

## California 2018 Primary Election Recap

It's officially been a week since California's 2018 Midterm Election. Since then Business Council staff have been coming back to life and returning our full attention back to our SCCBC work. In this most recent election SCCBC staff was involved in several local measures as well as keeping constant tabs on a few statewide initiatives and candidates. Though not every vote has been counted, we thought we'd give you a run down of how things will likely settle.

As your staff representing the local Business Community, we want to give you our perspective on what happened in this most recent election, and the implications for you as our local business leaders. If you want to check out how the winners lined up with SCCBC's endorsements you can look over the Board of Directors' endorsements [here](#). We're not covering every candidate and proposition, so if you are curious about how those shook out you can look over the local numbers [here](#), or the statewide voter information [here](#).

### California State Initiatives:

#### **Prop 1: Housing Programs and Veterans' Loans Bond - PASSED**

One of four housing measures on the state level, Prop 1 issued \$4 billion in bonds for housing programs and veterans' home loans. This funding source provides additional housing funds for vulnerable communities in California such as those experiencing homelessness, veterans, and victims of domestic violence. Simply put this proposition freed up borrowed money for capital and dictated it be used in providing housing assistance for the aforementioned groups.

The passage of Proposition 1 is good news for our Council's pro-housing stance, however the allocation of these funds to Santa Cruz could be impacted by the failure of local Measure H, more on this to come....

This measure passed on the state level, 54.47%, 45.53%

Result	Votes	Percentage
✔ Yes	4,330,417	54.47%
No	3,619,431	45.53%

Locally it passed, 59.2%, 40.8%

1 - Affordable housing bond		
266 Precincts 56,884 Voters		
	Vote Count	Percent
Yes	33,678	59.20%
No	23,206	40.80%

**Prop 2 - Millionaire's Tax Revenue for Homelessness Prevention Housing: PASSED**

Perhaps the least controversial of the statewide housing measures, in what basically follows a Robin Hood ideal, this proposition taxes the rich to benefit the poor in the form of housing. A yes vote on Prop 2 authorized using revenue from Proposition 63 (2004)—a 1 percent tax on income above \$1 million for mental health services—on \$2 billion in revenue bonds for homelessness prevention housing for persons in need of mental health services.

Like Prop 1 the passage of Proposition 2 is good news for our Council's pro housing stance, however the allocation of these funds to Santa Cruz could be impacted by the failure of local Measure H, (once again) more on this to come...

This prop passed on the state level, 61.63%, 38.37%

California Proposition 2		
Result	Votes	Percentage
✔ Yes	4,920,733	61.63%
No	3,063,042	38.37%

This prop passed locally, 65.29%, 34.71%

2 - Housing for persons with mental illness		
266 Precincts 57,253 Voters		
	Vote Count	Percent
Yes	37,381	65.29%
No	19,872	34.71%

**Prop 5 - Property Tax Transfer Initiative: FAILED**

Arguably the most confusing housing issue on the ballot, Prop 5 hoped to amend Proposition 13 to allow homebuyers 55 or older, or severely disabled, to transfer their tax assessments with a possible adjustment, from their prior home to their new home. Without contingencies on the new home's market value, its location in the state; or limit how many times it can be applied. The proposition, which was backed largely by the California Association of Realtors, was opposed by housing advocates who believe it would create a further advantage to the older

property owning population by not restricting the size of the unit being moved into, or the location. Ultimately it was for these reason that Prop 5 failed locally and statewide.

At the state level this Prop failed 58.6%, 41.4%

California Proposition 5		
Result	Votes	Percentage
Yes	3,283,426	41.40%
 No	4,647,515	58.60%

Locally this Prop failed 65.14%, 34.84%

5 - Property tax transfer		
266 Precincts 56,077 Voters		
	Vote Count	Percent
No	36,540	65.16%
Yes	19,537	34.84%

Prop 6 - Repeal of Gasoline Tax: **FAILED**

Proposition 6 called for the repeal of 2017's fuel tax and vehicle fee increases, and would have required a public vote on future increases. The raised tax on gasoline last year was the first such raise in decades, and though no one likes a tax - the allocation of nearly \$5 billion dollars a year to support California roads and infrastructure made this repeal potentially detrimental, especially in the eyes of the business community. The failure of this measure swept locally but came to a much more narrow margin at the state level. Arguments against weighed more on the frustration of individuals from not being given a vote on this tax than on what the proceeds went to. Though there was a looming frustration from Californians who believed that this was a taxation that disproportionately hit low and middle class people the worst.

Locally the repeal of this tax would have affected Measure S, (which won by a landslide in the June primary) a quarter cent sales tax increase that benefited local infrastructure, public safety, and city programs. The failure of Prop 6 ensures that these funds will continue to exist to improve these structures and facilities.

Statewide this Prop failed 55.72%, 44.28%

California Proposition 6		
Result	Votes	Percentage
Yes	3,587,981	44.28%
 No	4,514,340	55.72%

Locally this Prop failed 72.46%, 27.54%

6 - Eliminates transportation tax		
266 Precincts 57,082 Voters		
	Vote Count	Percent
No	41,363	72.46%
Yes	15,719	27.54%

Prop 10 - Repeal of Costa Hawkins Act: **FAILED**

If you've been following the Business Council's regular updates and newsletters you're probably already quite familiar with Proposition 10. But, in case you need a refresher, Proposition 10 asked for the repeal of the Costa Hawkins Act. A law that mandates rent control in California can only be placed on apartment buildings built before 1995, therefore excluding single family homes and new construction. The repeal of Costa Hawkins would allow local governments to enact rent control laws on any type of housing.

Prop 10 went down in what was arguably a surprising landslide. The "progressive" branded repeal was a divisive issue for housing advocates on every side of the political spectrum. The Business Council chose to oppose Proposition 10, believing that letting local governments enact unrestricted rent control would lead to less housing production throughout the state, therefore hurting renters and low income individuals. This was a mentality that was apparently shared throughout California and was reflected on the local level in the similar failure of Measure M—but we'll get to that below.

Proposition 10 failed 61.36%, 38.64%

California Proposition 10		
Result	Votes	Percentage
Yes	3,123,844	38.64%
 No	4,960,330	61.36%

Locally Proposition 10 failed 60.28%, 39.72%

10 - Local government rent control		
266 Precincts 57,289 Voters		
	Vote Count	Percent
No	34,532	60.28%
Yes	22,757	39.72%

**Santa Cruz County Initiatives:**

Measure G - Santa Cruz Unincorporated Areas Sales Tax - **PASSED**

Measure G was a 12 year sales tax increase placed on all of Santa Cruz County to create a local funding source for additional mental health services. It was also pitched by advocates that these funds would be designated to place case workers in the field with officers in order to better address what an individual best needs in a given situation. The hope of reducing the rate of recidivism for individuals that need other kinds of assistance is what also prompted the Business Council to support Measure G. Funds generated go directly into the county general fund, but with the commitment from the Board of Supervisors that the money will be allocated to the above mentioned programs. As expected this measure won by a landslide.

Measure G passed 64.6%, 35.4%

G-Santa Cruz County sales tax: majority		
266 Precincts 73,938 Voters		
	Vote Count	Percent
Yes	47,765	64.60%
No	26,173	35.40%

Measure H - Affordable Housing Bond - **FAILED**

The loss of Measure H was a hard pill to swallow for the broad coalition of business, environmental, and labor groups that supported it, including the SCCBC. The funds from the \$12.21 county wide property tax increase per \$100,000 of assessed value were to be allocated into separate pots off new home and rental construction, investments to keep scarce affordable rental units on the market, a first time homebuyers program, and deed-restricted Accessory Dwelling Units. About 15 percent, or \$21 million, would be spent primarily on funding year-round homeless shelters in North and South County, as well as homeless support services and transitional housing.

For several reasons this measure was somewhat of a longshot, primarily that it required a  $\frac{2}{3}$  majority and came about in an off year election. The perhaps unforeseen distraction of Measure M alongside it on the ballot, as well as an organized opposition group also probably hurt it. Nonetheless, for housing advocates all across the political spectrum this was a blow. Measure H was able to bring together groups that had rarely agreed on anything to form an amazing coalition of people fighting for housing for Santa Cruz County's most vulnerable people. We at the Business Council are sad to see it fail, but remain optimistic about the amazing individuals Santa Cruz has working to chip away at the enormous housing crisis we face.

Measure H failed to reach the  $\frac{2}{3}$  majority vote necessary to pass - 53.48%, 46.52%

H-Santa Cruz County affordable housing: 2/3		
266 Precincts 74,573 Voters		
	Vote Count	Percent
BONDS YES	39,878	53.48%
BONDS NO	34,695	46.52%

### **Santa Cruz City Initiatives:**

Measure M - Rent Control and Just Cause Eviction - **FAILED**

As many of you are well aware, over the last few months Business Council staff were splitting time between SCCBC work and working as campaign staff for Santa Cruz Together, the local campaign committee against Measure M. The Council had voted all the way back in June to oppose the Measure, and Prop 10, giving staff broad latitude to find a way to beat it.

Because of the incredibly high awareness of this measure we'll spare you the details, (if you'd like to know more about our opposition you can check that out [here](#))—long story short this was an incredibly controversial campaign that was on several levels exhausting to be a part of. We are as a Council, as well as staff, pleased with the failure of the measure - particularly by such a large margin. That being said, the Santa Cruz Housing Crisis is painful and self evident, and especially with the failure of Measure H. We as a community need to come together and consider real solutions for both housing affordability and housing security. These are complex issues, without easy solutions, that may (in the city and county) depend on the outcome of some of the candidate races. If a new City Council sees fit, they may try to pass a rent control measure of their own.

Measure M failed 64.43%, 35.57%

M-Santa Cruz City rent control: majority		
35 Precincts 19,587 Voters		
	Vote Count	Percent
No	12,620	64.43%
Yes	6,967	35.57%

### **Capitola City Initiatives:**

Measure L: Capitola Greenway - **PASSED**

The vote to preserve the Capitola Village trestle as a walking path was proposed by trail only advocate group SCC Greenway. SCC Greenway was endorsed by the Business Council late last year as the preferred use of the rail corridor. The vote over Measure L is likely on the beginning

of the rail-trail versus trail only debate, and though it was not the landslide Greenway might have hoped for, the consensus to preserve the trestle for pedestrians was significant in that it demonstrates that when given the choice Capitola voters chose a trail over a train on the corridor. The passage of Measure L will not lead to any immediate action, but it will prove an interesting point as the RTC moves forward with the Unified Corridor Study this December.

Measure L passed 52.29%, 47.71%

L-Capitola Greenway initiative: majority		
7 Precincts 3,368 Voters		
	Vote Count	Percent
Yes	1,761	52.29%
No	1,607	47.71%

### Highlights of Local Candidacy Races:

Many of the candidate results are still too close to call, because of this we will refrain from making any true announcements—though some of these seats are much more likely to stick than others. This election cycle saw the introduction of a few new faces including two as highest vote getters, Derek Timm in Scotts Valley and Yvette Brooks in Capitola (and maybe Donna Meyers in Santa Cruz). Other new electeds include Ari Parker and Francisco Estrada down in Watsonville. Listed below we offer you a closer look at many of the races we feel confident will stay the same.

#### Scotts Valley City Council - Derek Timm and Jim Reed

Member, City Council Scotts Valley: Vote for 2		
17 Precincts 5,720 Voters		
	Vote Count	Percent
NPP - DEREK TIMM	1,956	34.20%
NPP - JIM REED	1,932	33.78%
NPP - STEPHANY E. AGUILAR	1,819	31.80%
WRITE-IN	13	0.23%

#### Capitola City Council - Yvette Brooks, Sam Storey, Jacques Bertrand

Member, City Council Capitola: Vote for 3		
7 Precincts 5,716 Voters		
	Vote Count	Percent
NPP - YVETTE BROOKS	1,712	29.95%
NPP - SAM STOREY	1,593	27.87%
NPP - JACQUES BERTRAND	1,447	25.31%
NPP - JACK DIGBY	955	16.71%
WRITE-IN	9	0.16%

#### Watsonville District 3 - Lowell Hurst

Watsonville City Council Dist 3		
3 Precincts 701 Voters		
	Vote Count	Percent
NPP - LOWELL HURST	675	96.29%
WRITE-IN	26	3.71%

## Watsonville District 4 - Francisco Estrada

Watsonville City Council Dist 4		
6 Precincts 1,068 Voters		
	Vote Count	Percent
NPP - FRANCISCO ESTRADA	589	55.15%
NPP - JENNY T. SARMIENTO	470	44.01%
WRITE-IN	9	0.84%

## Watsonville District 5 - Rebecca Garcia

Watsonville City Council Dist 5		
2 Precincts 925 Voters		
	Vote Count	Percent
NPP - REBECCA J. GARCIA	617	66.70%
NPP - CASEY CLARK	297	32.11%
WRITE-IN	11	1.19%

## Watsonville District 7 - Ari Parker

Watsonville City Council Dist 7		
5 Precincts 1,890 Voters		
	Vote Count	Percent
NPP - ARI PARKER	984	52.06%
NPP - LUPE RIVAS	462	24.44%
NPP - STEVE TRUJILLO	440	23.28%
WRITE-IN	4	0.21%

### **District 4 Supervisor:**

The race for the District 4 Supervisor was the only supervisorial race this cycle. Despite a good fight from previous City Councilor Jimmy Dutra, incumbent Greg Caput was able to retain his seat, thus solidifying the existing Board of Supervisors for at least the next two years.

County Supervisor 4th District		
25 Precincts 7,255 Voters		
	Vote Count	Percent
NPP - GREG CAPUT	3,962	54.61%
NPP - JIMMY DUTRA	3,227	44.48%
WRITE-IN	66	0.91%

Now for the one we're not so sure on...

### **Santa Cruz City Council:**

As of 4pm November 14th the Santa Cruz City Council race was still too close to call. Donna Meyers retains a slight lead over Justin Cummings for the top spot, and Greg Larson maintains a 60 vote lead on incumbent Richelle Noroyan, and a 200 vote lead over Drew Glover for the 3rd and final spot.

The backdrop for this entire race was the broad group of candidates vying for just 3 seats. Those on the moderate side of things found themselves running too many somewhat like minded candidates for too few available council positions, a recipe for splitting the vote and losing. However, given the other major elephant in the room, Measure M, the impact of that campaign on how people saw the candidates should also not be understated. For now though, it appears the slightly more pro-housing side of the aisle will retain an edge in Santa Cruz.