

DATE: July 25, 2016

TO: RMC Governing Board

FROM: Mark Stanley, Executive Officer

SUBJECT: Item 13: Consideration of a resolution approving a grant to the Watershed Conservation Authority to fund the acquisition of real property within the foothills above Azusa, Assessor Parcel No. 8684-024-036 (RMC16001).

PROGRAM AREA: Mountains and Foothills

PROJECT TYPE: Acquisition

JURISDICTION: County of Los Angeles First District

PROJECT MANAGER: Mark Stanley

RECOMMENDATION: That the RMC authorize a grant to the Watershed Conservation Authority (WCA) in the amount of \$720,000 for acquisition of real property and related expenses within the foothills above Azusa, Assessor Parcel No. 8684-024-036 (RMC16001).

Project:	Acquisition of real property and related expenses for APN 8684-024-036 (RMC16001)	
Applicant:	Watershed Conservation Authority	
Program area:	Mountains and Foothills	
Amount requested:	\$720,000	
Amount recommended for funding:	\$720,000	
PROJECT EVALUATION CRITERIA SUMMARY	Project Score	Total Possible Points
1. Access Value	8	10
2. Cultural or Historic Resource Value	0	3
3. Educational / Interpretive Value	3	5
4. Habitat Value	31	37
5. Matching Funds	0	10
6. Public Health Value	4	6
7. Recreational Resource Value	4	9
8. Restoration Resource Value	2	6
9. Scenic Resource Value	2	2
10. Stakeholders / Partners Resource Value	3	4
11. Stewardship and Management Plan Value	3	5
12. Sustainability Value	1	6
13. Trails / Multi-use Trails	4	5
14. Urban Land Value	8	14

15. Water Resource and Quality Value	9	25
<u>TOTAL POINTS</u>	<u>82</u>	<u>147</u>

PROJECT DESCRIPTION: The WCA proposes to complete an acquisition of ±39.79 acres of undeveloped open space located in the San Gabriel Mountain foothills above the City of Azusa, within unincorporated Los Angeles County. This open space acquisition preserves one of the last remaining private holding along the foothill interface between the San Gabriel Valley and the San Gabriel Mountains National Monument for the purpose of watershed restoration, community-driven stewardship, and suitable low-impact recreation. Transfer of this property to WCA ownership would protect significant natural and scenic resources, and help to preserve critical landscape connections to close-by conservation lands, including the River Wilderness Park. Map of the property are provided as Exhibits A and B.

BACKGROUND: In January of 2014 the subject property, comprised mostly of natural undisturbed slopes, was burned and severely denuded of vegetation in the Colby Fire. Biological reconnaissance completed prior to the human-caused wildfire indicate that over 75% of the property was formally dominated by coastal sage scrub. Other scrub and chaparral species were also present, as well as Southern California black walnut occurring in canyons and moist slopes. The biologist identified that the plant diversity of the property was high, uncompressed by invasive plants, and typified less disturbed portions of the local foothills. No restoration activities have commenced on the site since the Colby Fire. Other notable features of the site include an abandoned fluorite mine with possible cultural and interpretive value, and a vista point overlooking the San Gabriel Valley.

The San Gabriel Mountains Regional Conservancy (SGMRC), a private not-for-profit conservation organization has focused on the acquisition and watershed restoration of the subject property for over a decade. SGMRC submitted a proposal to the RMC Proposition 84 Grant Program in 2008 to accomplish the acquisition with an original proposed purchase price of \$4 million. Staff evaluated the proposal as a Tier 2 project, and recommended funding if a match source was secured. Although no action was taken by the RMC with regards to the acquisition, SGMRC subsequently negotiated a reduction in the asking price to approximately \$1.4 million, and acquired the property in 2014 with a mortgage note held by the former owner.

In late 2015, SGMRC contacted RMC and WCA staff, requesting assistance to save the property from a pending foreclosure. The majority of the funding originally slated for loan payment on the note had become unavailable. Recent changes in federal policy had disallowed the use of revenues from the organization's federally approved third party compensatory In-Lieu Fee Mitigation (ILF) Program for land acquisitions. This policy change left SGMRC unable to make regular payments. Use of ILF Program funds had been justified by SGMRC based on anticipated community-supported, volunteer watershed restoration of the subject property.

If foreclosure proceedings commence, SGMRC has indicated the subject property would be available for purchase at a significant discount. Furthermore, SGMRC will be responsible for repayment of the ILF Program funds. This will burden the organization from accomplishing its conservation activities. Cooperative intervention by the WCA and RMC has the opportunity to secure the subject property into public ownership, and prevent possible development. Furthermore, acquisition by the WCA has been negotiated for a purchase price not less than the outstanding remainder on the note, where SGMRC would consider any loss of their investment as a gift. In recognition that SGMRC has expertise in advancing watershed restoration and

stewardship through community volunteerism and donations, an opportunity is also available for the WCA to engage SGMRC through agreement(s) to accomplish such activities. Suitable low-impact recreation can also be planned for and developed by the WCA in cooperation with the City of Azusa and the surrounding community.

In consideration of the above described opportunities, the WCA requested and received an initial RMC grant in January 2016 for pre-acquisition and due diligence reviews. The WCA has since completed negotiations and initial property inspections towards a purchase and conveyance of the subject property. A subsequent grant request has since been made in the amount of \$720,000. The budget for the requested RMC funds are as follows:

Purchase Price:	\$600,000
Securing the site (signage and as needed fencing):	\$25,000
Initial restoration and passive recreational use planning:	\$75,000
Contingency (includes WCA closing costs)	\$20,000
Total Request	\$720,000

WCA staff proposes to complete the purchase prior to September 30, 2016, and then anticipates a 3 month period to sign and secure the site followed by a year-long planning process and grant closeout. The performance period of this requested grant would run until December 31, 2017.

Pending Urgency: While SGMRC has engaged WCA in negotiations, the property has also been listed for sale pending the execution of a purchase and sale agreement with the WCA. Early in July SGMRC informed WCA staff that a fair offer was received by a religious/spiritual institution that intends to develop a monetary on the site. Pending approval by the WCA Board at its July 21st meeting, the purchase and sale agreement executed by the end of the month. If WCA does not secure funds for the purchase the agreement will terminate by September 30, 2016, and the SGMRC may pursue options with other perspective buyers. The note holder may also proceed with foreclosure proceeding at any time.

Initial Property Inspection: WCA staff, with support from WCA legal counsel, conducted the following due diligence activities:

- (1) Reviewed a preliminary title report. Exceptions identified within the report were not seen as major obstacles to title acceptance.
- (2) Ordered and received an appraisal report, identifying a current market value of \$1,200,000.
- (3) Conducted an initial property inspection. WCA staff reports that on-site habitat is in recovery from the 2014 Colby Fire, however, several invasive plant species, such as mustards and brome grasses are present in large numbers. Due to steepness of terrain, WCA Staff was unable to access riparian portions of the site, yet, a small number of Mexican palms and other invasive were visible from a distance. An interview with an adjacent property owner revealed that an open fluorite mine is located on site – the mine has not yet been located. WCA Staff's visual inspection did not show any existing fuel modification zones, which would require annual maintenance. The site is not easily accessible, and would require access improvements for public access or/and trail development to occur.
- (4) Requested and received insurance liability assessment for the property. The annual insurance premium is estimated at approximately \$121/year, however, this assumes that a Phase 1 Environmental Assessment does not find the potential fluorite mine or

any other major liability issues. If there is a mine on the subject property the premium may increase. The increase will depend on details about the mine, and how it is to be secured from the public.



Subject property, looking down from highest point along the northern property line



Subject property from Glendora Ridge Mtwy near the vicinity of a water take shown on Exhibit A



Subject property in background, debris basin and southern property line in foreground – legal point of access to the subject property

Summary of Public Benefits: The benefits of conserving the property includes the protection of viewsheds, conservation and restoration of habitat areas, including opportunities to satisfy future mitigation needs for WCA, as well as, potential for direct public use, including: educational programming, community stewardship, and trail connections along the foothills. WCA would manage the natural resource as open space. The condition of the sites sensitive plant and wildlife species may provide an opportunity for future mitigation and in-lieu fee programs managed by the WCA. This potential use would improving water quality through habitat and natural system enhancements to the land.

RMC Guiding Principles: The proposed project also meets the following RMC Guiding Principles:

Improve Access to Open Space and Recreation for All Communities

- Accommodate active and passive recreational uses
- Incorporate passive and low-impact recreational facilities in habitat areas
- Accumulate and record the needs for active recreation facilities

Improve Habitat Quality, Quantity, and Connectivity

- Protect existing high-quality habitat and ecologically significant areas
- Restore and enhance aquatic and terrestrial riparian and upland habitat
- Coordinate regional efforts to remove invasive species
- Maintain and enhance wildlife corridors as continuous linkages
- Identify indicator species, develop standards and monitoring programs

Connect Open Space with a Network of Trails

- Develop continuous bike trail, equestrian, and public access systems along riverfronts and within the watershed

- Connect River trails to mountain trails, urban trails, local parks, open spaces, and beaches
- Connect open spaces to transit access points
- Provide for public safety and security along waterways and trails

Promote Stewardship of the Landscape

- Use drought-tolerant, native, and regionally-adapted plant materials
- Identify, preserve, and restore historic sites and cultural landscapes

FISCAL INFORMATION: This grant will award the WCA a total amount not to exceed \$720,000 of Proposition 1 funds for acquisition of real property within the foothills above Azusa, Assessor Parcel No. 8684-024-036, as well as for funds to secure the site post-escrow and to conduct initial site planning.

Funding for this project will be allocated from the RMC Grant Program under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84). This action will authorize grant funds to the Watershed Conservation Authority (WCA) in the amount of \$720,000 for acquisition of real property within the foothills above Azusa, Assessor Parcel No. 8684-024-036 and related initial planning for restoration and potential public access (RMC16001).

Funding for this project will be allocated from the following Proposition 84 allocations, under statute:

75050. The sum of nine hundred twenty eight million dollars (\$928,000,000) shall be available for the protection and restoration of rivers, lakes and streams, their watersheds and associated land, water, and other natural resources in accordance with the following schedule:... (g) The sum of seventy two million dollars (\$72,000,000) shall be available for projects within the watersheds of the Los Angeles and San Gabriel Rivers according to the following schedule:

(1) \$36,000,000 to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy pursuant to Division 22.8 (commencing with Section 32600).....

75060. The sum of five hundred forty million dollars (\$540,000,000) shall be available for the protection of beaches, bays and coastal waters and watersheds, including projects to prevent contamination and degradation of coastal waters and watersheds, projects to protect and restore the natural habitat values of coastal waters and lands, and projects and expenditures to promote access to and enjoyment of the coastal resources of the state, in accordance with the following schedule:.... (3) To the Rivers and Mountains Conservancy.....\$15,000,000.

LEGISLATIVE AUTHORITY AND RMC ADOPTED POLICIES/AUTHORITIES: The Rivers and Mountains Conservancy (RMC) statute provides in part that:

Section 32602: There is in the Resources Agency, the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, which is created as a state agency for the following purposes:

- (a) To acquire and manage public lands within the Lower Los Angeles River and San Gabriel River watersheds, and to provide open-space, low-impact recreational and educational uses, water conservation, watershed improvement, wildlife and habitat restoration and protection, and watershed improvement within the territory.

- (b) To preserve the San Gabriel River and the Lower Los Angeles River consistent with existing and adopted river and flood control projects for the protection of life and property.
- (c) To acquire open-space lands within the territory of the conservancy.

Section 32604: The conservancy shall do all of the following:

- (a) Establish policies and priorities for the conservancy regarding the San Gabriel River and the Lower Los Angeles River, and their watersheds, and conduct any necessary planning activities, in accordance with the purposes set forth in Section 32602.
- (b) Approve conservancy funded projects that advance the policies and priorities set forth in Section 32602.
- (d) To provide for the public's enjoyment and enhancement of recreational and educational experiences on public lands in the San Gabriel Watershed and Lower Los Angeles River, and the San Gabriel Mountains in a manner consistent with the protection of lands and resources in those watersheds.

Section 32614: The conservancy may do all of the following:

- (b) Enter into contracts with any public agency, private entity, or person necessary for the proper discharge of the conservancy's duties, and enter into a joint powers agreement with a public agency, in furtherance of the purposes set forth in Section 32602.
- (e) Enter into any other agreement with any public agency, private entity, or person necessary for the proper discharge of the conservancy's duties for the purposes set forth in Section 32602.
- (f) Recruit and coordinate volunteers and experts to conduct interpretive and recreational programs and assist with construction projects and the maintenance of parkway facilities.

Further, Section 32614 provides that: The conservancy may do all of the following:

- (g) Undertake, within the territory, site improvement projects, regulate public access, and revegetate and otherwise rehabilitate degraded areas, in consultation with any other public agency with appropriate jurisdiction and expertise, in accordance with the purposes set forth in Section 32602.

The conservancy may also, within the territory, upgrade deteriorating facilities and construct new facilities as needed for outdoor recreation, nature appreciation and interpretation, and natural resources projection. The conservancy may undertake those projects by itself or in conjunction with another local agency; however, the conservancy shall provide overall coordination of those projects by setting priorities for the projects and by ensuring a uniform approach to projects. The conservancy may undertake those projects with prior notification to the legislative body of the local agency that has jurisdiction in the area in which the conservancy proposes to undertake that activity.

Section 32614.5:

- (a) The conservancy may award grants to local public agencies, state agencies, federal agencies, and nonprofit organizations for the purposes of this division.
- (b) Grants to nonprofit organizations for the acquisition of real property or interests in real property shall be subject to all of the following conditions:
 - (1) The purchase price of any interest in land acquired by the nonprofit organization may not exceed fair market value as established by an appraisal approved by the conservancy.

- (2) The conservancy approves the terms under which the interest in land is acquired.
 - (3) The interest in land acquired pursuant to a grant from the conservancy may not be used as security for any debt incurred by the nonprofit organization unless the conservancy approves the transaction.
 - (4) The transfer of land acquired pursuant to a grant shall be subject to the approval of the conservancy and the execution of an agreement between the conservancy and the transferee sufficient to protect the interests of the state.
 - (5) The state shall have a right of entry and power of termination in and over all interests in real property acquired with state funds, which may be exercised if any essential term or condition of the grant is violated.
 - (6) If the existence of the nonprofit organization is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the state, except that, prior to that termination, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property, by recording its acceptance of title, together with the conservancy's approval, in writing.
- (c) Any deed or other instrument of conveyance whereby real property is acquired by a nonprofit organization pursuant to this section shall be recorded and shall set forth the executor interest or right of entry on the part of the state.

RMC Resolution 2012-01 allowed staff to re-evaluate projects already received and projects must meet or exceed the RMC's criteria and guiding principles and funding must be identified before a recommendation is presented to the RMC Governing Board for approval. Further, staff recommends funding acquisition of real property within the foothills above Azusa, Assessor Parcel No. 8684-024-036, since it exceeds the RMC's guiding principles based on its goals, objectives, timeline, and ability to complete the project.



Exhibit A: Property Vicinity Map

AIN 8684-024-036, ±40 acres



Legend

-  Subject Property
-  City/Community Boundary
-  Recreational Trail
-  Bike Path

Data: Base Map Service from ESRI and their data providers. Parcel information provided by the Los Angeles County Assessor's Office. Bike path information provided by Los Angeles County Department of Public Works. Trail information provided by U.S. Forest Service and WCA.





Exhibit B: Surrounding Public Lands Map

AIN 8684-024-036, ±40 acres



Data: Base Map Service from ESRI and their data providers. Parcel information provided by the Los Angeles County Assessor's Office. Bike path information provided by Los Angeles County Department of Public Works. Trail information provided by U.S. Forest Service and WCA.



July 25, 2016 – Item 13

RESOLUTION 2016-18

RESOLUTION OF THE SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY (RMC) AUTHORIZING A GRANT TO THE WATERSHED CONSERVATION AUTHORITY TO FUND THE ACQUISITION OF REAL PROPERTY WITHIN THE FOOTHILLS ABOVE AZUSA, ASSESSOR PARCEL NO. 8684-024-036 (RMC16001).

WHEREAS, The legislature has found and declared that the San Gabriel River and its tributaries, the Lower Los Angeles River and its tributaries, and the San Gabriel Mountains, Puente Hills, and San Jose Hills constitute a unique and important open space, environmental, anthropological, cultural, scientific, educational, recreational, scenic, and wildlife resource that should be held in trust to be preserved and enhanced for the enjoyment of, and appreciation by, present and future generations; and

WHEREAS, The people of the State of California have enacted the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Proposition 84), which provides funds for the RMC grant program; and

WHEREAS, The RMC may award grants to local public agencies, state agencies, federal agencies, and nonprofit organizations for the purposes of Division 22.8 the Public Resources Code; and

WHEREAS, The Applicant has submitted a project which is consistent with the purposes of Division 22.8 of the Public Resources Code and the Bond Act; and

WHEREAS, This action is exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA); and NOW

Therefore be it resolved that the RMC hereby:

1. FINDS that this action is consistent with the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy Act and is necessary to carry out the purposes and objectives of Division 22.8 of the Public Resources Code.
2. FINDS that the grant is consistent with the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, which provides funds for the RMC grant program.
3. FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
4. ADOPTS the staff report dated July 25, 2016.
5. AUTHORIZES a grant to the Watershed Conservation Authority in the amount of \$720,000 to fund the acquisition of real property within the foothills above Azusa, Assessor Parcel No. 8684-024-036 (RMC15111).

~ End of Resolution ~

Motion _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Passed and Adopted by the Board of the
SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS
CONSERVANCY on July 25, 2016.

Frank Colonna, Chair

ATTEST: _____
Terry Fujimoto
Deputy Attorney General