TRANSPORTATION, COMMUNICATIONS, AND PUBLIC WORKS POLICY COMMITTEE
Friday, March 28, 2025
10:00 a.m. - 2:00 p.m.
Marriott Burbank Airport Hotel, Pasadena/Glendale/Hollywood Room

AGENDA

I. Welcome and Introductions
Speakers: Chair Fred Jung, Mayor, City of Fullerton
Vice-Chair Newell Arnerich, Vice Mayor, City of Danville

II. Public Comment

III. Legislative Agenda (Attachment A) *Action*
Speaker: Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities

- AB 939 (Schultz) The Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026.

IV. Southern California Edison *Informational*
Power Safety Power Shutoff Resource Guide

V. Cal Cities Fire Chiefs Department NLC Update *Informational*
Speakers: Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities

VI. Legislative Update – Overview of current legislative, regulatory and budgetary developments. *Informational*
Speakers: Waleed Hojeij, Legislative Affairs and Policy Analyst, Cal Cities

VII. Closing Remarks and Adjourn
Speakers: Chair Fred Jung, Mayor, City of Fullerton
Vice-Chair Newell Arnerich, Vice Mayor, City of Danville

Next Meeting - Virtually: Friday, June 13, 9:30 a.m. - 12:30 p.m.

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:
1) Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or
2) A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.
A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at League meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.

TRANSPORTATION, COMMUNICATIONS, AND PUBLIC WORKS POLICY COMMITTEE
Legislative Agenda

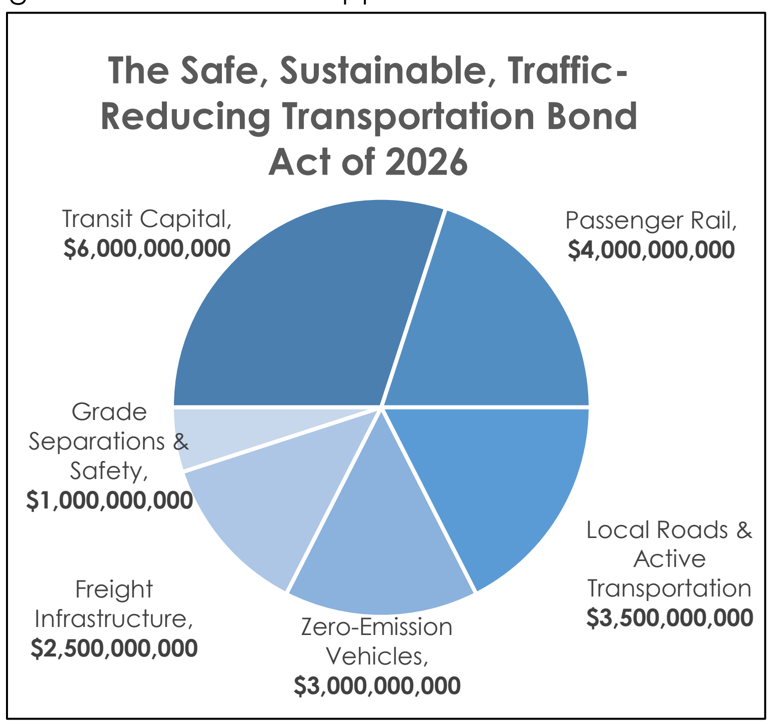
Staff: Damon Conklin, Legislative Affairs Lobbyist
Waleed Hojeij, Legislative Affairs and Policy Analyst

1. AB 939 (Schultz) The Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026

Bill Summary:
AB 939 would place the Safe, Sustainable, Traffic-Reducing Transportation Bond Act of 2026 on the November 3, 2026, statewide ballot. If approved by voters, it would authorize the state to issue $20 billion in general obligation bonds to fund a variety of transportation-related improvements, including transit and passenger rail projects, local streets and roads, zero-emission vehicle infrastructure, freight infrastructure, and grade separations.

Bill Description:
AB 939 proposes a new $20 billion general obligation bond for voter approval. Proceeds would be deposited into a newly created fund and distributed for the following purposes:

- **$6 billion** for transit capital improvements.
- **$4 billion** for intercity, regional, and commuter passenger rail improvements.
- **$3.5 billion** for local street and road maintenance, safety, rehabilitation, and active transportation projects, including micromobility and station area improvements.
- **$3 billion** for zero-emission vehicle investments, including rolling stock, battery electric technology vehicles, and hydrogen technology vehicles.
- **$2.5 billion** for transportation freight infrastructure improvements, including airport, border, ports, railyards, and trucking depots.
- **$1 billion** for grade separations and other safety projects.



The bill creates a Safe, Sustainable, Traffic-Reducing Transportation Bond Finance Committee to oversee issuance and management of bond funds. The bond would be repaid from the state's General Fund over time.

Background:
Since the passage of Proposition 1B in 2006, California has made investments in its transportation infrastructure through bond measures. AB 939 attempts to continue those ongoing effort by proposing $20 billion in general obligation bonds to strengthen California's transportation system, modernize key corridors, and enhance safety across the state. The bill reflects California's evolving focus on sustainable mobility options, greenhouse gas reduction, and improved goods movement.

Cal Cities has consistently advocated for measures that strengthen and modernize critical infrastructure and has adopted this stance as a policy priority for 2025. This includes not only roads and bridges but also transit, broadband, water, and energy systems. Most recently, Cal Cities supported the development and passage of Proposition 4, which was the $10 billion Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024. That effort secured new investments to bolster climate resilience, address water and drought challenges, and improve air quality, while safeguarding critical local infrastructure.

AB 939 builds on these priorities by dedicating new resources to transit, passenger rail, active transportation, zero-emission vehicle investments, and freight infrastructure. The measure aligns with Cal Cities' guiding principle of protecting existing funding and pursuing new opportunities to maintain and improve California's essential infrastructure network for the benefit of communities across the state.

Existing Cal Cities Policy:
This measure aligns with several Cal Cities guiding principles and policies, including:

- Cal Cities supports Transportation Funding that enhances mobility options, including public transit and active transportation.
  - *"One of Cal Cities' priorities is to protect the consistent and continuous appropriation of new monies from various sources directly to cities and counties for the preservation, maintenance, and rehabilitation of the local street and road system." (Page 63)*
- Cal Cities supports climate change mitigation, specifically in encouraging investment in clean technology and infrastructure that reduces greenhouse gas emissions, consistent with its **climate change and zero-emission vehicle policies**.
  - *"Support tax credits, grants, loans, and other incentives to assist the public, businesses, and local agencies that invest in energy efficient equipment and technology, and fuel efficient, low-emission vehicles." (Page 6)*
  - *"Cal Cities supports the preservation and expansion of transportation grant funding opportunities to help incorporate new transportation technologies and practices into local transportation networks, such as active transportation grant funding and transportation innovation grant funding." (Page 64)*

Fiscal Impact:
If passed by the legislature, this measure would be referred to the voters for the 2026 ballot. If approved by voters, AB 939 would authorize the state to issue $20 billion in general obligation bonds, which would be repaid from the state's General Fund. These

bond proceeds would be directed toward a variety of transportation-related investments, including transit capital improvements, passenger rail, local streets and roads (including active transportation), zero-emission vehicle infrastructure, freight infrastructure, and grade separations for safety. These types of projects often lead to revitalized commercial corridors and increased foot traffic, which can boost local businesses and retail activity, boosting local economies.

Over the long term, AB 939 could enhance California's economic competitiveness by improving critical transportation infrastructure. Investments in transit capital improvements and passenger rail systems could improve regional mobility and reduce congestion. Freight infrastructure improvements, such as upgrades at ports, airports, railyards, and trucking depots, could make the movement of goods more efficient.

However, the repayment of the $20 billion in bonds will come from the General Fund, potentially impacting the state's ability to fund other programs in future years depending on fiscal conditions.

Staff Comments:
AB 939 presents a significant opportunity to invest in California's transportation infrastructure, with potential benefits such as job creation, improved transit systems, and long-term economic growth. Given the size and varied revenue categorized within the bill, the TCPW committee may wish to consider making suggested shifts and adjustments to the amount within each subject area to reflect local municipal needs and priorities. Additionally, the as the state legislature continues to pass costly unfunded state mandates onto cities, AB 939 could help offset those cost pressures so that cities can fully fund core local activities and programs.

Economic Growth and Job Creation:
Investing $20 billion in transportation infrastructure would stimulate economic growth by creating thousands of jobs in construction, engineering, and maintenance. Improved transportation networks also support local businesses and encourage investment in communities.

Infrastructure Modernization and Safety Improvements:
Local municipalities own and maintain 12,339 bridges across California, representing almost half of the state's bridges. Over 4,300 of these bridges need costly repairs, and 451 are irreparable and must be replaced. Despite a standard design life of 75 to 100 years, nearly one-fifth of local bridges are at least 80 years old. There is a significant disparity in the condition of our state and local bridges, with over 12% of local bridges in poor condition versus 2.8% of state bridges.

Simply maintaining the current condition of local bridges across the state would require a yearly budget of $800 million—an increase of approximately $500 million annually.

Environmental Benefits:
By providing necessary funding, AB 939 could help local municipalities to comply with the California Air Resource Board's Advanced Clean Fleets regulation that requires 50% of all

medium to heavy duty vehicles purchased to be zero emission and 100% of new all purchases by 2027. Additionally, AB 939 could provide necessary resources to build out infrastructure to parcels and service yards into refueling stations for zero emission vehicle fleets, thus helping to meet the state's transportation and environmental goals of lowering greenhouse gas emission.

Long-Term Cost Savings:
Proactively maintaining and upgrading infrastructure reduces the need for emergency repairs, which tend to be more expensive. Well-maintained roads and transit systems also reduce vehicle wear-and-tear and fuel costs for commuters.

Potential for Federal Matching Funds:
If AB 939 passes, California could leverage federal infrastructure grants and partnerships to maximize the impact of the investment, bringing in additional funding sources beyond state taxpayers.

On the other hand…
General obligation bonds must be repaid with interest, which could significantly increase California's long-term debt obligations. The total repayment could exceed $30 billion, depending on interest rates and repayment timelines.

Risk of Mismanagement and Cost Overruns:
Large infrastructure projects often face delays and cost overruns. Without strong oversight, the $20 billion investment might not be used efficiently, leading to waste and misallocation of funds. The committee may wish to consider amending AB 939 to include oversight and reporting language.

Unequal Regional Distribution:
There is a risk that funds could be disproportionately allocated to urban centers while neglecting rural areas. If the bill does not include equitable distribution mechanisms, some communities may see little benefit despite contributing to the bond repayment.

The state must weigh the risks of rising debt, potential mismanagement, and taxpayer burden. However, if the TCPW policy committee recommends that safeguards are put in place to ensure efficient use of funds and equitable project distribution, AB 939 could be a crucial step toward modernizing California's transportation network.

Support: None on file.

Opposition: None on file.

Staff Recommendation:
Staff recommends that the policy committee discuss AB 939 and determination whether or not to recommend a position to the Board.

Committee Recommendation:

Board Action: