

SPEAKER FABIAN NUÑEZ
46TH ASSEMBLY DISTRICT
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Attachment 2

Speaker Fabian Nuñez Introduces Framework for Infrastructure Bond

AB 1783 to Focus on Transportation, Flood Control and Housing

SACRAMENTO - Assembly Speaker Fabian Nuñez (D-Los Angeles) has introduced the California Infrastructure Improvement, Smart Growth, Economic Reinvestment, and Emergency Preparedness Financing Act of 2006 (AB 1783), which provides a framework to establish new financing for state and local public infrastructure investment projects in California.

"Unless we make adequate investments, we risk becoming the first generation of Californians to leave our children worse off than we were – to do so would be unconscionable," Speaker Nuñez said. "The Governor has pledged to do what we in the Assembly suggested last year: make a major commitment to education, our state's transportation system and infrastructure.

"Today I introduced an infrastructure bond that has a lot of the components that we've been talking about – water, parks, some affordable housing, goods movement in terms of building roads and highways, some public transportation and school construction. We look forward to continuing discussions with the Governor and legislative leadership on these priorities."

Priority areas of AB 1783, which will be further developed by a conference committee in the coming weeks and months, include the following:

Transportation Improvements and Environmental Mitigation

- Repayment of transportation funds resulting from the suspension of the General Fund Proposition 42 transfers in the 2003-04 and 2004-05 fiscal years.
- Goods movement and community and environmental mitigation, for planning, design, engineering, and environmental activities related to highway capacity improvements, freight rail system improvements, and environmental mitigation.
- Public transportation, including investments in inner city passenger rail systems and transit for the elderly and disabled and other capital programs eligible for funds under the Public Transportation Account.
- Transportation security, including ports and mass transit.
- Regional Coordinating Partnerships for congestion relief.

Flood Control, Delta Protection, and Safe Water Systems

- State flood control protection, including levee repair and maintenance.
- Improvements to drinking water systems to meeting public health and growth demands.
- Improvements to wastewater treatment systems to provide good water quality for the public and the environment and meet growth demands.
- Restoration and improvements for the Sacramento-San Joaquin Delta, including the state's Delta Levee Maintenance Program.

Natural Resource Protection and Green Development

- Clean-up of brownfields and urban infill development.

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- Financing of sustainable communities.
- Financing for local and regional planning partnerships.
- Acquisition, preservation, and restoration of open space, agricultural land, and habitat.

Housing Construction and Ownership and Better Land Use

- Multifamily housing units under the state's existing Multifamily Housing Program.
- Housing for individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness, and the Emergency housing Assistance Program.
- California Homebuyer's Downpayment Assistance Program and the CalHome Program.
- Farmworker housing programs.
- Incentives, including grants to local government, which will promote better land use decisions and increase the production of affordable housing.

Hospital Seismic Strengthening and Patient Safety

- Financial assistance shall be provided for non-profit hospitals demonstrating financial need and providing significant levels of care to low-income communities, rural communities, and the uninsured, for purposes of meeting the requirements of Chapter 740 of the Alfred E. Alquist Hospital Seismic Safety Act of 1983.

Emergency Public Safety Communications Equipment

- New financing shall be developed for state departments for purchase of communications equipment that meets standards established by the state that allow for interoperable communication among law enforcement and emergency response agencies.

Other principles outlined in AB 1783 include the following:

- That infrastructure investment will be provided using a mix of funding sources.
- That an infrastructure investment plan should be consistent with the 5-year state infrastructure assessment required by law.
- That the Administration has to ensure that there is a specific plan for sale and liquidation of existing bonds for state infrastructure that have already been approved by the people and the Legislature.
- That there has to be a specific financing plan, and a full assessment of the long-term costs to the state's General Fund.
- That there should be new funding sources for as much of the infrastructure financing as practical in order to protect the state's finances and reduce demands on the state General Fund.
- That any infrastructure financing plan that includes new bonds shall include a strategy for sale of bonds that maximizes return, minimizes debt service costs to the state, avoids interest penalties, and does no harm to the state's credit ratings.

Last year, Speaker Núñez introduced AB 58, the framework of an education bond that will be revisited during this legislative session.

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