

Bond Funding Frequently Asked Questions
(updated January 19, 2010)

1. What is a bridge loan? How might it help if I need an advance? (Added January 19, 2010)

As relates to OGALS, a bridge loan is a loan secured by a grantee from a third party, that would be in anticipation of a payment from OGALS. (The loan “bridges” the period between when a grantee incurs costs, and when payment is received). Grantees who don’t have their own funds available for a project could take out a bridge loan, pay costs on their project, submit a reimbursement request to OGALS, and then pay off the loan when payment was received from the State Controller’s Office.

The costs related to a bridge loan, such as interest, are eligible costs.

2. What happens if I wait to send in my project application until I need a payment? (Applies to grantees who have unallocated funds under their Proposition 12 RZH Block contracts, or their Prop 40 – Per Capita and RZH Block contracts)

If you have unallocated funds under one of these programs, it is imperative that you send in an application immediately. In the past, some grantees would complete their projects, and then send in the project application and a reimbursement request for the entire project amount. Due to new bond certification requirements, if you do this, you may experience a payment delay of up to six months.

3. My bond funded project is due to liquidate on June 30, 2010. How do I get an extension?

Applies to Prop 12 – Riparian – Riverine Program and Urban Recreation and Cultural Centers; Prop 40 – Murray Hayden Program and Urban Park Act Program)

If your project hasn’t already received an extension, State Parks is taking the lead to initiate extensions. However, there is a real advantage time-wise to getting your project done by March 31, 2010. It is likely that there will be a delay of at least six months in processing your payment if it requires an extension.

4. My bond funded project liquidates on June 30, 2010, but isn’t in one of the programs listed above. How do I get an extension?

If your project has already received an extension, you will need to contact your local State Senator or State Assemblymember. Please contact your Project Officer if you need help with the budget language.

5. My bond funded project is scheduled to liquidate on December 31, 2010. How do I get an extension? How long will the extension be?

If your project hasn't already received an extension, State Parks is taking the lead to initiate six-month extensions. However, there is a real advantage time-wise to getting your project done before September 30, 2010. It is likely that there will be a significant delay in processing your payment if it requires an extension.

6. My bond funded project is due to liquidate on June 30, 2011 or June 30, 2012. How do I get an extension?

The State has not yet made a commitment to extend these projects. We will provide more information as it becomes available. Please note that there is a real advantage time-wise to getting your project done on time.

7. Why can't I get an advance?

California's sale of bonds has been sporadic. State Parks has a limited supply of cash available and we are not allowing advance payments to ensure that we will have sufficient funds to make reimbursement payments. Grantees may wish to consider other financing mechanisms, such as bridge loans.

8. Will the funds run out again?

We believe we have sufficient cash available to meet anticipated project payments. However, should our cash run out, grantees would have to wait until another bond sale occurred to receive payment. Accordingly, we encourage you to submit payment requests in a timely fashion.

9. Why are some of my projects getting three year extensions, while others are getting one year?

Both Propositions 12 and 40 contain dates at which time most of the program funds revert to the Legislature. Programs scheduled to liquidate before those dates can be reappropriated. Programs scheduled to liquidate after those dates must be appropriated anew, which means that they are created with new contracts, that have one year to encumber, and an additional two years to liquidate, effectively providing a three year extension.

10. What if I need an extension on my LWCF, HCF or RTP project? (Annual Programs)

The information above only applies to bond-funded projects. If you need an extension of project under one of the annual programs, please contact your Project Officer.