

Los Angeles County
Metropolitan Transportation Authority

Infrastructure Bond Fact Sheet

OCTOBER 2006



Metro

Facts on Proposition 1A, 1B and 1C

BACKGROUND

California voters will be asked to consider a package of state bonds on the November 2006 ballot. The measures relating to transportation are:

- Proposition 1A which would enhance protections for existing transportation funds;
- Proposition 1B which would provide \$19.9 billion in general obligation bonds for transportation improvements; and
- Proposition 1C which would provide funding for housing projects near transportation facilities.

Metro estimates that over \$5 billion could be allocated to Los Angeles County with \$1.9 billion to be shared by the County, the 88 cities within the County, Metro, and other transit operators through existing funding formulas. Below is a description of each measure.

PROPOSITION 1A Transportation Funding Protection

In 2002, voters approved Proposition 42, which committed the existing state sales tax on gasoline (about \$1.3 billion per year) for transportation purposes. However, Proposition 42 included a provision that allowed these funds to be suspended when the State of California experienced budget deficits. To date, over \$2 billion have been suspended.

Proposition 1A would discourage suspension of these funds by:

- Authorizing suspension of these funds only if the Governor issues a proclamation, the Legislature concurs by a 2/3 vote and passes a bill that requires the funds be repaid within a three-year period;
- Stipulating that Proposition 42 funds may only be suspended twice in a ten-year period and may not be suspended while a previous loan is still outstanding;
- Allowing for a 10-year repayment period of previous Proposition 42 loans.

PROPOSITION 1B Highway Safety, Traffic Reduction, Air Quality and Port Security Act of 2006

This \$19.925 billion bond would be allocated to congestion relief, public transportation, goods movement facilities, transportation safety and security, air quality and port security projects, and street and road repair. The funds would be allocated in the following manner:

Corridor Mobility Improvement	\$4.5 billion
This allocation will fund congestion relief projects on the state highway system.	
State Route 99	\$1 billion
This allocation will fund improvements on State Route 99, located in the Central Valley.	
California Ports Infrastructure, Security and Air Quality	\$3.1 billion
Funding will be allocated to projects that improve the movement of freight along highway and rail corridors (\$2 billion); air quality improvements related to goods movement (\$1 billion); and for port security (\$100 million).	

State Transportation Improvement Program (STIP)	\$2 billion
This allocation would provide additional funds to the existing State Transportation Improvement Program for highway improvements based on county population and number of highway miles.	
Public Transportation, Modernization Improvement and Service Enhancement	\$4 billion
This allocation will direct funds to public transportation agencies for transit improvement projects (\$3.6 billion) and intercity rail programs (\$400 million).	
Transit System Safety, Security and Disaster Response	\$1 billion
This program will provide funding to transportation agencies for improvements to safety, security and disaster response systems.	
State-Local Partnership Program	\$1 billion
This program creates incentives for local agencies to invest in transportation improvements.	
Local Bridge Seismic Retrofit	\$125 million
This program will provide local governments with funds to assist in meeting federal requirements for local bridge repair.	
Highway-Railroad Crossing Safety	\$250 million
These funds will be used to build high priority grade separations and to make railroad crossing safety improvements.	
Highway Safety Rehabilitation and Preservation	\$750 million
This allocation will provide funding for highway maintenance programs (\$500 million) and traffic signal improvements (\$250 million).	
School Bus Replacement Program	\$200 million
This program will provide funding for the reduction of diesel emissions by retrofitting and replacing school buses.	
Local Streets and Road Improvement, Congestion Relief and Traffic Safety Account of 2006	\$2 billion
This allocation will direct funds to cities and counties for street and road repair projects that reduce traffic congestion, improve traffic flow and increase traffic safety.	

PROPOSITION 1C

Housing and Emergency Shelter Trust Fund Act of 2006

Proposition 1C will provide \$2.85 billion for a variety of housing and emergency shelter projects. Two provisions within this measure will specifically fund housing developments built near public transportation systems. These projects will make it easier for people to commute using transit.

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