

**RESOLUTION NO. 4403/367**

**A JOINT RESOLUTION OF THE CITY COUNCIL AND THE REDEVELOPMENT AGENCY OF THE CITY OF SOLEDAD AUTHORIZING THE CITY ATTORNEY/REDEVELOPMENT AGENCY GENERAL COUNSEL TO COOPERATE WITH THE LEAGUE OF CALIFORNIA CITIES, THE CALIFORNIA REDEVELOPMENT ASSOCIATION, OTHER CITIES AND COUNTIES IN LITIGATION CHALLENGING THE CONSTITUTIONALITY**

**WHEREAS**, since the early 1990s the state government of California has seized over \$10 billion of city property tax revenues statewide, now amounting to over \$900 million each year to fund the state budget even after deducting public safety program payments to cities by the state; and

**WHEREAS**, since the early 1990s the state government also has seized \$ 1.04 billion of redevelopment tax increment statewide, and the Governor and Legislature are now considering seizing \$350 million each year for three years, beginning in the current fiscal year; and

**WHEREAS**, in his proposed FY 2009-10 budget the Governor has proposed transferring \$1 billion of local gas taxes and weight fees to the state general fund to balance the state budget, and over \$700 million in local gas taxes permanently in future years, immediately jeopardizing the ability of the City to maintain the City's streets, bridges, traffic signals, streetlights, sidewalks and related traffic safety facilities for the use of the motoring public; and

**WHEREAS**, on April 30, 2009, in the case of *CRA v. Genest*, the Sacramento Superior Court found similar efforts by the State to seize redevelopment tax increment for the state general fund to be in direct violation of Article XVI, Section 16 of the State Constitution, added by the voters in 1952 as Proposition 18, which requires that tax increment be used exclusively for the benefit of redevelopment project areas; and

**WHEREAS**, the current economic crisis has placed cities under incredible financial pressure and caused them to make painful budget cuts, including layoffs and furloughs of city workers, decreasing maintenance and operations of public facilities, and reductions in direct services to keep spending in line with declining revenues; and

**WHEREAS**, the loss of almost all of cities' gas tax funds will seriously compromise cities' ability to perform critical traffic safety related street maintenance, possibly including, but not limited to, drastically curtailing patching, resurfacing, street lighting/traffic signal maintenance, payment of electricity costs for street lights and signals, bridge maintenance and repair, sidewalk and curb ramp maintenance and repair, and more; and

**WHEREAS**, cities and counties maintain 81% of the state road network while the state directly maintains just 8%, and according to a recent statewide needs assessment on a scale of zero (failed) to 100 (excellent), the statewide average pavement condition index (PCI) is 68, or "at risk."

**WHEREAS**, in both Proposition 5 in 1974 and Proposition 2 in 1998 the voters of our state overwhelmingly imposed restrictions on the state's ability to do what the Governor has proposed and the Legislature is considering, and any effort to permanently divert the local share of the gas tax would violate the state constitution and the will of the voters.

**THEREFORE, BE IT HEREBY RESOLVED** by the City Council and the Redevelopment Agency Board of the City of Soledad and the Soledad Redevelopment Agency, respectively, that the City Attorney/Redevelopment Agency General Counsel is hereby directed to Cooperate with the League of California Cities, the California Redevelopment Association, other Cities and Counties in Litigation Challenging the Constitutionality of Any Seizure by State Government of the City's Street Maintenance and Redevelopment Funds.

**RESOLVED FURTHER**, that the City Manager/Agency Executive Director or Clerk shall send this resolution with an accompanying letter from the Mayor/Agency Chair to the Governor and each of the city's state legislators, informing them in the clearest of terms of the City's adamant resolve to oppose any effort to frustrate the will of the electorate as expressed in Proposition 18 (1952), Proposition 5 (1974) and Proposition 2 (1998) concerning the proper use and allocation of the redevelopment tax increment and the gas tax; and

**RESOLVED FURTHER**, that a copy of this Resolution shall be sent by the city manager/agency executive director or clerk to the League of California Cities, the California Redevelopment Association, the local chamber of commerce, and other community groups whose members are affected by this proposal to divert funds from vital local services and projects.

**PASSED AND ADOPTED** at a regular meeting of the City Council and Redevelopment Agency Board of the City of Soledad and the Soledad Redevelopment Agency duly held on the 1st day of July, 2009 by the following vote:

**AYES**, and in favor thereof, Councilmembers/Agencymembers: Richard J. Perez, Juan Saavedra, Patricia Stephens, Mayor Pro Tem/Vice Chair Martha Camacho, Mayor/Chairman Richard Ortiz


**NOES**, Councilmembers/Agencymembers: None

**ABSTAIN**, Councilmembers/Agencymembers: None

**ABSENT**, Councilmembers/Agencymembers: None

  
RICHARD ORTIZ, Mayor/Chairman

ATTEST:

  
ADELA P. GONZALEZ, City Clerk/Agency Clerk