



## Transportation

### **SB 1 (Beall): Transportation Infrastructure and Economic Investment Act**

*A \$6 billion/yr. package to improve our roads and transportation infrastructure*

California's transportation revenues have not kept up with the need; California's gas tax hasn't been raised since 1994. As a result, California's freeway system faces a \$59 billion maintenance shortfall over the next 10 years, while local governments face a \$78 billion shortfall for local roads, highways and bridges.

#### **Proposal:**

This plan proposes \$6 billion annually in new and redirected funding to address the urgent needs of the state's transportation system.

- Revenues adjustments and enhancements include the following:
  - \$5 billion annually from a phased-in 12 cent gas tax increase
  - Restoration of the price-based gas excise tax rate to 2010 levels
  - Increase in the diesel excise tax by 20 cents and diesel sales tax by 4%
  - Increase in the vehicle registration fee by \$38
  - New requirement on zero-emission vehicles to pay an annual \$100 fee for road maintenance and repair
- Reallocation of existing truck weight fees: \$500 million annually phased-in over five years that will go towards road maintenance and repair rather than to pay down transportation bond debt service.
- Increase the Cap and Trade (C&T) allocation for transit by increasing the share of C&T revenues to the Low Carbon Transit Operations Program and the Transit and Intercity Rail Capital Program.
- Caltrans Efficiency improvements: Estimated \$70 Million annually
- Accelerate General Fund Loan Repayments: \$706 million in one-time revenue repaid to transportation programs from the General Fund

#### **How will the money be spent?**

- 50/50 funding split between state and local agencies for road and bridge maintenance and repair
- Transit improvements, including passenger rail and bus lines.
- Trade corridor improvements to facilitate goods movement from our ports and border

### Additional transportation improvements:

- Transportation program reforms to ensure accountability and effectiveness
- CEQA streamlining and funding for an advanced mitigation program for transportation projects

### Economic benefits

A 10-year, \$6 billion annual investment into repairing and upgrading California's transportation infrastructure would generate an estimated *\$111.9 billion* in economic activity including 570,000 jobs – nearly 200,000 of which would be in construction occupations earning prevailing wages, \$38.7 billion in personal income and \$4.5 billion in additional local and state tax revenues.

### SB 4 (Mendoza): Clean Goods Movement Bond *A Cleaner and More Efficient Freight Transportation System*

As the 6<sup>th</sup> largest economy in the world, California has a robust and complex freight transportation system that supports significant international trade and domestic goods movement demands. Improving goods movement is critical to relieve congestion on freeways and increase mobility for all Californians. At the same time, while these goods movement activities are vital to the state's economy, it is necessary to address the adverse effects on communities, the environment, and infrastructure that result from our active freight transportation system.

### Proposal:

To support the State's goods movement network and reduce air pollution emissions and health risks from freight movement this measure will do the following:

- Supporting Regional Needs along California's Trade Corridors: Requires federal freight revenues apportioned to California from the Fixing America's Surface Transportation (FAST) Act to be deposited in the Trade Corridors Improvement Fund (TCIF), an anticipated \$580 million. Allocates an additional \$200 million to TCIF, which was created under the 2006 Proposition 1B for trade corridor improvements. This measure would also require consultation with the Sustainable Freight Action Plan for project selection under TCIF. The successful TCIF program has helped relieve congestion, improve goods movement flow, enhance the safety and security of the transportation system, and improve the state's air quality.
- Emissions Reductions along Trade Corridors: Allocates \$200 million to the Goods Movement Emission Reduction Program to reduce emissions and health risks from freight operations in California's priority trade corridors through incentives. Under the program, local agencies apply to the Air Resources Board and those agencies offer financial incentives to owners of equipment used in freight movement to upgrade to cleaner technologies. Projects funded under this Program must achieve early or extra emission reductions not otherwise required by law or regulation. This program was

created by Proposition 1B and received \$1 billion in one time money distributed over multiple years. (Government Code Section 8879.23(c)(1)(C)).

- Zero Emission Clean Truck Target: Allocates \$200 million to a new program that would increase the state's efforts to get old trucks off the road and replace them with cleaner, more efficient trucks, which contribute to pollution at the ports and along trade corridors. This program would support efforts by local agencies and port authorities to expand use of clean trucks and meet air quality targets.

## Housing

California is home to 21 of the 30 most expensive rental housing markets in the country, which has had a disproportionate impact on the middle class and the working poor. A person earning minimum wage must work three jobs on average to pay the rent for a two-bedroom unit. Units affordable to low-income earners, if available, are often in serious states of disrepair.

California also faces a housing shortage; 2.2 million extremely low-income and very low-income renter households are competing for only 664,000 affordable rental homes. This leaves more than 1.54 million of California's lowest income households without access to housing.

As a result, low-income families are forced to spend more and more of their income on rent, which leaves little else for other basic necessities. Many renters must postpone or forego homeownership, live in more crowded housing, commute further to work, or, in some cases, choose to live and work elsewhere.

According to the Public Policy Institute of California (PPIC), as of February 2015, roughly 36% of mortgaged homeowners and approximately 48% of all renters are spending more than one-third of their household incomes on housing. California continues to have the second lowest homeownership rate in the nation and the Los Angeles metropolitan area is now a majority renter region. In fact, five of the eight lowest homeownership rates in the nation are in California metropolitan areas.

Another important aspect of the housing crisis is homelessness. California has 12% of the United States population, but 20% of its homeless population. At any given time, 134,000 Californians are homeless.

California has seen a significant reduction of state funding for affordable housing in recent years. The funds from Proposition 46 of 2002 and Proposition 1C in 2006—totaling nearly \$5 billion for a variety of affordable housing programs—have been expended. Combined with the loss of redevelopment funds, \$1.5 billion of annual state investment dedicated to housing has been lost, leaving several critical housing programs unfunded.

**SB 2 (Atkins): The Building Homes and Jobs Act**  
*Permanent Source for Affordable Housing Construction*

**Proposal:**

Increased and ongoing funding for affordable housing is critical to stabilize the state's housing development and construction marketplace. If developers know that there is a sustainable source of funding, they will take on the risks that come with development and create a reliable pipeline of well-paying construction jobs in the process.

The Building Homes and Jobs Act establishes a permanent funding source for affordable housing through a \$75 fee on real estate transaction documents. The fee is capped at \$225 on a per parcel, per transaction basis; transactions involving the sale of commercial and residential real estate are exempt from the fee.

The Building Homes and Jobs Act will utilize a pay-as-you-go approach and generate hundreds of millions of dollars annually for affordable housing. Half of the collected fees will be distributed directly to local governments to address local needs. The remainder will be allocated by the state on a competitive basis. Twenty percent of overall funds must be allocated to affordable homeownership needs for a growing workforce and ten percent of overall funds must be used to meet the affordable housing needs of farmworkers and their families. The funds generated will leverage an additional \$2 to \$3 billion in federal, local, and bank investment.

SB 2 builds on AB 1335, which then-Assembly Speaker Atkins introduced in 2015, by adding two new allowable uses for the funding: local community plan updates and fiscal incentives for local governments to approve new housing for low-income families.

**SB 3 (Beall): Statewide Housing Bond**  
*Helping Californians Secure Affordable Housing*

**Proposal:**

This \$3 billion statewide housing general obligation bond, similar to Propositions 46 and 1C, funds existing and successful affordable housing programs in California in order to address the shortage of housing stock.

This bond will fund the following existing state programs:

- Multifamily Housing
- CalHome
- Joe Serna Farmworker Housing
- Local Housing Trust Fund Matching Grant
- Transit-Oriented Development
- Infill Infrastructure Financing
- Building Equity and Growth in Neighborhoods (BEGIN).

The programs in this bond specifically fund the construction, rehabilitation, and preservation of housing for those at risk of or currently experiencing homelessness and low-income earners, as well as create more homeownership opportunities for low- and moderate-income earners.

Investing in affordable housing will save Californians money. For every \$.70 of state investment, California can leverage \$3 in federal funds. Taken together with an additional \$11 billion in leveraged federal funding, this bond bill will result in the creation of 147,000 jobs, more than \$9 billion in labor income, \$24.5 billion in economic activity, and \$1.1 billion in additional local and state taxes & fee revenue. Furthermore, public costs are reduced by 79% when the chronically homeless are housed and 50% when the entire homeless population is housed.

As demonstrated through Prop 46 and Prop 1C and the 183,000 units they created, this bond will have a real and lasting impact on the housing shortage and match recent local efforts to fund housing through the passage of local housing bonds.

## Water and Parks

### SB 5 (De León): The CA Clean Drinking Water and Natural Resources Protection Act of 2016

#### *Safe Drinking Water, Drought Relief, and Urban Parks*

In order to address the state's historic drought, and to maintain a high quality of life for California's growing population, there is a serious need for new state investment in water infrastructure, parks, recreation facilities, and protection of the state's natural and historical resources.

It has been three years after the initial inception of the drought that a water bond was approved. Much of those funds have been spent. It's been nearly 14 years since California last approved a "true" parks and open space bond. The 2008 economic downturn, combined with 5 years of historical drought conditions, have had a disproportionate impact on local and regional water and parks infrastructure.

There is a high unmet demand for new water and natural resource investment, as witnessed by the very high ratio of grant application requests versus available grant dollars for grants under the state water bond act and under programs like the AB 31 Statewide Urban Parks Program. Demand for scarce dollars has been particularly high in both urban and rural disadvantaged communities.

Regarding water and drought, California has entered its fifth year of serious drought. While Northern California has experienced higher than average rainfall so far this season, water entitlements for the central valley and southern California continue to lag significantly. It is imperative that the state provide additional funding for water supply reliability and clean drinking water.

Regarding parks and open space, the Statewide Comprehensive Outdoor Plan of 2015 states that 38% of Californians still live in areas with less than 3 acres of parkland per 1,000 population, a recognized standard for adequate parks, and 9 million people do not have a park within a half mile of their home. The plan highlights the need for increasing park access to residents in underserved communities by encouraging park development close to park deficient neighborhoods, creating new trails and greenways to provide active transportation corridors for commuting, and expanding transportation opportunities to larger parks.

The Parks Forward Commission—a non-profit that studies parks policy in California and makes recommendations to the Legislature—has highlighted the need to prioritize protection of natural and cultural resources for future generations, to expand access to parks for underserved communities and younger generations, and to address state park deferred maintenance. Continued investment in the state’s natural resources and greening of urban areas will help mitigate the impacts of climate change and provide access to natural resources for future generations.

**Proposal:**

This measure would authorize the issuance of \$3 billion in general obligation bonds for the following:

- \$1.5 billion for Parks:
  - \$800 million for disadvantaged communities
  - \$100 million for local and regional outdoor spaces/climate resiliency
  - \$200 million for state parks
  - \$50 million for CNRA for trails and waterfront greenway investment
  - \$20 million for rural recreation and tourism
  - \$200 million for rivers and recreation
- \$1.5 billion for Drought/Water:
  - \$200 million for conservancies for drought/water investments
  - \$400 million for climate/drought
  - \$1 billion for clean drinking water, drought response