



Date: May 23, 2006

To: Honorable Mayor and City Council

From: Councilmember Patrick O'Donnell, Fourth District
Councilmember Laura Richardson, Sixth District
Councilmember Rae Gabelich, Eighth District

Subject: Support of State Infrastructure Bond Package

On May 5, the Legislature approved a \$37 billion bond package to place before the voters in November. This package consists of the following four bond measures:

- Transportation and Port Security (\$19.9 billion)
- Housing and Emergency Shelter (\$2.8 billion)
- School Construction (\$10.4 billion)
- Disaster Preparedness and Flood Control (\$4.1 billion)

The bond package addresses many of the priorities the Council has set for the City, including securing funding for local streets and roads, goods movement projects, air quality improvement, affordable housing and port security. The Transportation and Port Security bond includes \$2 billion for statewide goods movement projects and \$1 billion to help improve air quality. If the bond is approved, cities will receive \$1 billion for local streets and roads, of which Long Beach will receive \$15.6 million based on a population formula. The bond includes substantial funding for high-priority corridor improvements as well as significant funding for mass transit. Attached is a document from the League of California Cities with specific detail on what the bond package would provide.

The State Legislature also approved a ballot measure to protect Proposition 42 transportation revenues. These revenues are our City's most flexible local street repair funding source. Historically, the State has used these revenues to balance the State General Fund, leaving cities without funds for a viable residential street repair program. This ballot measure would allow the state to borrow from the Transportation Investment Fund under conditions very similar to the historic deal cities made with the Governor to protect local revenues under Prop 1A.

This bond package is expected to make a significant difference in air quality and traffic congestion in Southern California, and bring Long Beach much needed local streets money. It would also fund many other needed programs such as education, affordable housing, infill development and levee repair. We urge the City Council to support this important infrastructure package, and extend thanks to our State Senator Alan Lowenthal, Assemblymember Jenny Oropeza and Assemblymember Betty Karnette for their efforts.

Recommendation:

Direct City Attorney to prepare a resolution of support for the entire \$37 billion bond package and the measure to protect Proposition 42 revenues.