# Q&A Transcript & Summary

WOODLAND HILLS HOMEOWNERS ORGANIZATION MEETING WITH SUSAN SHELLEY

**Q1: Can you explain the origin of Proposition 13, the protections it originally provided to taxpayers, and how local/state government attempts have been made to dismantle those protections over time?**

**SUSAN SHELLEY:**

Well, thank you. Thank you so much, John. It's a pleasure to be here. I'm a Woodland Hills resident, proudly so, and I share all of your concerns about all of what Sacramento is doing to us. What happened with Prop 13 is that it passed in 1978 against the better judgment of everyone in government and everyone who wanted to raise taxes. And they have been mad about it ever since. So, generation after generation of lawmakers, city officials, state officials, county officials, they want to destroy Prop 13. And it's been a war, basically, back and forth between ballot measures and different things that these governments have been trying to do. It's been a war back and forth for 46 or 47 years now. And the latest battle happened in 2017 when the state Supreme Court sort of hinted, without exactly deciding, that if a tax increase was put on the ballot by a citizen's initiative, if the citizens wanted to raise their own taxes, well, then the Constitution didn't apply.

The protections initially, before Prop 13, property was taxed at its current market value every year, and the average tax rate was 2.67%. So, that was obviously taxing people out of their homes as values of property took these huge leaps year after year with inflation in the 1970s. Prop 13 capped the increases in taxable value for as long as the property is under the same ownership at 2% a year. It's only with a change of ownership or new construction that there's a reassessment to market value. And with new construction, only of the new construction, not the whole property. So, that was a very significant protection.

And Prop 13 cut the tax rate from the statewide average of 2.67% to 1%. Saved people a lot of money. And because Howard Jarvis, who was the proponent of it, knew that the government officials who hated it would try to get the money from the same people some other way, Prop 13 has protections in it, including state taxes can only be raised with a two-thirds vote of the legislature. Local taxes had to go on the ballot for the first time. Statewide. All local taxes. Special taxes, the courts decided, which were taxes that applied, where the money was applied to something specific that was disclosed at the start, reserved for a special purpose, those required a two-thirds vote. And general taxes, a simple majority, but they all had to go on the ballot.

And transfer taxes, real estate transfer taxes, which Howard Jarvis saw as a way that governments would try to use a sales tax at the end to take back all your tax savings, those were banned. And ad valorem taxes, which are taxes on the value of your property. So, a city would think of maybe doing just an additional property tax for the city. Banned. No transfer taxes, no ad valorem taxes, everything else on the ballot, two-thirds vote for special taxes.

So, what's been happening since then, what happened in 2017, is this giant loophole was created where the two-thirds vote didn't apply if the tax increase was put on the ballot through signatures with a citizen's initiative. So, the identical tax measure that the board of supervisors might do would require a two-thirds vote. You take that same measure word for word, you put it on a petition, on a clipboard, and collect signatures to put it on the ballot, it would only need a simple majority. Since 2017, this has been happening everywhere. It happened in San Francisco. Literally, the supervisors wrote the measure and went out to the sidewalk and said, this is a citizen's petition. This is a citizen's initiative. We're citizens. And they literally took their same tax increase that would have required a two-thirds vote at their desk and took it out to the sidewalk. And it went on the ballot. It was a special tax. It went on the ballot. It passed with 50.8%. And they said, that's it. It's a majority. It passes. And then they watched to see what the courts would do.

Well, everybody sued and lost and went to the appellate court and lost. And this happened in Fresno. It happened in San Diego. It happened in Los Angeles. Now it's considered routine that there are two thresholds for passing tax increases: one, if it's with signatures; one, if it's with a vote of a government body. This is right out of the air. It makes no sense. It has enabled special interest groups, literally, to write their own tax increase, direct all the money to themselves, collect signatures to put it on the ballot, and pass it without getting a two-thirds vote. That's how we got Measure A, the county sales tax increase for homelessness in November 2024. That's how we got Measure ULA, the giant transfer tax of 4 or 5.5% on high-value properties, which has had such a terrible effect on the L.A. real estate market. That's how we're getting taxes all up and down the state. There's one that's going on in the Bay Area right now for transit, a sales tax increase to bail out BART. It's a so-called citizens initiative that just happened to originate with government officials.

> The Howard Jarvis Taxpayers Association wants to close this loophole, and the Local Taxpayer Protection Act, to save Proposition 13, that's the full title of it, would close the loophole. It would say two-thirds means two-thirds, no matter how it gets on the ballot, and it bans transfer taxes. Again, same thing that was done originally. It's still in the Constitution, but we're saying it again. Transfer taxes above the original 0.11% that existed at the time of Prop 13. Everything higher than that is banned going forward, and where they exist, they are sunsetted, and they will automatically be repealed two years after the approval of the measure. So that's the Local Taxpayer Protection Act. Today, the proponents turned in 1.3 million signatures to the 58 county offices. We expect that this is going to be on the November ballot, and it's a very exciting, aggressive move by taxpayers to defend the rights of the people of California, that they can't just erase them in the courts. We have a big problem with that, just erasing rights in the courts selectively. That's not good. So that's that.

**Q2: Why does state leadership seem unconcerned with local taxpayer interests, and how are urban planning mandates and housing regulations impacting local control and housing costs?**

**SUSAN SHELLEY:**

And the larger picture of why we can't get decent representation in Sacramento that cares about people like us, people who pay taxes, who own property, who are the longtime residents of the community, who do all the civic work and civic activity, and who care about the community, why is it that they don't care about us? And you're not going to like the answer. But the answer starts with the fact that there's a global perspective that has permeated the majority party in California, where they feel that the climate is more important than the constituents. And so they have essentially reached the conclusion that we cannot build any housing in outlying areas. They call it the urban boundary. You may be familiar with it. So there's an urban boundary, an imaginary line that they drew around the cities in California. And if you go beyond that, it becomes very expensive or impossible to build housing. The reason is they think that driving to work is bad for the climate. Now, just for reference, China generates its electricity 62 percent with coal. They're on the same planet with us. So not building houses past Newberry Park, I don't know that that really affects the climate. Nobody's ever been able to prove that it does. What they say is we must show leadership in California. Well, while they're showing leadership, people are suffering. There's not enough housing being built.

And their response to that, rather than give up their goal of never allowing what they call sprawl and what the rest of us call suburbs, housing, nice places to live, they only want to build up and in, infill housing, higher with public transit. They don't manage public transit very well. That's a story we could go five hours on that. But it's not very appealing to use public transit. And of course, there's all the just basic geographic problems that it doesn't go everywhere you need to go in California. You need a car anyway. But they would prefer, for the climate, that nobody drives.

So when people in the suburbs say, why are you forcing these apartments into our single family neighborhoods? Why are you raising our taxes to build these transit systems that never get completed? They don't care. This is their policy. This is their goal. And they don't care. What do they care about? They care about donations from the building trades unions. So one of the things that has stopped some of these projects from being built is that the building trades have said, well, we're going to sue you under CEQA right into the ground. You're never going to finish this unless you agree to a contract for union labor only, a project labor agreement, prevailing wage requirements, skilled and trained workforce, call it what you will. It's a requirement to use very expensive construction labor. Whether they're available or not, you may have to wait because there may not be enough of them in California who meet those union standards to work on these projects where they're mandating that you hire them.

So it gets very expensive to build housing. And then what happens? Well, then you have very high rents or very high prices. And then everybody's mad about that. Well, what do they do in response to that? Well, they require more regulation. It becomes like a cartoon from the Soviet Union. They're going to mandate affordable units in a market rate building, but only a couple of them. Who gets them? We're not sure. How is this allocated? We don't know. And what is this where people who pitch a tent at the beach while the rest of us can't possibly afford an apartment at the beach? What are they doing? They're trying to disconnect essentially effort from reward. They don't want to ration housing by price. If you don't ration housing by price in a place like California or really anywhere, if you don't ration scarce goods by price, then you're rationing by some form of government force. And that's where we are.

So this golf course development, very concerning. They took this 2022 law, AB 2011, which was supposed to be about commercial corridors and making it possible to build housing where there have been retail stores that are emptied out for whatever reason and our thriving economy. And they have amended and amended to make it fit what a developer wanted to do on that golf course. And it's very dangerous, of course, because you'got that evacuation problem with narrow streets if there's a wildfire. And they're going to build all this dense housing. I have the numbers here, 175 single family homes, multi-story, 126 apartments. And then in order to get all the lobbyists appeased, 97 affordable housing units. So this is their formula. If you do more of what they want, you get a density bonus. You can make more money with your project. Now, if you're a builder and you want to build housing in other states, you can build housing much more easily. But in California, housing is considered bad for the planet unless it's sustainable housing.

And then you get into this very abrasive situation like we have in the Pacific Palisades, where this industry in Sacramento wants to build high density affordable housing where it was a single family neighborhood. And then people deny it. And then they want to do a bus stop. And now everybody's looking at the bus stop and say, well, that's going to rezone all the single family parcels under SB 79. And somebody says no. And somebody says yes. And you've got these layers of laws, one after another, year after year, on top of the specific plans and all the rest of it. But the gist of the thing is they want to wipe away local resistance. That's their goal, is to take groups like this out of the discussion. That is their goal. That's what they mean when they say ministerially approved. It means there's no process. There's no hearing. They're not interested in talking to the neighbors about the impact on the neighborhood or the street or the parking or the sewers or anything.

### Q3: How can local residents and communities reclaim local zoning control and hold legislators accountable?

**SUSAN SHELLEY:**

Well, one of the things you can do is support Our Neighborhood Voices at ourneighborhoodvoices.com. That's a group of people that are trying very hard to raise the money to do an initiative statewide to restore local control. They are having exactly the same conversation that we're having right now. It's Redondo Beach, it's Huntington Beach, it's areas near Pasadena, a number of local mayors, number of local officials. I've seen their presentation several times over a number of years. It's a steep climb to do that. And there's a lot of opposition to local control from these same people who want to override local control so they can build whatever they want to build, because the government won't let them build anything in outlying areas where there's no objection to it. The objection to it is, oh, the environment, the climate, whatever.

So, I mean, you're not going to like this probably, but what President Trump is trying to do is to shut down this climate veto on everything that Americans want to do. He's trying to shut that down. He's trying to create affordable energy in the United States instead of trying to convert everything to running on sunshine and breezes 100%, which is never going to work.

### Q4: What are the major issues facing current regional transit management and transit-adjacent development policies?

**SUSAN SHELLEY:**

It's unspeakable. They're letting the public transit system, which is being built at billions of dollars of cost coming from sales taxes in large part in LA County, and they have allowed it to turn into a rolling hellhole.

Metro had its greatest ridership numbers in the 1980s when it was just a bus system. But then they started routing everything to construction because there's money in construction, just like the bullet train. See, transportation is not the point. The point is real estate development. Because what they've done is they've created a situation where if you're near transit, if your property is near transit, you can get density bonuses and you can get overrides of local zoning and all kinds of things. What they've just done with SB 79 doesn't even require the transit to be built, and it's automatically rezoning anything within half a mile.

**Q5: What are the trade-offs between suburban growth limits, environmental conservation, and housing availability?**

**SUSAN SHELLEY:**

It doesn't have to go everywhere, but there's a lot of land between Santa Clarita and Stockton that nobody's allowed to build on because it's sprawl. And, you know, that's not the Amundsen Ranch. That's a whole different thing. So there's a very small percentage. You probably know it better than I do. It's like 10% of the whole state of California is developed. And that's not to say that you should put up apartments in Yosemite, which would be the, you know, cartoon way to say, oh, well, this argument's terrible if he wants apartments in Yosemite.

But if you don't balance the needs of housing, if you're holding up housing for climate numbers, for greenhouse gas emissions numbers, which in some ways are fictional anyway, by the way, did you know that when they talk about our greenhouse gas reductions, they don't count wildfires? Should we talk about that? Wildfires are calculated separately for greenhouse gas emissions so that it doesn't ruin the curve.

And they don't, they don't manage the land the way the land was managed decades ago for fire prevention or for fire suppression or for fire minimization. They don't do that anymore in the same way for environmental reasons. It's what happened in the Palisades. They were protecting the milk vetch plant. And so they didn't bulldoze fire breaks to protect those houses. And look what happened.

So if they're going to do that, the first place you're going to see the problem is from the insurance companies. And they were the canary in the coal mine. They started canceling policies in these zip codes in Woodland Hills, in Chatsworth, in the Palisades. They started canceling policies. Why? I would love to see the correspondence with the governor's office. I'm working on seeing if there's a way to get that because I know that they warned the governor. They warned the government that there were problems with fire prevention in California. And they were the canary in the coal mine to cancel.

**Q6: How did SB 79 get structured geographically, and what taxpayer-led tools exist under Proposition 218 to counter local decisions?**

**SUSAN SHELLEY:**

Well, if you look at SB 79, and this was a very interesting political situation. SB 79 is the bill that authorizes the rezoning automatically of properties, single-family homes that are within half a mile of a transit stop as defined. When it was first introduced, it applied in every county, and it applied to bus stops that had frequent service. So you could have a bus schedule that gave you frequent service for just long enough to rezone all these parcels, and they would all be within half a mile of the bus stop. They would all be multi-story apartment buildings or eligible to become it.

Well, this was quite upsetting to a number of people, and there were amendments to the bill. And the amendments to the bill said, well, all right, not just a bus stop, but it has to be a dedicated bus lane, which is not much better because a bucket of paint and a stripe, and you've got a dedicated bus lane. It doesn't take a whole lot of work to do that. Then they went and they started cutting counties out of it.

So by the time they finished SB 79, it was three counties in Southern California, including this one, and three counties in the Bay Area. And everybody else who voted for that thing, including some Republicans who were in the Central Valley, they weren't affected by it because it didn't apply where their people were, and they voted for it. And I don't think that's great.

The mayor of Los Angeles came out against it. The city council voted against it. The city attorney wrote a scathing letter saying it was going to cost billions of dollars because these single-family neighborhoods don't have the infrastructure to support multi-story apartment buildings, sewer, water, power, all the rest of it. And who's going to pay for that? And there's no answer. Who's going to pay for that? The whole city of Los Angeles was against it. And after it passed just recently, the County Board of Supervisors said they were going to try to delay it in some way because people, why? People were resisting the development of transit stations. No kidding. No kidding. They created community opposition to transit stations.

And let me tell you something from my Howard Jarvis folder. Proposition 218, Section 3, is the initiative power to repeal taxes. And all you need is five percent of the number of people who voted for governor and a candidate in the general election in the last race for governor. So currently there is a city effort to repeal the city business tax. That's a Prop 218, Section 3 initiative. It has a lower signature threshold than a conventional initiative just to write a law in the city of Los Angeles. About a third of what, I think it's like 150 versus roughly 46,000 signatures for the tax repeal. So keep an eye on that. I don't know if they'll take that all the way to the ballot or make a deal, but that is something that is available to angry taxpayers, angry people who are upset about transit. It's possible to repeal the four half-cent taxes in Los Angeles County that fund transit, or one of them, or two of them, or reduce them. It's possible to do that with an initiative. That's a taxpayer protection from the 1996 initiative, Prop 218.

So there's that, and there's Our Neighborhood Voices, which would strip the state of the ability to override local zoning. And there's the traditional, we aren't going to vote for you anymore, kind of argument where you fund candidates who will represent you to go up to Sacramento and fight aggressively for the rights of the people who live here, and not the people that they're imagining will live here when there are no jobs for them to do, which is a very good point. What are we building this housing for? And the answer, unfortunately, is we're building the housing because developers have donated, and unions that build the housing have donated, and environmental groups that don't want sprawl have donated, and that's enough. They don't really care about the voters.

### Q7: What is the background on the proposed county sales tax measure on the June ballot?

**SUSAN SHELLEY:**

Yes, the county has put a sales tax on the June ballot. The Board of Supervisors voted four to one. Catherine Barger voted against it, but this is a half percent sales tax increase for five years. They're saying it's temporary. They're never really temporary. They're always reauthorized.

Quite true. So this is a half percent sales tax. There's a bill in Sacramento to authorize them to go above the cap again, because there's a cap on what local sales taxes can be, and it's two percent on top of the seven and a quarter percent state rate.

How do they get to where we are? They keep getting these special bills that authorize exemptions from the cap to go above it. So that would take the sales tax to ten and a quarter percent in the city of Los Angeles and the county of Los Angeles, higher in many cities that are already above that.

It's a general tax, and they're selling it as if it's a special tax for health care services. They're saying this is going to backfill the cuts from Washington in our Medi-Cal system, and we have to have it because we need it for health care. And they've got this big detailed spending plan for health care, but guess what? It's optional. It's completely optional. They can legally spend that money on anything. Anything. Pay raises, pensions, wallpaper, anything. And they could design new websites with it. They could rent limousines with it. They can do whatever they want legally. So there's a nine-member or a 16-member board of oversight built into this tax increase to make sure that they're spending the money correctly. But no matter what they spend it on, it's legal. So what are they going to say? That is the trick, and it's pretty despicable.

Why are they doing it? Because if they say it's a special tax and the money is dedicated to that purpose, it needs a two-thirds vote. That's in the Constitution. If it's a general tax, it needs a simple majority vote. Much easier to get that. And if they didn't put it on the ballot at the county supervisor board, then what would have happened is this group that's backing it, which is the health care unions and the health care industry, they would have done a citizens initiative tax increase, and they would have been able to do it with a simple majority through that loophole, which we intend to close in November, but they would have gotten in ahead of it. So that's what's going on. It's very tricky. It's just another tax increase. It could go for paying those ridiculous settlements that they've agreed to, $4 billion for sex abuse claims with no names, no witnesses, no records, just lawyers.

### Q8: How does paid signature gathering operate in California ballot initiative campaigns?

**SUSAN SHELLEY:**

Well, there is that. There is that. You need a lot of signatures in a very short period of time to get something on the ballot. And volunteers can do a great job, but typically volunteers do 25 percent and paid signature gathering does 75 percent. That's what I'm that's what I've been hearing in my travels through this space, that mostly they they end up paying because it's a lot of work to stand out there and get, you know, talk to people and get their signature. And they're paid five dollars, seven dollars, 13, 14 dollars a signature, depending on the demand. And they they work very hard. They come in from all over the country. They are people who are kind of itinerant and they're working for, you know, freelancers, short term employment. Some of them might be shady. Some of them are, you know, maybe just people who are working some other job and they need to supplement it.

### Q9: What can local residents do regarding opposition to high-density projects like the Woodland Hills Country Club / Golf Course development?

**SUSAN SHELLEY:**

I think you could probably write to Karen Bass and say, you don't want a second Palisades fire incident, and that'll get her attention. That would probably work.

**Q10: What options exist for communities that lack specific environmental or fire-hazard technicalities to resist state housing mandates?**

**SUSAN SHELLEY:**

I don't think you can. I think this ship has sailed for a lot of people. Just like the, the ADU law, which said anyone can turn a garage into an apartment and it's ministerially approved and ADUs in the backyard, and the lot split law. Most people haven't taken advantage of the lot split, probably because they got to look at what the property tax bill would be if they did all that new construction at today's prices and probably not as many lot splits as they thought there would be for their so-called gentle density.

But they are intentionally trying to destroy single family neighborhoods. There are YIMBY people who think it's not a good use of land. They don't like anything about it. They think we're all a bunch of Romanovs who should be shot in the basement. And you know, I don't, I don't agree with that. I don't think we're Romanovs and I don't think we should be shot in the basement. No.

Buying property is a tremendous wealth builder for generational wealth, you know, for the kids.

**Q11: How do political donations and independent expenditure committees influence housing and tax policy decisions in California?**

**SUSAN SHELLEY:**

The money is all over the place. It's not just the direct contributions to the candidates which have a contribution limit on them and don't look like they would be enough to sway anybody's vote. It's also the independent expenditures. So you'll see large entities in politics like the California Teachers Association and the SEIU and probably BOMA and other organizations. And rightfully so, their financial interests are at stake in all of these legislative decisions. And so what they do is they form independent expenditure committees which do not coordinate with the candidates but they make a huge difference because they can buy mail, television commercials, all of that. And the candidate doesn't necessarily know, probably knows, doesn't necessarily know who's spending money for them. You can't get the money out of politics. When the government has too much power, money will find a way to the people who make those decisions.

Right. And they can also spend against a candidate. So sometimes you see people, someone will send you something about the opponent of the candidate that they favor. So it's very, it's not difficult to track the money but it's difficult to do anything about it when you see it. It's a lot of paperwork for the candidates. It's a lot of headaches and ultimately it doesn't change the outcome.

There's also behested payments, which local candidates and state candidates, office holders, not candidates, can do. Behested payments mean that they ask someone for money for a legislative, governmental, or charitable purpose. And this can be to a nonprofit organization that's run by one of their family members. And it is totally legal, totally legal, no contribution limit for someone who is in power, the governor, the lieutenant governor, the mayor, to pick up the phone, call someone with business before the government, ask them to make a donation of perhaps millions of dollars. And all they have to do is fill out a form disclosing it and it's totally legal. Now, what is that? Is that extortion? Is that bribery? Is that some sort of combination of the two? It's none of those things. It's legal in California. So there is a lot of influence.

But at the bottom line, when candidates get nervous, when office holders get nervous, is when they're hurt in the polling. And they're hurt in the polling when people are out there talking about what they're doing and convincing the neighbors that it's not good. So it makes a big difference when you put out a yard sign for the opponent of a candidate who's giving you a hard time. It makes a big difference when you knock on doors or hand out flyers or door hangers or just comment in a letter to the editor, or just generally at meetings like this, make it known who you support and who you don't and why. That can have a big impact in local races.

### Q12: How do state climate goals and energy policies affect the cost of living and housing development in California?

**SUSAN SHELLEY:**

It can all be fixed. It's all manmade trouble that we're having, and it can all be fixed. And the interesting thing is that to the extent that they do this to reduce greenhouse gases, if they stop doing it, nothing will happen. Nothing will happen at all. The planet will go exactly as it's going on. Nothing will change. What California is doing has no effect except to, quote, show leadership. How much are we influencing what they do in China, India, Germany? I don't think that much. I don't think anybody's following.

And we're paying a lot for gasoline, for electricity, for water, which has the cost of electricity built into it because it's pumped around the state with electric pumps. All of these things are raising the cost of living in California.

And then this mindset that we can't build housing if it's, quote, sprawl, we can't build single family homes in outlying areas, is just, I think it is just cruelty to the next generations to do that to them, to create a situation where they're never going to be able to afford a house because we're not building them. And then you go online and you see these various YIMBY commentators who are probably paid to be so nasty, but they're like they're like in the kill everybody over 60 kind of mindset. Get them out, get them out of their houses. They're in our housing stock. What is that? Well, that's the sound of scarcity. That's the sound of what you have in a collectivist society where you're not letting people pursue their individual well-being. You're blocking them for some group reason from pursuing their individual best life.

### Q13: What concluding thoughts do you have on public engagement and future policy efforts in California?

**SUSAN SHELLEY:**

Well, at the moment, I'm writing two columns a week and some editorials for the Southern California News Group. And I'm working also full time with Howard Jarvis Taxpayers Association. We'll be campaigning for that ballot initiative and doing some freelance work for other publications at the same time. So it's been very busy.

I've perceived since I've been doing this, since I was a candidate, what, 10 years ago, I have perceived a shift in the space-time continuum in California. You know, you can perceive a ripple that people are asking more questions and they're not, they're not happy with the way things are going. And there are enough people who remember that it was different before, who can be motivated to try to bring back some sanity to our policies. Our priorities from our government officials are sometimes very mixed up and the people of California can turn that around. And I think they will.

Well, it's been a pleasure to be here and thank you so much for those kind words.