

May 3, 2007

Honorable Mayor and Members of
the Hermosa Beach City Council

Regular Meeting of
May 8, 2007

**PROPOSED LETTER OF SUPPORT FOR SB286 WHICH PROVIDES FOR THE
ALLOCATION OF PROPOSITION 1B FUNDS**

Recommendation:

That the City Council consider taking a position supporting SB286 and direct staff to track the bill through the process.

Background:

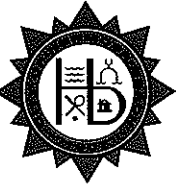
Proposition 1B, approved in November 2006, provides for \$2 billion direct allocation to local governments for street and road repairs. SB286 set up a distribution schedule for half of these funds over the next two fiscal years. Any remaining funds would be passed on to local governments by the 2010-11 fiscal years. The City is allocated \$617,473 from Proposition 1B.

A copy of a letter that will be sent is attached.

Respectfully submitted,



Stephen R. Burrell
City Manager



City of Hermosa Beach

Civic Center, 1315 Valley Drive, Hermosa Beach, CA 90254-3885

May 8, 2007

Senator Jenny Oropaza
State Capitol, Room 4074
Sacramento, California 95814

**RE: SB 286 – Allocation of Prop 1B Local Street and Road Funds
Notice of Support**

Dear Senator Oropaza:

The City of Hermosa Beach strongly supports SB 286, which defines an allocation schedule for the \$2 billion included in Proposition 1B as a direct allocation to cities and counties. We sincerely appreciate your recognition of the importance of funding local transportation projects and ensuring this funding was part of the Infrastructure Bond package.

Specifically, SB 286 *guarantees* that every city will receive at least half of their Prop 1B funds to spend in the next two fiscal years; the 2007-08 Proposition 42 “gap” year and 2008-09. This is extremely important because without significant funding in the 2007-08 Prop 42 “gap” year, cities and counties will not receive any monies for local streets and roads.

SB 286 also provides that a city may receive up to the entire amount of its share of Prop 1B funds in the next two fiscal years if the ability to spend the funds is demonstrated. In addition, every city is guaranteed at least \$400,000 in the first two years of the program.

SB 286 allocates any remaining funds (funds not spent in 2007-08 and 2008-09) to cities no later than January 1, 2010 for fiscal years 2009-10 and 2010-11.

Currently, it is estimated that the City of Hermosa Beach would receive \$617,473 in direct funding from Prop 1B for local transportation purposes.

The City of Hermosa Beach is able to put this money to use quickly for repair of local streets. The City could spend the entire allocation during the fiscal year if we received it.

SB 286 is flexible and allows cities to spend Prop 1B monies based on local needs. It allows bond funds to be spent as quickly as needed, or the funds can be spread out over multiple years.

Senator Jenny Oropeza
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Again, we support SB 286 and the much-needed investment it brings to our city for our local transportation needs.

Sincerely,

Sam Edgerton, III
Mayor

cc: Senator Bob Dutton
Senator Alan Lowenthal, Chair, Senate Transportation and Housing Committee
Members, Senate Transportation and Housing Committee
Art Bauer, Consultant, Senate Transportation and Housing Committee
Ted Morley, Consultant, Senate Republican Caucus
Cynthia Bryant, Governor's Office of Planning and Research
Curt Augustine, Office of Governor Schwarzenegger
Dale Bonner, Secretary, Business, Transportation and Housing Agency
League of California Cities, Attn: Liisa Lawson Stark