

September 19, 2006

Board of Supervisors  
County of Marin  
San Rafael, CA 94903

**Subject:** Request to Support Propositions 1A, 1B, 1C, 1D and 1E - also known as the "Infrastructure Bond Package" - on the November 7, 2006 State Ballot

Dear Board Members:

**Recommendation:** It is recommended that your Board support Propositions 1A, 1B, 1C, 1D and 1E - also known as the "Infrastructure Bond Package" - on the November 7, 2006 statewide ballot. Adopt the attached resolution supporting the measures.

**Summary:** Due to the lack of investment at the State level in infrastructure over the past 20-30 years, and the resulting deterioration in infrastructure throughout the State, the Governor and the Legislature agreed on a package of bills to place over \$37 billion in bonds on the November ballot for the consideration of the voters of the State of California. If approved, these bonds would provide additional funding to address the State's deteriorating roads, bridges, highways and other critical transportation infrastructure; inadequate disaster preparedness, flood prevention, air and water quality; inadequate school facilities; and inadequate housing and emergency shelter opportunities.

Projections by the California Department of Finance show that the State's population will exceed 45 million by 2020, a 21% increase over the State's current population of 37.2 million, with up to 25 million new residents by 2040. Continued reliance on local government funding for the State's infrastructure development will very likely be inadequate in the face of these projected population increases, requiring a significant State investment to address these critical infrastructure issues.

While it is difficult to estimate local fiscal impact, as much of the potential bond proceeds would be awarded on a competitive basis, local fiscal impact is estimated where possible. What follows is a brief summary of each of the measures which comprise the infrastructure bond package:

- **Proposition 1A** would amend the State Constitution to limit the ability of the Legislature and the Governor to divert Proposition 42 funds, and require all past suspensions to be repaid by 2016. Proposition 42, the "Transportation Congestion Improvement Act," was approved by voters in 2002 to require that revenues from State sales and use taxes on the sale of motor vehicle fuel be used for transportation purposes. However, the Legislature has several times diverted these revenues to State General Fund purposes.

Proposition 1A protections would allow Proposition 42 to be suspended only twice in any 10-year period and would require the funds to be repaid. Proposition 1A would better protect Marin County revenues of roughly \$900,000 per year for local streets and roads.

- **Proposition 1B** would authorize the State to sell nearly \$20 billion of general obligation bonds to fund transportation projects to relieve congestion, improve the movement of goods, improve air quality, and enhance the safety and security of the transportation system - including improved seismic safety of bridges and improved anti-terrorism security at shipping ports. The Metropolitan Transportation Commission anticipates that Proposition 1B could yield at least \$4.5 billion for Bay Area transportation improvements over the next decade.

For Marin County, increases to the State Transportation Improvement Program would result in approximately \$10 million over 10 years; increases to the Local Streets and Roads allocation would result in approximately \$7 million over 10 years for roads under County purview; and Public Transportation Modernization, Improvement and Service Enhancements program increases would yield approximately \$40 million for Golden Gate Transit and the Marin County Transit District. In addition, several other programs receiving increased funds would be a likely source for major improvements to Highway 101, such as the Marin-Sonoma Narrows.

- **Proposition 1C** would authorize the State to sell approximately \$2.85 billion of general obligation bonds to fund new and existing housing and development programs. Existing Proposition 46 funds, a \$2.1 billion affordable housing initiative approved by voters in 2002, are nearly exhausted. Proposition 1C funds may be used for providing shelters for battered women and their children; clean and safe housing for low-income senior citizens; homeownership assistance for the disabled, military veterans, and working families; and repairs and accessibility improvements to apartments for families and disabled citizens.

For Marin County, assuming awards similar to those generated by Proposition 46, Proposition 1C may yield as much as \$20 million for local affordable housing programs and projects, generating an estimated 500 additional housing units.

- **Proposition 1D** would authorize the State to sell approximately \$10.4 billion of general obligation bonds for K-12 school facilities to relieve public school overcrowding and to repair older schools, improve earthquake safety, and fund vocational educational facilities. It would also fund higher education facilities to repair and upgrade existing public college and university buildings, and to build new classrooms to accommodate growing student enrollment.

While not directly benefiting the County of Marin, the Marin County Office of Education would stand to benefit from passage of Proposition 1D for local school facility projects.

- **Proposition 1E** would authorize the State to sell approximately \$4 billion of general obligation bonds for financing disaster preparedness and flood prevention projects to rebuild and repair vulnerable flood control structures. These flood control structures protect homes and prevent loss of life from flood-related disasters, including levee failures, flash floods, and mudslides. Proposition 1E would also protect California's

drinking water supply system by rebuilding delta levees that are vulnerable to earthquakes and storms.

Approximately \$3 billion would be dedicated to flood control systems and levee repair in the Central Valley and Delta regions, and approximately \$1 billion to flood control subventions and stormwater flood management outside the Central Valley.

Both the California State Association of Counties (CSAC) and the League of California Cities support each of these propositions. It is recommended that your Board indicate its support of Propositions 1A, 1B, 1C, 1D and 1E by adoption of the attached resolution.

Should you have any questions, feel free to contact me or Dan Eilerman of my staff.

Respectfully submitted,

Matthew H. Hymel  
County Administrator