

1980

## LOW-RENT HOUSING.

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 Official Title and Summary Prepared by the Attorney General
 

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**LOW-RENT HOUSING. LEGISLATIVE CONSTITUTIONAL AMENDMENT.** Eliminates present requirement of advance approval at an election before a low-rent housing project can be developed, constructed, or acquired by a state public body. Substitutes therefor provisions that require advance public notice of such a project and subjects the project to a referendum election upon petition by 10 percent of the electors within 60 days of the notice. If project is not disapproved at the referendum election or no referendum is requested, the public body may proceed with the project without further referendum. Fiscal impact on state or local governments: Local election costs would be reduced by an unknown, but probably minor, amount. Possibly future public expenditure for low-rent housing would be increased.

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**FINAL VOTE BY LEGISLATURE ON ACA 47 (PROPOSITION 4)**

 Assembly—Ayes, 57  
 Noes, 10

 Senate—Ayes, 28  
 Noes, 7
 

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**Analysis by Legislative Analyst**
**Background:**

The California Constitution prohibits the state or a local public body from developing, constructing, or acquiring a low-rent housing project unless it is approved by the voters in an election held in the city, town, or county where the project is to be located. A low-rent housing project is defined as a government-aided development composed of dwellings, apartments, or other living quarters for rental to persons or families who do not have enough income without financial assistance to live in decent, safe, uncrowded, and sanitary homes.

**Proposal:**

This measure would remove the requirement that every low-rent housing project be approved by a vote of the people in the city, town, or county where the project is to be located. Instead, the public body which proposes such a project would be required to give public notice of the proposal, and a vote of the people

would be required only if a petition is signed by a certain percentage of the qualified electors in the affected city or county area. The number of signatures required to place the proposal before the voters would be equal to 10 percent of the votes cast for Governor in the last election by voters in the affected city or county area. An election would have to be held if the signed petitions are submitted within 60 days after the public notice is given.

**Fiscal Effect:**

The adoption of this measure would reduce local election costs by an unknown, but probably minor, amount. To the extent that this change in voting requirements makes it easier to establish low-rent housing, this proposition would result in increased public expenditures. The extent of such increase can be determined only by experience.

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**Study the Issues Carefully**

## Text of Proposed Law

This amendment proposed by Assembly Constitutional Amendment 47 (Statutes of 1978, Resolution Chapter 72) and amended by Assembly Constitutional Amendment 8 (Statutes of 1979, Resolution Chapter 32) expressly amends the Constitution by amending a section thereof; therefore, existing provisions proposed to be deleted are printed in ~~strikeout type~~ and new provisions proposed to be inserted or added are printed in *italic type* to indicate that they are new.

### PROPOSED AMENDMENT TO ARTICLE XXXIV

SECTION 1. ~~No low rent housing project shall hereafter be developed, constructed, or acquired in any manner by any state public body until, a majority of the qualified electors of the city, town or county, as the case may be, in which it is proposed to develop, construct, or acquire the same, voting upon such issue, approve such project by voting in favor thereof at an election to be held for that purpose, or at any general or special election. Before a state public body develops, constructs, or acquires a low rent housing project, it shall provide public notice of the proposed development, construction, or acquisition. Thereafter, the proposed development, construction, or acquisition shall be subject to referendum in the manner prescribed herein.~~

*If a low rent housing project is proposed to be located in an unincorporated portion of the county, the county board of supervisors shall specify in the public notice the area of the county it determines will be substantially affected by the proposed low rent housing project, including any substantially affected area of a city or cities within the county.*

*A referendum shall be held if a petition signed by qualified electors of the city and county, city, or the area of the county specified by the county board of supervisors in which the project will be located, numbering not less than 10 percent of the total votes cast within such city and county, city, or area at the last gubernatorial election for all candidates for Governor, is submitted to the clerk of the legislative body of the city and county, city or county within 60 days of the date of the public notice required by this section. If a*

*majority of the qualified electors of the city and county, city, or area of the county specified by the county board of supervisors voting on the referendum disapprove of the proposed development, construction, or acquisition of the low rent housing project, the state public body shall not proceed with such project. If a referendum is not held pursuant to this section, or if held, the proposed development, construction, or acquisition is not disapproved, the state public body may proceed with the development, construction, or acquisition of the low rent housing project, and the development, construction, or acquisition of such project shall not be subject to further referendum.*

For the purposes of this article the term "low rent housing project" shall mean any development composed of urban or rural dwellings, apartments or other living accommodations for persons of low income, financed in whole or in part by the Federal Government or a state public body or to which the Federal Government or a state public body extends assistance by supplying all or part of the labor, by guaranteeing the payment of liens, or otherwise.

For the purposes of this article only there shall be excluded from the term "low rent housing project" any such project where there shall be in existence on the effective date hereof, a contract for financial assistance between any state public body and the Federal Government in respect to such project.

For the purposes of this article only "persons of low income" shall mean persons or families who lack the amount of income which is necessary (as determined by the state public body developing, constructing, or acquiring the housing project) to enable them, without financial assistance, to live in decent, safe and sanitary dwellings, without overcrowding.

For the purposes of this article the term "state public body" shall mean this State, or any city, city and county, county, district, authority, agency, or any other subdivision or public body of this State.

For the purposes of this article the term "Federal Government" shall mean the United States of America, or any agency or instrumentality, corporate or otherwise, of the United States of America.

### Argument in Favor of Proposition 4

California is now experiencing a crisis in its housing market unparalleled in our recent history. Rents throughout the state have climbed, despite the passage of Proposition 13. For example, rents climbed 22 percent in Los Angeles from 1977 to the beginning of 1979 and 23 percent in San Diego. The large rent increases of the past two years have hit especially hard at the elderly on fixed incomes. The number of elderly on the waiting lists for publicly assisted housing has grown dramatically from 86,000 in 1977 to 120,400 last year.

Home prices continue to soar—placing the dream of homeownership out of the reach of hundreds of thousands of young families. Only two in ten families can afford to buy a medium-priced home. The median home price in California is now over \$70,000, representing 200 percent inflation in prices since 1970.

Housing industry and consumer groups agree that a shortage of housing is at the heart of the housing crunch. Proposition 4 is one step that we must take to spur new construction and ease the burden of high rents and high home prices. This measure modifies an outdated constitutional provision that now requires a local election on government-assisted housing developments (for the elderly, for example), regardless of whether or not there is any community opposition and regardless of whether there are any costs to state or local governments. At the same time, Proposition 4 retains the right of citizens to vote on these developments through the referendum by petition process which is traditional to California. We urge your YES vote for the following reasons:

*Proposition 4 will spur new housing construction for the elderly, handicapped, and families in need.* The present mandatory election requirement has discouraged many

communities from seeking millions of dollars in federal construction money which you pay for and which is now channeled to other states. New construction will mean more jobs.

*Proposition 4 will cut local government costs.* The present law requires expenditure of thousands of dollars in taxpayers' money for each election—whether or not there is any opposition to a development and despite the fact that voters have voted YES on housing measures in over 90 percent of the local elections held since 1974.

*Proposition 4 retains popular control over government at the same time that it recognizes the need for decent housing.* It is important to note that the opponents of decent housing for the elderly, handicapped, and families in need can still petition for an election if this proposition is approved.

This proposition passed the Legislature by an overwhelming margin. It is supported by countless consumer, labor, business, and civic organizations who recognize the devastating impact of today's inflationary home prices and rents. *Vote YES on Proposition 4.*

**WILLIE L. BROWN, JR.**  
*Member of the Assembly, 17th District*  
*Majority Floor Leader*

**HOWARD BERMAN**  
*Member of the Assembly, 43rd District*  
*Democratic Caucus Chair*

**CHARLES IMBRECHT**  
*Member of the Assembly, 36th District*  
*Republican Caucus Chair*

### Rebuttal to Argument in Favor of Proposition 4

Every time politicians want more of your tax money, they holler "crisis." Their solution is to spend more of your taxes, telling you they are going to save you money. That's a laugh.

Everyone wants decent housing for elderly and handicapped people, but there is no guarantee in Proposition 4 that even one house or apartment will be built. All Proposition 4 does is make it easier to vote your taxes to give the "poor" subsidized housing.

Working people pay most of the federal and state taxes and wouldn't even qualify to live in tax-exempt low-income public housing, yet they end up paying for it.

We all have to pay property taxes on our houses, or in our rent. The people in tax-exempt low-income public housing don't pay any. We get stuck with their share of the costs.

Make no mistake about it . . . the inflation in housing prices is due to government, not builders or workers. Inflation

is caused by expensive government programs, and this proposition would make spending easier.

Housing costs more because federal and state government is sticking its nose into business where it doesn't have the knowledge.

The proponents don't even mention they are going to take away your automatic right to vote for or against tax-exempt low-income public housing projects. Remember, if this proposition passes, you will have to go out and sit in shopping centers to get signatures just to retain your right to vote.

**VOTE "NO" ON PROPOSITION 4.**

**ROBERT C. CLINE**  
*Member of the Assembly, 37th District*

**H. L. RICHARDSON**  
*State Senator, 25th District*

## Arguments Against Proposition 4

Let's set the record straight. Right now you have the automatic right to vote for or against the construction of tax-exempt low-income public housing projects.

If you vote yes on this proposition, you will lose this automatic right and substitute a right almost impossible to exercise. Vote NO on Proposition 4.

What does this proposition do? If you want to protest a low-income public housing project in your community, *you* have to go out and get signatures on a petition asking for an election on it, all in just 60 days. For example, you would need 78,000 signatures in Los Angeles, 23,000 in San Francisco and San Diego, a virtually backbreaking task, just to preserve the right you already have now. If Proposition 4 passes, any decision to build low-income public housing by local government is final and irreversible *for 40 years*, unless you go out and gather enough signatures.

Vote NO on Proposition 4.

We have protection now. *Let's not give up our automatic right to vote to approve or reject low-income public housing.*

Tax-exempt low-income public housing projects always require local government services like fire and police protection, roads and streets and many more. But, because public housing is tax exempt, you end up carrying an extra tax load. Even though your community might receive some government tax money, the amount is always less than the services cost the taxpayer.

Because local property taxes are now lower due to "Proposition 13," in order to finance services to public housing projects, the working people would get lower levels of service or would have to increase taxes to pay for essential services.

In 1971 the U.S. Supreme Court ruled that the present automatic vote was constitutional when it declared: "This procedure insures that all people of the community will have a voice in a decision which may lead to large expenditures of local revenues. It gives them a voice in decisions that will affect the future development of their own community. The procedure . . . involves democratic decisionmaking . . ."

Retain your right to vote. Vote NO on Proposition 4.

Proponents of Proposition 4 will say that this measure will save taxes and ease the way for housing for poor people and the elderly. **BALONEY!** It's the working people and the elderly who have been footing the bill for too long.

Vote NO on Proposition 4.

**ROBERT C. CLINE**

*Member of the Assembly, 37th District*

It is very important that the voters of California know just who is pushing Proposition 4. In the official records of the Legislature, one of the major support groups pushing Proposition 4 is an element of former radical leader Tom Hayden's so-called Campaign for Economic Democracy (CED). The CED, supported by Tom Hayden and Jane Fonda, by its own admission, is organizing locally and involving itself in these types of issues. We must vote no on Proposition 4 and prevent a power grab by these groups. If Proposition 4 passes, the effects on established community patterns and property values would be devastating.

**H. L. RICHARDSON**

*State Senator, 25th District*

## Rebuttal to Arguments Against Proposition 4

Proposition 4 does not take away your right to vote on publicly assisted housing developments. It eliminates unnecessary and costly elections. The referendum by petition process contained in Proposition 4 is a longstanding California tradition. All other local government decisions (except tax measures) are subject to referendum by petition. Why should housing for the elderly be treated differently?

Requiring elections for every project, even when there is no local opposition, is a stupid waste of taxpayers' money. The last election in Los Angeles cost \$75,000; in Sacramento, \$45,000. In modern times, almost every project has been approved. Not one elderly housing project has been rejected in the recent past.

The opponents' argument that the signature requirement is onerous is laughable. Voters, by placing numerous initiatives on the ballot, have proven that they can collect the necessary signatures.

Contrary to opponents' claims, almost every housing development affected by Proposition 4 pays full property taxes.

Proposition 4 is not the work of radicals, as the opponents would have you believe. It has strong bipartisan support. It was opposed by only one Democratic legislator and less than one-half of the Republican members. The present leadership of both parties in the Assembly voted for the measure. It was strongly supported by responsible groups, such as the League of Women Voters, the League of Cities, the California Labor Federation, the State Commission on Aging, numerous senior citizen organizations, and the California Builders Council.

We urge you to vote YES on Proposition 4.

**WILLIE L. BROWN, JR.**

*Member of the Assembly, 17th District  
Majority Floor Leader*

**HOWARD BERMAN**

*Member of the Assembly, 43rd District  
Democratic Caucus Chair*

**CHARLES IMBRECHT**

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