CLOVIS CITY COUNCIL MEETING

April 21, 2025 **6:00 P.M.** **Council Chamber**

Meeting called to order by Mayor Mouanoutoua at **6:00**
Flag Salute led by Councilmember Mayor Pro Tem Pearce

Roll Call: Present: Councilmembers Ashbeck, Basgall, Bessinger, Mayor Pro Tem Pearce
Mayor Mouanoutoua

PRESENTATION – 6:01

6:01 – ITEM 1 - Presentation of Proclamation declaring April as National Donate Life Month.

PUBLIC COMMENTS – 6:07

Steven Trevino, resident, expressed concern about the lack of a fire station at the former site on Fowler and Alluvial.

CONSENT CALENDAR – 6:11

Upon call, there was no public comment.

Motion by Councilmember Ashbeck, seconded by Councilmember Bessinger, that the items on the Consent Calendar be approved. Motion carried by unanimous vote.

2. Administration - Approval - Minutes from the April 14, 2025, Council Meeting.
3. Administration - Approval – Award the Request for Proposals (RFP) and approve the purchase of Cisco Network Hardware to AMS.NET for $81,278.02 plus shipping.
4. Administration – Approval – **Res. 25-33**, Approving an application to the California State Department of Housing and Community Development for funding in the amount of $500,000 under the HOME Program for First-Time Homebuyer (FTHB) Program Activity; and Authorizing the City Manager, or designee, to sign the application, execute the Standard Agreement, any Amendments, and any related documents thereto, if selected for funding, as may be necessary to participate in the HOME Program as identified in the HOME Investment Partnerships Program (HOME) 2024 Notice of Funding Availability (NOFA) dated December 30, 2024.
5. Administration - Approval - **Res. 25-34**, Establishing Governing Criteria for the Measure Y Oversight Committee.
6. Fire – Approval – **Res. 25-35**, Amending the 2024-2025 FY Fire Department Budget to reflect the $31,000 awarded in 2024 State Homeland Security Grant Program (SHSGP) to fund Fire Department radio equipment.
7. General Services – Approval – **Res. 25-36**, Amending the City's FY 2024-2025 Position Allocation Plan by adding one (1) Senior Management Analyst Position and removing one (1) Management Analyst Position within the Police Department.

8. General Services – Authorize the City Manager to Approve hiring a Staff Analyst, currently vacant, in the Police Department at Step 5 of the Salary Range with an Effective Date of May 1, 2025.
9. Planning and Development Services – Approval – Final Acceptance for CIP 23-14 Sierra Vista Sidewalk Improvement for a final contract cost of $772,410.14.
10. Planning and Development Services – Approval – Final Acceptance for CIP 21-21 Sunnyside Avenue Street Improvements for a final contract cost of $1,845,372.22.
11. Police - Approval - **Res. 25-37**, Authorizing the Police Chief to execute the 2024-2025 Department of Justice Tobacco Grant Agreement and amend the Police Department budget to reflect the award of $84,500.00.
12. Public Utilities – Approval – Preliminary Engineer's Report; and Approval – **Res. 25-38**, a Resolution Declaring the City's Intention to Levy and Collect the Annual Assessments for Landscape Maintenance District No. 1.

ADMINISTRATIVE ITEMS – 6:12

6:12 ITEM 13 - Consider Approval – Award Recycling and Organic Material Collection, Processing, and Marketing Services Agreement to Mid Valley Disposal, and Authorize the City Manager to Execute the Agreement on Behalf of the City.

Alyssa, resident, addressed issues related to organic waste and the use of compostable green plastic bags to help mitigate fly problems.

Belva Mayes, resident, suggested Council consider selecting a new waste collection company, citing long-standing issues with Republic Services.

Bill Scott, resident, expressed concerns over the recent waste hauler bidding process and urged accountability and transparency moving forward, especially when preparing the budget.

Eric Rollins, resident, suggested Council move forward with the recommended option by staff.

Steven Trevino, resident, expressed confusion over the waste hauler selection process, stating that the lack of visual aids like graphs and insufficient public explanation.

Ashlee Cawley, Municipal Manager for Republic Services in Clovis, encouraged the Council to consider Republic Services.

Keith Hester, General Manager with Caglia Environmental, stated that Mid Valley's proposal was unsustainable due to significantly understated labor costs and missing personnel, making it non-responsive to the RFP.

Joe Heisdorf, Chief Financial Officer with Mid-Valley Disposal, explained that their proposal followed the same RFP format used in 2014, and was based on updated operational assumptions for city growth.

German Hernandez, General Manager for Republic Services, emphasized the company's strong commitment to safety and stated that based on recent discussions, Republic is open to revisiting their previously submitted rate proposals.

Richard Caglia with Caglia Environmental, expressed frustration with the RFP process.

Nathan George with Remy Moose Manley, Legal representative of Caglia Environmental, raised concerns about irregularities in the RFP process and noted potential conflicts of interest.

Motion for approval by Mayor Pro Tem Pearce, seconded by Councilmember Bessinger. Motion carried by 3/2 vote. Councilmember Ashbeck and Councilmember Basgall voted no.

7:21 ITEM 14 - Provide Direction – 2025/26 Budget Priorities – Measure Y Session #2.

Brian Wilson, resident, urged the Council to prioritize using Measure Y funds to restore police and fire services.

Eric Rollins, resident, expressed concern about the City's deficit without Measure Y funds and emphasized the importance of allocating funds to maintain public safety.

Bill Scott, resident, addressed concerns with spending and inflation impacts on residents.

CITY MANAGER COMMENTS – 7:59

City Manager Haussler announced that Clovis was recently ranked as the third best city in California to move to, highlighting safety, affordability, and the economy as key factors, and he encouraged the community to enjoy Rodeo Week and attend Trail Fest in two weeks.

COUNCIL COMMENTS – 7:59

There was no formal Council direction to staff.

CLOSED SESSION – 8:10

Upon call, there was no public comment.

ITEM 15 - Government Code Section 54956.9(d)(1) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Case Name: Desiree Martinez v. City of Clovis, et al., Case No. 19CECG03855

ITEM 16 - Government Code Section 54957.6 CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Andy Haussler, Paul Armendariz, Amy Hance, Scott Cross
Employee organization: All bargaining units

RECONVENE INTO OPEN SESSION AND REPORT FROM CLOSED SESSION

No action taken.

ADJOURNMENT

Mayor Mouanoutoua adjourned the meeting of the Council to May 5, 2025.

Meeting adjourned: 9:51 p.m.

Mayor

City Clerk

Public Comment for
April 21, 2025

Rebecca Simonian

From:	City of Clovis Website <wp-donotreply@ci.clovis.ca.us>
Sent:	Friday, April 11, 2025 3:20 PM
To:	Andrew Haussler; Rebecca Simonian; Briana Parra
Subject:	[External] Public Comment for City Council

Council Meeting Date: 2025-04-21
Item Number (put "0" if your comment is regarding an item not on the agenda): 0
Full Name: Brian Watt
Email: brian.m.watt@hotmail.com
Comment: I would like the city council to consider updating the policy regarding basketball hoops in the street. I recently received a citation for my kids basketball hoop left in the street not in use. My daughter plays for Alta Sierra and plays year round with the Buchanan girls development programs. Having to move it in and out of the street is not realistic. I travel for work and my wife and daughter are not able to move the hoop themselves. How can the city be against child getting physical activity? What is needed to get this code changed.

I spoke with my neighbornoticed
Supporting Files (2 Max.):

Date: April 11, 2025
Time: 3:19 pm
Remote IP: 104.180.5.96

Public Comment for
April 21, 2025

Briana Parra

From:	City of Clovis Website <wp-donotreply@ci.clovis.ca.us>
Sent:	Wednesday, April 16, 2025 11:15 AM
To:	Andrew Haussler; Rebecca Simonian; Briana Parra
Subject:	[External] Public Comment for City Council

Council Meeting Date: 2025-04-14
Item Number (put "0" if your comment is regarding an item not on the agenda): 0
Full Name: Kimberly Sanchez-Quintero
Email: kimsanchezquintero@gmail.com
Comment: Good Evening,

I recently attended a community meeting with Fresno residents, where I learned that 48% of their budget goes to the Fresno Police Department. I voted to increase taxes in Clovis so bolster programs like the fire department, education, libraries, and public works, not the Clovis Police Department. Please do not use the funds in Measure Y to hire new officers or increase fleets or equipment for Clovis PD. As a resident, I feel safe and supported by my community when there are ample resources available, not increased police presence. Thank you for your time.

Kind Regards,
Kim
Supporting Files (2 Max.):

Date: April 16, 2025
Time: 11:14 am
Remote IP: 98.51.14.39

To: Clovis City Council

From: Residents of The Fountains in Clovis

Re: Current Garbage Company, Republic Services

We would like to request the Clovis City Council look for a new and different company to collect our trash. It is true Republic Services has been the garbage company for 34+ years and we think it is time to look elsewhere. We live in a 55+ community with people who use a cane, have walkers, wheelchairs, scooters, etc. These people try to remain active by taking their garbage to the big bins. Many times, the big bins are turned so the opening is toward the wall and they can't deposit their trash. It is not only difficult and confusing for them, but also dangerous. The fact that Republic Services has been told over and over again has not produced much success. The manager of the apartment complex, maintenance manager, and other residents have, quite often, turned the large garbage receptacles around so the other members of the community can utilize them.

Also, quite often, pieces of garbage are left on the ground and the maintenance manager has to clean it up. This is not his job!

We have had this company in the past and we suggest we try another company in the future. What does it hurt?

Thank you for your consideration...

REPUBLIC SERVICES

Sustainability in Action

Committed to the City of Clovis

The City of Clovis is currently in an RFP process to select the next recycling and organics hauler. Republic Services has been the proud hauler in the beautiful City of Clovis for 34+ years. We encourage you to reach out to your honorable City Council members to voice your support for Republic Services and attend the April 21st City Council meeting. Thank you.

City Council Meeting

Address: 1033 Fifth Street., Clovis, CA 93612
Time: 6 p.m.
Date: April 21, 2025

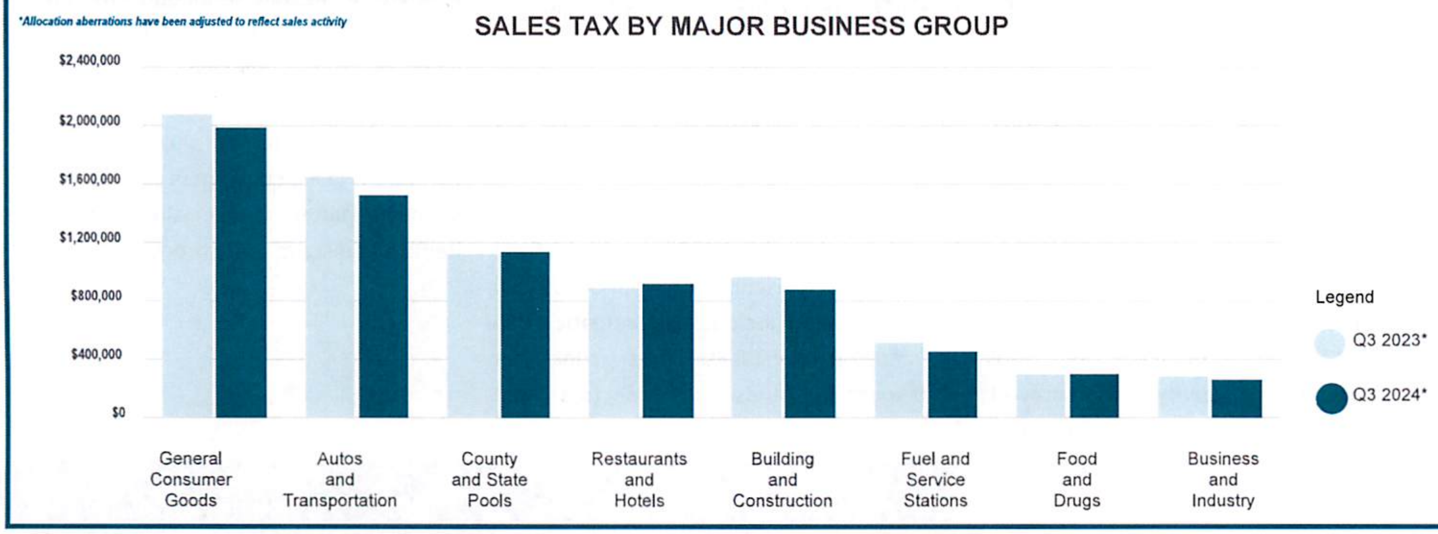
Mayor Vong Mouanatoua - Vongm@clovisca.gov
Mayor Pro Tem Diane Pearce - Dianep@clovisca.gov
Council Member Lynne Ashbeck - Lynnea@clovisca.gov
Council Member Matt Basgall - Mbasgall@clovisca.gov
Council Member Drew Bessinger - Drewb@clovisca.gov

PC
4/21/2025

AGENDA NO. 14

CITY OF CLOVIS
SALES TAX UPDATE
3Q 2024 (JULY - SEPTEMBER)

CLOVIS	-4.7%	-3.0%	-2.3%
TOTAL: $ 7,438,528	3Q2024 ↓	COUNTY ↓	STATE ↓



CITY OF CLOVIS HIGHLIGHTS

Clovis' receipts from July through September were 11.2% below the third sales period in 2023. Excluding reporting aberrations, actual sales were down 4.7%.

General consumer goods had meager proceeds at electronics/appliance and family apparel stores as consumers limited their purchases during this period. The autos-transportation category experienced discouraging sales from new and used car dealers as consumers choose to maintain their current vehicles while financing interest rates remain high.

Building-construction gross receipts were bleak, as building materials and contractors saw less demand for their services as homeowners and businesses delay making improvements to their property until the economy improves. Fuel-service stations had dismal returns at the pumps as increase fuel supply stabilizes, while advantages to consumers, is challenging for sales tax revenue due to the declining demand.

The food-drug category felt soft proceeds at grocery and convenience/liquor stores as shoppers looked to discount stores for better bargains. Likewise, the business-industry group experienced dreary revenues from garden/agricultural supply vendors during this quarter.

The restaurant-hotel sector showed optimistic gross receipts at quick service and fast casual dining primarily due to higher menu prices businesses implemented in order to mitigate the new minimum wage increase, which took effect in the spring.

Net of aberrations, taxable sales for all of Fresno County declined 3.0% over the comparable time period; the San Joaquin Valley was down 2.9%.

TOP 25 PRODUCERS

- 84 Lumber Co
- Anlin Windows & Doors
- Arco
- Best Buy
- Clovis Chrysler Dodge Jeep Ram
- Costco
- Decker Ford
- Dick's Sporting Goods
- Future Kia
- Hedrick's Chevrolet
- Home Depot
- Honda North
- Johnny Quik
- Lithia Nissan of Clovis
- Lowes
- McDonald's
- Ross
- Save Mart
- Sinclair
- Target
- TJ Maxx
- Toyota of Clovis
- Vons
- Vons Fuel
- Walmart Supercenter

STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of July through September were 2.3% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year third quarter traditionally is noted for pleasant weather and statewide tourism; however, taxes fell when compared to a year ago. As such, it also means a weak start of the 2024-25 fiscal year for many California agencies.

Once again, autos-transportation receipts took a hit and declined 4.8%. This period marks the seventh consecutive quarter of downturn for the sector. While used autos returns and leasing activity have improved, revenues from new car sales struggled due to sustained high interest rates, tightened credit standards, and increased cost of auto insurance. As such, inventories for many dealers remain elevated, applying downward pressure on prices and growth into 2025.

The summer season is usually an advantageous time for home repairs and construction work, however, this industry is also struggling with high consumer interest rates and limited access to equity for homeowners. New projects remain sidelined as developers await more favorable investment conditions.

Brick-and-mortar general consumer retailers pulled back 3.8% - worsened by lower gas prices. Consumers appear more interested in lower priced/discounted items vs higher priced/luxury goods, forcing merchants to again consider inventory needs. Additionally, competition from online merchants is as fierce as ever, as shoppers look for greater value. With holiday shopping around the corner, local store expectations remain soft.

Fuel generating taxpayers had a rough quarter; a combination of consumption declines and falling fuel prices thrust comparisons down by 13%. Further contraction of national drug store locations coupled with the steady fall from cannabis merchants dating back to 2021, caused a decrease of 2.8% in the food-drugs category. Expect similar percentage declines for the upcoming end of 2024 quarter.

Although statewide tourism appears to have improved over 2023, revenue from restaurants experienced only a modest gain of 0.7%, which included a dramatic drop from fine dining establishments – consistent with spending trends in other sectors. State mandated minimum wage requirements remained a challenge, with higher menu prices reducing patron visits.

These sluggish results solidify 2024 as a down year. Recent reductions to the Fed Funds Rate aren't considered to help until later in 2025. Agencies should expect fiscal year 2024-25 sales taxes to stay flat or decline slightly as sluggish economic conditions leave consumers cautious in their spending patterns, especially for big ticket items and discretionary products.

SALES PER CAPITA*

TOP NON-CONFIDENTIAL BUSINESS TYPES

Clovis Business Type	Q3 '24*	Change	County Change	HdL State Change
New Motor Vehicle Dealers	1,177.4	-8.8%	-2.9%	-7.9%
Building Materials	743.0	-12.2%	-4.6%	-4.2%
Service Stations	448.0	-13.3%	-8.7%	-12.8%
Casual Dining	414.9	0.8%	0.3%	1.1%
Quick-Service Restaurants	353.7	2.8%	1.3%	1.0%
Family Apparel	202.6	-3.3%	-10.0%	-0.2%
Grocery Stores	174.6	-1.5%	-2.0%	1.4%
Specialty Stores	162.3	-3.2%	-2.2%	-3.0%
Automotive Supply Stores	125.3	3.2%	1.4%	-0.7%
Electronics/Appliance Stores	118.9	-4.2%	3.3%	-5.1%

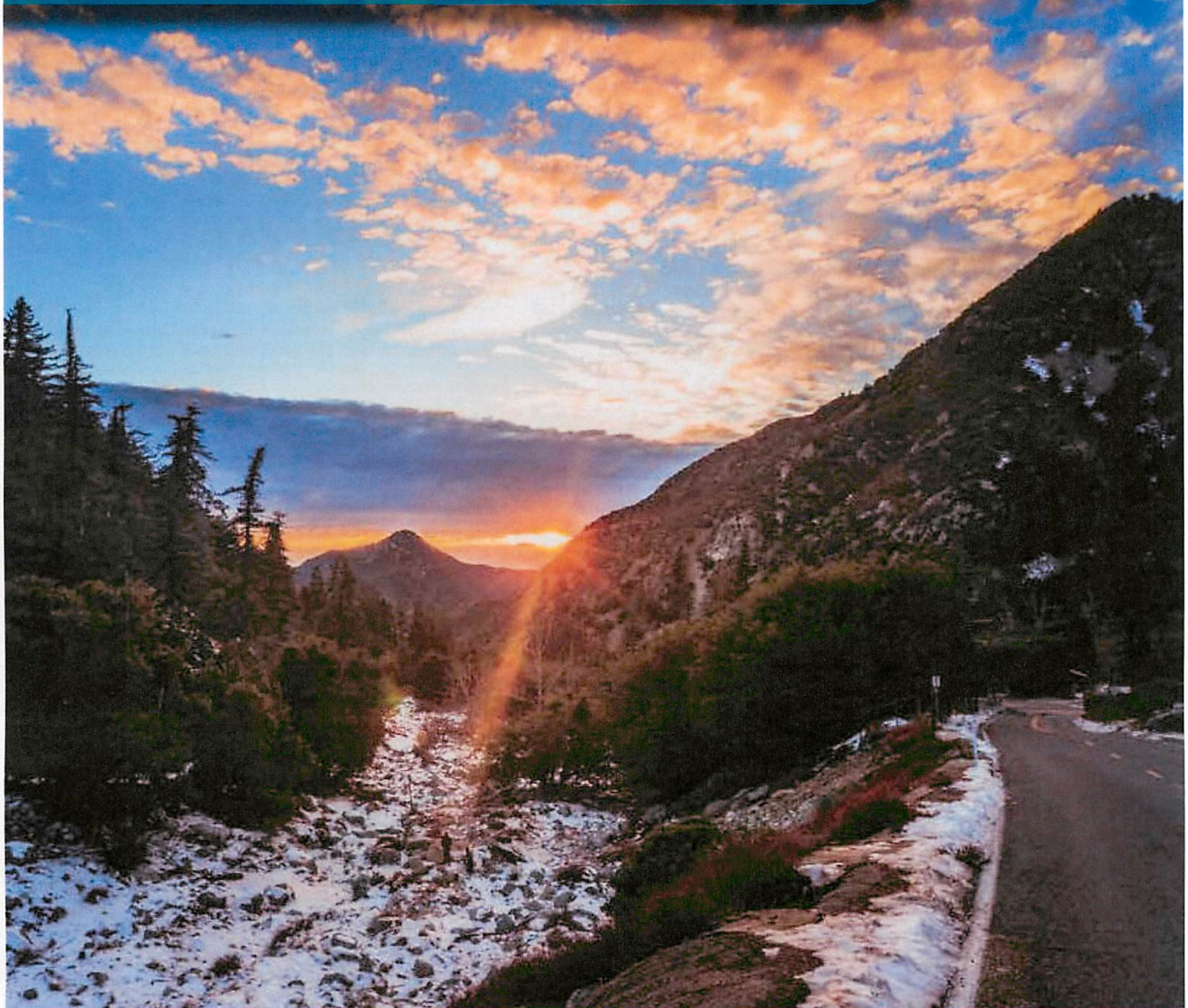
*Allocation aberrations have been adjusted to reflect sales activity

*In thousands of dollars

CALIFORNIA FORECAST

SALES TAX TRENDS & ECONOMIC DRIVERS

DECEMBER 2024



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STATEWIDE
SALES TAX TRENDS

2024/25 | 2025/26
TOTAL -0.8% | 2.6%

Overview: Sluggish third quarter 2024 tax filings and mixed short-term performance coming from the eight groups noted below combine to reduce sales taxes expectations for fiscal year 2024-25. This negative outlook reflects a second year of statewide revenue declines. Contributing factors in this uncertain economy include higher business operating costs and to what extent Federal Funds interest rates may decline further into 2025. Looking ahead, election results have introduced additional economic uncertainty. Nationally, consumer confidence and sentiment recently soared but future policy decisions could exert upward pressure on prices, resulting in fewer sales transactions.

2024/25 | 2025/26

Autos/Transportation -0.9% | 3.5%

Affordability concerns have weighed on car sales, but a gradual easing of new vehicle prices, declining interest rates, and a strong labor market are expected to support demand over time. With the average age of vehicles on the road now at a record 12.6 years, significant pent-up demand has positioned the market for recovery. Short-term factors, such as the threat of potential tariffs and year-end incentives to clear excess inventory, could provide a temporary boost. The recovery is likely to be gradual, however, as structural challenges including high insurance costs, limited affordable models, and added complexity posed by the transition to electrification will continue to act as headwinds to the market.

Building/Construction -1.8% | 2.6%

This quarter's results repeated much of what happened last quarter. Sales at big box home improvement centers extended their slide while lumber and roofing supply sales held steady in the northern and southern ends of the state. Retailers providing rooftop solar materials and installation have yet to find the bottom of that market as sales receded yet again. Asphalt and cement batch plants reported a stable sales volume overall, but any progress came from outside the Central Valley. Optimism for future construction-related gains has been dampened by the Fed's cautious and minimal adjustments to interest rates so far, while the specter of higher tariffs and uncertainty over the future of the home loan industry leave many unanswered questions.

Business/Industry 0.0% | 1.8%

Ecommerce continues to rule as consumers embrace the convenience of shopping online. Related sales jumped and CA-based fulfillment centers filled more "local" orders, contributing 27% of all B&I revenues. While business-to-business edged a little higher, most other categories remained relatively flat or declined as economic variables such as high interest rates stunted growth. The industrial and information technology sectors broke even compared to last year. Medical/-biotech, office supplies/furniture, and garden/agricultural supplies all declined. Solar/energy projects across the State slowed as well. Given the diversity of this group, the outlook is modest. With twenty-one unique tax segments, predictions vary widely based on the size and character of local businesses.

Food/Drugs -1.8% | 0.4%

Grocery stores' profits grew 1.4% as more customers ate at home because of elevated restaurant menu prices, especially for lower-income patrons. Convenience/liquor markets see shrinkages as consumers pivot and buy more snack foods and alcohol at big box merchants. Cannabis retailers' gross receipts tumbled for the fourth consecutive quarter; yielding an (-11.6%) return over this period. Additionally, national brands' recent announcements accelerating outlet closures could provoke drugstore graveyards while product inventory is scarce in some local communities. As such, until the drugstore category is transformed, anticipate this group to finish lower at the end of June and fiscal year 2025-26 to stay relatively flat.

2024/25 | 2025/26

Fuel/Service Stations -8.3% | 3.7%

The 13% decline in July to September payments revealed a drop in consumption, down 10% over the year ago quarter, as well as reductions in per gallon fuel rates paid by buyers. This sector again is expected to endure significant downward pressure on regular, diesel, and oil barrel prices compared to a year ago. As a result, the overall forecast in fiscal year 2024-25 is lower. Recent legislation and regulations imposed on suppliers of fuel in California are likely to have an upward pressure on fuel prices, which will offset the overall reduction in sales tax toward the second half of 2025. As a result, anticipate a slow recovery beginning in fiscal year 2025-26.

General Consumer Goods -1.9% | 1.4%

Numerous classifications remained depressed throughout the third quarter, contracting more than anticipated as the group absorbed some of the impact caused by lower gas prices. Despite cost reductions of some core goods, consumers battled stubborn inflation in non-taxable areas, forcing more attention on balancing needs versus wants. Brick-and-mortar storefronts remain in competition with the convenience of and investment in online shopping which has added negative headwinds for overall direct tax allocations across this segment. The outlook is cloudy with expectations for lower receipts throughout fiscal year 2024-25 and a return to mild growth in the following year driven by a bump in the overall costs of goods.

Restaurants/Hotels 1.2% | 3.7%

The restaurant industry is experiencing moderate growth, substantiated by a 1% increase in the recent quarter. However, higher labor and food costs persist as significant challenges, leading to menu prices increasing about 7% on average over the last year. This trend is causing budget-conscious diners to reduce their restaurant visits. Both fine dining and leisure-entertainment categories saw declines in 3rd quarter returns with price sensitivity remaining a big factor. While recent hotel stays have slowed, the outlook for room rates and occupancy in the coming year is positive.

State and County Pools 3.0% | 3.5%

Large audit corrections tied to county pools over allocations in prior years hurt cash payments in the third quarter of 2024, while economic basis gains of 3% were right in line with estimates for this period. Retail ecommerce holiday season sales growth rose once again, doubling the increase seen at physical retail locations. Perceptive companies looking to enhance sales are making future investments in warehouse automation, artificial intelligence tools, and augmented reality; all with an eye toward directing shoppers to spend more purchasing time on devices to satisfy spending needs. The forecast captures steady year over year improvement, overcoming the (-0.5%) decline that occurred fiscal year 2023-24.

BEACON ECONOMICS

NATIONAL AND STATEWIDE ECONOMIC DRIVERS

2024/25 | 2025/26

U.S. Real GDP Growth — 2.6% | 2.5%

As 2024 comes to an end, the U.S. economy continues to exceed expectations. Real GDP growth has averaged 3% over the past nine quarters, and preliminary data for the final quarter of 2024 suggests this momentum remains intact. Beacon Economics expects real GDP growth to continue, driven by the strength of U.S. household finances, which in turn is characterized by falling debt-to-income ratios, a decent savings rate, record high net worth, and rising real incomes. Consumer spending accounts for nearly 70% of U.S. economic output, meaning when consumers are doing well, the broader economy tends to follow suit.

CA Unemployment Rate — 5.3% | 5.1%

While the U.S. unemployment rate held steady at 4.1% in October, California's labor market is showing clear signs of strain. The state's unemployment rate ticked up from 5.3% in September to 5.4% in October 2024—0.3 percentage points higher than October 2023 and a full percentage point above pre-pandemic levels. In contrast, the national unemployment rate is just 0.5 percentage points above pre-pandemic levels, and without California, the national unemployment rate drops to 3.98%. California's increased unemployment rate is not driven by more people entering the labor force, as the state's labor force participation rate has shrunk by nearly one percentage point since February 2020. In September, California had nearly two unemployed individuals for every job opening; a ratio of 1.9. The U.S. ratio remains significantly lower at 0.9, indicating that California's challenges may stem as much from a shortage of job openings as from a constrained labor force.

CA Total Nonfarm Employment Growth — 1.2% | 1.0%

Total nonfarm employment in California fell to approximately 18.1 million on a seasonally adjusted basis in October, a decline of 5,500 positions. These losses were largely concentrated in the public sector, while the private sector added 2,000 jobs. The state has faced three months of job declines this year, with the first drop in service-sector employment occurring last month. Meanwhile, California's household and payroll surveys continue to diverge: Payroll employment has risen 1.8% over the past two years, while household employment has remained nearly flat. A downward correction in payroll numbers may be on the horizon in March, when the annual revision takes place.

2024/25 | 2025/26

U.S. Unemployment Rate — 4.3% | 4.1%

The nation's unemployment rate continues to hover around historically low levels, despite rising slightly to 4.2% in November 2024. This rate represents an improvement over July 2024 and solid wage growth continues to underscore the U.S. economy's strong performance. In October 2024, there were approximately 1.1 job openings for every unemployed person in the nation, indicating a tight labor market despite a decline from 1.44 job openings per person a year earlier. The U.S. job openings rate was 4.6% in October 2024, down from its peak in March 2022, but still at a historically elevated level, a sign of a persistently tight labor market.

CA Residential Building Permits — 98,521 | 102,959

Residential permits in California have declined in eight of the last twelve quarters YoY, including a nearly 13% drop in Q3 2024. High interest rates and borrowing costs, which have strained the housing market for two years, continue to hinder progress. The current pace of permitting remains far below what is needed to close the state's substantial housing supply gap. Although recent Federal Reserve rate cuts have lowered short-term borrowing costs and offered relief to developers, the number of permits being issued remains far lower than demand. With further rate cuts expected, modest growth in permits is likely, but without accelerated issuance and more aggressive efforts to increase supply, California's housing shortfall will persist, leaving homeownership out of reach for many residents.

CA Median Existing Home Price — $719,877 | $728,425

After several quarters of sluggish activity, California's housing market is beginning to show signs of recovery despite ongoing affordability challenges. Single-family home sales rose nearly 11% year-over-year in November 2024, with the median price up nearly 6%. A drop in mortgage rates to 6.43% has encouraged hesitant sellers to return to the market, but high prices and limited supply keep affordability out of reach for many. Flattening mortgage rates are anticipated in 2025, which will likely spur additional demand and provide stability in the market. With the combined effects of stable mortgage rates and increased market activity, home prices are expected to continue rising, particularly in the latter half of the year, as demand intensifies, and inventory remains tight.

Proposition 172

Total fiscal year 2023-24 Proposition 172 (P-172) statewide revenues ended about 1% lower than the prior year. The December projection anticipates a similar result for the 2024-25 fiscal period with a projected 1.1% decrease. Fiscal year 2025-26 reflects anticipated growth of 2.7%. Current county projections include updated pro-rata factors published by the SCO in September 2024. As the calendar year Bradley-Burns results fluctuate due to taxpayer modifications, statewide audits, economic impacts, etc. – Proposition 172 pro-rata factors and resultant P-172 revenues will vary for many counties.

HdL Companies

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California's allocation data trails actual sales activity by three to six months. HdL compensates for the lack of current information by reviewing the latest reports, statistics and perspectives from fifty or more economists, analysts and trade associations to reach a consensus on probable trends for coming quarters. The forecast is used to help project revenues based on statewide formulas and for reference in tailoring sales tax estimates appropriate to each client's specific demographics, tax base and regional trends.

Beacon Economics LLC

310.571.3399 | BeaconEcon.com

Beacon Economics has proven to be one of the most thorough and accurate economic research/analytical forecasting firms in the country. Their evaluation of the key drivers impacting local economies and tax revenues provides additional perspective to HdL's quarterly consensus updates. The collaboration and sharing of information between Beacon and HdL helps both companies enhance the accuracy of the work that they perform for their respective clients.