

THE HIGH COST OF **UNDERINVESTMENT**

Assessing the State of Infrastructure
in Southern California



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OVERVIEW OF SOUTHERN CALIFORNIA'S INFRASTRUCTURE



Infrastructure drives economic growth and improves health, safety, and quality of life. However, Southern California's infrastructure faces growing disinvestment, aging, overuse, and extreme climate conditions. Investments trail other competitive economic regions around the country and impacts are felt inequitably across the region. This report explores the benefits of and need for infrastructure in Southern California in three key areas: transportation, goods movement, and water, including wastewater, drinking water, and stormwater management.

Research consistently shows that infrastructure investments have a positive return on our regional economy. *Each billion dollars of investment is associated with increases in economic activity of between \$2.6 and \$4.1 billion dollars and the creation of 15,000 jobs.*

While Southern California has made substantial investments in many areas, our aging roads, bridges, transportation, and water management systems aren't ready for a competitive, technologically-enhanced future.

If Southern California were a state, it would rank last compared to other states in terms of highway investment per dollar of personal income.

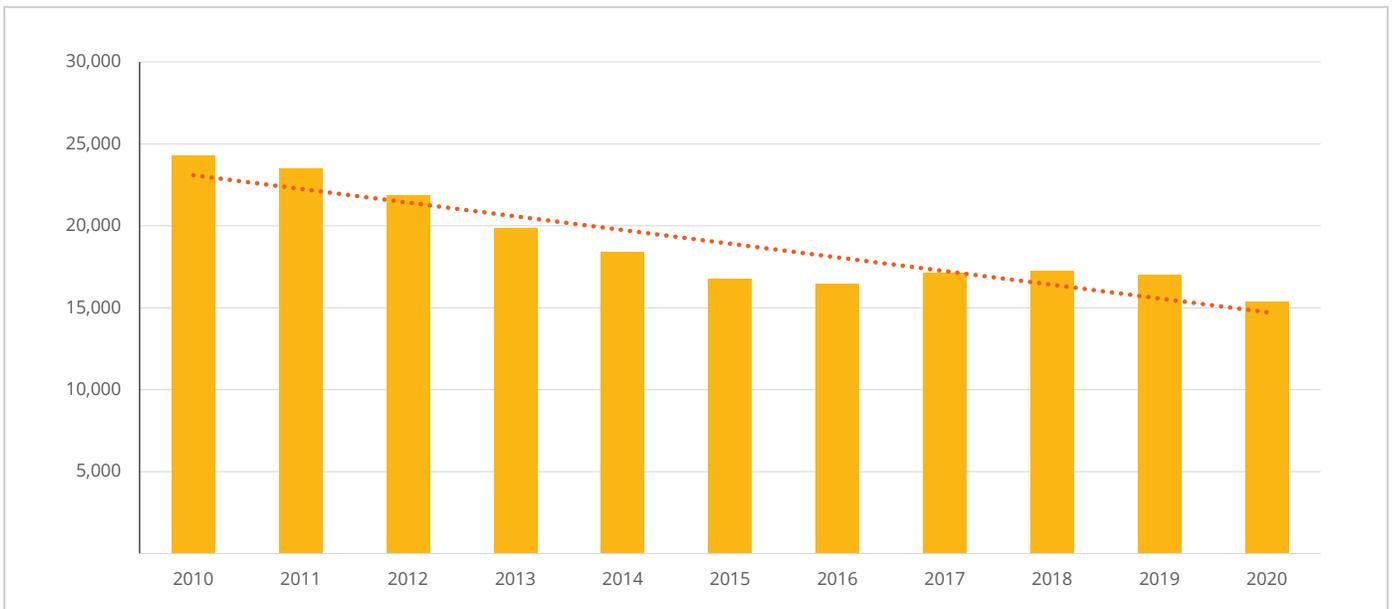
Infrastructure upgrades will support Southern California's competitiveness, improve capacity and efficiency of goods movement, and mitigate the impacts of climate change on local communities — reducing congestion and delays, improving safety, and expediting goods movement in the process. Voters, policymakers, and taxpayers each play a unique role in meaningfully addressing infrastructure funding: no single player can effectively sway progress on each regional infrastructure challenge without coordinated advocacy.

Working together, stakeholder groups can secure key funding streams, rethink policy and regulations, and advocate for projects that fundamentally, expediently increase the mobility of our region—*strengthening our economy and securing an equitable future for working families.*

KEY REPORT HIGHLIGHTS

- 1 Infrastructure investment in Southern California has declined by **37 percent** over the last decade.
- 2 If Southern California were a state, it would rank **22nd in infrastructure investment** and last in highway investments.
 - a. Competing states, including Texas, Oregon, Utah, and Nevada, spend more dollars in total infrastructure.
 - b. Southern California's roads and bridges have gotten worse, and **only about half of the region's bridges are in good condition.**
 - c. Pavement conditions have deteriorated, leaving three counties – Riverside, San Diego, and Imperial – with most roads designated as “at risk.”
- 3 Future infrastructure and investment needs for the region's ports are **estimated at \$5.7 billion over 10 years.**
- 4 Spending on drinking water infrastructure in the region has declined by **38 percent** since 2010, leading to aging and unreliable systems
 - a. Just over a third of water systems are failing, at risk, or **potentially at risk of failing** to provide safe and reliable drinking water.
 - b. Over half of the water systems are not meeting state standards for limiting water leakage, losing more than **84 million gallons of water per day.**
- 5 Stormwater systems will also require significant investments to meet tighter environmental standards, with an estimated **\$25 billion** funding gap through 2040 for Los Angeles and San Diego counties alone.

OVERALL INFRASTRUCTURE INVESTMENT IN THE SOUTHERN CALIFORNIA REGION HAS DECLINED BY 37% OVER THE PAST DECADE



Note: Data reflects annual expenditures per \$M of total personal income. California state government spending is divided among 'Southern CA' and 'Other CA' based on population.

Source: US Census Bureau, Annual Survey of State and Local Government Finances.

THE PROMISE OF INFRASTRUCTURE INVESTMENTS



Infrastructure drives economic growth and improves the quality of life for all residents of Southern California, speeding goods movement and improving health and safety for residents. In a rapidly changing climate, thoughtful considerations for infrastructure planning and investments in sustainable solutions can address multiple interconnected challenges.



Infrastructure investment creates jobs for working families:

- › Large-scale projects require a significant amount of labor to be completed, from pipelayers and engineers to architects, carpenters, electricians, and other professional services.
- › Infrastructure projects have a multiplier effect on the economy. As workers earn income, they spend it on local goods and services, injecting capital into the region.
- › Importantly, workers without a college degree see relatively higher wages in the construction industry, providing integral pathways to the middle class.



Infrastructure is an essential component of equitable climate change mitigation practices:

- › Vulnerable communities, such as low-income neighborhoods, are disproportionately affected by extreme weather events and other climate-related risks. By investing in roads, bridges, and waterways, we will enhance our region's ability to withstand and recover from climate events. Investments will improve evacuation routes, emergency response times, and access to essential services during and after disasters, reducing the disproportionate impacts on historically underrepresented populations.
- › Low-income communities also experience the highest levels of air and water pollution due to inefficient, outdated roads and waterways. By improving the flow of traffic, enhancing water storage and management practices, and bolstering systems that protect against air and water pollution, we can minimize the impact of outdated infrastructure on our communities.



Infrastructure investment forms the foundation of a strong, resilient economy:

- › Efficient infrastructure enhances productivity and competitiveness: Economists estimate that \$1 billion investment in transportation infrastructure investment will generate \$4.3 billion in total economic activity.
- › Reliable, well-maintained roads, bridges, and transportation reduce economic barriers, lower transportation costs, and improve market access, driving economic growth and competitiveness.

EQUITABLE INFRASTRUCTURE INVESTMENT

Voters, policymakers, and taxpayers each play a unique role in Southern California's infrastructure development: no single player can effectively sway progress on each regional infrastructure challenge without coordinated advocacy efforts. Progress will be predicated on the success of efforts to merge policies, funding programs, and infrastructure projects, led by local and regional planning and engagement efforts. Over time, coordinated efforts will create a strong economy and an equitable future for working families.

To rebuild Southern California and invest in the future infrastructure our region will need to be successful for working families, local and state leaders in California can:

Boost Infrastructure Spending

We should ensure robust funding is dedicated to future infrastructure development and maintenance. This includes funding for repairing existing roadways, fixing bridges, and repaving streets. We should explore dedicated funding solutions in policy at the statewide and local level that ensure important infrastructure projects are aligned with the communities they serve. Investing in infrastructure not only benefits the economy but also creates job opportunities for local residents.

Prioritize Disadvantaged Communities

We should allocate a significant portion of infrastructure spending to address the needs of disadvantaged communities, such as increasing emergency access and evacuation routes, building roads to reduce air pollution, and bolstering waterways to deliver clean water. Elected leaders should identify areas with the greatest need for improved transportation access and prioritize projects that directly benefit these communities.

Create Multimodal Transportation Networks

We should commit to sustained investments crucial for Southern California to expand safe, convenient, efficient, and affordable transit options, support bicycle and pedestrian mobility, and fix roads to relieve congestion and ensure people can safely access their jobs and homes. Prioritizing continued funding will enable the region to enhance public transportation, address road improvements that alleviate traffic congestion, and create smoother, safer commutes for everyone. Comprehensive efforts will result in a more integrated and accessible transportation system, significantly improving the quality of life for millions of individuals across Southern California.

Enhance Water Security and Infrastructure

We know that conservation efforts are essential but aren't enough to provide a reliable and adequate water supply for Southern California. To ensure a sustainable and resilient water future, we have to invest in critical infrastructure that diversifies the region's water sources. Water recycling plants and desalination facilities promote job growth but also build a strong foundation for longterm water reliability and environmental sustainability.

Invest in Workers

We need to continue to invest in the workers who are essential to creating our future infrastructure. For years, the construction industry has faced significant challenges in meeting its workforce demands. According to the BLS, there are over 404,000 unfilled construction positions, and an Associated General Contractors of America survey revealed that approximately 80 percent of construction companies struggle to find the necessary workers. The demand for skilled labor remains as high as ever, especially with a strong focus on "Build Back Better" initiatives, which will create numerous job opportunities. To tackle the skilled workforce shortages in the infrastructure sector, we must expand access to in-demand career training programs and apprenticeship opportunities.

Utilize Data and Technology

We can advance infrastructure by employing data-driven approaches for identifying critical areas requiring improvements. We can utilize technology and analytics to optimize maintenance schedules, anticipate potential issues, and maximize the efficient utilization of resources. These data-driven strategies will enable more informed decision-making, leading to the effective allocation of funds and resources, ultimately fostering more robust and sustainable infrastructure.

Monitor and Measure Progress

We must establish clear metrics that assess the impact of investments on the economy, public safety, and accessibility. Regularly evaluating the effectiveness of policies using these metrics enables data-driven adjustments to be made as necessary, optimizing the outcomes and benefits of transportation initiatives. Through this approach, decisionmakers can make informed and strategic choices, ensuring that resources are efficiently utilized, and the overall development of infrastructure aligns with the needs of the communities it serves.

We should ensure robust funding is dedicated to future infrastructure development and maintenance.



RebuildSoCal.org

The Rebuild SoCal Partnership (RSCP), representing 2,750 contractors and over 90,000 union workers, is committed to advocating for essential infrastructure funding. Together, we aim to work with policymakers and the public to address these challenges effectively.