City of Culver City, California

Agenda Item Report

Meeting Date: 12/14/09	Item Number: J-3
JOINT CITY COUNCIL REDEVELOPMENT AGENCY AGENDA ITEM: Adoption of Respective Resolutions Endorsing the Local Taxpayer, Public Safety and Transportation Protection Act of 2010, a Proposed Constitutional Amendment for Potential Placement on California's November 2010 Statewide Ballot.	
Contact Person/Dept.: Shelly Wolfberg/ City Manager's Office	Phone Number: (310) 253-6008
Fiscal Impact: Yes [] No [X]	General Fund: Yes [] No [X]
Public Hearing: [] Action Item: [X]	Attachments: [X]
Commission Action Required: Yes [] No [X]	Date: ________________
Public Notification: Teresa Acosta, League of California Cities (12/03/09); Meetings and Agendas – City Council (12/09/09)	
Department Approval: Martin R. Cole (12/10/09)	City Attorney Approval: Carol Schwab (by H. Baker) (12/10/09)
Chief Financial Officer Approval: Mark Scott (by N. Kimball) (12/10/09)	City Manager Approval: Mark Scott (12/10/09)

RECOMMENDATION:

Staff recommends the City Council and Redevelopment Agency Board adoption respective Resolutions in support of the Local Taxpayers, Public Safety and Transportation Protection Act proposed to be considered by the voters on the November 2010 ballot (Attachment 1).

BACKGROUND/DISCUSSION:

Californians to Protect Local Taxpayers and Vital Services is a coalition of local governments, transportation advocates, business, labor, public safety and others with major funding from the League of California Cities (using non-public funds). This coalition is working to place the Local Taxpayers, Public Safety and Transportation Protection Act on the November 2010 ballot. This measure would amend various sections of the California Constitution.

The purpose of this measure, as found in the Initiative Text (Attachment 2), is to "conclusively prohibit the State from seizing, diverting, shifting, borrowing, transferring, suspending or otherwise taking or interfering with revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services."

The ballot initiative that was filed by the growing coalition working to protect local revenues and local services would:

- Prohibit the state from taking, borrowing or redirecting local taxpayer funds dedicated to public safety, emergency response and other vital local government services (including redevelopment); and,
- Close loopholes to prevent the taking of local taxpayer funds currently dedicated to cities, counties and special districts; and,
- Revoke the state's authority to borrow local government property tax funds or divert local redevelopment funds; and,
- Protect vital, dedicated transportation and public transit funds from state raids; and,
- Prevent state borrowing, taking or redirecting of the state sales tax on gasoline (Prop.42 funds) and Highway User Tax on gasoline (HUTA) funds that are dedicated to transportation maintenance and improvements; and,
- Prevent the state from redirecting or taking public transit funds.

Filing the measure with the Attorney General's office was the first step in a process of qualifying a measure for the November 2010 ballot and securing voter approval. The coalition is in the process of collecting the approximately 1 million signatures needed to qualify for the November 2010 ballot.

The City Council is presented with an opportunity to support the attached Resolution. Supporting the Resolution would be consistent with the Council-adopted Legislative Advocacy Program. On September 27, 2004, the City Council considered and adopted a Resolution supporting Proposition 1A, the Satewide Ballot Initiative preventing the state from taking local government revenues. On September 25, 2006, the City Council adopted a Resolution supporting Propositions 1A, 1B, 1C, 1D, 1E, and 84 on the November 2006 Ballot. The local government revenue protection measure in 2004 (Prop 1A) and the transportation revenue protection measure in 2006 (Prop 1A) included provisions that allow the state to borrow these funds during fiscal emergencies. However, after several budget cycles, it has become apparent that these borrowing provisions are negatively impacting local governments and transportation services and becoming a budgeting mechanism for the State. Because the state has had the authority to borrow local government and transportation funds, it has created uncertainty for local governments such as Culver City to balance its budget.

FISCAL ANALYSIS:

There would be no fiscal impacts associated with adopting the Resolution.

NOTE: In FY 2009-10, the State is borrowing $858,000 from the City’s General Fund and taking $10.9 million from the Redevelopment Agency, which is being challenged in court by the California Redevelopment Association. The City is participating in a securitization program so there will be no service impact resulting from the $858,000 Prop 1A loan to the State. However, pending the outcome of current litigation, the Culver City Redevelopment Agency may lose $10.9 million, which will have a significant impact on the Agencies financial resources available to address blight in the City.

ATTACHMENTS:

1. Proposed Resolutions.
2. Initiative Text

MOTION:

That both the City Council and Redevelopment Agency Board:

1A. Adopt respective Resolutions supporting the Local Taxpayers, Public Safety and Transportation Protection Act on the November 2010 ballot;

OR

1B. Provide other direction to staff as deemed necessary.