



DEPARTMENT OF TRANSPORTATION

# California Department of Transportation State Dollars for Your Airport



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## **Preface**

The Caltrans Division of Aeronautics prepared this document for airport managers, sponsoring agencies, and airport land use commissions so that they can better understand the funding programs that the State of California uses to financially assist public-use airports.

If you have any questions about this publication, please contact us at (916) 654-4959 or [www.dot.ca.gov/aeronautics](http://www.dot.ca.gov/aeronautics) .

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## Introduction

The mission of the California Department of Transportation (Caltrans) in aviation is to foster and promote the development of a safe, efficient, dependable, and environmentally compatible air transportation system. Our vision is to develop a system of airports that will meet the majority of needs of the aviation community and the general public; and do so in a manner that provides safe, efficient, economically beneficial and environmentally compatible facilities within our available resources.

The State's aviation commitment began in 1947 with the create of the Caltrans Aeronautics Commission which eventually became the Division of Aeronautics in Caltrans. The State Aeronautics Act, Public Utilities Code (PUC) section 21001 et seq., is the foundation for the Department's aviation policies.

Grants and loans from the Division fund projects for safety, maintenance, and capital improvements at airports, and fund the preparation of airport land use compatibility plans. These funding programs are the focus of State Dollars for Your Airport.

We issue permits for, and periodically inspect, heliports and airports; make recommendations regarding proposed school sites within two miles of an airport runway; and authorize helicopter landing sites at/near schools. Aviation system planning provides for the integration of aviation into transportation system planning on a regional, statewide, and national basis. We administer noise regulations and land use planning laws that foster compatible land use around airports and we encourage mitigation measures to lessen environmental impacts caused by aviation.

As you read this document, the terms "Department," "Caltrans," "State," "Division," and "Aeronautics" are generally interchangeable and usually refer to the Division of Aeronautics in Caltrans.

## **Chapter 1. State Grants and Credits** **Description of the California Aid to Airports Program (CAAP)**

### **Aeronautics Account**

All State funding programs for aviation purposes are supported by the Aeronautics Account in the State Transportation Fund. Revenues from excise taxes on general aviation (GA) fuel are deposited in the Aeronautics Account. As of 2006, GA avgas is taxed at 18¢ per gallon and GA jet fuel at 2¢. These taxes generate about \$6.0 million annually. The Aeronautics Account also receives small amounts from document sales and interest earned.

The Revenue & Taxation Code (§8352.3) mandates the priority for expending funds from the Aeronautics Account:

- a. State Controller and the Board of Equalization for administering the collection of fuel taxes.
- b. Division of Aeronautics' operations.
- c. Grants and credits for airports.

The Public Utilities Code (§21682-21683.2) specifies the priority for distributing funds among the three funding programs:

1. **Annual Credits.** \$10,000 annually for each eligible airport.
2. **AIP Matching Grants.** The amount set aside for this is at the discretion of the California Transportation Commission (CTC). CTC's goal is to match every eligible, federal Airport Improvement Program (AIP) grant that benefits GA.
3. **A&D Grants.** After Annual Credits and AIP Matching grants are funded, the remaining funds are programmed for Acquisition and Development (A&D) grants, which CTC selects from the projects that the Capital Improvement Plan (CIP) identifies.

### **Ineligible Projects**

#### **Annual Credits**

Annual credits may not be used for:

- a. Land that the sponsor acquired prior to applying to Caltrans.
- b. Local matching prior to acceptance of the federal AIP grant.
- c. Legal Services.

#### **AIP Matching Grants**

AIP Matching grants will not be approved for projects that the sponsor started or completed prior to State allocation of AIP Matching funds, nor will AIP Matching be allowed prior to a sponsor's acceptance of the federal grant.

Land Acquisition will not be approved if the sponsor purchases the property prior to the date that the Department receives the application for an AIP Matching grant.

## **Acquisition and Development (A&D) Grants**

A&D Grants may not be used for:

- a. Land that the sponsor acquired prior to applying to Caltrans.
- b. Local match for a federal AIP grant.
- c. Legal and administrative services.
- d. A project that has been completed.
- e. A project for which construction has already started.

## **Annual Credits**

### **Type of Assistance**

These are State funds that accrue to each eligible airport for use at the sponsor's discretion, subject to applicable laws and regulations.

### **Sponsor Eligibility**

The airport must be owned by an eligible public entity (city, county or district). The sponsor must:

- Have a valid State permit for a public-use airport.
- Ensure that the airport is open to the public without restriction to general and commercial aviation.
- Adopt rules that give it sufficient control over airport operations.
- Have height restrictions that prevent obstructions in the airport's "imaginary" surfaces.
- Establish a Special Aviation Fund which accounts for airport pavements received and expenditures related to CAAP funds.
- Annually certify eligibility with the form DOA-0007, California Aid to Airports Program Certification.
- Not have federal designation as a Reliever or Commercial Service airport.

### **Uses and Restrictions**

The Annual Credit can fund projects for "airport and aviation purposes" and "operation and maintenance," fueling facilities, restrooms, aircraft wash racks, and matching federal AIP grants as defined in the State Aeronautics Act (Sections 21681 (f) and (g)). (Aeronautics Act excerpts, CAAP regulations, and a list of CAAP-eligible projects are in the Appendix.) In addition, Annual Credits can be used for operation.

A sponsor with more than one eligible airport may transfer Annual Credit funds between its airports with prior approval from the Department.

## **Funding Level**

Annual Credits accrue at \$10,000 per year. At the sponsor's discretion, up to five years' worth of Annual Credits may be accumulated. Eligible accrued funds are held by Caltrans.

## **Matching Requirement**

The Annual Credit has no local match requirement.

## **Funding Cycle**

Once the sponsor certifies that its airport is eligible (via form DOA-0007, California Aid to Airports Program Certification), the Department credits the airport's account once each fiscal year. This certification occurs annually but the airport may apply to expend its Annual Credits at any time. Every year, the Department notifies eligible sponsors of the process and provides the necessary forms for certification and expenditure.

The full process for Annual Credits is outlined in Chapter 5 "Processes."

## **Pay-back Requirements**

If an airport is closed to the public for more than one year, a portion of the Annual Credit funds that the sponsor expended in the previous 20 years must be paid back to the Department. The amount to be repaid is the original amount reduced at the rate of five percent (5%) per year. Pay-back is not required for an airport that has been replaced by a comparable facility within one year. The Department may also waive repayment of Annual Credits if it determines that the airport is not necessary to the system of public airports.

Annual Credits are subject to State audit. Records that substantiate the expenditure of Annual Credit monies should be retained for three years. The sponsor may have to repay funds if an audit finds that State law or generally accepted accounting principles have been violated.



## **Capital Improvement Plan (CIP)**

### **CIP Background**

The CIP is a 10-year capital improvement plan (CIP) for each eligible airport. It is based on the airport's adopted Master Plan (or other compatible planning document) and is approved by the applicable regional transportation planning agency (RTPA). The Department updates the CIP every two years.

As an element of the overall California Aviation System Plan (CASP), the CIP is a tool to link ongoing statewide aviation system planning with project funding. The CIP serves as an unconstrained fiscal estimate for airport development projects as desired by airport sponsors, and for airport land use compatibility plans.

Using projects in the CIP, the Department applies a priority matrix to select A&D grants. Also, eligibility for AIP Matching grants is predicated upon a project's inclusion in the CIP.

A current version of the CIP is available from the Aeronautics website.

### **Applying for the CIP**

Inclusion in the CIP follows one of the two following processes:

#### **NPIAS Airports**

When submitting the annual CIP to the FAA, the sponsor of a NPIAS airport provides a copy of the federal ACIP to Caltrans. Aeronautics compiles these annual requests for the biennial CIP.

#### **ALUC & Non-NPIAS Airports**

Caltrans sends application forms to each sponsor every other year. ALUCs and sponsors of each non-NPIAS airport then submit their CIP project lists to their RTPAs and to Aeronautics.

Aeronautics combines the federal ACIP information from NPIAS airports, the ALUC/Non-NPIAS CIP applications, and the RTPA comments to prepare the statewide CIP. The CTC then reviews and adopts the CIP. This occurs in "odd" years.

Note: Inclusion of an airport project or an ALUCP in the CIP does not imply compliance with either the National Environmental Policy Act (NEPA) or the California Environmental Quality Act (CEQA).

## **AIP Matching Grants**

### **Type of Assistance**

These are State grants to assist a sponsor in meeting the local match for an AIP grant from the Federal Aviation Administration (FAA).

### **Sponsor Eligibility**

The sponsor must meet the same eligibility requirements as for Annual Credits. In addition, reliever airports are eligible for AIP Matching grants.

### **Uses and Restrictions**

Caltrans may provide a match not to exceed five percent (5%) of the sponsor's AIP grant. The State will match only those portions of an AIP grant which are primarily for GA purposes. A project, which an AIP grant funds, must be included in the State's CIP to be eligible for a State matching grant.

### **Funding Level**

The Division sets aside an amount for AIP Matching grants in the biennial Aeronautics Program. The goal for the set-aside is to have an amount that will be sufficient to match all likely AIP grants.

### **Matching Requirement**

The State AIP Matching grant can be up to five percent (5%) of the AIP grant. CTC may adjust the actual State AIP Matching grant rate in accordance with the federal matching rate and the availability of State funds.

Besides an AIP Matching grant, a sponsor may also use its Annual Credits towards its share of the local match.

### **Funding Cycle**

The AIP project must be included in the State's CIP, which Caltrans prepares every other year. The sponsor initiates its input to the CIP by providing Aeronautics with a copy of the federal ACIP that the sponsor submits to the FAA annually.

A sponsor may apply for AIP Matching funds once the FAA awards an AIP grant and the sponsor accepts that grant, but before starting the project.

Aeronautics will review the application package for:

- 1) Project's inclusion in the CIP
- 2) Copy of the executed FAA grant agreement
- 3) Authorization from the sponsor
- 4) AIP grant compliance with CEQA

5) Project and airport eligibility, etc.

After this review, and pending funding availability, Caltrans will prepare an AIP Matching Grant Agreement.

Chapter 5 “Processes” has a flowchart which provides more detail about the process for AIP Matching.

### **Pay-back Requirements**

If an airport is closed to the public for more than one year, a portion of the AIP Matching funds that the sponsor received in the previous 20 years must be paid back to the Department. The amount to be repaid is the original amount reduced at the rate of five percent (5%) per year. Pay-back is not required for an airport that has been replaced by a comparable facility within one year.

AIP Matching grants are subject to State audit. Records that substantiate the expenditure of AIP Matching monies must be retained for three years after final payment as per the Grant Agreement. The sponsor may have to repay funds if an audit finds that State law, generally accepted accounting principles, or the Grant Agreement’s provisions have been violated.

## **Acquisition and Development (A&D) Grants**

### **Type of Assistance**

These are 90 percent (90%) State grants subject to CTC allocation.

### **Sponsor Eligibility**

The sponsor must meet the same eligibility requirements as for the Annual Credit. In addition, Reliever and Commercial Service airports are eligible for A&D grants. Also, an airport land use commission (ALUC) can receive funding to prepare/update an airport land use compatibility plan (ALUCP).

### **Uses and Restrictions**

The A&D grants are for the “acquisition and development of airports.” (PUC Section 21683).

### **Funding Level**

The amount available for A&D grants is whatever is left over in the Aeronautics Account after funding State Operations, Annual Credits and AIP Matching grants.

Total A&D funding for a single airport is limited to \$500,000 annually, although regulation 4063(c) allows for certain exceptions.

An A&D grant may be no smaller than twice the Annual Credit amount (i.e. \$20,000).

## **Matching Requirement**

The sponsor must provide a ten percent (10%) match. The matching rate can vary from ten percent (10%) to 50 percent (50%) at CTC's discretion but, to date, only ten percent (10%) has been selected. Neither the Annual Credit nor a State loan may be used as the local match for an A&D grant.

## **Funding Cycle**

A sponsor initiates its A&D request through the Capital Improvement Plan (CIP). Projects which are selected from the CIP for funding become the Aeronautics Program. For NPIAS airports, sponsor submit project list to Caltrans for the State's CIP by sending a copy of its federal ACIP projects. Non-NPIAS airports and ALUCs submit projects directly to Caltrans for inclusion in the CIP.

Project selection is in accordance with a CTC-approved priority matrix, which is on the Division's website. In addition to the three categories of the matrix (safety, capacity and security), selection is based upon an airport's eligibility for AIP grants. The Department sets aside funds for Non-NPIAS airports and ALUCPs. Prioritization occurs within each set-aside.

Each time that the CTC adopts the multi-year Aeronautics Program, the Department will notify the airports and ALUCs and provide a list of selected projects, their amount, and their programmed year.

Prior to the state fiscal year in which a sponsor's project has been programmed, Caltrans will contact the sponsor with instructions and forms for the next step: allocation of funds by the CTC. A sponsor's submittal of forms DOA-0007 and DOA-0010 (see Chapter 6 "Forms") initiates Aeronautics' procedures that bring the sponsor's allocation request to the CTC.

An allocation can be accelerated ahead of its programmed year if funds are available.

Upon CTC allocation, the Department will encumber funds for the project and notify the sponsor to begin project design. The plans and specifications for a construction project must be reviewed and approved by the Department's Airport Engineer. Aeronautics must also approve the sponsor's selection of a construction contractor. Upon approving the sponsor's selection of a contractor, Caltrans will prepare a Grant Agreement and send it to the sponsor. Progress payments, as appropriate, can be made but the Department will hold ten percent (10%) of each payment pending inspection of the final product. Similar processes are used for an ALUCP, an airport layout plan (ALP), a Master Plan, and land acquisition.

Project services (engineering, design, etc.) are limited to 12 percent of the total construction cost for the project. For land acquisition, project services include appraisals, escrow fees, and title fees.

Chapter 5 "Processes" has several flowcharts which provide more detail about the process for A&D construction projects and ALUCP funding.

## **Pay-back Requirements**

If an airport is closed to the public for more than one year, a portion of the AIP Matching funds that the sponsor received in the previous 20 years must be paid back to the Department. The amount to be repaid is the original amount reduced at the rate of five percent (5%) per year. Pay-back is not required for an airport that has been replaced by a comparable facility within one year.

Grants are subject to State audit. Records that substantiate the expenditure of A&D monies must be retained for three years after final payment as per the Grant Agreement. The sponsor may have to repay funds if an audit finds that State law, generally accepted accounting principles, or the Grant Agreement's provisions have been violated.

## **Chapter 2. California Airport Loan Program**

### **Type of Assistance**

These are discretionary State loans to eligible airports for construction and land acquisition projects that benefit an airport and/or improve its self-sufficiency.

### **Sponsor Eligibility**

The sponsor eligibility requirements for grants apply equally to loans.

### **Uses and Restrictions**

Projects that enhance an airport's ability to provide general aviation services (hangars, GA terminals, utilities, GA fueling facilities, A&D-eligible projects, etc.) are eligible. A loan may also provide the local share for an AIP grant. Such a loan can be used in conjunction with a State-funded AIP Matching grant.

Caltrans cannot approve loans for (1) the local match on an A&D grant, or (2) projects that accommodate scheduled air carriers.

For a revenue-producing project, the sponsor must establish a separate account to receive income from the project. In this account, the sponsor will hold in trust an amount equal to one year's repayment of the loan.

The department approves the amount of the loan in accordance with the project's feasibility and the sponsor's financial situation. Economic feasibility is an especially strong factor in the approval of revenue-generating projects (e.g., hangars).

### **Funding Level**

Funding varies with the available balance in the Local Airport Loan Account. This is a revolving fund which was initiated with seed money from the Aeronautics Account. As principal and interest payment come into the Loan Account, the Division of Aeronautics can provide loans to Airports.

### **Matching Requirement**

No local match is required for a loan.

### **Funding Cycle**

A sponsor may request a loan at any time. Aeronautics reviews the application and assesses the project's feasibility. After execution of the Loan Agreement, the State issues a warrant for the loan amount.

The loan process is outlined in Chapter 3 "Processes." Application forms are included in Chapter 5 "Forms."

## **Pay-back Requirements**

A payback schedule is included with each Loan Agreement. Payments are annual. The interest rate is the same as for the State general obligation bonds that were sold at the time of the loan and is computed as simple interest. The maximum term is 17 years.

Loans are subject to State audit. Records that substantiate the expenditure of loan monies must be retained until three years after the loan's retirement. The sponsor may have to repay funds if an audit finds that State law, generally accepted accounting principles or the Loan Agreement's provisions have been violated.

## Chapter 3. Processes

This chapter consists of flowchart-like descriptions for each of the following processes:

- a. Annual Credit (formerly known as the Annual Grant).
- b. AIP Matching Grant.
- c. Acquisition and Development (A&D) grant for a construction project at a Non-NPIAS airport.
- d. Acquisition and Development (A&D) grant for an Airport Land Use Commission (ALUC) to use in preparing or updating an airport land use compatibility plan (ALUCP).
- e. Acquisition and Development (A&D) grant for a construction project at a NPIAS airport.
- f. Airport Loan.
- g. CEQA (Environmental Review). A text description and web references for CEQA forms follow the flowchart.

### Local Government Approval

In the interest of brevity, these process descriptions do not mention the need for an authorizing resolution to accompany applications for grants and loans. However, each grant/loan application **does** have this requirement. (The Annual Credit is exempt from such an approval.)

To assist sponsors in developing applications, the Department offers examples of authorizing resolutions in the Appendix. These may be used to guide preparation of local resolutions for the governing body (city council, board of supervisors, etc.) to authorize grant/loan applications. The examples are illustrative only and are not intended to replace local policies and formats for such resolutions.



**Annual Credit**

<b>Sponsor Action</b>	<b>Caltrans Aeronautics Action</b>
	Transmit DOA-0007 and DOA-0009 forms to sponsors (annual).
Return DOA-0007 (eligibility certification) to Caltrans. Include DOA-0009 (Annual Credit disbursement) if expending some or all of the Annual Credit.	
	Upon receipt of DOA-0007, confirm eligibility and encumber \$10000 (maximum) for the airport's Annual Credit account.
	Upon receipt of DOA-0009, review request for compliance with laws and regulations.
	Maintain a record of accumulated Annual Credits for each airport.
If desired, request transfer of Annual Credits between eligible airports that the sponsor owns. Caltrans does not have a form for a transfer request, so the request should be in letter format and itemized on DOA-0009.	
	Review and approve/reject sponsor's transfer request. Forward to Accounting office for payment issuance.

**Non-NPIAS Airport: Construct a Project with an A&D Grant**

<b>Sponsor Action</b>	<b>Caltrans Aeronautics Action</b>	<b>CTC Action</b>
	Transmit CIP forms and instructions to sponsors of Non-NPIAS airports with a request for projects(biennial).	
Prepare CIP. Transmit to Caltrans		
	Compile statewide CIP with requests from airports/ALUCs and RTPA input.	
		Adopt CIP.
	Apply priority matrix and funding constraints to the CIP to select projects for the Aeronautics Program (biennial).	
		Adopt Aeronautics Program.
	Notify airports of the adopted Program.	
	Send forms/instructions to sponsors with a programmed project (annual).	
Return DOA-0007 (eligibility certification) and DOA-0010 (A&D request) to Caltrans.		
	Review request and forward to CTC.	
		Allocate funds.
	Notify sponsor of the allocation and need to work with the Caltrans Airport Engineer to complete project design. Encumber funds for the project.	
Submit plans, specifications and estimates (PS&E) for the project to Caltrans.		
	Approve selection of contractor. Prepare Grant Agreement and send to sponsor.	
Accept/sign Grant Agreement and return to Caltrans.		
	Execute Grant Agreement. Notify sponsor to award contract and start work.	
Begin construction.		

**ALUC: Prepare or Update an ALUCP with an A&D Grant**

<b>ALUC/Sponsor Action</b>	<b>Caltrans Aeronautics Action</b>	<b>CTC Action</b>
	Transmit CIP forms and instructions to ALUCs (biennial).	
Prepare CIP. Transmit to Caltrans.		
	Compile statewide CIP with requests from airports/ALUCs and RTPA input.	
		Adopt CIP.
	Apply priority matrix and funding constraints to the CIP to select projects for the Aeronautics Program (biennial).	
		Adopt Aeronautics Program.
	Notify ALUCs of the adopted Program.	
	Send forms/instructions to the ALUCs with a programmed ALUCP (annual).	
Return DOA-0010 (A&D request) to Caltrans.		
	Review work plan specifications. Recommend changes. Notify ALUC to initiate bidding for a consultant.	
Receive consultant bids. Submit preference to Caltrans.		
	Approve consultant selection. Prepare Grant Agreement and send to ALUC.	
Accept/sign Grant Agreement and return to Caltrans.		
	Execute Grant Agreement. Notify ALUC to award contract and start work.	
Begin work on ALUCP.		

Note: Project is considered complete when the ALUCP is adopted.

If the ALUC prepares the ALUCP with its own staff, the contract steps above are not necessary. However, Caltrans would still approve the ALUC's work plan for the ALUCP.

**NPIAS Airport: Construct a Project with an A&D Grant**

<b>Sponsor Action</b>	<b>Caltrans Aeronautics Action</b>	<b>CTC Action</b>
Prepare the ACIP for FAA. Transmit ACIP to FAA and Caltrans (annual).		
	Compile statewide CIP with requests from airports/ALUCs and RTPA input.	
		Adopt CIP.
	Apply priority matrix and funding constraints to the CIP to select projects for the Aeronautics Program (biennial).	
		Adopt Aeronautics Program.
	Notify airports of the adopted Program.	
	Send forms/instructions to sponsors with a programmed project (annual).	
Return DOA-0007 (eligibility certification) and DOA-0010 (A&D request) to Caltrans		
	Review request and forward to CTC.	
		Allocate funds.
	Notify sponsor of the allocation and need to work with the Caltrans Airport Engineer to complete project design. Encumber funds for the project.	
Submit plans, specifications and estimates (PS&E) for the project to Caltrans.		
	Approve contractor selection. Prepare Grant Agreement and send to sponsor.	
Accept/sign Grant Agreement and return to Caltrans		
	Execute Grant Agreement. Notify sponsor to award contract and start work.	
Begin construction.		

**NPIAS Airport: AIP Matching Grant**

Sponsor Action	Caltrans Aeronautics Action	CTC Action	FAA Action
Prepare ACIP for FAA. Transmit ACIP to FAA and Caltrans (annual).			
	Compile statewide CIP with requests from airports/ALUCs and RTPA input. Submit to CTC (biennial).		
		Adopt CIP.	
		Allocate funds in a set-aside for AIP Matching (annual).	
			Award AIP grants (annual)
Receive AIP grant. Submit DOA-0007 (eligibility certification) and DOA-0012 (AIP Match) to Caltrans with all supporting documentation (listed in Part III on application).			
	Review application. Determine eligibility, verify CIP entry, etc. Encumber AIP Matching funds for the project if funds are available.		
	Prepare Grant Agreement and sent to sponsor.		
Accept/sign Grant Agreement and return to Caltrans.			
	Execute Grant Agreement. Notify sponsor to begin construction.		
Begin construction.			

## Airport Loan

<b>Sponsor Action</b>	<b>Caltrans Aeronautics Action</b>
Submit DOA-0007 and form DOA-0020 to Caltrans.	
	Determine project feasibility and fund availability. Reject or approve application.
	Prepare Loan Agreement and send to sponsor. The interest rate for the loan is set at this time. Because the repayment schedule starts when the State warrant for the loan is issued, the sponsor may request that Aeronautics hold a Loan Agreement to better coordinate timing for construction & funding.
Accept/sign Loan Agreement and return to Caltrans.	
	Execute the Loan Agreement Request payment by the State Controller.
<p><b>Notes on “timing:”</b>                      The sponsor may construct the project at any time, but Caltrans can guarantee loan funds only after execution of the Loan Agreement.</p>	
	The Caltrans Division of Accounting transmits a payment invoice annually to the sponsor, beginning one year after the State warrant.
Pay interest and principal as per the annual Caltrans invoice and provisions of the Loan Agreement.	

## **California Environmental Quality Act (CEQA)**

For the purposes of this funding manual, the airport sponsor is assumed to be the Lead Agency. The complete description of the CEQA process is available in Appendix C of the CEQA Handbook (links are shown below).

CEQA (Public Resources Code § 21000 *et. Seq.*) requires State and local agencies to identify the significant environmental impacts of their actions and avoid or mitigate those impacts, if feasible. The CEQA Guidelines are the State regulations that explain and interpret the law for the public agencies which administer CEQA.

As a “Responsible Agency” under CEQA, the Division has discretionary approval authority over State funds for airport grants/loans and new/amended airport/heliport permit applications.

For projects with federal involvement and subject to the National Environmental Policy Act, the Federal Aviation Administration’s environmental management policies in FAA Orders 1050.1E and 5050.4A should also be considered.

## Chapter 4. Frequently Asked Questions

Question	Answer
1. Do I have to certify my eligibility for the California Aid to Airports Program (CAAP) every year?	Yes. Aeronautics sends the <a href="#">California Aid to Airports Program Certification (Form DOA-0007)</a> annually. The form is also available on the Aeronautics website.
2. Do I have to request disbursement of my Annual Credit every year?	No. Airports may accrue up to \$50,000 over five years in their account. Any funds remaining in the account over \$50,000 revert to the Aeronautics Account. Use the <a href="#">California Aid to Airports Program Annual Funds Request (Form DOA-0009)</a> to request reimbursement for qualified expenses. Annual Credit eligible projects are found in PUC 21681(f) and (g) and Section 4062 of the regulations and are also listed in Appendix 5. These items are also available on the Aeronautics website.
3. Can I use my Annual Credit for the local match to an AIP grant?	Yes. Annual Credits can be used as part or all of the local match for a federal AIP grant. The Annual Credit may be used in conjunction with a State AIP Matching grant, too.
4. Can I use my Annual Credit for the local match to an A&D grant?	No. State law expressly prohibits using the Annual Credit for the local match to an A&D grant.
5. When can I apply for an AIP Matching grant?	As soon as the public entity receives and signs the FAA grant offer, apply immediately to the State. To be eligible, sponsor must apply for and receive the matching grant agreement before starting the project.
6. How long does it take to get an AIP Matching Grant?	If funding is available immediately and the grant application is complete (CIP, CEQA, AIP grant, etc.), Aeronautics generally issues the Grant Agreement within 3 to 4 weeks.
7. How do I get paid for an AIP Matching grant?	Once the public entity submits the pay request (either Form 271 or ECHO report) to FAA and receives the subsequent payment, it may request State matching. If this is a progress payment, a 10% retention will be withheld by Aeronautics until the project is finished and completely paid by the FAA.
8. Whom do I contact regarding my A&D project?	Contact the Division of Aeronautics Engineer who will be assigned to you once the

California Department of Transportation  
State Dollars for Your Airport

Question	Answer
	California Transportation Commission (CTC) allocates funds for your project.
9. How does an ALUC apply for a grant to prepare an ALUCP?	At the start of each Capital Improvement Plan (CIP) cycle, Aeronautics provides each ALUC with application forms. After review of the CIP applications by the regional transportation planning agencies and the CTC, the Department will select airport projects and ALUCPs in accordance with a rating matrix and the availability of funds. Chapter 5 includes an ALUCP-grant flowchart called "Processes."
10. How long does it take to get a loan?	From the time a complete application package is received, 2 to 3 months will pass before the State Controller issues a warrant for the project. Approvals are longer when environmental documentation is incomplete and/or the project's economic feasibility is not immediately apparent. Note: Aeronautics will "hold" approval of the sponsor's request to accommodate the construction schedule.
11. What is the current interest rate for loans?	A loan's interest rate is equal to the State General Obligation (GO) bond sale which occurs prior to Caltrans' approval of the loan. That interest rate applies for the full term of the Loan Agreement. The interest rate on the State's GO bonds varies with the State's credit rating and the overall bond market.
12. What is the maximum term for a loan?	17 years.
13. How can I get additional information about airport grants and loans?	Visit the Caltrans Aeronautics website or call (916) 654-4959. <a href="#">Federal grants</a> FAA (Southern CA) Phone: (310) 725-3608 FAA (Northern CA) Phone: (650) 876-2778

## Chapter 5. Forms

Forms for the Division of Aeronautics Grants and Loans Program are listed below:

- [California Aid to Airports Program \(CAAP\) Certification](#) (Form DOA-0007)
- [CAAP Annual Credit Disbursement Request](#) (DOA-0009)
- [Acquisition and Development \(A&D\) Grant – Application](#) (DOA\_0010)
- [State Matching Grant for FAA Airport Improvement Program – Application](#) (DOA-0012)
- [Airport Development Loan – Application](#) (DOA-0013)
- [Matching Funds Loan – Application](#) (DOA-0019)
- [Revenue Generating Loan – Application](#) (DOA-0020) and Checklist for Economic Feasibility (on page 2 of Form DOA-0020)

Note: All forms are available on the Division of Aeronautics website in the Grants and Loans area.

