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| <b>STATE OF CALIFORNIA</b><br><b>CAPITAL OUTLAY</b><br><b>BUDGET CHANGE PROPOSAL (COBCP)</b><br><b>COVER PAGE (REV 06/15)</b> | <b>DEPARTMENT OF FINANCE</b><br><b>915 L Street</b><br><b>Sacramento, CA 95814</b><br><b>IMS Mail Code: A15</b> |
| <b>BUDGET YEAR 2016-17</b>  |   |

BUSINESS UNIT: **3850** COBCP NO. **CVMC-1** PRIORITY: **1** PROJECT ID: \_\_\_\_\_  
 (15 digits; for new projects, leave blank)

DEPARTMENT: Coachella Valley Mountains Conservancy

PROJECT TITLE: Proposition 12, 40 and 84 Reappropriations

TOTAL REQUEST (DOLLARS IN THOUSANDS): \$ \_\_\_\_\_ MAJOR/MINOR: **MA**

PHASE(S) TO BE FUNDED: **A** PROJ CAT: **O** CCCI/EPI: \_\_\_\_\_

**SUMMARY OF PROPOSAL:**

The Coachella Valley Mountains Conservancy (Conservancy) is requesting reappropriations of the balances from its Fiscal Year 2013-14 capital appropriations from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Prop 12), the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Prop 40) and the Safe Drinking Water, Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) in FY 2016-17.

HAS A BUDGET PACKAGE BEEN COMPLETED FOR THIS PROJECT? (E/U/N?): **N**

REQUIRES LEGISLATION (Y/N): **N** IF YES, LIST CODE SECTIONS: \_\_\_\_\_

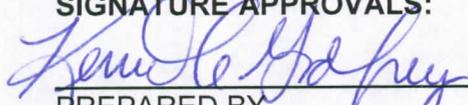
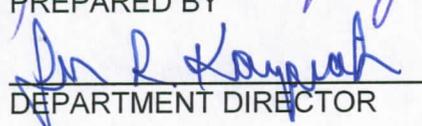
REQUIRES PROVISIONAL LANGUAGE (Y/N) **Y**

IMPACT ON SUPPORT BUDGET: ONE-TIME COSTS (Y/N): **N** FUTURE COSTS (Y/N): **N**

FUTURE SAVINGS (Y/N): **N** REVENUE (Y/N): **N**

DOES THE PROPOSAL AFFECT ANOTHER DEPARTMENT (Y/N): **N** IF YES, ATTACH COMMENTS OF AFFECTED DEPARTMENT SIGNED BY ITS DIRECTOR OR DESIGNEE.

**SIGNATURE APPROVALS:**

|   |        |  |        |
|---|--------|--|--------|
|  | 1/5/16 |  | 1-5-16 |
| PREPARED BY   | DATE   | REVIEWED BY  | DATE   |
|  | 1/5/16 |  | 1/6/16 |
| DEPARTMENT DIRECTOR   | DATE   | AGENCY SECRETARY   | DATE   |

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**DOF ANALYST USE**

DOF ISSUE # \_\_\_\_\_ PROGRAM CAT: \_\_\_\_\_ PROJECT CAT: \_\_\_\_\_ BUDG PACK STATUS: \_\_\_\_\_

ADDED REVIEW: SUPPORT: \_\_\_\_\_ OCIO: \_\_\_\_\_ FSCU/ITCU: \_\_\_\_\_ OSAE: \_\_\_\_\_ CALSTARS: \_\_\_\_\_

Original Signed by  
 PPBA: Amanda Martin

Date: 1-8-16

A. PURPOSE OF THE PROJECT:

The Conservancy is requesting reappropriation of the balances from its Fiscal Year 2013-14 capital appropriations from: (i) the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Prop 12), (ii) the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 (Prop 40) and (iii) the Safe Drinking Water, Quality and Supply, Flood Control, River and Coastal Protection Fund of 2006 (Prop 84) in FY 2016-17. All three appropriations have encumbrance availability through June 30, 2016 and liquidation until June 30, 2018.

B. RELATIONSHIP TO THE STRATEGIC PLAN:

The mission of the Conservancy is to protect the natural and cultural resources of the Coachella Valley: the scenic, wildlife, geological, hydrological, archeological and recreational characteristics that make it such a splendid place for people and such an important part of California's ecosystem. Our primary focus is the acquisition of conservation land in the Coachella Valley and its surrounding mountainous areas that contribute to the implementation of the Coachella Valley national community conservation plan (NCCP) approved by various federal and state agencies.

The acquisition process is complex and time-consuming, often involving numerous partnering funding entities, and as a result, it is difficult to predict when conservation transactions will be completed. In addition, since the significant decrease in real estate values in the aftermath of the 2008-09 recession, owners are increasingly holding their lands in the hope that prices will increase in the near future. As a result, the Conservancy has not been able to encumber all of the funds appropriated to it in 2013-14, even though the Conservancy's acquisition efforts are ongoing and active. If the funds are not reappropriated, the Conservancy will not have the necessary capital outlay funds available to complete transactions needed to implement its Board-approved projects. In many instances, the delay would cause properties to be sold and developed and thus forever lost as conservation parcels that ultimately will be required to complete the Conservancy's mission and implement the NCCP.

C. ALTERNATIVES:

**Alternative #1:** Approve the proposed reappropriations. This alternative would provide acquisition funding to enable the Conservancy to implement its mission of acquiring and protecting mountainous and natural community conservation plan lands.

**Alternative #2:** Rely on local governments to use land regulation rather than acquisition to conserve land. This alternative would fail because even the limited development that must be allowed to avoid litigation of takings claims would severely and negatively affect the habitat value of surrounding lands, thus prohibiting the Conservancy from implementing its mission and interfering with implementation of the NCCP. In addition, this alternative would not utilize the bond funds specifically directed by voter-approved Propositions 12, 40 and 84 for use by the Conservancy.

**Alternative #3:** Deny this request. This alternative would limit the Conservancy's capacity to complete projects previously approved by the Board and thus prevent implementation of the Conservancy's statutory mission. In addition, this alternative would not utilize the bond funds specifically directed by voter-approved Propositions 12, 40 and 84 for use by the Conservancy.

D. RECOMMENDED SOLUTION:

1. Which alternative and why?

Approve Alternative #1. As outlined above, Alternative #1 will enable the Conservancy to continue its partnership with local and federal governments to project resources of statewide and national significance in accordance with its statutory mandate.

2. Detail scope description.

The solution continues the implementation of acquisitions approved by the Conservancy Board and projects previously approved by the State Controller.

3. Basis for cost information.

The amounts of the reappropriations are not to exceed the remaining balances of the expiring appropriations.

4. Factors/benefits for recommended solution other than the least expensive alternative.

Only the recommended solution supports the Conservancy's mission.

5. Complete description of impact on support budget.

None.

6. Identify and explain any project risks.

None.

7. List requested interdepartmental coordination and/or special project approval (including mandatory reviews and approvals, e.g. technology proposals).

None.

E. Consistency with Government Code section 65041.1:

1. Does the recommended solution (project) promote infill development by rehabilitating existing infrastructure and how? Explain.

Rehabilitation of existing structures is not applicable to the Conservancy's mission.

2. Does the project improve the protection of environmental and agricultural resources by protecting and preserving the state's most valuable natural resources? Explain.

Yes, the recommended solution makes sure that state bond funds allocated by the voters for the Coachella Valley will continue to be available to protect the State's most

valuable natural resources in this area pursuant to the Conservancy's mission and the NCCP.

3. Does the project encourage efficient development patterns by ensuring that infrastructure associated with development, other than infill, support efficient use of land and is appropriately planned for growth? Explain.

Yes, as the Conservancy acquisitions help implement the Coachella Valley NCCP, which seeks to coordinate and balance conservation efforts with ongoing development, thus limiting the potential for inefficient leapfrog development or projects that would harm sensitive natural resources.

### **Proposed Budget Bill Language**

3850-491 – Reappropriation, Coachella Valley Mountains Conservancy. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance, expenditure, or liquidation until June 30, 2019:

0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Fund

(1) Item 3850-301-0005, Budget Act of 2013 (Ch.20, Stats. 2013)

(1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs

6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Item 3850-301-6029, Budget Act of 2013 (Chapter 20, Stats. 2013)

(1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs

6051—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund

(1) Item 3850-001-6051, Budget Act of 2013 (Chapter 20, Stats. 2013)

(1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs