests of the South Bay

An initiative proposal has been cleared for signatures that would negate the Local Control Initiative that is supported by the SBCCOG. It is called the California Residential Property Tax Exemption and Surcharge and Housing Development Reviews Initiative (2022) and would appear on the November 8, 2022 ballot as an initiated constitutional amendment if the signature gathering is successful.

Petition summary

The summary provided for inclusion on signature petition sheets is as follows:

Increases the portion of a homeowner's property value that is exempt from property tax, from \$7,000 currently to \$200,000 (adjusted for inflation). Provides up to \$2,000 supplemental income tax credit for renters (adjusted for inflation). Reimburses local governments' lost revenue from these tax changes by enacting new property tax surcharge of up to 1.4% on properties valued over \$4 million. **Limits local government discretion to deny certain proposed housing development projects.**

The poison pill is in Section 9 of the initiative. It declares that the Our Neighborhood Voices initiative is "deemed to be in conflict with this Act" and states that if this initiative gets a great number of votes, then "all provisions of the other measure shall be null and void."

RECOMMENDATION

Oppose proposed initiative titled "California Residential Property Tax Exemption and Surcharge and Housing Development Reviews Initiative (2022)"