PASSED BY
CTC
JUN 15 2000
CALIFORNIA
TRANSPORTATION COMMISSION

CALIFORNIA TRANSPORTATION COMMISSION
Amendment of State Highway Account Loan Program
Uniform Loan Application and Agreement Package

Resolution G-00-15
Replacing Resolution G-00-06

1.1 WHEREAS, Section 14529.6 of the Government Code was added by Chapter 783 of the Statutes of 1999 (AB 1012, Torlakson), in which the Legislature declared its intent to expedite the use of funds in the State Highway Account and directed the California Transportation Commission (the Commission) and the Department of Transportation (Department) to accomplish the tasks necessary to put these funds to work on needed transportation improvements as soon as possible, and

1.2 WHEREAS, Section 14529.6 of the Government Code establishes a loan program to advance unallocated funds from the State Highway Account for the advancement of projects eligible under the State Transportation Improvement Program that are included within an adopted regional transportation plan, and

1.3 WHEREAS, on December 9, 2000, the Department presented its estimate of the amount of unallocated State Highway Account funds that would be available for loans during the six month period beginning January 2000 through June 2000, and on January 20, 2000 the Commission adopted Resolution G-00-01 approving the semi-annual projection of funds available to loan under this program, and

1.4 WHEREAS, Section 14529.6 of the Government Code requires the Commission to adopt a uniform loan agreement package, including guidelines and procedures, and

1.5 WHEREAS, on January 20, 2000, the Department presented draft guidelines and procedures to implement and expedite the loan program, and on February 23, 2000, a hearing of the uniform loan agreement package, including the guidelines and procedures, was held by the Commission, and

1.6 WHEREAS, on March 30, 2000, the Commission adopted Resolution G-00-06, the State Highway Account Loan Program Uniform Loan Application and Agreement Package, which included the guidelines and procedures, and

1.7 WHEREAS, at the Commission's March 30, 2000, meeting, amendments to the guidelines and procedures clarifying that applications from independent fiscal consultants meeting certain qualification standards will be accepted by the Department on a continuous basis, that applicants for a loan should exercise due diligence when selecting a fiscal consultant to perform the fiscal assessment required for the loan, and that the governing body of the approving authority for the County's STIP submittal has certain responsibilities in connection to the loan, were discussed and requested by the Commission, and

1.8 WHEREAS, subsequent to the March 30, 2000, Commission meeting, the requirements for pre-qualification to the independent fiscal consultant list were revised, and a list of candidates approved by the Department was proposed as part of the Uniform Loan Application and Agreement Package adopted by the Commission, and

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1.9 WHEREAS, on May 11, 2000, amendments incorporating the requested changes to the guidelines and procedures were proposed.

2.1 NOW THEREFORE BE IT RESOLVED the California Transportation Commission does hereby amend the Uniform Loan Application and Agreement Package as proposed, including amendments to the Independent Fiscal Consultant section.

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CALIFORNIA TRANSPORTATION COMMISSION

GUIDELINES AND PROCEDURES FOR THE STATE HIGHWAY ACCOUNT LOAN PROGRAM

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CALIFORNIA TRANSPORTATION COMMISSION
GUIDELINES AND PROCEDURES FOR THE
STATE HIGHWAY ACCOUNT LOAN PROGRAM

1 AUTHORITY AND PURPOSE

Government Code Section 14529.6, added by Chapter 783 of the Statutes of 1999 (AB 1012), establishes a loan program to advance unallocated funds from the State Highway Account (SHA) to local entities for the advancement of projects eligible under the State Transportation Improvement Program (STIP) that are included within an adopted Regional Transportation Plan (RTP). The statutory intent is to expedite the use of the high cash balance in the SHA by putting the funds to work "at the earliest possible time on needed transportation improvements."

The Commission is required by Section 14529.6(e) to propose guidelines and procedures to implement and expedite the loan program authorized under AB 1012, herein after referred to as the SHA Loan Program, and by Section 14529.6(f) to adopt, after a public hearing, a "uniform loan agreement package" including guidelines and procedures.

These guidelines and procedures become effective when adopted by the Commission. The Commission may revise these guidelines and procedures at any time after first giving notice of proposed amendments and conducting at least one public hearing.

2 SCOPE OF SHA LOAN PROGRAM GUIDELINES AND PROCEDURES

The guidelines apply to all loans to local entities approved by the Commission under the provisions of Government Code Section 14529.6. For purposes of these guidelines, the term "local entity" includes transportation planning agencies, county transportation commissions, transit districts, city and county governments, and local transportation authorities. The guidelines are intended to provide policy guidance and direction for actions as well as activity processes and procedures related to loans for advancement of eligible projects. Specific activities governed by these guidelines include independent fiscal analysis, project eligibility, loan application review and approval, transmittal of funds, loan terms, "calling" of the loan for non-compliance or default, project overruns, and monitoring and reporting.

The procedures are intended to detail responsibilities and requirements, and provide guidance on making an application. Caltrans may develop and maintain additional internal administrative procedures necessary to carry out the legislative intent of this loan program.

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3 GUIDELINES

3.1 Funding Availability, Minimums/Maximums – Criteria to Determine Application Status

As authorized by Government Code Section 14529.6, the Commission may advance monies from the SHA in the form of loans whenever the SHA cash balance exceeds $400 million. The total amount of outstanding loans shall not exceed $500 million at any one time.

Twice a year, on January 15 and July 15, the Commission is required to adopt projections of funding availability and the period of time during which the funds will be available. In addition to the minimum SHA balance and loan program capacity, approval of a loan application is subject to the Commission's adopted projection in effect at the time the application is received by Caltrans.

Loans will be approved on a first-come, first-served basis, except that an out-of-order application may be approved when program capacity would be exceeded if a preceding application were approved. The Commission intends that Caltrans use the following criteria to determine an application's "status" in determining its call on available funds.

1. The date and order in which it is received.
2. Whether the cumulative total of funds available to loan is greater than the amount requested.

Caltrans may, however, negotiate with an applicant for a reduced loan amount when an application that exceeds available funds includes funding for more than one project. The applicant may elect to delete one or more projects from the original request, bringing the reduced loan amount in line with available funds.

3.2 Independent Fiscal Consultant Analysis Required

Government Code Section 14529.6(b)(3) requires an applicant for a loan to have had a fiscal assessment of its ability to repay a loan completed by an independent fiscal consultant selected from a list of fiscal consultants that were "pre-qualified" and approved for inclusion on the list by Caltrans and the Commission. The fiscal analysis of the applicant's ability to repay a loan must be submitted with the application. Caltrans' recommendation to the Commission for approval of a loan will primarily be based on the fiscal consultant's analysis.

Caltrans will advertise for fiscal consultants interested in being on the "pre-qualified" list. The advertisement notice will be through Caltrans' normal contract advertising process including notice on the Caltrans web page: http://www.dot.ca.gov or http://www.ns.net/caltrans/consult.htm. Interested fiscal consultants will be asked to respond to a "Request for Information" that includes criteria necessary to be pre-qualified. Once established, the "pre-qualified" list of fiscal consultants may be updated periodically by Caltrans.

In addition to periodic advertising, Caltrans shall post the qualification criteria approved by the Commission as part of the Uniform Loan Application and Agreement package on the CTC web site at: http://www.dot.ca.gov/CTC/. Qualification information and resumes submitted by interested fiscal consultants shall be accepted on a continuous basis.

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Loan applicants may select a consultant who is not on the "pre-qualified" list of consultants, however Caltrans must validate the consultant's credentials prior to loan approval. Commission approval of the consultant for inclusion on the "pre-qualified" list may occur concurrently with loan approval. If the loan applicant elects to proceed in this manner, the fiscal consultant's qualification information and resume must be submitted to Caltrans within the due dates set in the CTC Meeting Material Submittal due date schedule as discussed in Section 3.4, below. If Caltrans finds that the consultant does not meet the minimum qualification criteria, the fiscal analysis completed by the consultant for the applicant will be invalid for this loan program, and the loan will not be approved.

3.3 Project Eligibility

Only projects that are STIP eligible and included in an adopted RTP are eligible for funding under this program. Projects must also comply with the California Environmental Quality Act requirements and cost limitations as specified in Government Code Sections 14529.6(b)(1) and (b)(2), respectively.

"STIP eligible" means those types of projects as defined in Streets and Highways Code Section 164(e) and further clarified in the CTC's STIP guidelines, Section 25, and which are also included in the adopted RTP.

Loans will be solely for the capital improvement phase of a project, which may include the costs of construction management and engineering. The Commission will not approve loans for environmental, preliminary and final engineering, right-of-way engineering, and associated project development activities.

Local entities in need of funding for certain project development elements, specifically environmental, permits, and plans, specifications, and estimates, may be eligible for advance funding under the Advance Project Development Element (APDE) added to the STIP in response to provisions of Government Code Section 14529.01. Additional information about the APDE may be found in the "Guidelines for 2000 STIP Advance Project Development Element" (CTC Resolution G-99-28 Amending Resolutions G-99-23 and G-99-27).

3.4 Loan Application, Loan Approval and Disbursement of Loaned Funds

Government Code Section 14529.6 provides a 60-day timeline for loans to be approved and monies to be transmitted. The Commission is required to approve or disapprove loan applications within 30 days after the application is submitted. During the 30 days prior to approval, loan agreements must be made available to interested parties. Not later than 30 days after loan approval, the monies must be transmitted directly to the applicant.

In addition to the 60-day timeline, an unspecified period is allowed by Government Code Section 14529.6(b)(3) for Caltrans to make a recommendation to the Commission based on the analysis conducted by the independent fiscal consultant. For purposes of these guidelines, the "date the application is submitted" shall be defined as "the date the Commission receives a loan request and recommendation from Caltrans" at a regularly scheduled public meeting.

When a local entity has a fiscal analysis completed by an independent fiscal consultant, the entity will submit an application to Caltrans in the form of the "Uniform Loan Application and Agreement" adopted by the Commission. Upon receipt, the application will be posted on the CTC web site for review by interested parties. Interested parties may submit comments concerning an application to Caltrans. Comments shall be in writing.

Caltrans must receive the application and other material within the due dates set in the "CTC Meeting Material Submittal" due date schedule in order for Caltrans to make a recommendation to the CTC at the earliest meeting. The CTC meeting schedule can be found on the web site: http://www.dot.ca.gov/hq/transprog/ctcliaison.htm. The appropriate due date for loan application and material submittals are the same date as for "Program Amendments and Fund Requests Due Programming/Budgets." Any material not meeting the deadline will be held over for presentation at the next scheduled CTC meeting. However, a report of all material received by Caltrans shall be made available to Commission staff as it is received.

Caltrans will review the application in the order it is received, prepare appropriate agreements if applicable, and make a loan request and recommendation to the Commission. Caltrans will submit a loan request and recommendation for all timely received applications, and any comments from interested parties, to the Commission at its next regularly scheduled meeting.

The loan request and recommendation to be presented to the Commission shall include all of the following information:

◊ Identity of the applicant.
◊ The date and time the application was received by Caltrans.
◊ The application "status" established by Caltrans using criteria in Section 3.1.
◊ The amount of the loan requested rounded to the nearest $1,000.
◊ The terms of the loan.
◊ A request for waiver for a county with less than 500,000 population.
◊ The project(s) description.
◊ Evidence that the project is in an adopted RTP.
◊ The estimated date the project is scheduled for construction.
◊ Caltrans' recommendation (approve or disapprove) based on at least the following:
  - All conditions for loan approval specified in Government Code Section 14529.6(b) have/have not been met.
  - The fiscal assessment by the independent fiscal analyst.
  - The "status" of the application.
◊ A copy of the Loan Agreement and attachments.
◊ Copy of comments from interested parties.

After the Commission has been assured by Caltrans that all the conditions specified in Government Code Section 14529.6(b) have been met, and the local entity has the resources and capability of repaying the loan, the Commission shall act on the loan.

The Commission may delegate authority to Caltrans to execute (sign) the loan agreement once the Commission approves a loan.

The statutes allow Caltrans a period of 30 days after loan approval to transmit the loaned funds to the recipient. It is the intent of the Commission that transmittal of loaned funds is accelerated by Caltrans to the extent possible.

Any work performed by Caltrans under contract or other agreement with a local entity when the project is being funded from monies loaned under this program shall be undertaken in conformance to provisions of Government Code Section 14529.3. Under no circumstances will loaned monies be held as advance collections in the SHA pending completion of reimbursed work. Loaned monies will be transmitted directly to applicants.

3.5 Loan Terms

Loan terms specified in Government Code Section 14529.6(b) apply to all loans approved by the CTC under this program.

Loans must be repaid within four (4) years from the date the loan is made. However, for the stated purpose of informing potential loan applicants of the availability of funds to be loaned, the Commission is required to adopt a semi-annual projection of funds available to loan, and the length of times funds are available. The projection may show funds are available for different lengths of time within the 4-year period allowed by law. Applicants will base their loan request, and, Caltrans, its recommendation, on the adopted projection in effect at the time the application was received. To ensure that applicants are fully aware of funding availability and time limitations, it shall be Caltrans' responsibility to inform applicants of the status at the time a "Uniform Loan Application and Agreement" package is requested by the applicant.

Repayment of loans must be in cash from non-state sources. Cash from non-state sources may include, but is not limited to, local funding such as "measure" money or bond proceeds that have been approved through a public vote for transportation purposes, or sales tax or gas tax money that flows directly to the local entity. Cash from non-state sources does not include monies that would be allocated by the Commission as direct STIP project allocations, or as subventions funded from either state or federal resources. [E.g.: Local sales taxes, fuel taxes, measure money, motor vehicle fees, and developer fees are examples of fund sources that may be used for repayment; Regional Surface Transportation Program (RSTP) and Congestion Mitigation and Air Quality Program (CMAQ) funds do not qualify.]

Interest must be charged at the rate paid on money in the Pooled Money Investment Account (PMIA) during the period of time the money is loaned. Repayment of the principal, interest, and penalties, if any, must be made to the State Highway Account. Because the PMIA rate changes quarterly, Caltrans shall fully disclose the manner in which interest will be assessed over the length of the loan in the "Uniform Loan Application and Agreement." A history of the PMIA Yield Rates can be found at the State Controllers Office web site: http://www.sco.ca.gov/ard/pooled/pmia.pdf.

Caltrans shall require applicants to include in their application a financial plan that demonstrates full funding of the project and the proposed loan repayment plan. The financial plan is to include full funding of all phases of the project, including those not provided for by the loaned funds, an expenditure plan for the project, and the proposed plan of repayment of principal and interest on the loan, including fund sources. There shall be, however, no penalty for prepayment of principal and/or interest made in advance of the proposed plan.

3.6 Project Overruns

Applicants are responsible to make accurate estimates of project costs. A local entity receiving a loan under this program shall be responsible for funding any deficiencies over the loaned amount.

3.7 Delay of Construction and Notification Rescinding the Loan

Government Code Section 14529.6(b)(13) requires projects funded under this program to be under construction not later than 6 months after transmittal of loan funds. If construction does not begin before the date set by Caltrans under this provision, Caltrans is required to notify the applicant that the loan, plus interest, must be repaid within 10 days after notification is made to avoid default. Caltrans will set the final date that construction may begin at the time it sets the date that funds are to be transmitted to the recipient following approval of the loan. As directed by the statute, Caltrans will require applicants to agree in writing that construction of the project will begin no later than the date set by Caltrans.

For the purposes of these guidelines, "construction" is defined as the "award of construction" date. Recipients of loans under this program shall provide Caltrans with a copy of the executed construction contract on, or before, the date set by Caltrans for construction to begin, as evidence that "construction" has begun. If, for any reason, the project must be re-advertised for contract award after the date set by Caltrans, the loan shall be in default and all principal. interest, and penalties prescribed by Government Code Section 14529.6(b)(7) are immediately due and payable.

The Commission recognizes that situations may arise that could delay the construction date far beyond the six months, or prevent it altogether. If known early by the recipient of a loan, the loaned monies plus interest may be voluntarily repaid early for re-circulation within the loan program. Therefore, at any time prior to the date set by Caltrans for construction to begin, if a local entity becomes aware that construction may be delayed for an indefinite time period, the entity may notify Caltrans, in writing, that the loan may be rescinded early. Upon receipt of the notification, Caltrans may immediately rescind the loan and no penalties will be accessed (interest charges will still apply for the period the loan was in effect).

Caltrans shall provide a written notification to the Commission within 30 days, with the particulars of any rescinded loan. As part of the notification, Caltrans shall advise the Commission of the availability of the returned monies for re-circulation within the loan program.

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3.8 Monitoring and Reporting

Caltrans shall be responsible to monitor loans and repayment schedules and to provide a semi-annual "status of loans report" to the Commission. The report shall be submitted at the time Caltrans reports the six-month cash-flow needs of the STIP, prior to the Commission adopting projections of available funds to be loaned on January 15 and July 15 each year.

3.9 Reporting of Defaults

Caltrans shall immediately report any default to the Commission. In addition to detailed specifics regarding the default, the report shall include information on how repayment of the principal, interest, and penalty will be made.

County shares will be reduced to satisfy the default requirements in accordance to Government Section 14529.6(b)(7). Interest will continue to accrue on any loan that is in default up to the date the county share reduction is made. Reductions in county share funding and ineligibility for regional share fund programming are to be outlined in the report.

4 PROCEDURES

4.1 Department of Transportation Responsibilities

Caltrans is responsible for reviewing and analyzing applications in a timely manner. Caltrans will review and analyze each application and make a determination whether all the conditions required for loan approval specified in Government Code Section 14529.6 are met. Caltrans will submit a loan request and/or a recommendation to approve or disapprove the loan to the Commission for each application it receives.

Caltrans will review and analyze each application in the order it is received. There is, however, no guarantee an application received first will be approved when other factors have been weighed. Caltrans will rank each application based on the analysis conducted by an independent fiscal consultant of the applicant's ability to repay the loan. Caltrans will also use criteria as stated in Section 3.1 of the Guidelines to determine the application's "status," or placement in line for available funds.

Processes conducted during the 30-day period following CTC approval of a loan will include the following:

- ◊ The reconciliation of discrepancies between the approved loan amount and terms of repayment if different than requested in the application.
- ◊ Setting of the date to transmit loaned monies and the final date for construction to begin, which will be within six (6) months after loaned monies are transmitted.
- ◊ Obtaining the applicant's written agreement that construction will begin by the date set by Caltrans.
- ◊ Execution of the loan agreement.
- ◊ Accounting activities necessary to transmit loaned monies.

Caltrans will transmit loaned monies directly to the applicant no later than 30 days after the Commission approves a loan request.

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4.2 Eligible Applicants

Any local entity that is a transportation planning agency or county transportation commission, that is also the approving authority for the county's submission to the STIP, may apply for a loan under this program. Other local entities such as transit districts, city or county governments or local transportation authorities applying for a loan under this program must apply jointly with a regional transportation planning agency or county transportation commission that is the approving authority for the county's submission to the STIP.

4.3 Approval Subject to Funding Minimums/Maximums

Approval of a loan application is subject to the Commission's adopted projection in effect at the time the application is received by Caltrans and the following statutory minimums and maximums:

- The SHA balance must exceed $400 million.
- The aggregate amount of outstanding loans must not exceed $500 million at any one time.

The criteria established in Guidelines Section 3.1 will be used when loan approval would result in the minimum or maximum limitations being exceeded, as stated in the adopted projection or in statutes. When recommendations are being made for two or more applications at the same CTC meeting, and all other factors are equal, Caltrans will base its recommendation for approval or disapproval of an application on its status.

Example: (Assume each application includes funding for one (1) project.)

Amount Requested	Date Received	Status	Recommendation	Cumulative Available $25 million
$15 million	5/10/00	1	Approve	$10 million
$15 million	5/15/00	3	Disapprove	
$10 million	5/20/00	2	Approve	$ 0

Note: Using the same example, assume the first application includes a funding request for two $15 million projects. If the applicant agrees in writing to delete one project from the request, Caltrans' recommendation would be the same as shown in the example. If, however, the first application includes a funding request for one $15 million project and one $10 million project, the recommendation would be to approve the first application, and disapprove the second and third applications.

Caltrans will not hold applications over for later processing whenever funding capacity has been reached. The Commission will suspend the loan program when the SHA balance is less than $400 million, or terminate the program whenever termination is deemed to be the most prudent action. Applications will not be processed during any suspension period. Applicants are encouraged to contact Caltrans' Innovative Finance Program in Sacramento to determine the program status before submitting an application.

4.4 Project and Applicant Requirements

4.4.1 Ineligible Projects

Loans made under the SHA Loan Program are subject to funding restrictions of Article XIX of the California Constitution. Caltrans will automatically reject an application that includes funding for any project that would be prohibited under Article XIX (i.e., rolling stock, freight carrier, non-transportation related, etc.).

4.4.2 Minimum Project Requirements

Loan applications for projects that do not meet the following minimum requirements will not be considered further:

- The project is STIP eligible and included in an RTP adopted by a Regional Planning Agency.
- The project complies with California Environmental Quality Act (CEQA) certification requirements and has an Environmental Impact Report prepared.
- For each project, costs are greater than $10 million, unless waived by CTC for a county with less than 500,000 population, and then the project costs are equal to or less than 50% of the current county's share.

When an application includes more than one project, each project must meet minimum project requirements.

4.4.3 Project Readiness

Monies advanced as loans under this program are for the capital improvement phase of transportation projects. It is the applicant's responsibility to evaluate whether the project is at the stage of development that construction can reasonably be expected to begin within 6 months from the date loaned monies are transmitted.

4.4.4 Applicant Requirements and Responsibilities

Applicants are required to certify that no other funds are available and that there is no intent to borrow and then bank or invest SHA funds at a higher yield than the PMIA rate. This would create an arbitrage situation that is not allowed under this loan program. Applicants should review existing resources to identify other funding sources that may be available to fund the project. During this process, applicants are encouraged to investigate the possibility that the project may be eligible for federal funds.

Applicants must limit a loan request for any single county for one or more projects to an amount not greater than $100 million that does not exceed 50 percent of the regional share funding allocation (county share) as published in the most recent STIP Fund Estimate for that county.

When the application is for multiple projects, applicants must prioritize the projects. Following negotiations authorized by Section 3.1 of the guidelines, Caltrans may recommend the Commission approve a reduced loan amount dependent upon deletion of one or more projects from the application. Applicants electing to delete one or more lower priority

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projects from the application must submit a revised application at least two (2) working days prior to the CTC meeting at which Caltrans' recommendation will be heard.

Applicants must demonstrate their ability to repay the loan from non-state sources. Following their own procurement process, applicants must select an independent fiscal consultant from an approved list to conduct a fiscal assessment of the local entity's ability to repay the loan. Costs incurred for the fiscal assessment must be paid by the applicant, and are not to be included in the loan request. Additional information concerning the pre-qualified independent fiscal consultant list and responsibilities of the fiscal consultant and applicant is included in Section 3.2 and Section 4.5 of these guidelines and procedures.

4.5 Independent Fiscal Consultant Requirements and Responsibilities

4.5.1 Fiscal Assessment Required

A fiscal consultant selected by an applicant for a loan under this program must perform a fiscal assessment that includes a review of the applicant's most recent audited financial statements and available working papers, audit reports, and potential legal claims and or liabilities pending that may impact the applicant's ability to repay a loan.

The fiscal assessment must provide the information necessary to show, at minimum, that the applicant is capable of repaying the loan in the manner, and within the terms, specified in the loan agreement. Failure of an applicant to demonstrate their capability of meeting this requirement is cause for Caltrans to recommend disapproval of an application.

The applicant is to be provided with a written report of findings of the fiscal assessment that may include attachments as necessary. The report must include the fiscal consultant's "warranty of independence" to express an opinion on the financial status of the applicant. The original copy of the report is to be submitted by the applicant to Caltrans when the application for a loan is filed. The fiscal consultant must be available to answer questions made by the Commission, Caltrans or the applicant on the contents of the written report.

4.5.2 Applicant to Exercise Due Diligence

The Approving Authority for the county's STIP submittal, either as applicant or co-applicant, will place at risk future county shares as collateral for the loan. An unsound financial judgement on the part of the fiscal consultant may lead to default of the loan and loss to the county of future county share funding and programming. Therefore, it is imperative that the applicant exercise due diligence in determining that 1) the consultant has the organization and experience necessary to perform a complex financial analysis specific to the loan that will be requested, and 2) the consultant's report is accurate in its material representations.

Applicants are not limited in their selection of a fiscal consultant to those consultants included on the currently approved "pre-qualified" list, which is continuously updated. Section 3.2 of these guidelines and procedures provides the applicant with the flexibility to select a qualified consultant who is not currently on the approved list, provided the consultant's credentials are validated by Caltrans prior to approval of the loan.

4.6 Approving Authority Responsibilities

The Approving Authority for the county's STIP submittal must be either the applicant, or the co-applicant. In either event, the governing body for the Approving Authority must voice its approval, by resolution or other instrument, to enter into the loan for the purpose and terms stated in the application and agreement. The governing body must show in the resolution or other instrument that it recognizes that future county share allocations and regional choice fund programming are collateral in the case of default on the loan, and that in the judgement of the Approving Authority, the conclusion of the financial analysis completed by the financial consultant is sound. A copy of the approving resolution or other instrument must be submitted with the application.

4.7 Uniform Loan Application and Agreement Package

Applications must be completed using the "Uniform Loan Application and Agreement" package adopted by the Commission. The loan package can be requested from:

State Highway Account Loan Program
California Department of Transportation
1120 N Street, MS-6
Sacramento, CA 95814

Attention:
Loan Officer, Innovative Finance Program
Phone: (916) 324-7623
FAX: (916) 324-7708

or obtained from the Commission's web page: http://www.dot.ca.gov/CTC/.

Applicants must submit an original and three copies of all materials submitted to Caltrans for a loan under the State Highway Account Loan Program.

To assure a place on the agenda for the earliest CTC meeting, applications must be submitted to the Caltrans Innovative Finance Program at the same time other meeting material submittals are due (see Guidelines Section 3.4). The CTC meeting material submittal dates are posted on the Commission's web page.

4.8 Additional Information on the Loan Program and Procedures

Questions and information requests related to the State Highway Account Loan Program and procedures can be directed to:

State Highway Account Loan Program
California Department of Transportation
1120 N Street, MS-6
Sacramento, CA 95814

Attention:
Loan Officer, Innovative Finance Program
Phone: (916) 324-7623
FAX: (916) 324-7708

STATE HIGHWAY ACCOUNT (AB1012) LOAN PROGRAM
INDEPENDENT FISCAL (FINANCIAL) CONSULTANT

SERVICES TO BE PROVIDED:

Government Code Section 14529.6(b)(3). "A fiscal assessment of the applicant's ability to repay a loan shall be made by an independent fiscal consultant selected by the applicant from a pre-qualified list of fiscal consultants approved jointly by the department and the commission. The department shall make a recommendation to the commission based on the analysis conducted by the independent fiscal consultant regarding each specific loan. Costs incurred for this assessment shall be paid by the applicant." (Added by Chapter 783, statutes of 1999. (AB1012, Torlakson)).

In Section 4.5 of the Guidelines and Procedures, the fiscal assessment is defined to be "a review of the applicant's most recent audited financial statements and available working papers, audit reports, and potential legal claims and or liabilities pending that may impact the applicant's ability to repay a loan." A written report is required. The report must include a "warranty of independence" to express an opinion on the financial status of the applicant.

REQUIREMENTS FOR PLACEMENT ON THE LIST:

1. Five years experience in a lead capacity conducting public entity financial analysis substantiated by references. Experience should include, but is not limited to, preparation of financial capacity/feasibility analysis, cash flow forecasts, risk analysis, as well as auditing of financial statements.

2. Familiar with statutes related to the State Highway Account Loan Program requirements and the budget processes of local agencies. Substantiation must accompany information provided.

3. Carry a minimum of $500 thousand errors and omissions insurance with an insurance carrier holding an A. M. Best rating of at least A minus (A-) and VI. A financial consultant without the required insurance may be approved for inclusion on the list, however, a policy must be in force prior to any contractual performance.

APPROVAL:

Approval of candidates on the list must be made jointly by Caltrans and the California Transportation Commission.

Placement on the list does not constitute employment. Once approved, the list will be made available to local entities qualified to apply for a loan under the State Highway Account Loan Program. Local entities will follow their own process when selecting a candidate from the list.

PRE-QUALIFIED CONSULTANTS

Businesses included on this list have been approved for inclusion on the list by the Department of Transportation and the California Transportation Commission.

Local entities applying for a loan from the State Highway Account for transportation projects must use their own advertising and competitive selection process when selecting the appropriate candidate from this list. Costs for services rendered must be paid by the local entity, and must not be included in the loan request.

Consultant Name:	Financial Management Consulting (Insurance required) Jesse Bryant, Jr., President
Business Address:	12935 Shiray Ranch Road Moreno Valley, CA 92553
Telephone:	(909) 247-8760
Consultant Name:	HLB Decision Economics Inc. Robert C. Schaevitz, President and Principal Economist
Business Address:	2233 Watt Avenue, Suite 300 Sacramento, CA 95825
Telephone:	(916) 486-8042
FAX:	(916) 486-8043
Consultant Name:	Chukwu (Chuks) L. Iheke, CPA (# 75595)
Business Address:	1197 A Street, Suite 6 Hayward, CA 94541
Telephone:	(510) 889-0243
FAX:	(510) 889-0577
Consultant Name:	John F. Warden, Jr., CPA (# 21912)
Business Address:	3461 Robin Lane, Suite 3 Cameron Park, CA 95682
Telephone:	(530) 677-4441
FAX:	(530) 677-2960
Consultant Name:	Williams-Kuebelbeck & Associates, Inc. (Insurance required) Lawrence E. Williams, Principal
Business Address:	1765 Challenge Way, Suite 100 Sacramento, CA 95815
Telephone:	(916) 564-0600
FAX:	(916) 564-7186

RESUMES WILL BE ACCEPTED ON A CONTINUOUS BASIS AT THE FOLLOWING ADDRESS:

California Department of Transportation
State Highway Account Loan Program
Attention: Loan Officer, Innovative Finance Program
1120 N Street, MS-6
Sacramento, CA 95814
FAX: (916) 324-7708