

Memorandum

To: CHAIR AND COMMISSIONERS

Meeting Date: February 24-25, 2010



From: BIMLA G. RHINEHART
Executive Director

File: Reference No. 4.8
ACTION

Ref.: Proposition 116 (Clean Air and Transportation Improvement Act) - Status Report

Issue: Under current statute, the Legislature may reallocate any Proposition 116 funds not expended or encumbered prior to July 1, 2010. Of the original \$1.99 billion authorization, under \$153.5 million remains unallocated. The inability to sell bonds due to the State's fiscal problems has prevented the Commission from approving Proposition 116 allocations that have been requested by agencies.

Recommendation: Staff recommends that the Commission approve the attached resolution as a policy statement that requesting allocation by June 30, 2010 fulfills the obligation to deliver the project for Proposition 116 funding. Adoption of the resolution would also indicate the Commission's intent to give priority for allocation to projects in the Delivered but Not Allocated list, on a first-come, first-served basis, when Proposition 116 funds become available.

Background: Proposition 116, under Public Utilities Code (PUC) section 99684, stipulates that if any of the funds are not expended or encumbered prior to July 1, 2010, the Legislature may, by a statute passed in each house by a two-thirds vote, reallocate the funds for any other passenger rail project in the state. The Commission has not been able to allocate Proposition 116 funding to projects that are ready for implementation due to the State's fiscal challenges and the unavailability of Proposition 116 bond dollars from the State Treasurer's Office. Proposition 116 funds can be encumbered or expended only upon allocation by the Commission and subject to the execution of a project agreement between the recipient agency and the Department. As of February 1, 2010, the following Proposition 116 projects have been delivered by the respective responsible agencies, and the projects continue to reside on the Delivered but Not Allocated list:

County	PUC Section	Agency, Project	Date Delivered	Allocation Requested
Sacramento	99648	Dept. Parks & Rec., Railroad Museum	Dec '09	\$516,700
San Luis Obispo	99628	SLOCOG, Paso Robles Station Improvements	Dec '09	\$23,900
Orange	99645	OCTA, Metrolink Service Expansion Program	Dec '09	\$29,000,000
Orange	99645	Fullerton, Transportation Center Parking Struct.	Dec '09	\$15,360,000
Orange	99645	OCTA, Tustin Metrolink Station Parking Expn.	Feb '10	\$8,250,000
San Diego	99629(a)	SANDAG, Tecolote-Washington Crossovers	Feb '10	\$500,781
Total				\$53,651,381

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

Proposition 116 Program Delivery Resolution

Resolution PA-10-01

- 1.1. WHEREAS the Clean Air and Transportation Improvement Act of 1990, approved by California voters as Proposition 116, authorized the State of California to issue \$1.99 billion in general obligation bonds for projects that improve air quality, reduce greenhouse gases, and enhance mobility, and
- 1.2. WHEREAS Proposition 116 established the Clean Air and Transportation Improvement Fund, and set forth the purpose and amounts for which allocations shall be made from the fund, and
- 1.3. WHEREAS the California Transportation Commission (Commission) has allocated approximately \$1.837 billion to Proposition 116 projects, and
- 1.4. WHEREAS the Commission acknowledges that recipient agencies continue to request allocations of Proposition 116 funds for the approximately \$153 million not yet encumbered or expended, and
- 1.5. WHEREAS, the State of California has been unable to issue Proposition 116 bonds due to the current fiscal and financial crisis in California and the nation; and the Commission is unable to allocate Proposition 116 funds as a result; and
- 1.6. WHEREAS the Commission has kept a list of “delivered but not allocated projects” in light of the current fiscal conditions, and
- 1.7. WHEREAS if any of Proposition 116 funds are not expended or encumbered by June 30, 2010, the Legislature may reallocate the funds to any other passenger rail project in the state,
- 2.1. NOW THEREFORE BE IT RESOLVED that the Commission acknowledges that recipient agencies continue to deliver Proposition 116 projects in anticipation of funding allocation by the Commission by June 30, 2010, and
- 2.2. BE IT FURTHER RESOLVED, that recipient agencies requesting allocations that are not formally approved but are placed by the Commission on the “delivered but not allocated list” by June 30, 2010, have fulfilled their obligation to deliver the project for Proposition 116 funding; and
- 2.3. BE IT FURTHER RESOLVED that the Commission intends to allocate Proposition 116 funds to “delivered but not allocated projects” on a first-come, first-serve basis as soon as such funds are authorized by the Pooled Money Investment Board or an exemption is granted by the Department of Finance.