

LWV
May 15, 2008
Residents Voice

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“Following the Money”

5/15/2008

Tonight’s Subjects !

- “San Sebastian”
- “Propositions 98 & 99”

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Purpose of Presentation

- Update everyone on status of the ***San Sebastian*** building project.
- Review the two ***Eminent Domain*** propositions 98 & 99 and their differences and similarities.

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San Sebastian

C. Grundke

What's Happening?

- On May 13, 2008 Standard Pacific Homes has told the city that they hope to complete the “San Sebastian Project” by the end of the year.



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However !

- Along with this projection given to the city, there are some additional facts that were provided to the “Securities Exchange Commission” on May 12, 2008.



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Caveats !!

- It may be unable to get bonding for the development of its communities.
- It may be unable to "repay, renew or extend outstanding debt instruments when they are due."
- The company has been unable to maintain compliance with the financial covenants in its debt instruments.
- The company may need funds to operate, which it may be unable to obtain.

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So Where Are We ?

- Who knows for sure ???



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Propositions 98 & 99

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Overview !!

- California is notorious for using their Eminent Domain powers incorrectly by evicting owners of their property and giving it to Private Developers to increase the tax base of the City, County or State (or, aid favored developers).
- The intent of 98 & 99 is to define the parameters for the use of Eminent Domain restricting it to be used for public development only.

Why Two Proposals ?

- Two different views;
 - Left
 - Right

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Comparison !

Prop 98

- Pertains to Private Property.
- Defines Just Compensation.
- Prohibits deference to Govt in property rights cases.
- Eliminates Rent Control.

Prop 99

- Pertains to Owner Occupied Residence.
- N/A
- Creates exceptions.
- Retains “Affordable Housing Subsidy.”

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Common Rebuttal to 98

- Loss of “Rent Control” would potentially eliminate **“Affordable Housing.”**

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“Rent Control” as used for “Affordable Housing”

- Rent control as used to provide affordable housing is a means of **subsidizing renters.**
- Who **should** pay for a “subsidy” of this nature?
 - City, County, State, Federal Gov’t, All Taxpayers.
- Who **does** pay for this “Subsidy?”
 - A small group of home owners.

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THE END

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