March 2, 2011

Mr. Antonio Gonzalez
Chairperson
Santa Monica Mountains Conservancy
5750 Ramirez Canyon Road
Malibu, California  90265

Request for Augmentation of Grant SMM-0754
Project Planning and Design

Dear Chairperson Gonzalez and Conservancy Members:

The subject grant was first awarded to the Mountains Recreation and Conservation Authority (MRCA) in July 2007 for Project Planning and Design (PP&D) activities in the upper Los Angeles River watershed and the coastal watersheds of the Santa Monica Bay. The grant was funded from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). The MRCA has utilized this grant funding to achieve tangible results in the Conservancy’s jurisdiction, including the completion of many Conservancy and MRCA Workprogram projects with or without additional capital funding.

This PP&D authority over the entirety of each subject watershed allows staff to flexibly pursue opportunities for project development as they arise. Key for effective capital grant proposals and funding applications is the ability to keep multiple projects in the pipeline. By the nature of land acquisition, and to some extent construction, timelines are fluid with uncertainty about which projects will advance when. This grant covers staff time for projects that are in their infancy and unable to yet apply for grant funding in their own right. Funding is then leveraged as staff can apply to multiple funding sources for projects once proposals are solidified into competitive projects. Many of the projects worked on under this grant produce land and trail interests with zero capital funding.

The flexibility of this grant specifically permits MRCA staff to pursue nontraditional project opportunities that achieve immense public benefits often at little or no cost to the agency aside from staff time. Most tasks performed by MRCA staff under this grant deliver projects on the approved project list with no capital funding from Proposition 84. More specifically, land that implements the Conservancy Act is obtained at no public cost or using non-Proposition 84 funding. Many improvement projects worked on also have no Proposition 84 capital funding involved.
For example, this grant funds staff time to participate in the development review and entitlement process for proposed projects in the Conservancy’s jurisdiction. Working through the dedication process, staff is able to pursue and secure trail or conservation easements. Since the original grant award in July 2007, the MRCA has accepted 109 offers-to-dedicate, protecting approximately 1,500 acres via trail and conservation easements. While these are not all directly associated with Proposition 84 PP&D activities, they are representative of the type and efficacy of work funded by this grant. Grant funding is utilized to fund the legal work needed to finalize easements and record documents.

Grant funding is also used for staff to participate in tax default auctions, which enables strategic and cost-effective acquisitions of parcels in target areas. Tax default properties are frequently in remote areas and held for speculative development value. By purchasing these parcels at bargain prices, the MRCA can preclude future construction and significantly reduce the likelihood of development occurring on adjacent land. Seven tax-defaulted properties in the Los Angeles River watershed and 13 in the Santa Monica Bay watershed were acquired using Proposition 84-funded staff time, totaling almost 20 acres of land.

The MRCA also accepts donations of property or land interests, which requires only staff time to process. The MRCA is able to provide a tax deduction to donors for the value of donated property, which makes land donation particularly appealing. Grant funding is used to pursue donation and dedication opportunities as they arise and to process the transfer of title. Proposition 84 PP&D funding was instrumental in securing 32 donations or dedications since the original grant award.

Real estate deals require a large amount of work that may or may not be covered by a dedicated funding source. PP&D funding is critical for staff time to close on acquisitions that have their purchase price paid for by other sources. Proposition 84 PP&D funding paid for the staff time required to purchase 21 parcels in the grant area. Often the ability to devote sufficient staff time is the single greatest determinant of success for acquisitions.

PP&D funding is also used to contract for appraisals, appraisal reviews, title reports, and phase I environmental assessments. Having these documents prepared as needed furthers the acquisition process, making MRCA acquisitions more competitive for funding opportunities. If the MRCA was required to secure a property-specific funding source for each appraisal, staff would be less nimble and real estate transactions less predictable. Instead, the MRCA has developed a track record for expeditious and efficient property acquisition. The subject Proposition 84 PP&D grant has funded 19 appraisals and appraisal reviews, in addition to numerous title reports.
The MRCA has submitted the attached application for a $550,000 augmentation to the existing $1,125,000 Proposition 84 Project Planning and Design grant (SMM-0754). The Conservancy last augmented this grant for $375,000 in April 2010, bringing to the total to the present $1,125,000. The new total PP&D award would be $1,675,000 since July 2007. The application budget calls for $330,000 to be spent in the upper Los Angeles River watershed, which includes the entire San Fernando Valley and all urban areas north of the City of Vernon boundary, and $220,000 to be spent in coastal watersheds of the Santa Monica Bay, including the Calleguas Creek watershed. An expenditure plan for each of these geographic areas is included in the MRCA application.

It is anticipated that the current grant funds will be exhausted by the end of spring 2011. Due to continuing uncertainties with the State budget and availability of bond funds, it would be prudent to assure that key elements of the MRCA legal, design services, and natural resources and planning programs have a level of funding certainty through the third quarter of 2012. A delayed 2011-2012 State budget could potentially require trimming staff and halting work on numerous key projects. This request would authorize an adequate amount of additional planning funds to prevent any unnecessary delays that are irreversibly detrimental to the implementation of projects on the approved project list. The current MRCA team is well-suited to continue its track record of efficient and cost-effective project delivery. Any budget-related staff turmoil would compromise the agency’s ability to continue performing at this level of success.

If you have any questions regarding this request, please contact Barbara Romero at 323-221-9944, ext. 188.

Sincerely,

George Lange
Chairperson