



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

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September 2, 2014

Brent Green
California Department of Transportation
Division of Right of Way and Land Surveys
PO Box 942873, MS-37
Sacramento, CA 94273-0001

Dear Mr. Green:

Based on a review of the Affordable Sales Program regulations proposed by the California Department of Transportation (Caltrans), we determined that these regulations meet the \$50 million economic impact threshold for major regulations. As a result, a Standardized Regulatory Impact Assessment (SRIA) is required before the regulations can be adopted.

The Affordable Sales Program regulations will allow Caltrans to sell roughly 400 excess residential properties from the highway 710 connector program in Southern California. Based on information regarding rental income and property location, we estimate that the value of these properties would be at least \$200 million. Although the sales will occur over several years, based on the estimated impact of \$200 million, we expect that the threshold of \$50 million in one twelve-month period would be reached.

As we have discussed, Government Code section 11346.3 and California Code of Regulations, title 1, sections 2002 and 2003 require an agency promulgating major regulations to prepare and submit a SRIA to the Department of Finance (Finance) for comments. The agency must summarize and respond to Finance's comments, and include them with the notice of proposed action it files with the Office of Administrative Law. California Code of Regulations, title 1, section 2002(a)(1) requires that a SRIA be submitted to Finance not less than 60 days prior to the filing of a notice of proposed action with the Office of Administrative Law. As this deadline has already passed, as soon as Caltrans submits the SRIA, we will work to provide formal comments. The SRIA, a summary of Finance's comments, and Caltrans' response would then need to be circulated for public comment.

Again, we appreciate your efforts to identify the economic impact of the proposed regulation and your willingness to work with Finance to ensure that the SRIA provides the required information.

Sincerely,

Irena Asmundson
Chief Economist

Cc: Ms. Panorea Avdis, Governor's Office on Business and Economic Development
Ms. Debra Cornez, Office of Administrative Law
Mr. Brian Annis, California State Transportation Agency
Ms. Jennifer Lowden, California Department of Transportation