

May 18, 2026



CITY OF SAN PABLO  
*City of New Directions*



The Honorable Gavin Newsom  
Governor, State of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814

**RE: REQUEST FOR LOCAL FISCAL FLEXIBILITY AND VOTER AUTHORITY – CITY OF SAN PABLO**

Dear Governor Newsom,

On behalf of the City of San Pablo, I want to sincerely thank you for your continued leadership and stewardship of California during an extraordinarily challenging and transformative period for our state. Under your Administration, California has continued to lead the nation in innovation, infrastructure investment, climate policy, economic growth, and public health while successfully navigating devastating wildfires, a global pandemic, and ongoing economic uncertainty.

We also recognize and appreciate the significant fiscal prudence and discipline your Administration has exercised in recent years to responsibly navigate ongoing structural deficit concerns while continuing to preserve critical statewide investments. We understand the difficult decisions required to maintain California’s long-term fiscal stability while balancing growing service demands and economic pressures facing communities throughout the state.

The City of San Pablo approaches this request in that same spirit of fiscal responsibility.

Today, many local governments across California are confronting mounting structural fiscal pressures driven by inflationary cost increases, aging infrastructure, deferred maintenance obligations, rising public safety costs, and growing community needs. California’s broader economic success ultimately depends upon financially stable local governments that can continue delivering essential public services, maintaining infrastructure, supporting economic development, and preserving quality of life for residents.

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The City of San Pablo exemplifies these challenges. Like many communities throughout Contra Costa County and the broader Bay Area region, San Pablo faces increasing costs to maintain essential municipal services and public assets while striving to preserve long-term fiscal stability. Core municipal functions including economic development, public safety, emergency medical services, street maintenance, youth and recreation services, and senior programs all require reliable and sustainable long-term funding sources.

Accordingly, we respectfully request your partnership in providing limited statutory flexibility that would allow the City of San Pablo to seek voter approval for a 0.50% Transactions and Use Tax measure on the November 2026 ballot.

Importantly, this request is not an effort to impose taxes absent voter approval.

Rather, it is a request to preserve local control and allow San Pablo residents to determine whether additional locally controlled revenue is necessary to maintain essential city services and stabilize the City's long-term fiscal outlook.

Just as importantly, San Pablo views this request as a responsible local solution to a local fiscal challenge — not one we seek to burden the State with financially.

Rather than requesting additional state resources or ongoing General Fund support, the City is simply seeking the flexibility for local voters to determine whether they are willing to invest in maintaining critical public services, infrastructure, and long-term fiscal sustainability within their own community.

Despite prudent fiscal management and ongoing efforts to control annual expenditures, existing General Fund revenues remain insufficient to fully address the City's current and projected service and infrastructure needs. In response to a recent long-term financial forecast evaluating the City's fiscal outlook and revenue capacity, the San Pablo City Council adopted Resolution No. 025-035 on March 3, 2025, authorizing the City Manager to explore the feasibility of a half-cent Transactions and Use Tax measure for placement on the November 2026 ballot.

The City has continued to carefully evaluate long-term solutions that would allow San Pablo to preserve critical local services while maintaining fiscal sustainability into the future. If approved by local voters, future revenue generated through a local Transactions and Use Tax measure would help protect and preserve funding for essential community priorities, including public safety services, illegal dumping prevention and neighborhood beautification efforts, homeless outreach services, rental protection and stabilization programs, youth scholarship opportunities, and Senior Daily Meal programs serving vulnerable residents throughout the community.

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Without additional local flexibility, cities like San Pablo will face increasingly difficult decisions involving service reductions, deferred infrastructure investments, and constraints on programs that directly support public health, safety, economic stability, and quality of life for residents.

Providing transactions and use tax cap flexibility would allow San Pablo voters to determine whether additional local investment is necessary to preserve essential services, strengthen community programs, maintain infrastructure, and support the City's long-term fiscal sustainability. This approach respects both local democratic decision-making and the principle that communities are often best positioned to determine their own fiscal priorities and service expectations.

We recognize the broader statewide conversations surrounding affordability and taxation. However, local governments are increasingly being asked to address homelessness, emergency preparedness, climate resilience, infrastructure modernization, public safety, and economic recovery with revenue systems that have not kept pace with modern fiscal realities. Providing limited TUT cap flexibility is a balanced and responsible approach that empowers local voters while reducing pressure on the State to backfill growing local fiscal challenges in the future.

We respectfully request your partnership and support in advancing statutory authorization that would allow the City of San Pablo to place a 0.50% Transactions and Use Tax measure before local voters in November 2026.

Thank you again for your continued leadership and your commitment to supporting California's cities and communities. We look forward to continuing to work collaboratively with your Administration to strengthen local government stability and preserve the essential services our residents rely upon every day.

Sincerely,

For and behalf of: Elizabeth Pabon-Alvarado, Mayor



Rita Xavier, Vice-Mayor

City of San Pablo

cc: Assembly Member Buffy Wicks  
Senator Jesse Arreguín  
Nathan Barankin, Chief of Staff, Office of Governor Gavin Newsom  
Christine Aurre, Legislative Affairs Secretary, Office of Governor Gavin Newsom