



2019-2020

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August 5, 2020

The Honorable Chief Justice Tani Cantil-Sakauye
Honorable Associate Justices of the Supreme Court
Supreme Court of California
350 McAllister Street
San Francisco, CA 94102

Re: *City of Chula Vista, et.al. v. Sandoval (Southwestern Community College District) (Case No. S263181) – Amicus Letter in Support of Petition for Review (Cal. Rules of Court, rule 8.500(g).)*

Honorable Chief Justice Cantil-Sakauye and Associate Justices:

Pursuant to California Rules of Court, Rule 8.500(g), the League of California Cities (League) respectfully submits this letter as amicus curiae in support of the Petition for Review filed by the City of Chula Vista in *City of Chula Vista v. Sandoval* (2020) 49 Cal.App.5th 539 (Third Appellate District, C080711).

The League of California Cities is an association of 476 California cities dedicated to protecting and restoring local control to provide for the public health, safety, and welfare of their residents, and to enhance the quality of life for all Californians. The League is advised by its Legal Advocacy Committee, comprised of 24 city attorneys from all regions of the State. The Committee monitors litigation of concern to municipalities, and identifies those cases that have statewide significance. The Committee has identified this case as having such significance. Counsel for the League has reviewed the letter urging this Court to grant the petition for review submitted by the City of National City and concurs with its contents. Like the City of National City, cities statewide would benefit from guidance from this Court regarding the proper allocation of residual property tax revenues.

As this Court is well-aware, in the 2011 Budget Act, the Legislature approved the dissolution of the state's 400 plus redevelopment agencies (RDAs). RDAs were officially dissolved as of February 1, 2012. The Department of Finance explains that, "As a result of the elimination of the RDAs, property tax revenues are being used to pay required payments on existing bonds, other obligations, and pass-through payments to local governments. The remaining property tax revenues that exceed enforceable obligations are now being allocated to cities, counties, special districts, and school and community college districts..."(State of California Department of Finance, *Redevelopment Agency Dissolution*, <<http://www.dof.ca.gov/Programs/Redevelopment/>> (as of August 4, 2020).)



The “remaining property tax revenues” are “now being allocated” by County auditors around the State using three different methodologies. (*City of Chula Vista v. Sandoval, supra*, 49 Cal.App.5th at pp. 544-45.) In fact, the Defendant San Diego County Auditor-Controller has used two different methodologies within the course of this litigation. These three different methodologies emerge from conflicting interpretations of California Health & Safety Code sections 38183 and 38188. There is general agreement that the “remaining property tax revenues” are distributed in accordance with the proportional allocation of property taxes established for each entity based on the historic rates of taxation in effect when Proposition 13 was passed (AB 8 shares). (*City of Alhambra v. County of Los Angeles* (2012) 55 Cal.4th 707, 713.) However, the methodologies differ in how they address the relationship between “pass-through payments” and the “remaining property tax revenues.” The dollar amount of the distribution of the AB 8 shares varies widely depending upon how a County auditor defines that relationship.

Defendant San Diego County Auditor-Controller states in the Answer to the Petition for Review that “the competing methodologies yield only modest difference for most entities, and even the most significant impacts amount to a small fraction of municipal budgets.” (Appellant Tracy Drager’s Answer to Petition for Review, p. 8.) The County Auditor-Controller cites as a “small fraction” the \$11.8 million underpaid to the City of San Diego over the course of two years. (Appellant Tracy Drager’s Answer to Petition for Review, p. 8, fn. 4.) Neither the asserted “modest difference” nor “small fraction” can support disparate interpretation of state law. The Defendant’s perception of each most likely differs significantly from the perception of the those local elected officials charged with balancing their budgets.

Accordingly, the League respectfully urges this court to grant the City’s Petition for Review to establish a uniform methodology describing how “the remaining property tax revenues,” which amount to hundreds of millions of dollars allocated in the 41 counties with redevelopment successor agencies,¹ should be allocated to cities, counties, special districts, and school and community college districts.

Sincerely,

LEAGUE OF CALIFORNIA CITIES

A handwritten signature in blue ink, appearing to read "Alison Leary".

by: Alison Leary, SBN 305215
Deputy General Counsel
League of California Cities

¹ State of California Department of Finance, *LRPMP Plans Submitted to Finance*, <http://www.dof.ca.gov/Programs/Redevelopment/Countywide_OBFS_CAC> (as of August 4, 2020).

PROOF OF SERVICE

City of Chula Vista, et al. v. Tracy Sandoval, etc.
Supreme Court of California Case No. S263181
Third Appellate District Court Case No. C080711
Sacramento County Superior Court Case No. 34-2014-80001723

I, the undersigned, declare that I am a citizen of the United States and am employed in the City and County of Sacramento, State of California. I am over the age of 18 and not a party to this action; my business address is: 1400 K Street, Suite 400, Sacramento, CA 95814.

On August 5, 2020, I served the document(s) described as: **AMICUS LETTER IN SUPPORT OF PETITION FOR REVIEW** on the interested parties in this action by the following methods addressed as follows:

PLEASE SEE ATTACHED SERVICE LIST

(BY MAIL) I enclosed the above-referenced document(s) in a sealed envelope or package and placed the envelope for collection and mailing, following our ordinary business practices. I am “readily familiar” with the firm’s practice for collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Sacramento, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

(BY ELECTRONIC SERVICE) By submitting an electronic version of the above-referenced document(s) to the Court's electronic filing system, TrueFiling, who provides electronic service to all parties and counsel of record who are registered with the Court's TrueFiling system.

Executed on August 5, 2020 at Sacramento, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

I declare that I am employed in an office of a member of the bar of the court at whose direction the service was made.



Janet M. Leonard

SERVICE LIST

City of Chula Vista, et al. v. Tracy Sandoval, etc.
Supreme Court of California Case No. S263181
Third Appellate District Court Case No. C080711
Sacramento County Superior Court Case No. 34-2014-80001723

Via Email Through TrueFiling.com

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