

General Obligation Bond: (1) Adoption of Resolution Determining that Public Interest and Necessity Demand Public Infrastructure Projects and their Financing through Issuance of General Obligation Bonds; and (2) Introduce Ordinance Ordering Submission of Proposition Incurring Bonded Indebtedness to Alameda Voters

[Requires 4 Affirmative Votes and July 16th Council Actions]

July 2, 2024



City Faces Unprecedented Infrastructure Need

- City staff have identified a need of **at least \$800 million in public infrastructure** citywide.
- As an island city, the City faces the **unprecedented challenge of protecting the community's aging infrastructure and facilities** from natural disasters, flooding, rising sea levels, and earthquakes.
- Alameda is especially **vulnerable in areas on the west end near the tubes and on Bay Farm Island.**
- The City has been careful with its maintenance dollars and proactive about seeking other funding, but there is **not enough funding to address these critical needs and costs continue to escalate significantly.**

Example of Infrastructure Need: Potholes

- **\$58 million** in unfunded deferred maintenance for potholes and street pavement.
- Over **20% of City streets** are in “**Poor**” or “**Failed**” condition.
- An **investment of \$58 million** over the next five years would increase the Pavement Condition Index from 68 (Fair) to 73 (Good).
- Californians incur \$800 average/year in **unexpected vehicle repairs** from damage caused by poorly maintained streets.
- Poor road conditions **increase the risk of collisions** and are dangerous to drivers, passengers, and other road users.

Table 2. Pavement Condition Breakdown by Functional Class

Condition Category	PCI Range	Arterials (%)	Collectors	Residentials (%)	Others (%)	Entire Network (%)
Good	70-100	14.5	12.5	25.5	0.2	52.7
Fair	50-69	5.7	6.4	12.5	0.0	24.6
Poor	25-49	4.8	4.1	7.9	0.0	16.8
Failed	<25	1.8	0.1	4.0	0.0	5.9
Total	-	26.8	23.1	49.9	0.2	100.0



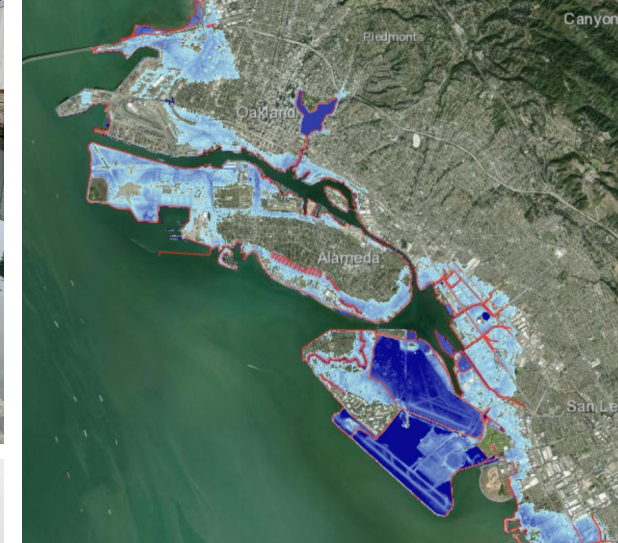
Example of Infrastructure Need: Street Safety

- City has limited funds to support **more than \$80 million** in traffic congestion projects, sidewalk and trail improvements, and traffic safety projects, including:
 - Lincoln Avenue corridor safety project
 - McCartney and Island Drive safety modifications
 - Neighborhood safety improvements



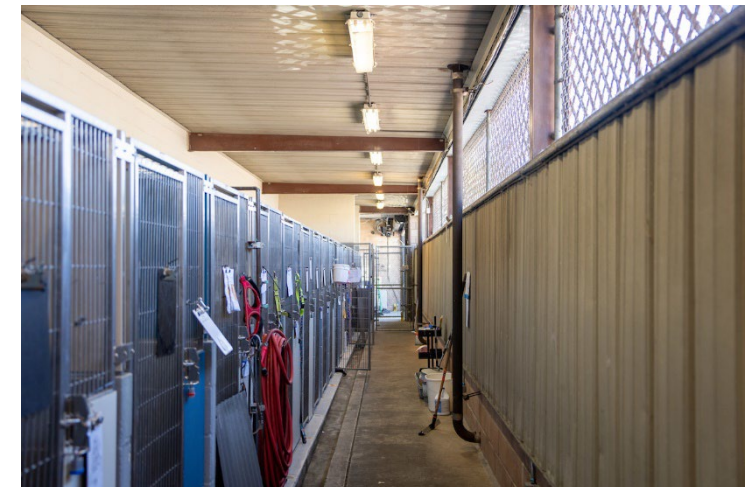
Example of Infrastructure Need: Sea Level Rise and Flooding

- Alameda and the Bay Area are at great risk from sea level rise:
 - **Already seen:** +8 inches
 - **Projected:** +9-12 inches by 2050, +4 feet by 2100
- **Adaptations** to address water level rise in Alameda **cost close to \$1 billion** compared to \$6.8 billion cost of building and land loss.
- **Bridges, tubes, and other entry points** need to be removed from flood plain.
- **Significant flooding risks** increase during extreme weather and King Tides.



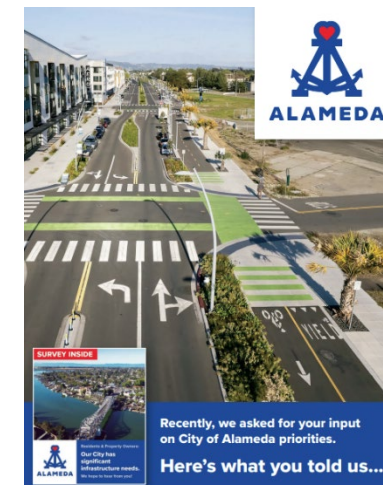
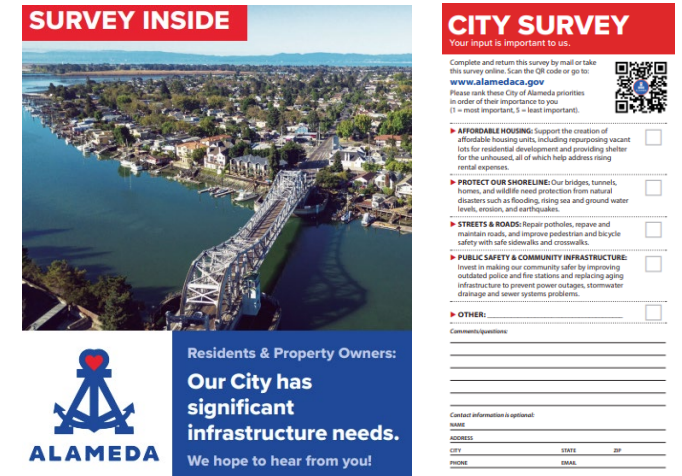
Example of Infrastructure Need: Public Safety

- Fire Stations 1 and 4 **do not meet current firefighting and possible seismic standards.**
- Fire Station 2 in need of remodel or replacement due to being **over 100 years old with challenges housing modern day apparatus.**
- **Future need** for upgrade or replacement of Fire Station 5 and Training Center.
- Upgrades to Police Building **to meet 21st Century policing standards** (e.g., modern training facilities and lockers for female employees).
- Current **animal shelter facilities** require upgrades to respond to **increased demand** and **meet current standards.**



Citywide Community Engagement

- **2023:** Following extensive community outreach, the City's adopted Strategic Plan includes exploring a revenue measure to fund deferred maintenance and new infrastructure needs.
- **Nov 2023:** Public opinion polling in scientific phone and online surveys.
- **April 2024:** Sent informational mailer and survey to Alameda likely voters.
- **May 2024:** Shared educational videos, social media posts, and online survey.
- **June 2024:** Sent second informational mailer with survey findings (3000+ responses) and conducted additional public opinion polling.



2024 Mail & Online Survey: Residents prioritize infrastructure improvements

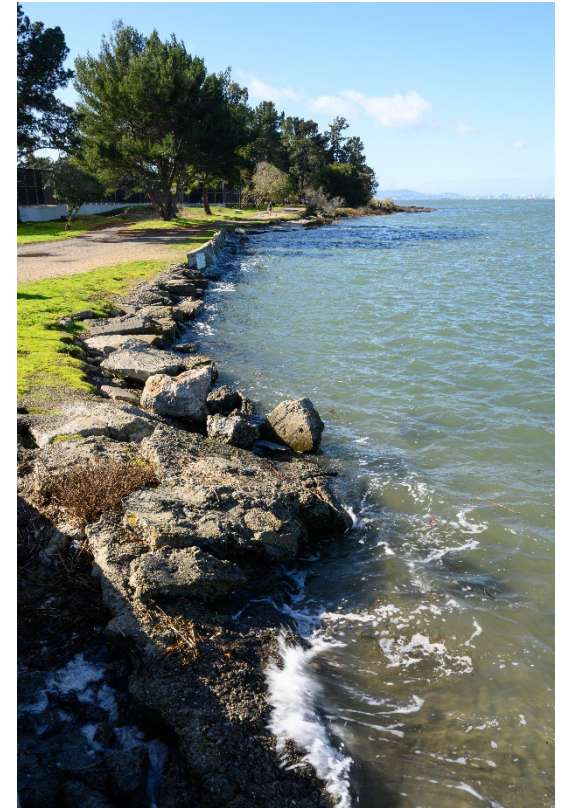
In a 2024 mail & online survey, Alameda residents ranked the following most pressing infrastructure needs:

1. Making our community safer by **improving outdated** police and fire stations and **replacing aging infrastructure** to prevent power outages, stormwater drainage, and sewer systems problems.
2. Repairing **potholes, repaving and maintaining roads**, and improving pedestrian and bicycle safety with safe sidewalks and crosswalks.
3. Protecting the **shoreline** including bridges, tunnels, homes, and wildlife that need protection from natural disasters such as flooding, rising sea and ground water levels, erosion, and earthquakes.
4. Supporting the creation of affordable housing units, including repurposing vacant lots for residential development and providing shelter for the unhoused, all of which help address rising rental expenses.

2024 Public Opinion Poll: Alameda Voters Support Local Bond Measure

Key findings from public opinion survey of Alameda voters conducted in June:

1. **Majority of respondents approved** of the job that City government is doing.
2. **64% of respondents feel there is a great or some need** for infrastructure funding in the City, increasing from 54% in 2023.
3. **68% of respondents were supportive or leaning** in that direction when asked specifically about a \$150 million local bond measure dedicated to City infrastructure improvements.



Voter Support for Previous City Measures

- **2022:** 58% of voters approved a Transient Occupancy Tax (TOT) increase measure.
- **2019:** 57% of voters adopted a new stormwater fee.
- **2018:** 61.5% of voters approved a sales tax measure.
- **2016:** 72.9% of voters approved updating the Utility Users Tax.



Proposed Infrastructure Repair/Flood Safety Measure for November 2024: Overview

- A \$150 million infrastructure bond would be payable from a **dedicated property tax** levied on taxable property in the City, not any other City funds.
- After the full amount of the bonds are issued, property owners will pay an estimated average levy of **\$29 per \$100,000** of assessed value per year while bonds are outstanding and it is anticipated the bonds will be issued in installments.
 - *Example:* If bonds are issued in 3 installments of \$50 million every 5 years, property owners will pay the levy for 40 years.
- The City will use bond funds to address significant infrastructure needs **before** the City's public infrastructure continues to **deteriorate and costs increase**.

Proposed Infrastructure Repair/Flood Safety Measure: Potential Improvement Projects

Consistent with the Resolution and Ordinance:

1. **Flooding-related improvements** in and around the tubes, bridges, the shoreline, and Bay Farm Island.
2. Improvements **addressing sea level rise**, such as levees, dikes, and seawalls and other improvements protecting natural areas along the shoreline.
3. **Upgrades to, including new construction of bridges, buildings**, and other City infrastructure, including public safety, animal shelter, and library facilities, to withstand major earthquakes, meet applicable building codes, and otherwise meet current standards.
4. **Traffic- and safety-related improvements**, such as repaving, reconstructing, and/or repairing streets, roads, alleys, and other infrastructure to prevent deterioration, fixing potholes, and improving curbs, gutters, sidewalks, and related infrastructure, including improvements addressing traffic flow, traffic congestion, and safety for people who walk or bike.

Assembly Constitutional Amendment (ACA) 1

- Under existing law, an infrastructure bond requires 2/3 of voters to vote in favor to pass.
- ACA 1 is on the November ballot and if passed lowers **this threshold to 55%, including for a City measure placed on the 2024 ballot.**
- Bond proceeds are **restricted to capital projects** and cannot be used to fund operations or any other purpose.
- The proposed infrastructure repair and flood safety measure requires transparency and accountability over and above the City's existing budget requirements, including an annual, independent audit to ensure **transparency, accountability, and proper disbursement** of bond proceeds.

Limited Funding Alternatives

Existing revenue sources will not meet the City's need for public infrastructure. If we wait, that need, and the cost of repairs, significantly increases:

- **State budget:** Past funding has been \$1-3 million; looming budget deficits put future funding in jeopardy.
- **Federal community project funding:** Previous support for traffic safety and adaptation projects has been \$1-3 million; future funding may be much lower.
- **Federal grants:** City requested \$55 million for adaptation -- \$5 million was included in the Senate budget, \$30 million in the House budget.
- **County grants:** Past funding for transportation and affordable housing projects has ranged from \$500,000-\$2 million.
- **Local funds:** Use of residual reserve and other General Fund sources.

Why Take Action Tonight?

- **Unprecedented challenges** protecting the community's aging infrastructure and facilities from natural disasters, flooding, rising sea levels, and earthquakes.
- **Costs escalation is rapid** -- resulting in growing and greater infrastructure need.
- **Local funding source** ensures City addresses vital city and community needs, supports a vibrant economy, and creates well-paying jobs.
- **Tonight's action** advances the measure forward to the July 16 meeting so Alameda voters have the opportunity to consider it and decide in November.
- **Any action taken tonight is not a vote to support or oppose a measure.**
- **Ask questions tonight** -- so staff can answer everything before July 16.

Next Steps

July 2, 2024

- City Council affirms need for funding for infrastructure projects in Alameda, allows process to move forward to the next meeting

July 16, 2024

- Presentation of poll results, measure language, updated information about ACA 1, final City Council decision to place measure on the ballot

Nov 5, 2024

- Voters decide

2025

- Specific capital improvement program for bond returns to City Council

Annual

- Levy taxable property
- Monitor and report on disbursement of bond funds

Recommendation

- **Adopt** resolution determining that public interest and necessity demand public infrastructure projects and their financing through issuance of General Obligation bonds.
- **Introduce** ordinance ordering submission of proposition incurring bonded indebtedness to Alameda voters.

