



Agenda Report

April 30, 2018

TO: Honorable Mayor and City Council

THROUGH: Legislative Policy Committee (April 24, 2018)

FROM: Assistant City Manager

SUBJECT: SUPPORT FOR PROPOSITION 68 – THE CALIFORNIA DROUGHT, WATER, PARKS, CLIMATE, COASTAL PROTECTION, AND OUTDOOR ACCESS FOR ALL ACT OF 2018 AND PROPOSITION 69 – TRANSPORTATION TAXES AND FEES LOCKBOX AND APPROPRIATIONS LIMIT EXEMPTION AMENDMENT – ON THE JUNE 5, 2018 BALLOT

RECOMMENDATION:

It is recommended that the City Council take the following positions on ballot measures on the June 5, 2018 Statewide Election:

1. Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060 (c)(2), 15060 (c)(3), and 15378 of the State CEQA Guidelines and, as such, no environmental document pursuant to CEQA is required for the project; and
2. Support Proposition 68, a \$4 billion state bond measure for parks, natural resources protection, climate adaptation, water quality and flood protection; and
3. Support Proposition 69 which extends state constitutional protection to new revenue generated by SB 1 by prohibiting the State Legislature from borrowing or diverting the revenue for non-transportation purposes. Current law under SB 1 provides \$5 billion in annual statewide transportation funding.

RECOMMENDATION OF THE LEGISLATIVE POLICY COMMITTEE

At the regular meeting of the Legislative Policy Committee on April 24, 2018, it was approved that this item be forwarded to the City Council for full consideration.

BACKGROUND:

On June 5, 2018 Pasadena residents will have an opportunity to voice their opinion on an important bond measure which may bring additional park funding and to reaffirm support of SB1 the transportation tax that has already brought needed funding for our street infrastructure.

Proposition 68 – The California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act

On October 15, 2017, Governor Jerry Brown signed Senate Bill 5 (“SB 5”) now known as Proposition 68, which places a \$4 billion general obligation bond on the June 2018 ballot.

It has been more than a decade since California voters were asked to approve a statewide bond to upgrade parks and improve and ensure that there is safe drinking water. If voters approve Proposition 68, local governments would receive funding for local park improvements and will be eligible for grants to fund water, local parks, coastal and climate resiliency projects.

Specifically, Proposition 68 would authorize nearly \$3 billion for natural resource conservation and parks-related projects. The balance would provide funding opportunities for water projects, including flood protection, water recycling and groundwater contamination cleanup. The measure would not fund new dams or Governor Brown’s proposed Delta water tunnel project.

Proposition 68 is supported by a broad coalition of local government organizations, business groups, health advocates and water industry experts. These groups include the League of California Cities, Southern California Association of Governments; California Chamber of Commerce, Association of California Water Agencies, the Trust for Public Lands, and the American Heart Association.

Proposition 69 – Transportation Taxes and Fees Lockbox and Appropriations Limit Exemption Amendment

On April 28, 2017 Governor Jerry Brown signed SB 1 – The Road Repair and Accountability Act of 2017 that raises \$5.0 billion annually for cities and counties to fund basic road maintenance, rehabilitation, and critical safety projects on local streets and roads. It is estimated Pasadena will receive \$2.38 million in FY 2019 and annually thereafter.

SB 1 revenues provide critically-needed funding for the City of Pasadena for much needed road maintenance and repairs. In FY 2019, the SB 1 funds will be used toward:

- The Resurfacing and Slurry Seal Project, which will resurface 5.8 miles of streets utilizing rubberized asphalt; and
- The Annual Citywide Street and ADA Improvement Project, which will resurface 4.3 miles of streets utilizing two different paving methods: cold-in-place recycling paving, and Rubberized asphalt.
- Traffic signal at Garfield Avenue and Washington Boulevard that will provide for the construction of the installation of a traffic signal.

The State Constitution currently requires only portions of SB 1 tax and fee increases to be spent on statewide transportation projects. Specifically, revenues from the \$0.12 per gallon gasoline tax increase, \$0.20 per gallon diesel fuel tax increase and the zero-emission vehicle registration fee are already constitutionally earmarked for transportation spending.

However, SB 1 revenue from the new 13 percent diesel sales tax and new transportation improvement fee, which owners pay based on vehicle value, do not have this designation. Though the Legislature chose to dedicate all the SB 1 revenue to transportation, the State Constitution does not require this for the transportation improvement fee and diesel sales tax revenues. As a result, the Legislature could choose to use these new revenue sources for purposes other than transportation.

If voters pass the ballot measure in June 2018, Proposition 69 – The Transportation Taxes and Fees Lockbox and Appropriations Limit Exemption Amendment will extend constitutional protections by prohibiting the Legislature from borrowing or diverting the new revenue for non-transportation purposes. This will ensure that all revenue from SB 1 can only be used for transportation improvement.

Supporting Proposition 69 helps protect revenue dedicated to every city, county and transportation agency in California for repairing local roads and improving public transportation. It ensures that \$5 billion in new revenue only gets spent on transportation projects and protects some of the new funding that falls outside of constitutional protection.

Proposition 69 is supported by a broad coalition of local government organizations, business groups and transportation industry experts. These groups include the League of California Cities, California Alliance for Jobs, California State Association of Counties, California Chamber of Commerce and the California Chapters of the American Public Works Association.

COUNCIL POLICY CONSIDERATION:

This action supports the City Council's strategic planning goals to maintain fiscal responsibility and stability; improve, maintain, and enhance public facilities and infrastructure; and increase conservation and sustainability.

ENVIRONMENTAL ANALYSIS:

The action proposed herein is not subject to the California Environmental Quality Act (CEQA) in accordance with Section 21065 of CEQA and State CEQA Guidelines Sections 15060 (c)(2), 15060 (c)(3), and 15378. This action would not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed action is not a "project" subject to CEQA, as defined in Section 21065 of CEQA and Section 15378 of the State CEQA Guidelines. Since this action is not a project subject to CEQA, no environmental document is required.

FISCAL IMPACT:

Support of Proposition 68, has no direct fiscal impact. If voters pass the measure, Pasadena would receive a minimum one-time allocation of \$200,000 for park improvement projects, while every State county would receive at least \$400,000. Statewide grant funding opportunities would include \$250 million for clean drinking water and drought preparedness, and \$100 million statewide for water recycling projects. The City may be eligible to receive a portion of the grant funds for local eligible projects through a competitive process.

Support of Proposition 69 would protect existing transportation taxes and fees already in place under SB 1. If voters pass the measure, Pasadena would continue to receive SB1 and in FY 2018 we received \$817,455 and in FY 2019 we are expected to receive \$2,380,195. Proposition 69 would not raise taxes.

Respectfully submitted,


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Assistant City Manager

Approved by:



STEVE MERMELL
City Manager