

# Memorandum

**To:** CHAIR and COMMISSIONERS

**Date:** September 22-23, 2010

**From:** BIMLA G. RHINEHART  
Executive Director

**Reference No:** 4.15  
**Action**

**Ref:** Letter of No Prejudice Guidelines for Proposition 1A – High Speed Rail Projects  
RESOLUTION LONP1A-G-1011-01

## **ISSUE:**

Senate Bill (SB) 1371, adding Chapter 20.5 (commencing with Section 2704.75) to Division 3 of the Streets and Highways Code, authorizes approval of a Letter of No Prejudice (LONP) for projects programmed or otherwise approved for funding pursuant to Section 2704.095 of the Streets and Highways Code (Proposition 1A). The LONP allows the regional or local agency to expend its own funds (incur reimbursable expenses) for any component of a program project prior to actual allocation of Proposition 1A funds

Prior legislation, Assembly Bill (AB) 672, authorized approval of a LONP for projects programmed or otherwise approved for funding from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B) and authorized the Commission to develop LONP guidelines.

Guidelines for approving LONPs for Proposition 1B projects were adopted on December 10, 2009, under Resolution LONP1B-G-0910-01, and are posted on the Commission's website ([www.catc.ca.gov/programs](http://www.catc.ca.gov/programs)).

## **RECOMMENDATION:**

Staff recommends the Commission, by approval of this resolution, apply the existing Letter of No Prejudice guidelines for Proposition 1B programs to the Proposition 1A program, pursuant to Chapter 20.5 (commencing with Section 2704.75) of Division 3 of the Streets and Highways Code.

## **BACKGROUND:**

Proposition 1A, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21<sup>st</sup> Century, approved by the voters in November 2008, and Proposition 1B, approved by the voters in November 2006, authorized the issuance of State general obligation bonds for specific transportation programs that the Commission administers and allocates.

Due to the ongoing lack of bond funding for new projects, the Commission has been unable to consistently allocate to projects ready for construction. AB 672 and SB 1371, authorize the Commission to approve a Letter of No Prejudice (LONP) for projects in Proposition 1B and Proposition 1A programs that it administers, with the exception of the Highway-Railroad Crossing Safety Account (HRCSA).