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Hundreds of City Officials Join Counties, Business and Labor Groups at Press Conference to Urge Legislators and Governor to Pass Transportation Funding Plan

Pave Me Now or Pave Me Later is Rallying Cry

League of California Cities® President and Lodi City Council Member JoAnne Mounce led hundreds of city officials on Wednesday afternoon at a [Fix Our Roads](#) coalition news conference. The Fix Our Roads coalition, of which the League is a founding member, held the event in the Sacramento Convention Center near the Capitol to once again talk with reporters about the urgent need to pass a transportation funding plan. It comes down to “Pave me now or pay more later.” *For more, see Page 2.*



DOF Releases Statewide FY 2017-18 Highway Users Tax Account Estimates

Following Gov. Jerry Brown’s [proposed FY 2017-18 Budget](#), the Department of Finance (DOF) released [its FY 2017-18 statewide estimates of Highway Users Tax Account \(HUTA\)](#) local streets and roads funding to cities and counties. It also includes revised estimates for the current FY 2016-17. Based on these statewide estimates CaliforniaCityFinance.com has computed city-by-city estimates. County estimates will follow shortly. *For more, see Page 2.*



League-Sponsored Bond Agency Issues \$13 Million in Tax-Exempt Bonds for College-Prep High School in Concord

Some of the most significant benefits of League membership for cities since 1988 have flowed from the League’s co-sponsorship of the [California Statewide Communities Development Authority](#) (CSCDA). *For more, see Page 3.*

State and local roads have a maintenance backlog of \$130 billion and California motorists are spending more than \$700 annually on car repairs due to pothole-filled roads. This backlog is divided between \$59 billion for state highways and \$73 billion for local streets and roads. The Fix Our Roads coalition formed in 2015 with representatives from cities, counties, business and labor groups to advocate for increased transportation funding for the entire system of local and state roadways.

President Mounce, an accountant by profession, spoke on behalf of the League and called for Gov. Jerry Brown and the Legislature to uphold the promise they made to tackle the tough issue of funding California's crumbling transportation infrastructure. "With 30 years of accounting experience, I know the importance of fiscal responsibility. And I strongly believe that protecting the investments of our taxpayers have already made should be a priority," Mounce stressed.

She also discussed how the instability in how California pays for its roads has caused affected her city. In the past three years, President Mounce told reporters, Lodi has lost over \$500,000 for street maintenance.

Speaking in both English and Spanish Sacramento City Council Member Eric Guerra, who is also a member of the League board of directors, addressed why the coalition supports SB 1 and AB 1, the packages respectively proposed by Sen. Jim Beall (D-San Jose) and Assembly Member Jim Frazier (D-Oakley). "These proposals are coupled with accountability and reform provisions to ensure we get the best bang for our buck."

The Fix Our Roads coalition supports a transportation funding package that would raise at least \$6 billion annually, the amount needed to begin to make a dent in the enormous backlog. At the same time, the coalition is also recommending accountability provisions to give taxpayers confidence that the new revenues will be spent on transportation projects only.

In November 2016, after the Special Session on Transportation failed to produce a funding package, Governor Brown, Pro Tem de León and Speaker Rendon [promised](#) to '[tackle this issue early in the new year](#)'. The Fix Our Roads coalition intends to hold them to that promise.

Joining President Mounce and Council Member Guerra at the podium for the news conference were representatives from other members of the Fix Our Roads coalition including:

- California Alliance for Jobs Executive Director Michael Quigley;
- Amador County Supervisor Richard Forster (immediate past president, California State Association of Counties);
- Sacramento County Supervisor District 1 Phil Serna;
- Sacramento Economic Council President and CEO Barry Broome; and
- Mark Kyle, Operating Engineers Local 3.

'HUTA' Continued from Page 1...

The California Municipal Revenue Sources Handbook contains a full explanation of the HUTA allocations. This publication is available for purchase on the [League's website](#).

There are a few items of particular importance to cities including:

- DOF estimates that current year FY 2016-17 HUTA allocations will be about 4.6 percent lower than previously estimated (May 2016).
- DOF estimates base HUTA allocations (Streets & Highways Code Sec. 2104-2108) to grow by just 0.3 percent in FY 2017-18 over the prior year.
- DOF estimates revenue from the Streets & Highways Code Sec. 2103 variable (price-based) rate to increase by 68.34 percent from \$155.9 million in FY 2016-17 to \$262.4 million in FY 2017-18. This forecasts action by the Board of Equalization next month to increase the price based gasoline rate from 9.8 cents per gallon to 11.7 cents per gallon, effective July 1.

- Based on these estimates, combined HUTA funding (Streets & Highways Code Sec. 2103-2108) for cities and counties would increase 8.5 percent in FY 2017-18 over the revised current year estimate.

The Governor's proposed budget includes a proposal for transportation funding that would send an additional \$206,269,000 to cities and counties. Attachment A at the end of the [city-by-city estimates](#) contains a column showing how this proposed additional revenue would be allocated among cities and counties. Because this is just a proposal, not signed into law, cities should NOT budget this additional revenue at this time.

'CSCDA' Continued from Page 1...

This program provides a variety of public agencies and developers access to low-cost, tax-exempt financing and economic development tools. CSCDA recently issued \$13,000,000 in tax-exempt bonds for Carondelet High School located in Concord.

About Carondelet High School

Carondelet is a four-year college-preparatory Catholic high school that offers young women a transformative educational experience in an encouraging and caring environment. Since its founding in 1965, Carondelet has combined academic excellence and recognition of the unique gifts of each of its students. The school's focus is a woman-centered, comprehensive educational program designed to help young women build confidence and prepare for leadership and service in the 21st century.

CSCDA partnered with First Republic Bank to provide the \$13 million tax-exempt loan for Carondelet. The loan will be used to finance the new Carondelet Athletic Complex (CAC) located in the city of Walnut Creek. CAC will include a state-of-the-art training and fitness center; turf fields for soccer, lacrosse and softball; tennis courts; and a competition swimming/diving pool.

Background

CSCDA is a joint powers authority created in 1988 and is sponsored by the League of California Cities® and the California State Association of Counties. It was created by cities and counties for cities and counties. More than 500 cities, counties and special districts are program participants in CSCDA, which serves as their conduit issuer and provides access to efficiently finance locally-approved projects. CSCDA has issued more than \$50 billion in tax exempt bonds for projects that provide a public benefit by creating jobs, affordable housing, healthcare, infrastructure, schools and other fundamental services. Visit [CSCDA's website](#) for additional information on the ways in which CSCDA can help your city.
