

1 [Opposing Fiscally Irresponsible State Budget Decisions]

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3 **Resolution opposing fiscally irresponsible state budget decisions that would “borrow”**
4 **local government, redevelopment and transportation funds**

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6 WHEREAS, on July 1, 2008 the State Legislature missed its Constitutional budget
7 deadline; and

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9 WHEREAS, both the Governor and the Legislative Budget Conference Committee
10 have recommended balanced budgets without resorting to “loans” or seizures of local
11 government property tax, redevelopment tax increment and transportation sales tax funds;
12 and

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

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19 WHEREAS, in 2004 by an 84% margin of approval the voters of California approved
20 Proposition 1A and sent a loud and unambiguous message to state leaders that they should
21 stop the destructive and irresponsible practice of taking local government funds to finance the
22 state budget and paper over the state deficit; and

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24 WHEREAS, in 2006 by a 77% margin of approval the voters of California also
25 approved Proposition 1A, providing similar protections to transportation funding for state and

**Supervisor Maxwell **

BOARD OF SUPERVISORS

1 local transportation projects, including important street maintenance and public transit
2 programs; and

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

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9 WHEREAS, refusal by the Legislature to carryout its constitutional obligation to
10 compromise on a balanced budget is not a “severe state of fiscal hardship” and would not
11 justify reductions in critical local services, community revitalization programs and
12 infrastructure maintenance at a time when cities are struggling to balance their own budgets
13 during this economic down turn; and

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

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

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24 WHEREAS, it would be the height of fiscal irresponsibility to paper over the state

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1 structural deficit with more borrowing, and Californians deserve state leaders who will
2 tell them honestly what needs to be done to produce a balanced budget; and
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4 WHEREAS, it is time for the state of California to cut up its local government credit
5 cards and deal with the budget deficit in a straightforward way. Balance the state budget with
6 state funds.
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8 NOW, THEREFORE, BE IT RESOLVED, that the City and County of San Francisco
9 hereby opposes any and all efforts by state government to “borrow” or seize local tax funds,
10 redevelopment tax increment and transportation sales tax funds by the state government to
11 finance state operations. Such a move would be fiscally irresponsible for the state and
12 hamper effective local services and infrastructure investments.
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14 RESOLVED FURTHER, that the City Clerk is hereby directed to send this resolution
15 and communicate this Board’s strong and unswerving opposition on this matter to our
16 Legislators and the Governor along with an expression of our continued appreciation for the
17 Governor’s and any supportive legislators’ steadfast opposition to further borrowing or seizure
18 of these funds.
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