

September 23, 2021

**RECEIVED**

**SEP 23 2021**

Anabel Renteria  
Initiative Coordinator  
Office of the Attorney General  
1300 I Street, 17th Floor  
Sacramento, CA 95814-2919

**INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE**

**Re: Request for Circulating Title and Summary  
"Housing Affordability and Tax Cut Act of 2022"**

Dear Ms. Renteria:

We serve as counsel for the proponents of the enclosed proposed statewide initiative, the "Housing Affordability and Tax Cut Act of 2022." The proponent of the proposed initiative is:

- Stanley R. Apps

On the proponent's behalf, I am enclosing the following documents:

- Proponent's Request for Circulating Title and Summary
- Proponent's certification pursuant to Elections Code section 9001(b)
- Proponent's certification pursuant to Elections Code section 9608
- A check in the amount of \$2,000.00
- Text of the "Housing Affordability and Tax Cut Act of 2022" Initiative

All inquiries or correspondence relative to this proposed initiative, should be directed to:

George M. Yin  
Kaufman Legal Group  
777 S. Figueroa Street, Suite 4050  
Los Angeles, CA 90017  
Tel: (213) 452-6565  
E-mail: [gyin@kaufmanlegalgroup.com](mailto:gyin@kaufmanlegalgroup.com)

If you have any questions, please do not hesitate to contact me.

Very truly yours,



George M. Yin

Enclosures

September 23, 2021

Anabel Renteria  
Initiative Coordinator  
Office of the Attorney General  
P.O. Box 944255  
Sacramento, CA 94244-2550

**Re: Request for Title and Summary for Proposed Initiative**

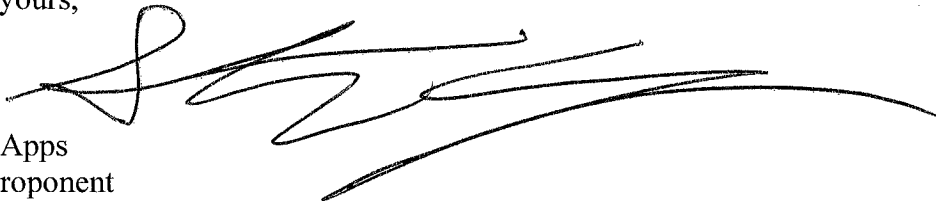
Dear Ms. Renteria:

Pursuant to Article II, Section 10(d) of the California Constitution, I submit the attached proposed Initiative, entitled "Housing Affordability and Tax Cut Act of 2022" to your office and request that your office prepare a title and summary. Included with this submission is the required proponent certifications pursuant to sections 9001 and 9608 of the California Elections Code, along with a check for \$2,000.00.

All inquiries or correspondence relative to this initiative should be directed to George Yin at Kaufman Legal Group, 777 S. Figueroa St., Suite 4050, Los Angeles, CA 90017-5864; tel: (213) 452-6565; E-mail: [gyin@kaufmanlegalgroup.com](mailto:gyin@kaufmanlegalgroup.com).

Thank you for your assistance.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Stanley R. Apps', written over a horizontal line.

Stanley R. Apps  
Initiative Proponent

## HOUSING AFFORDABILITY AND TAX CUT ACT OF 2022

The People of California do enact as follows:

### SECTION 1. TITLE.

This Measure shall be known as the Housing Affordability and Tax Cut Act of 2022.

### SECTION 2. PURPOSE AND INTENT.

- (a) California has a housing emergency: there is not enough housing located close to where people work, and housing costs too much for too many Californians.
- (b) The housing emergency increases homelessness, prevents hard-working families from owning a home, and discourages young families from raising their children in California.
- (c) The housing emergency causes too many workers to endure multi-hour daily commutes that increase air pollution, miss quality time with their family, and suffer from higher levels of stress and other health problems.
- (d) The housing shortage is a driving factor in California's astronomical real estate prices. Experts say that the state needs to add 3.5 million homes by 2025 to help alleviate the shortage and make homes more affordable.
- (e) Since 1972, homeowners have only received a \$7,000 property tax exemption, even though the median home price has grown from \$28,660 to over \$700,000. An increase in this exemption is long overdue. This Act will increase the exemption to \$200,000.
- (f) Increasing the property tax exemption that homeowners receive from \$7,000 to \$200,000 will save most homeowners in California nearly \$2,000 in taxes per year. This will help make housing more affordable for middle and working-class families.
- (g) Income-qualified renters, who also face a housing affordability crisis, will receive a comparable increase in tax relief under this Act through an increase in the renter's tax credit.
- (h) Financial support for homeowners and renters is crucial, but more housing construction is needed to generate a long term solution to California's housing crisis, especially housing for middle and working-class families.
- (i) Special interest groups often use "discretionary" review procedures to block or delay housing, even on sites where cities have planned for it after careful environmental reviews.
- (j) This Act will increase housing construction by streamlining local government approval of projects that are affordable to middle and working-class families, and projects on sites that cities have designated for regionally needed housing. One level of environmental review, performed at regular intervals, is sufficient for development projects within areas that are already developed, absent unusual circumstances.

(k) As existing law establishes, housing affordability and the adequacy of statewide and regional supplies of housing are matters of statewide concern. The provisions of this Act are reasonably related and appropriately tailored to meet those concerns.

(l) It is the policy of the State that the provisions of this Act be interpreted and implemented in a manner to afford the fullest possible weight to the interest of, and the approval and provision of, housing.

### **SECTION 3. HOMEOWNERS' PROPERTY TAX EXEMPTION; RENTER'S TAX CREDIT.**

**Section 3, subdivision (k) of Article XIII of the California Constitution is amended to read:**

(k) (1) ~~\$7,000~~ ~~\$200,000~~ of the full value of a dwelling, as defined by the Legislature, when occupied by an owner as his principal residence, unless the dwelling is receiving another real property exemption. The Legislature may increase this exemption and may deny it if the owner received state or local aid to pay taxes either in whole or in part, and either directly or indirectly, on the dwelling.

No increase in this exemption above the amount of ~~\$200,000~~ ~~\$7,000~~ shall be effective for any fiscal year unless the Legislature increases the rate of state taxes *or otherwise provides for* ~~in~~ an amount sufficient to provide the subventions required by Section 25.

(2) *For purposes of income taxation, qualified renters, as defined by and in accordance with the provisions of Section 17053.5 of the Revenue and Taxation Code, shall be allowed a credit against their net tax in an amount not less than \$2,000 for spouses filing joint returns, heads of household, and surviving spouses, and in an amount not less than \$1,000 for other individuals.*

(3) If the Legislature increases the homeowners' property tax exemption, it shall provide increases in benefits to qualified renters, as defined by law, comparable to the average increase in benefits to homeowners, as calculated by the Legislature.

(4) *The homeowners' property tax exemption in paragraph (1) and renter's tax credit in paragraph (2) shall be increased annually by the inflationary rate as shown in the California consumer price index, but shall not exceed 2 percent for any given year. For any year in which the California consumer price index is negative, the homeowners' property tax exemption and renter's tax credit shall not be reduced but shall remain constant.*

### **SECTION 4. REIMBURSEMENTS TO LOCAL GOVERNMENT.**

**Section 25 of Article XIII of the California Constitution is amended to read:**

(a) The Legislature shall provide, in the same fiscal year, *and shall hereby continuously appropriate from the General Fund*, reimbursements to each local government for revenue lost because of Section 3(k). *The Legislature shall provide for the methods of collection of the surcharge imposed by Article XIII A, Section 1(d) and for its allocation to accomplish the purpose of this subdivision.*

*(b) The Property Tax Relief Account is hereby created in the General Fund.*

*(1) All revenues derived from the surcharge imposed by Article XIII, Section 1(d) shall be deposited in the Property Tax Relief Account.*

*(2) Revenues deposited in the Property Tax Relief Account shall be used exclusively to:*

*(A) Fund the tax relief provided for by the increase in the homeowners' property tax exemption in Article XIII, Section 3(k) and fulfill the purposes of subdivision (a) of this section;*

*(B) Fund the tax relief provided for by the increase in the renter's tax credit in Article XIII, Section 3(k); and*

*(C) Pay for the reasonable costs of administering the tax relief under Article XIII, Section 3(k) and the surcharge imposed by Article XIII, Section 1(d), including the provision of reimbursements to the General Fund for revenues lost due to the deduction of the surcharge imposed by Article XIII, Section 1(d), as permitted by the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code) and the Corporation Tax Law (Part 11 (commencing with Section 23001) of Division 2 of the Revenue and Taxation Code).*

*(3) For the first fiscal year in which the surcharge is levied and each fiscal year thereafter, the Department of Finance shall provide to the Legislature all of the following information:*

*(A) The balance in the Property Tax Relief Account.*

*(B) The estimated yield of the surcharge imposed by Article XIII, Section 1(d) for the current year.*

*(C) The estimated cost of the increased homeowners' property tax exemption and renter's tax credit relief authorized by Article XIII, Section 3(k).*

*(c) Excess funds above the amounts required under Section (b)(2) in any fiscal year shall remain in the Property Tax Relief Account for use in future fiscal years.*

*(1) If there are insufficient moneys in the Property Tax Relief Account to cover the total amount required under Section (b)(2), the surcharge in Article XIII, Section 1(d) shall be increased to cover the estimated shortfall, but only up to 1.4%.*

*(2) If the tax increase required by Section (c)(1) is not projected to cover the total amount required under Section (b)(2) in a given fiscal year, then, notwithstanding any other provision of this Constitution, the homeowners' property tax exemption and renter's tax credit relief authorized by Section 3(k) of Article XIII shall be reduced pro rata for that fiscal year so that projected revenues will be sufficient.*

*(3) In order to provide tax relief and make local governments whole, the State may borrow for up to three years against the revenues derived from the surcharge described in Article XIII, Section 1(d).*

## SECTION 5. PROPERTY TAX SURCHARGE.

**Subdivision (a) of Section 1 of Article XIII of the California Constitution is amended to read:**

Unless otherwise provided by this Constitution or the laws of the United States:

(a) All property is taxable and, *except for the surcharge imposed by Article XIII A, Section 1(d)*, shall be assessed at the same percentage of fair market value. When a value standard other than fair market value is prescribed by this Constitution or by statute authorized by this Constitution, the same percentage shall be applied to determine the assessed value. The value to which the percentage is applied, whether it be the fair market value or not, shall be known for property tax purposes as the full value.

**A new subdivision (d) is added to Section 1 of Article XIII A of the California Constitution, to read:**

*(d)(1) For covered properties with full cash values of \$5 million or more, an annual surcharge is imposed at an applied surcharge level equal to one and two-tenths percent (1.2%) or more as provided under Article XIII, Section 25(c)(1). For covered properties with full cash values between \$4 million and \$5 million, an annual surcharge is imposed equal to the applied surcharge level divided by \$1 million multiplied by the difference between the full cash value and \$4 million.*

*(2) Notwithstanding any other provision of this Constitution or any law, such a surcharge shall not be considered (A) General Fund proceeds of taxes, General Fund revenues, or allocated proceeds of taxes for purposes of Section 8 of Article XVI, or (B) proceeds of taxes for purposes of Article XIII B of the California Constitution.*

*(3) No person responsible for paying the surcharge for covered property shall directly pass on the cost of the surcharge to any tenant.*

*(4) All revenues derived from this surcharge shall be directed as set forth in Section 25 of Article XIII.*

*(5) The Board of Equalization may promulgate regulations to implement this section pursuant to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).*

*(6) For purposes of this subdivision:*

*(A) "Covered property" means any real property situated within California with a full cash value of over \$4 million that is used as commercial, residential, industrial, or mixed-use real property, or is vacant land, subject to the following inclusions and exclusions:*

*(i) "Covered property" includes: (I) parcels on which there is a portion of a single residence or single commercial structure with a full cash value of more than \$4 million; and (II) parcels*

created by subdividing another parcel for the purpose of avoiding the surcharge provided for by this subdivision.

(ii) "Covered property" excludes: (I) real property exempt under Article XIII; (II) real property authorized to be made exempt under Article XIII to the extent the Legislature has provided for such exemptions; (III) commercial agriculture, including but not limited to land used for growing crops, fruit, and nut trees; (IV) parcels of real property where the full cash value of the parcel divided by the number of owner-occupied households is \$4 million or less; (V) parcels with utilities and transport assessed by the State under Article XIII, Section 19; (VI) residential projects or housing units within residential or mixed-use projects that are restricted by deed to occupancy by low and very low-income occupants, as defined by law; and (VII) vacant land that is used or protected for open space or a park, or that is essentially free of structures, is natural in character to provide opportunities for recreation and education, and is intended to preserve scenic, cultural, or historic values.

(B) "Full cash value" has the same meaning as in Section 2 of Article XIII.A.

(C) "Mixed-use real property" means real property on which residential and either commercial or industrial uses are permitted.

(D) "Residential property" means real property used for residential purposes, including both single-family and multi-unit structures, and the land on which those structures are constructed or placed.

## **SECTION 6: RIGHT TO DEVELOP AFFORDABLE AND REGIONALLY NEEDED HOUSING CONSISTENT WITH LOCAL STANDARDS**

Section 65589.1 is added to the Government Code, to read:

(a) Notwithstanding any other provision of state or local law, a housing development project submitted to a local government for review and approval shall be considered ministerially without discretionary review or a hearing if either:

(1) All of the following conditions are met:

(A) The project is located on a parcel or parcels of land included in the housing element inventory described in Section 65583.3 of the Government Code;

(B) The density of the project is consistent with the allowed density for the site specified in the housing element's program to accommodate the local government's share of regionally needed housing; and

(C) The housing element has been duly adopted by the governing body of the local government, following a diligent effort by the local government to achieve public participation of all segments of the community as required by Section 65583 of the Government Code and following completion and certification of any reviews required by California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), and certified by

*the Department of Housing and Community Development as substantially compliant with state law; or*

*(2) All of the following conditions are met:*

*(A) The project consists of the construction, conversion, modification or use of residential housing for which the developer provides a legally enforceable commitment to sell at least half of the units initially to middle and working-class households for use as a primary residence; and*

*(B) The project is located on a parcel or parcels of land that have been zoned to accommodate a particular size or density of development or designated in a community plan, specific plan, or element of a general plan to accommodate a particular size or density of development, and an environmental impact report was certified for that zoning or planning action within the previous eight years, and the size and density of the project is consistent with the size and density allowed under that zoning or planning action.*

*(b) A project that satisfies the conditions in subdivision (a) shall be approved in the form it was proposed if there is substantial evidence that would allow a reasonable person to find that the project is consistent, compliant, and in conformity with applicable, objective general plan, zoning, and subdivision standards and criteria, including design review standards, in effect at the time that the application was deemed complete; provided, however, that the local government may deny the project or require modifications if it makes written findings supported by a preponderance of the evidence on the record that all of the following conditions are met:*

*(1) The housing development project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved with modifications. As used in this subdivision, a "specific, adverse impact" means a significant, quantifiable, direct, and unavoidable impact, based on objective, identified written public health or safety standards, policies, or conditions as they existed on the date the application was deemed complete.*

*(2) There is no feasible and less burdensome method to satisfactorily mitigate or avoid the specific, adverse impact identified pursuant to (b)(1) other than the disapproval of the housing development project or, if the project was approved with modifications, the imposition of the specified conditions of approval.*

*(3) The local government provided 30 days' written notice to both the project applicant and the Department of Housing and Community Development of the local government's intent to deny or conditionally approve the project, including the basis for the denial or conditions of approval, and the Department either failed to respond or responded with objections that the local government determined to be unfounded.*

*(c) Compliance with this section may be enforced through a writ of mandate under Section 1085 of the California Code of Civil Procedure and in the same manner, and with the same standards and remedies, as provided in Section 65589.5 of the Government Code.*

*(d) For purposes of this section, the following definitions apply:*



(1) *“Deemed complete” means that the applicant has submitted a preliminary application pursuant to Section 65941.1, or, if the applicant has not submitted a preliminary application, has submitted a complete application pursuant to Section 65943.*

(2) *“Housing development project” means a use consisting of any of the following:*

(A) *Residential units only.*

(B) *Mixed-use developments consisting of residential and nonresidential uses with at least two-thirds of the square footage designated for residential use.*

(C) *Transitional housing or supportive housing.*

(3) *“Local government” means any county, city, city and county, including a charter city or county, any special district, or any other local or regional governmental entity.*

(4) *“Objective” means involving no personal or subjective judgment by a public official and being uniformly verifiable by reference to an external uniform benchmark or criterion available and knowable by both the development applicant or proponent and the public official.*

(5) *“Middle and working-class household” means a household with average annual income over a three year period of 150% or less than the median household income for the county in which the household is located, as defined by the United States Census, American Community Survey 1-Year Estimates Detailed Tables.*

## **SECTION 7. EFFECTIVE DATES.**

The effective date of this Act shall be January 1, 2023, except that Section 3 of this Act shall go into effect one year after the effective date of this Act.

## **SECTION 8. SEVERABILITY.**

If any provision of this Act, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions of this Act are severable.

## **SECTION 9. CONFLICTING MEASURES; CREATING AND FINANCING INCREASED HOUSING A STATEWIDE CONCERN.**

(a) This Act is intended to be comprehensive for the purposes of this election with regard to the subject of creating and incentivizing housing, including tax adjustments for homeowners and renters; the authority of state and local government to regulate housing and related land-use and zoning matters; and the balance between housing equity and affordability and environmental protections. It is therefore the intent of the People that in the event this Act and another initiative measure or measures relating to the same subject appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this Act. In the event that this Act receives a greater number of affirmative votes, the provisions of this

Act shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

(b) If this Act is approved by the voters but superseded in whole or in part by any other conflicting ballot measure approved by the voters at the same election, and such conflicting measure is later held invalid, this Act shall be self-executing and given full force and effect.

(c) The People declare that the availability and affordability of housing are matters of statewide concern that justify state legislation that is reasonably related and reasonably tailored to those goals. Nothing in this Act prohibits the Legislature or any local government from passing laws intended to further incentivize or authorize the creation of more affordable housing, such as through additional tax cuts or streamlining of regulation.