REPORT

DATE: October 5, 2006

TO: Regional Council

FROM: Jeffrey S. Dunn
Government Affairs Analyst

SUBJECT: Support of November 7, 2006 Ballot Infrastructure Bonds – Propositions 1E & Prop 84

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:

The Energy and Environment Committee recommends support of Propositions 1E, the Disaster Preparedness and Flood Prevention Bond Act of 2006, and Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, appearing on the November 7, 2006 ballot.

SUMMARY:

On September 14, 2006, staff brought Propositions 1A, 1B, 1C, 1E, and 84, which will appear on the November ballot, before the SCAG policy committees to seek support positions. The committees supported the Propositions and recommended to move them forward to the Regional Council for a support position.

Proposition 1A is a legislative constitutional amendment on transportation funding protection, and Proposition 1B is the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. If approved by a majority of voters, the respective measures would safeguard revenues from the sales tax on gasoline for transportation purposes and would authorize the issuance of a total of $19.925 billion in general obligation bonds for transportation and infrastructure development. A support position is recommended for both measures in keeping with SCAG's adopted 2004 Regional Transportation Plan, its adopted 2006 Legislative Program, and in light of the acute need for transportation infrastructure development.

Proposition 1C is the Housing and Emergency Shelter Trust Fund Act of 2006. If approved by a majority of voters, Proposition 1C would authorize the issuance of $2.85 billion in general obligation bonds for various housing programs. A support position is recommended in light of SCAG's previous support for Proposition 46 in 2002 and the adopted Legislative Program, which calls for support of funding initiatives designed to promote mixed-use and multimodal development.

Proposition 1E is the Disaster Preparedness and Flood Prevention Bond Act of 2006, and Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. If approved by a majority of voters, both measures would authorize the issuance of a combined total of $9.5 billion in general obligation bonds for various water projects. A support position is recommended in light of SCAG's previous support for Proposition 50 in 2002 and the adopted Legislative Program, which calls for support of water quality and supply measures.

BACKGROUND:

Proposition 1A, a legislative constitutional amendment on transportation funding protection introduced by Senator Tom Torlakson (D-Antioch) as Senate Constitutional Amendment 7, was enacted on May 9th (Chapter 49, Statutes of 2006). Proposition 1B, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, was introduced by Senator Don Perata (D-East Bay), and was enacted on May 16th (Chapter 25, Statutes of 2006).

Proposition 1C originated as SB 1689 (Chapter 27, Statutes of 2006), the Housing and Emergency Shelter Trust Fund Act of 2006, which was introduced by Senate President Pro Tempore Don Perata (D-East Bay). Proposition 1E, the Disaster Preparedness and Flood Prevention Bond Act of 2006, was introduced by Assembly Speaker Fabian Nunez (D-Los Angeles) as Assembly Bill 140 and was enacted on May 19th (Chapter 33, Statutes of 2006). Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, appears on the ballot as the result of a voter initiative sponsored by a coalition of conservation groups led by The Nature Conservancy and the California Conservation Action Fund.

SCAG has strongly supported the policy objective of Proposition 1A in erecting a "firewall" around Proposition 42 since the first borrowing occurred against those revenues in 2003-04. SCAG has also shown support for using general obligation bond measures to finance infrastructure improvements in the past for water system improvements. Proposition 1B would make billions of dollars available to the SCAG area for badly needed transportation infrastructure improvements, such as those in the RTP.

Although SCAG has no stated position on using general obligation bonds to finance housing programs as envisioned in Proposition 1C, the Regional Council has a history of supporting housing bonds, as it did with Proposition 46 in 2002. Staff recommends a support position for Proposition 1C consistent with the Regional Council's previous support for Proposition 46 and the adopted 2006 Legislative Program's direction to support funding initiatives designed to promote multimodal development.

Likewise with Propositions 1E and 84, the Regional Council has a history of supporting water bonds, as it did when it passed a resolution in support of Proposition 50 in 2002, which authorized $3.44 billion in general obligation bonds for a variety of water purposes including desalination, coastal wetland protection, and watershed management. Moreover, the adopted 2006 Legislative Program calls for SCAG to "support state and federal legislation and other government actions that encourage comprehensive planning and implementation of water quality and supply measures, such as those relating to stormwater, non-point source pollution, and total maximum daily loads...." Staff recommends a support position for Proposition 1E and Proposition 84 consistent with the Regional Council's previous support for Proposition 50 and the adopted 2006 Legislative Program's direction to support water quality and supply measures.

FISCAL IMPACT:

Adopting the recommended positions has no fiscal impact on SCAG.

DOC#127179v2