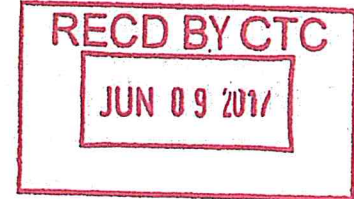


California Legislature

June 8, 2017



Mr. Bob Alvarado, Chairman
California Transportation Commission
1120 N Street, Room 2221, MS-52
Sacramento, CA 95814

RE: **Intent of the Local Partnership Program through Senate Bill 1, the Road Repair and Accountability Act of 2017**

Dear Chair Alvarado:

We would like to thank the California Transportation Commission (CTC) for being a key partner in supporting the passage of SB 1 (Beall), Chapter 5, Statutes of 2017, the Road Repair and Accountability Act of 2017. This support was extremely helpful in making this bill a reality. Over the next few months, the CTC is charged with developing guidelines for a host of the programs enacted under SB 1 in order to ensure the funding generated from SB 1 can immediately begin to flow to needed transportation investments. We look forward to working closely with you on this guideline development.

It has come to our attention that there were questions raised at the May CTC meeting held in San Diego regarding the legislative intent of the Local Partnership Program. We are writing this letter in order to help bring clarity to this question. SB1 included the Local Partnership Program funding in order to reward existing self-help counties and agencies that have passed developer fee programs on their own, and encourage aspiring agencies to achieve the voter thresholds required to impose local sales tax and developer fees for transportation. Imposing a local tax is not an easy feat and these local dollars provide significant benefit to the State's transportation system.

Although not specifically prescribed in SB 1, it was our intent, as co-authors of the measure and drafters of the original language, that the Local Partnership Program be implemented much like the State-Local Partnership Program (SLPP) created pursuant to Proposition 1B of 2006.

The original SLPP funding was provided at a time when there was a severe recession, which decreased available state transportation funding. Despite this challenge California's self-help counties were able to use the \$700 million in SLPP funding and



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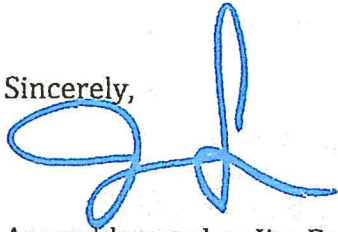
deliver over \$10 billion in projects. In addition, simultaneously there was a large infusion of federal American Reinvestment and Recovery Act funds, which SLPP helped leverage. This success demonstrates the ability for self-help counties to effectively use this type of incentive funding to deliver high priority transportation projects in a timely manner and leverage outside funding opportunities.

Counties seeking to enact local sales tax measures and developer fees are able to present the opportunity to the voters to leverage state funds based on the success of SLPP. The local partnership program is meant to encourage voters that if they agree to tax themselves, the state will provide additional incentive to ensure that local priorities are met. By redirecting these funds back into a state competitive program, there is no guarantee for any voter that the funds would return to their district.

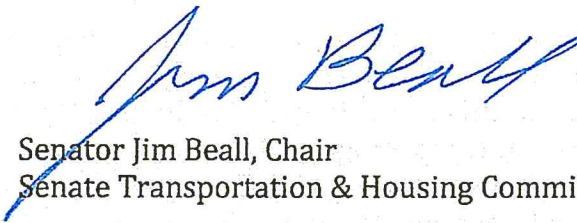
We understand that recently the CTC negotiated a compromise with the Self-Help Counties Coalition (SHCC) that would distribute 50% of the funding through a formula and 50% of the funding through a competitive process. It is also our understanding that the SHCC has requested the ability to revisit this agreement in two years to reconsider a higher proportion of funding be distributed through a formula program. We would encourage this future re-evaluation, as we do with all programs, to ensure the program objectives are being met.

Please let us know if you have any additional questions regarding this position.

Sincerely,



Assemblymember Jim Frazier, Chair
Assembly Transportation Committee



Senator Jim Beall, Chair
Senate Transportation & Housing Committee

cc: CTC Commissioners
Susan Bransen, Executive Director, CTC
Keith Dunn, Executive Director, Self Help Counties Coalition