



TOWN OF FAIRFAX

STAFF REPORT

October 5, 2016

TO: Mayor and Town Council

FROM: Garrett Toy, Town Manager *GT*

SUBJECT: Adopt a Resolution in opposition to Proposition 53 Revenue Bonds: Statewide Voter Approval-Constitutional Amendment

RECOMMENDATIONS

Adopt the resolution

DISCUSSION

The League of California Cities recommends that Cities and Towns take a policy position in opposition to Proposition 53. We relied on the County of Marin staff report for the following analysis:

Proposition 53, regarding revenue bonds, would require statewide voter approval before any revenue bonds can be issued or sold by the state for projects that are financed, owned, operated or managed by the state or any joint agency created by or including the state, if the bond amount exceeds \$2 billion. Unlike general obligation bonds, revenue bonds are not currently subject to voter approval requirements.

Fiscal Impacts per the LAO and State Department of Finance include the following:

- The fiscal effect on state and local governments is unknown and would vary by project. It would depend on (1) the outcome of projects brought before the voters, (2) the extent to which the state relied on alternative approaches to the projects or alternative financing methods for affected projects, and (3) whether those methods have higher or lower costs than revenue bonds.

Supporters argue that this measure would hold politicians accountable and would induce them to provide accurate estimates of how much a project would cost.

Opponents charge that Proposition 53 would require a statewide vote for certain local project, thus impacting local control and community infrastructure improvements; it does not contain an exemption for emergencies/natural disasters; and would inhibit the state's ability to repair outdated infrastructure. For these reasons, staff recommends an OPPOSE position on Proposition 53 due to concerns related to erosion of regional control.

FISCAL IMPACT

n/a

ATTACHMENT

Resolution

RESOLUTION 16-__

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF FAIRFAX
IN OPPOSITION TO PROPOSITION 53

WHEREAS, California and its local communities have a backlog of essential infrastructure needs, including crumbling local streets and roads, unsafe bridges and overpasses, aging water supply infrastructure, inadequate public transportation systems, and overcrowded hospitals and universities; and

WHEREAS, Proposition 53 on the November ballot would erode local control and undermine the ability of cities, counties and other local agencies and the state to form partnerships to finance the construction of some critical public infrastructure projects; and

WHEREAS, this initiative would require a statewide vote on certain local infrastructure projects financed through revenue bonds, where local governments have joined in a Joint Powers Authority (JPA) in partnership with the state or where the state was involved in the creation of the JPA; and

WHEREAS, by requiring a statewide vote on some local or regional projects, this initiative would erode local control by empowering voters in distant communities to reject projects which they do not use and do not fund; and

WHEREAS, this measure could derail and delay [CITY]'s ability to make improvements to critical infrastructure, including after emergencies and natural disasters; and

WHEREAS, No on 53 is a growing coalition of organizations representing local governments, water agencies, public safety leaders, businesses, labor unions, hospitals, family farmers, environmentalists and educators that have come together to officially oppose this initiative.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Town Council of the Town of Fairfax, that it opposes Proposition 53 and directs staff to email a copy of this adopted resolution to the No on 53 campaign.

The foregoing Resolution was duly passed and adopted at a Regular Meeting of the Town Council of the Town of Fairfax held in said Town on the 5th day of October 2016, by the following vote, to wit:

AYES:

NOES:

ABSENT:

Renée Goddard, Mayor

Attest:

Michele Gardner, Town Clerk