



Santa Clara Valley Water District

File No.: 24-0027

Agenda Date: 7/9/2024
Item No.: 4.1.

BOARD AGENDA MEMORANDUM

Government Code § 84308 Applies: Yes No
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Adopt Recommended Positions on State Legislation: AB 2813 (Aguiar-Curry) Government Investment Act, and Other Legislation Which May Require Urgent Consideration for a Position by the Board.

RECOMMENDATION:

Adopt a position of "Support" on: AB 2813 (Aguiar-Curry) Government Investment Act.

SUMMARY:

AB 2813 (Aguiar-Curry) Government Investment Act (Amended-06/26/24)

Position Recommendation: Support

Priority Recommendation: 2

AB 2813 would enact statutory provisions to guide the implementation of ACA 1 (Aguiar-Curry, 2023). AB 2813 would go into effect only if California voters pass ACA 1 in the statewide General Election on November 5, 2024. ACA 1 proposes to the California voters an amendment to the California Constitution to enable general obligation bonds, used for affordable housing and public infrastructure, to be enacted with a 55 percent vote threshold, versus the current two-thirds vote threshold now required. ACA 1 would apply to general obligation bonds proposed by a city, a county, or a special district, including Valley Water.

AB 2813 would define "affordable housing" as including, but not limited to, rental housing, ownership housing, interim housing, and affordable housing programs such as downpayment assistance, first-time homebuyer programs, and owner-occupied affordable housing rehabilitation programs. The bill also requires a local government to ensure that projects funded with ACA 1 bonded indebtedness have an estimated useful life of at least fifteen years, with exceptions for facilities and equipment for emergency response, which must have an estimated useful life of a minimum of five years.

AB 2813 would require a local government to appoint a citizens' oversight committee within 60 days of the certification of an election approving ACA 1 bonded indebtedness. The citizens' oversight

committee would be provided administrative as well as technical assistance and resources from the governing board of the local government. This assistance would be provided without expending proceeds derived from the ACA 1 bonded indebtedness. AB 2813 specifies that, notwithstanding any other provision of law, ACA 1 bonded indebtedness in combination with the existing bonded indebtedness of a local government shall not exceed the applicable statutory limit on the maximum amount of bonded indebtedness that a local government may incur.

Importance to Valley Water

ACA 1, if approved by the voters, would enable general obligation bonds proposed by the Valley Water Board pursuant to the District Act to pass with a 55 percent vote threshold. The change from a two-thirds to a 55 percent vote threshold increases the likelihood that general obligation bonds would be enacted. These bonds, that would be passed pursuant to ACA 1, would adhere to the implementation guidance in AB 2813.

Notably, AB 2813 expands the definition of “affordable housing” to include interim housing. This change is crucial to help address encampments of unsheltered individuals located along waterways in Santa Clara County. Interim housing stands as the primary first step to getting an unsheltered person into housing and services, regardless of whether it is constructed by a city, the County of Santa Clara, or Valley Water. Due to the critical need for interim housing in Santa Clara County and the serious harm to water quality and to species caused by encampments, AB 2813’s inclusion of interim housing in the definition of “affordable housing” for the purposes of ACA 1 implementation is a critical change that may help provide much needed general obligation bond funding to address the human and environmental tragedy of homelessness in Santa Clara County.

Staff recommends a position of “Support” on AB 2813.

Pros

- Adds interim housing to the definition of “affordable housing”.
- Provides a framework for how to operate citizens’ oversight committees.

Cons

- Exempts some costs of the citizens’ oversight committee from being paid for with bond proceeds.

ENVIRONMENTAL JUSTICE AND EQUITY IMPACT:

There are no Environmental Justice impacts associated with this item.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

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