

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SANTA BARBARA OPPOSING STATE BUDGET
DECISIONS THAT WOULD BORROW LOCAL
GOVERNMENT, REDEVELOPMENT AND
TRANSPORTATION FUNDS

WHEREAS, on July 1, 2008, the State Legislature missed its Constitutional deadline to adopt a budget;

WHEREAS, both the Governor and the Legislative Budget Conference Committee have recommended balanced budgets without resorting to loans from or seizures of voter-protected local government property tax, redevelopment tax increment and transportation sales tax funds;

WHEREAS, in 1952 the voters of California approved Article XVI, Section 16 of the California Constitution, providing for tax increment financing for community revitalization, not balancing the state budget, and the voters never authorized the legislature to take or borrow community redevelopment funds for state programs;

WHEREAS, in 2004 by an 83.7% margin of approval the voters of California approved Proposition 1A and sent a loud and unambiguous message to state leaders that they should stop the practice of taking local government funds to finance the state budget;

WHEREAS, in 2006 by a 77% margin of approval the voters of California approved Proposition 1A, providing similar protections to transportation funding for state and local transportation projects, including important street maintenance and public transit programs;

WHEREAS, both ballot measures allow the Governor to declare a “severe state fiscal hardship” and borrow these funds if they are repaid in three years with interest, but the Governor believes it would be irresponsible to borrow such funds because it would deepen the state’s structural deficit and damage local government and transportation services;

WHEREAS, the failure of the Legislature to carry out its constitutional obligation to adopt a balanced budget does not constitute a “severe state fiscal hardship” and does not justify reductions in critical local services, community revitalization programs and infrastructure maintenance at a time when cities are struggling to balance their own budgets during this economic downturn;

WHEREAS, city investments in infrastructure, affordable housing and basic public safety and other community services will create needed jobs and speed our economic recovery;

WHEREAS, the Legislature should balance the state budget with state revenues and respect the overwhelming support of voters for not using local property taxes, redevelopment tax increment and transportation sales tax revenues to fund the day-to-day operating cost of state programs;

WHEREAS, it is time for the state of California to cut up its local government credit cards and deal with the budget deficit in a straightforward way and balance the state budget with state funds.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City of Santa Barbara hereby opposes any and all efforts by state government to borrow or seize local property tax funds, redevelopment tax increment and transportation sales tax funds to finance state operations. Such a move would be fiscally detrimental to the state and hamper effective local services and infrastructure investments.

SECTION 2. The Mayor is hereby directed to send this resolution and communicate this Council's strong and unswerving opposition on this matter to our Legislators and the Governor along with an expression of our continued appreciation for the Governor's and any supportive legislators' steadfast opposition to further borrowing or seizure of these funds.