

# **Protecting Communities and the Environment: What California Needs In An Infrastructure Bond**

## **Maintain Strong Environmental Protections and Review.**

The California Environmental Quality Act (CEQA) and other environmental and public health laws have provided important benefits to local communities, because they help ensure that construction projects do not degrade the quality of life in our neighborhoods. The infrastructure bond must protect CEQA and other environmental, public health, and right to know laws and respect a community's ability to participate in and affect decisions on infrastructure projects.

## **Encourage Smart Growth and Make Cities More Livable.**

Current state law (AB 857, 2002) requires that "any infrastructure associated with development" must use land efficiently, avoid leapfrog development, be located only in areas planned for growth with existing essential services, and minimize ongoing costs to taxpayers. Any proposed infrastructure bond must follow these requirements in AB 857, and should help achieve, not undermine, our state's land use objectives. The infrastructure bond should create financial and regulatory incentives for growth patterns that accommodate needed housing as well as reduce vehicle miles traveled and protect valuable habitat and important farmland. Growth policies that reduce vehicle miles traveled will promote housing closer to jobs and commercial centers, provide more housing choices and reduce commute burdens on families. These policies will also reduce air pollution, greenhouse gas emissions and the consumption of oil.

To ensure that regional agencies are equipped to make sound decisions consistent with smart growth principles and resource conservation, the state should update its transportation models to provide accurate information, as proposed in AB 1020 (Hancock) and should authorize bond funding for regional blueprints including funds to assist regions to collect and utilize adequate biological and geographical data on the region's natural resource infrastructure. In addition, funding should be made available to allow the State to complete and make available state biological inventory data to all regions with associated uniform standards and data reporting requirements. Incentives for local and regional blueprints should be made available to all regions of California.

## **Transportation Funds Must Help Achieve Air Quality, Environmental and Community Goals.**

All infrastructure bond funds made available for appropriation to the Department of Transportation, or for allocation by the California Transportation Commission, must benefit *all* Californians, specifically including those with average and below average incomes. In California, children of color are approximately three times more likely than white children to live within high-density traffic census block groups, where air quality is worst and public health impacts are greatest. Transportation funding through the bond must be structured to remedy this environmental injustice, and to make a major commitment to meeting state and federal health-based air quality standards, and achieving the Governor's goal of a 50% reduction in air pollution by 2010. In addition, infrastructure bonds must make a major commitment to public transit, especially in inner-city and urban areas, and should include funds for the replacement of the oldest and dirtiest transit fleets. Pursuant to

DD 64, infrastructure bonds should fund other transportation alternatives, like bicycle, pedestrian, and rail alternatives, including high-speed rail, and should fund farmworker transit. Infrastructure bond funds should also support the Legislature's statutory commitment to the Environmental Enhancement and Mitigation Program, which provides community mitigations for transportation projects.

No bond funds shall be used for any project that would degrade or adversely affect any recreational, open space, park, historic, or other public facility, including coastal wetlands, tidelands, and marine and wildlife habitats.

**Water Quality and Water Supply Funding Should Improve Existing Water Facilities.**

Water quality and water supply funding from these bonds should improve existing water facilities, especially those that serve economically disadvantaged communities. Funding should not be made prematurely available for increased surface storage, and any water user fees must be equitable. If new water facilities are developed, the principles of "beneficiary pays" and water use efficiency must be an integral part of each project.

If Californians are asked to consider investing billions in a bond that purports to protect our natural infrastructure, the programs must be tested and proven, sustained by equitable fee programs, provide investments to small communities, and ensure that all Californians enjoy clean water for drinking, recreation, business, and other uses. Any infrastructure bond must include significant funding for the improvement of water quality generally, and for drinking water in particular, to ensure the health and safety of all of our communities. The highest priority for the use of bond funds shall be placed on California's most economically disadvantaged and underserved communities. Funded projects should include an infrastructure rehabilitation program, Emergency Clean Water grants, safe drinking water standard and discharge compliance grants for small disadvantaged communities, and water efficiency programs for California's neediest communities. Funds also should be specifically included for projects needed to monitor, protect and improve the health of California's rivers, lakes and coastal waters, particularly from pollution caused by stormwater and sewage releases.

Capital investments made now must be sustained in the long term by fees that ensure that those benefiting most from these investments pay to protect them. Fees associated with water supply-related improvements, for example, should be based on the amount of water used. Volumetric fees are more equitable and encourage conservation. Additional fee reform to ensure long-term sustainability of water quality-related improvements is also necessary. Finally, fees must be designed for clear purposes, in order to determine who should contribute to them.

State taxpayer dollars should not be set aside for premature public funding for surface storage construction. Water agencies are unwilling to commit their funds to construct surface storage projects until the benefits are clear. Public funds deserve the same level of protection.

Finally, in order for the state to fulfill its commitments pursuant to the Quantification Settlement Agreement for the Lower Colorado River and to fully mitigate the impacts of

the Imperial Valley – San Diego water transfer, funds must be provided to restore the Salton Sea and protect the air quality of the local communities.

**Include A Major Investment in Parks and Recreation Facilities, and Natural Resources.**

Infrastructure is more than just concrete, and it serves more than just commerce. Parks, trails, coastal and river resources, and other protected lands and waters are an essential part of California’s public infrastructure. To achieve a truly strategic growth plan for the 21<sup>st</sup> Century, any infrastructure bond should provide for the identification, acquisition, development, improvement, preservation, rehabilitation, and restoration of agricultural, coastal, cultural, forest, historical, recreational lands; non-motorized trails; state parks; urban parks; fresh and salt water resources; urban forestry; and wildlife habitat in California. In addition, uniform and comprehensive biological information, including geographical data about the state’s natural resource infrastructure, is essential to efficiently identify those natural resource investments.

Chronic under-funding of state resources departments within the annual budget means that bond funds must be made available to address the state’s needs for protection of natural areas and deferred maintenance of our existing parks and resources. Without ongoing bond funding, the natural resources elements of the state’s public infrastructure will collapse. For this reason, any infrastructure bond submitted to the voters must significantly invest in resource conservation objectives like those embodied in Senate Bill 153 (Chesbro).

**Flood Control Projects Must Meet Environmental Standards.**

Flood control expenditures must be coupled with strong flood plain management, and result in integrated, multi-benefit projects that contribute to ecosystem and habitat restoration goals, including restoration, enhancement and water supply reliability for fisheries, wetlands and riparian habitats.

Any use of infrastructure bond funds for the inspection, evaluation, improvement, construction, modification, and relocation of flood control levees, weirs, or bypasses constructed in cooperation with the United States, including related environmental mitigations and related infrastructure relocations, and any flood control project consistent with Section 79037 of the Water Code, shall be consistent with the following provisions:

- First priority for flood control funds made available from the infrastructure bond shall be for the protection of existing urban areas.
- No funding shall be made available for projects that promote further urbanization of the Sacramento San-Joaquin River Delta.
- Funding for projects at the local level must be tied to a local program that will prevent future development in areas of flood hazard.

**Proper Use Must Be Made of Proposition 42 Repayment Funds.**

When Proposition 42 loans to the General Fund are repaid, repayment should mirror the current funding formula and be repaid in the order in which the funds were taken. In particular, public transit already receives too little funding from the state, so proposals that would shift funding originally intended for public transit to roads and highways are unacceptable.

### **Affordable Housing and Education Are Essential to Livable Communities.**

Affordable housing and safe, high-performance educational facilities are integral parts of a comprehensive infrastructure plan for the 21st Century. They should be included in multi-benefit infrastructure projects that meet local infrastructure needs while making communities more sustainable and livable. The state already administers a variety of housing programs for low- and moderate-income Californians that provide emergency housing assistance, create more multi-family housing opportunities, and promote homeownership. Any infrastructure bond should dedicate resources to programs for very-low, low, and moderate income Californians in order to address the state's greatest housing needs in the affordable housing sector.

The siting of education facilities also must adhere to land use policies that will discourage sprawl development, promote compact development patterns, and ensure that facilities are located in the areas that need them most. The Legislature also should take this opportunity to ensure that educational facilities are built to the highest green building standards, consistent with the state's Collaborative for High-Performance Schools.

### **Mitigate Air Quality Impacts of Goods Movement Projects, School Buses, and Construction Equipment.**

Transportation infrastructure projects that increase highway capacity and the movement of goods will result in increased air, land, and water pollution that must be fully mitigated, and the cost of that mitigation should be added to the cost of construction and funded as a single cost from the bond and/or applicable user fees. In addition to full mitigation of pollution from any new projects, existing air pollution levels must be substantially reduced to ensure that California attains state and federal air quality standards and achieves the diesel emission reduction goals established by the California Air Resources Board. The infrastructure bond should include funding, consistent with the "beneficiary pays" concept, for projects that will mitigate air quality impacts of the bond and reduce emissions from high-polluting vehicles and equipment to protect public health. Specifically:

- Goods movement mitigation projects should be funded to reduce air, land and water pollution from goods movement facilities and vehicles serving those facilities (e.g. trucks, ships, marine craft, port and rail yard equipment, and locomotives). Top priority should be given to replacing and retrofitting pre-1994 trucks; replacing switching and line haul locomotives; and electrifying piers. Other worthy projects include rail, truck distribution center, and airport electrification; on-dock rail improvement projects; and renewable dockside power generation.
- California has one of the oldest and dirtiest school bus fleets in the nation. Pre-1987 buses may emit 100 times more fine particles than newer buses. Current research confirms that children riding older buses breathe higher levels of dangerous diesel exhaust that harm lung growth and elevate cancer risk. Bond funds should be earmarked immediately to replace all pre-1987 school buses in the state fleet.
- All construction projects funded by the bond should use only the newest and cleanest available construction equipment. The construction sector alone accounts for almost 30 percent of the state's diesel particulate matter (PM 10) emissions, the single largest source in the state. The state must not undertake a massive increase in

transportation construction projects only to use old, dirty construction equipment that will degrade air quality, especially in communities near the construction.

**A “Beneficiary Pays” Principle Must Be Followed.**

Infrastructure investments that provide a direct commercial benefit should be paid for by the private interests which benefit, not by local residents or the taxpayers at large. The state’s infrastructure bond program must not be allowed to become a subsidy system paid for by future generations of California’s working families. To prevent this result, “Beneficiary Pays” provisions should be incorporated into or linked to the bond measure. Projects whose public benefits are not clearly greater than their cost should be excluded from the infrastructure bond.

The costs of mitigating the impacts of infrastructure projects on communities should also be borne by those who will benefit most directly from those projects, such as manufacturers, distributors, retailers, wholesalers, refineries, and shipping companies.

One example of how to incorporate the “Beneficiary Pays” principle into an infrastructure bond is to include mandatory user fees on containers handled at the ports where infrastructure projects are located. That will generate revenues to cover the cost of infrastructure projects and mitigations, and will ensure that those suffering from the pollution are not the ones that must pay to clean it up.

**These principles are supported by:**

American Lung Association of California | Bay Area Ridge Trail Council | California Alliance for Transportation Choices | California Bicycle Coalition | California Coastkeeper Alliance | California Communities Against Toxics | California Environmental Rights Alliance | California League of Conservation Voters | California Rural Legal Assistance Foundation | California State Parks Foundation | California Transit Association | Center for Energy Efficiency and Renewable Technologies | Center on Race, Poverty & the Environment | Coalition for Clean Air | Defenders of Wildlife | Del Amo Action Committee | Endangered Habitats League | Environmental Defense | Environmental Justice Coalition for Water | Latino Issues Forum | League of Women Voters | Natural Resources Defense Council | Physicians for Social Responsibility, Los Angeles | Planning and Conservation League | Rail Passengers Association of California | Rails to Trails Conservancy | Redefining Progress | San Francisco Bicycle Coalition | Sierra Club California | Steven and Michele Kirsch Foundation | The Nature Conservancy | Train Riders Association of California | Transportation and Land Use Coalition | Trust for Public Land | Urban Habitat