

Follow the Money – Local Ballot Measures SM and V

by Mary Marlow

Two significant local measures are included on the 2016 Santa Monica election ballot - SM and V. This article summarizes the measures, who supports and opposes each; how much money is being raised and spent to sway public opinion and garner votes.

Measure SM – City Council proposed amendments to City Charter Article XXII (Oaks Initiative) to extend and clarify its provisions. This measure would amend Article XXII of the City Charter, which was adopted by the voters in 2000, commonly known as the Oaks Initiative.

The original Oaks Initiative was put on the ballot in 2000 to prohibit city officials from awarding public benefits, such as development agreements and contracts, to individuals or entities and then receiving a personal benefit such as campaign contributions or employment from the public benefit recipient. Oaks was aimed at lessening even the appearance that public officials are expecting future personal benefits when carrying out the people's business. It passed by almost 60%.

The City has never investigated or enforced complaints of Oaks violations. This will change in November if voters pass Measure SM.

Measure SM expands Oaks, and enables its enforcement by:

- Placing enforcement responsibility in the hands of the independent Criminal Division of the City Attorney's office or a special prosecutor who has no conflict of interest;
- Permitting criminal and civil prosecutions of any violator, including developers or contractors, who violate the law;
- Clarifying which public officials are covered by Oaks (City Council, City Manager, Planning Commissioners, Department Heads, and their designees);
- Clarifying that receiving a campaign contribution or personal advantage in any location, including outside of Santa Monica, is prohibited;
- Requiring companies receiving public benefits to disclose the identity of all owners so they cannot hide behind shell companies; and,
- Specifying that remedies are cumulative against any violator.

Measure SM also creates an exception for unpaid volunteer members of non-profit entities other than PACs or entities controlling PACs.

For example, many community members serve on the board of directors for nonprofits that receive City funding.

No arguments against Measure SM were submitted and to date no committee has been formed nor any money raised either for or against these amendments.

Measure V - The Santa Monica College Classroom Repair, Career Training, Higher Education Access, aims to improve local access to affordable higher education for high school graduates/adults/veterans by issuing **\$345,000,000 in bonds** with a provision for citizen oversight and annual audits. Bond proceeds are to be used to repair, upgrade, construct, and

modernize classrooms at SMC and John Adams Middle School, and provide money for expanding Memorial Park. The Tax Rate Statement estimates an additional annual increase of **\$250 per \$1 million** of assessed value on Santa Monica properties. The Rent Control Board may permit landlords to pass through all, some, or none of the fees for the bond through to tenants, though it has not yet voted on what those pass throughs may look like for Measure V. Past Rent Control Boards allowed landlords to pass on 100% of SMC bond property tax assessments. Tenants assessments are based on the number of units per building.

Proponents of Measure V contend that SMC needs to replace temporary classrooms installed after the 1994 earthquake, modernize classrooms built in the 1950's and 80's, add a new science and math extension, complete improvements at the SMC Performing Arts Center/Broad Stage campus, upgrade technology and add landscape improvements that will conserve water. In addition, up to \$45 million of bonds funds could go toward joint projects with Santa Monica and Malibu - expansion of playing fields at Memorial Park and infrastructure enhancements to Malibu community education facilities.

The PAC, Campaign for Safety & Modernization at Santa Monica College, headed by Shari Davis, supports the bond measure. Total contributions to date are **\$520,447**. Last year, in anticipation of a bond measure, the PAC raised \$111,947. An additional \$408,500 has been raised as of September 21, 2016. The largest donors are non-profits related to the college; Santa Monica College Foundation (\$200,000); KCRW Foundation (\$125,000); SMC Associated Students (\$125,000); the Madison Project DBA as the Broad Stage (\$10,000); and, the Committee for the Advancement of Public Education (\$11,947). Approximately \$1835 has been spent to date on administrative expenses including remit envelopes for contributions.

Opponents argue that the issue is not education, but fiscal management; SMC bond debt funds, previously approved for similar purposes in 1992, 2002, 2004, and 2008 (totaling \$613 million), either already exist or were used for purposes unrelated to the bonds' specified intent. There is no accounting of expenditures from the previous bonds that will not be fully retired until 2038. Local property owners bear exclusive responsibility for bond debt though only 4% of the 30,000+ SMC students are graduates of Santa Monica or Malibu high schools. Additionally, Prop 51 on the California state ballot, if passed, will provide billions of dollars for state community colleges, including SMC.

To date, there is no committee formed or money raised opposing Measure V.

To read the text of the ballot measures and the arguments for and against, visit www.smvote.org/ballotMeasures

The next campaign disclosure statements are due September 29. Stay tuned.