RESOLUTION NO. 2026R-____

A RESOLUTION OF THE CITY OF CHINO HILLS, PLACING A PROPOSITION ON THE NOVEMBER 3, 2026 BALLOT PURSUANT TO ARTICLE XIIIC, § 2(B) OF THE CALIFORNIA CONSTITUTION; ELECTIONS CODE § 9222; AND GOVERNMENT CODE §§ 53723 AND 53724 REGARDING CHINO HILLS SERVICES MEASURE FOR A LOCAL TRANSACTIONS AND USE TAX (SALES TAX)

WHEREAS, Chino Hills adopted the City's Fiscal Year (FY) 2026-27 Budget on June 9, 2026, continuing its commitment to maintaining the services, infrastructure, and quality of life residents value while addressing a growing structural budget deficit; and

WHEREAS**,** the adopted General Fund budget includes approximately $59.2 million in revenues and $63.5 million in expenditures, resulting in a $4.3 million operating deficit that was covered through the use of reserves; and

WHEREAS, the Citywide 2026-27 adopted budget did maintain funding for key community priorities, including public safety, wildfire prevention and emergency preparedness, street maintenance, compliance with the Clean Water Act, parks and recreation programs, and the preservation of more than 3,000 acres of community-owned open space; and

WHEREAS**,** this marks the second consecutive year the City has adopted a budget in which expenditures exceed revenues requiring the use of Reserve Funds; and

WHEREAS**,** the City's financial projections for the General Fund indicate that reserves could be substantially depleted within approximately five years if ongoing structural deficits continue and no additional revenues or expenditure reductions are implemented; and

WHEREAS**,** before relying on General Fund reserves, the City took several steps to reduce costs, improve efficiency, and maximize available resources; by deferring or scaling back non-essential street, park, and facility maintenance projects, and regularly evaluating contracts and operations to ensure competitive pricing; and

WHEREAS**,** over the past several years, the City has budgeted conservatively in all operating and capital funds by means of securing millions of dollars in grant funding, invested in long-term cost-saving infrastructure improvements, expanded recycled water use, installed drought-tolerant landscaping, deferred capital improvement projects, and reduced or postponed certain maintenance in an effort to preserve core services; and

WHEREAS**,** public safety costs have increased by $2.4 million since last year and remain the City's largest General Fund expense, accounting for approximately 34 percent of annual General Fund spending; and

WHEREAS, like many organizations, Chino Hills is experiencing the impact of inflation, and as each year passes, Chino Hills has seen revenue growth, however, that growth is being offset by rising costs of providing services to the community; and

WHEREAS**,** the City is directly impacted by evolving public safety challenges affecting neighborhoods, the escalating threat of wildfires, increased traffic-related issues, and the need to preserve open space and maintain streets, sidewalks, parks, and public facilities, requiring dependable local revenue to support essential City services, including public safety response times, wildfire preparedness, homelessness response, infrastructure repair, and park maintenance; and

WHEREAS**,** the City Council has explored different revenue-generating approaches to protect Chino Hills' future, maintain the current standard of service, and ensure a high quality of life for residents and businesses; and

WHEREAS, a well-balanced mix of revenue sources, such as property taxes, sales taxes, utility user taxes, transient occupancy taxes, franchise taxes, building permits, and other revenues, helps stabilize the City's financial base, while enabling the City to provide essential services to its residents; and

WHEREAS, more than half of the sales tax revenue last year came from those who reside outside of Chino Hills; and would add to the City's current revenue sources; and

WHEREAS**,** securing the City's long-term financial stability is key to maintaining City services for our residents and businesses and is critical to the future of the City; and

WHEREAS, the City's local sales tax is at 7.75%, however, the City only receives 1% of that total revenue generated with the other 6.75% going to other governmental agencies; and

WHEREAS, in Fiscal Year 2024-25, of the $79.8 million in sales tax revenue generated in the City of Chino Hills, approximately $61.8 million was sent to the State of California, and $7.7 million to San Bernardino County. Of the $79.8 million generated in Chino Hills, only about $10.3 million was returned to the City for local control and use for residents and businesses; and

WHEREAS, the Chino Hills Services Measure would increase the local sales tax by one percent (1%), equivalent to one cent ($0.01) on every taxable dollar spent, and if approved, would generate an estimated $11.5 million annually in new local revenue to protect and maintain City services that directly benefit Chino Hills residents and businesses; and

WHEREAS, a one percent (1%) increase in the City's local sales tax amounts to, for example, one cent ($0.01) on every taxable dollar spent and ten cents ($0.10) on a $10 purchase and DOES NOT apply to groceries, prescriptions, medical and dental services, real estate, rent, education, utilities, personal services, or labor; and

WHEREAS**,** after evaluating available revenue enhancement options, the City Council finds that a locally controlled transactions and use tax is the most viable and appropriate revenue option available to the City to address its projected structural deficit, protect long-term fiscal stability, and maintain essential City services and community priorities; and

WHEREAS, the proposed local transactions and use tax would be imposed at a rate of one percent (1%), equivalent to one cent ($0.01) for every taxable dollar spent in the City of Chino Hills, with revenues remaining under local control and available for general municipal purposes that support the quality of life valued by Chino Hills residents and businesses.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHINO HILLS DOES RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Pursuant to Article XIIIC, § 2(b), of the California Constitution; Elections Code § 9222; and Government Code §§ 53723 and 53724, the City Council places a proposition ("Ordinance") on the ballot for a previously-called general municipal election to be held in the City of Chino Hills on Tuesday, November 3, 2026.

SECTION 2. Pursuant to Elections Code §§ 9222 and 13119 the exact form of the question to be voted on at the election as it should appear on the ballot is as follows:

Chino Hills Services Measure: Shall the measure protecting Chino Hills' financial stability and maintaining City services including public safety response times; reducing wildfire risk; preparing for/responding to wildfires/natural disasters; helping prevent crime, thefts, burglaries; keeping public areas safe/clean; protecting Clean Water Act resources; preserving/maintaining open space; supporting other city services by establishing a 1¢ sales tax, providing approximately $11,500,000 annually until ended by voters; with audits, spending disclosure, all funds used locally, be adopted?	YES
	NO

SECTION 3. A copy of the Ordinance to be considered by the voters is attached as Exhibit "A" and is incorporated by reference. The Ordinance is approved by the City Council through adoption of this Resolution.

SECTION 4. In accordance with Government Code § 53724 this Resolution must be adopted upon a majority (50 +1) of the votes cast and will become effective immediately upon adoption.

SECTION 5. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 6. That notice of time and place of holding the election is given and the City Clerk is authorized, instructed and directed to give further or additional notice of the election, in time, form and manner as required by law.

SECTION 6. That the City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED this 14th day of July, 2026.

BRIAN JOHSZ, MAYOR

ATTEST:

CHERYL BALZ, CITY CLERK

APPROVED AS TO FORM:

MARK D. HENSLEY, CITY ATTORNEY

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) §
CITY OF CHINO HILLS)

I, CHERYL BALZ, City Clerk of the City of Chino Hills, DO HEREBY CERTIFY that the foregoing Resolution No. 2026R-__ was duly adopted at a regular meeting of the City Council of the City of Chino Hills held on the 14th day of July, 2026, by the following vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Chino Hills, California, on the day and year last written below.

CHERYL BALZ, CITY CLERK

DATE