

DATE: June 16, 2016

TO: Watershed Conservation Authority Governing Board

FROM: Robert Romanek, Project Manager

THROUGH: Mark Stanley, Executive Officer

SUBJECT: Item 11: Consideration of a resolution to approve the application for grant funds from the Rivers and Mountains Conservancy for the Azusa Foothills Acquisition Project.

RECOMMENDATION: That the Watershed Conservation Authority (WCA) approve the application for grant funds from the Rivers and Mountains Conservancy (RMC) for the Azusa Foothills Acquisition Project.

PROJECT DESCRIPTION: This is the proposed grant request to the RMC to fund the purchase of undeveloped open space, totaling ± 40 acres, located in the San Gabriel Mountain foothills above the City of Azusa, within unincorporated Los Angeles County (AIN 8684-024-036). The acquisition would preserve one of the last remaining undeveloped private holdings 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. Transferring this property to WCA ownership would protect significant natural and scenic resources, and will help to preserve critical landscape connections to close-by conservation lands, including the River Wilderness Park. Included as Exhibit A is a WCA territory location map while Exhibit B and C provides aerial maps of the proposed acquisition, its vicinity, and surrounding land ownership.

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 indicates 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. Public records from the RMC identify that 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. The RMC 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.

SGMRC informed the WCA Staff that the majority of the funding originally slated to pay off the note is no longer available for this intended use, resulting in the organizations inability to make regular payments toward the note. As such, there is currently an immediate risk of foreclosure as SGMRC has previously missed scheduled payment. Payments against the note were previously supported by revenue from the organization's federally approved third party compensatory In-Lieu Fee Mitigation (ILF) Program. However, recent changes in federal policy has disallowed further use of this revenue.

An amount of approximately \$750,000 has been invested by SGMRC into the purchase, with a majority of these contributions from the ILF Program. Use of ILF Program funds was justified by SGMRC based on anticipated community-supported watershed restoration of the subject property. If foreclosure proceeding commence the SGMRC has indicated the subject property would be available for purchase at a significant discount through foreclosure auction proceedings. Such an action is likely to attract development interest. Furthermore, SGMRC will be responsible for repayment of the ILF Program funds. This will burden the organization from accomplishing its conservation and watershed education 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 can be 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 to engage SGMRC through agreement(s) to accomplish such activities on the subject property, if acquired by the WCA. 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 January of 2016 the WCA authorized Staff negotiations, and approved an initial request for grant funds from the RMC for due diligence reviews. Since the January Board meeting a grant was awarded. Property research has begun, as well as the drafting of a purchase agreement and stewardship agreement with SGMRC. Following further property research and negotiations, Staff anticipates bringing a full report and recommendation before the WCA Board at the July meeting.

Due to the urgency associated with the threat of foreclosure, Staff is managing the current review and negotiations process with a target proposed purchase date prior on or before September 30, 2016. This target assumes that funding is secured and acquisition is approved by the WCA. To accommodate this accelerated timeline Staff is seeking approval of a grant request to the RMC for the acquisition and initial site planning. Initial planning will be focused on feasibility studies related to ecological/watershed enhancements and passive recreational use. The funding request totals \$720,000 and is detailed below.

FISCAL INFORMATION: This action has no immediate fiscal impact, however, award of a RMC grant will require amending the FY16/17 Budget. The budget for the requested RMC funds is as follows:

Acquisition:	\$600,000
Ecological/watershed enhancements and passive recreational use planning:	\$75,000
Securing the site (signage and fencing as needed):	\$25,000
Contingency	\$20,000
Total Request	\$720,000



Exhibit A

Territory Map: Foothill Property Above Azusa

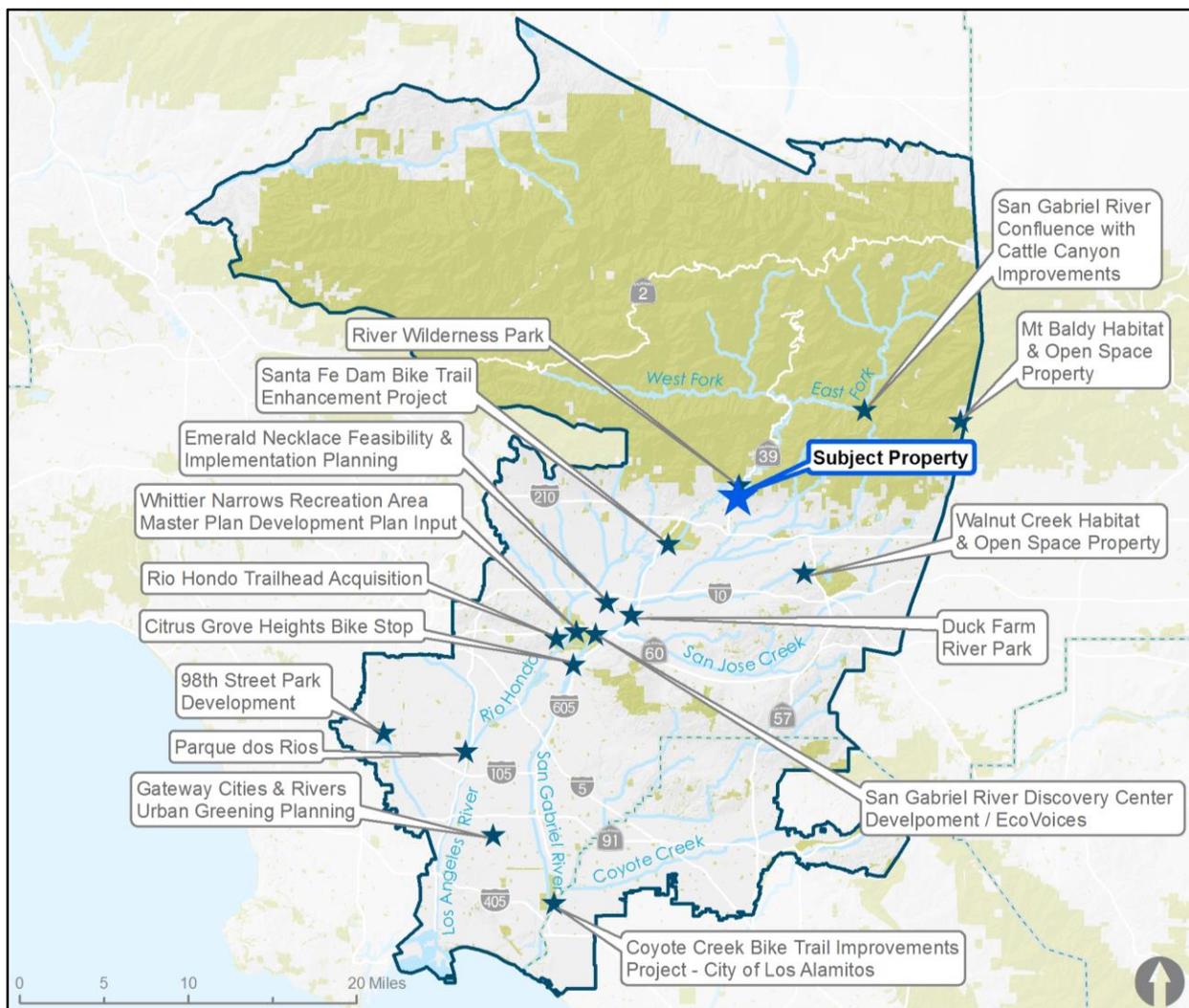




Exhibit B: Property Vicinity Map

AIN 8684-024-036, ±40 acres



Legend

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

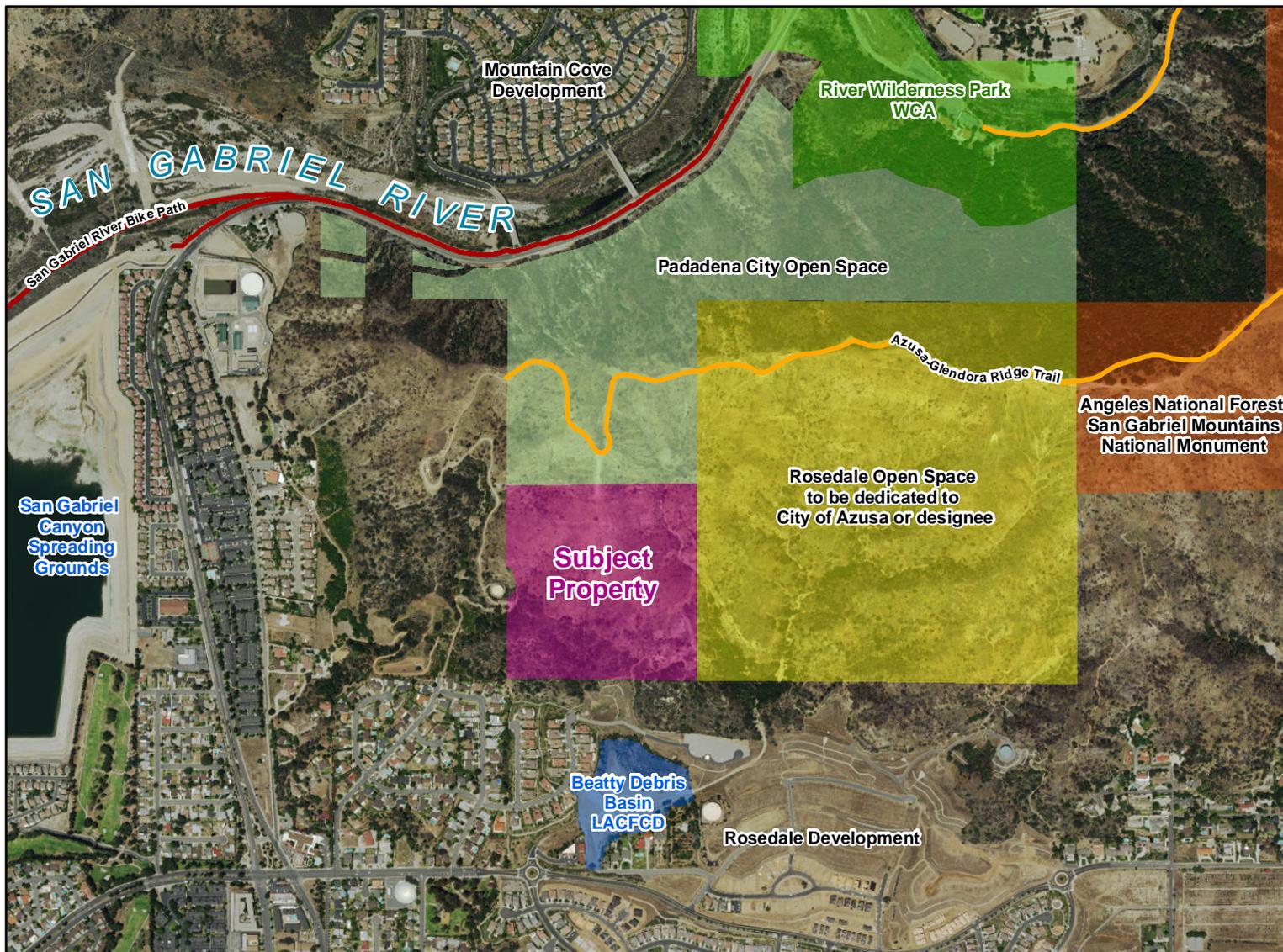
Data: Base Map Service from ESRI and their data providers. Parcel information provided by the Los Angeles County Assessor's Office. Bike path information provided by Los Angeles County Department of Public Works. Trail information provided by U.S. Forest Service and WCA.





Exhibit C: 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.



June 16, 2016 - Item 11

RESOLUTION 2016-26

RESOLUTION OF THE WATERSHED CONSERVATION AUTHORITY TO APPROVE THE APPLICATION FOR GRANT FUNDS FROM THE RIVERS AND MOUNTAINS CONSERVANCY FOR THE AZUSA FOOTHILLS ACQUISITION PROJECT.

WHEREAS, the Watershed Conservation Authority (WCA) has been established as a joint powers agency between the Rivers and Mountains Conservancy and the Los Angeles County Flood Control District; and

WHEREAS, the Watershed Conservation Authority (WCA) has further been established to focus on projects which will provide open space, habitat restoration, and watershed improvement projects in both the San Gabriel and Lower Los Angeles Rivers watershed; and

WHEREAS, this action approves the application for grant funds form Rivers and Mountains Conservancy for the Azusa Foothills Acquisition Project; and

WHEREAS, the proposed action is exempt from the provisions of the California Environmental Quality Act (CEQA); NOW

Therefore be it resolved that the WCA hereby:

1. **FINDS** that this action is consistent with the purposes and objectives of the WCA.
2. **FINDS** that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act (CEQA).
3. **ADOPTS** the staff report dated June 16, 2016.
4. **APPROVES** the application for grant funds form the Rivers and Mountains Conservancy Grant Program in the amount of \$720,000 for the Azusa Foothills Acquisition Project.

~ End of Resolution ~

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Motion: _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Resolution 2016-26

Passed and Adopted by the Board of the
WATERSHED CONSERVATION AUTHORITY
On June 16, 2016

Brian Mejia, Chairperson

ATTEST: _____
Terry Fujimoto
Deputy Attorney General