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Department of Transportation

BUSINESS, TRANSPORTATION AND HOUSING AGENCY

January 4, 2006

Mr. Jesse Brown
Executive Director
Merced County Association of Governments
369 West 18th Street
Merced, CA 95340

Dear Mr. Brown:

On behalf of Governor Arnold Schwarzenegger, we are pleased to inform you that the grant application submitted by the Merced County Association of Governments (MCAG) on behalf of the eight San Joaquin Valley Metropolitan Planning Organizations has been selected for the California Regional Blueprint Planning Program for Fiscal Year (FY) 2005-2006.

The California Regional Blueprint Planning Program is a complement to the Governor's *GoCalifornia* initiative to significantly improve the transportation system throughout California. The Regional Blueprint planning effort should build the capacity for regional collaboration and integrated planning in the State's high-growth areas, foster a more efficient land use pattern that supports improved mobility and accommodates an adequate supply of housing for all incomes, and reduces impacts on valuable habitat and farmland while creating vibrant, healthy neighborhoods.

In accepting this grant, your organizations agree to partner with the State to achieve our common goals to improve mobility and quality of life in California by both (a) successfully completing your Regional Blueprint Plan, and (b) helping advance the practice of blueprint planning in California. The approval of your grant is conditioned upon the following:

1. The MCAG effort will have a Blueprint Plan as the end product after two years. MCAG will demonstrate how the Regional Blueprint Planning grant will be used to plan for the region's 20-year housing (consistent with Government Code Section 65584 et. seq.) and employment needs as they relate to the regional transportation plan and improving mobility.

The Blueprint Plan shall have the following components:

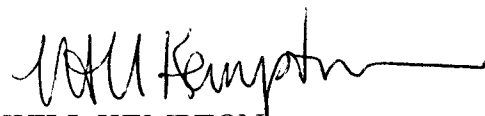
- Vision for the region developed through public consensus.
 - Graphic display and map of the preferred growth scenario or blueprint for the future.
 - Major policies and strategies for meeting the vision in the areas of transportation, land use, housing, environmental protection, and economic development.
 - Performance measures.
2. Revised project scope and funding identified in the Regional Blueprint Planning Program work element will be amended into the MCAG FY 2005-2006 Overall Work Program (OWP). The total funding level is \$2,000,000 in grant funds for FY 2005-2006. All tasks in the OWP work element shall be determined to be eligible for Federal State Planning and Research funds by the Federal Highway Administration (FHWA).
 3. The grant approval is for the first year of the Regional Blueprint Planning Program. The second year of funding will depend on performance and products completed in the first year. MCAG will be required to submit an updated grant application before July 1, 2006, detailing proposed second-year activities and required local match.

Staff from the California Department of Transportation will continue to provide more details to help you sharpen the focus of your scope of work and answer any questions you may have concerning this grant. If you have any immediate questions, please contact Joan Sollenberger, Acting Deputy Director for Planning and Modal Programs at (916) 654-5368.

Sincerely,



SUNNE WRIGHT McPEAK
Secretary



WILL KEMPTON
Director

- c: Nathan Smith, Acting Chief, Division of Transportation Planning
Barbara Goodwin, Council of Fresno County Governments
Ronald E. Brummett, Kern Council of Governments
William Zumwalt, Kings County Association of Governments
Patricia Taylor-Maley, Madera County Transportation Commission
Andrew Chesley, San Joaquin Council of Governments
Vince Harris, Stanislaus Council of Governments
George Finney, Tulare County Association of Governments
Alan McCuen, District Director for Planning, District 6
Ken Baxter, District Director for Planning, District 10
Sue Kiser, California Division, FHWA