



Buildout Reduction Program Citizens' Committee (BRPCC)

REGULAR MEETING
Monday, March 20, 2017 - 10:00 AM
2850 Burton Drive Cambria CA 93428

AGENDA

- A. CALL TO ORDER
- B. ESTABLISH QUORUM
- C. CHAIRMAN'S REPORT

1. PUBLIC COMMENT

Members of the public may now address the Committee on any item of interest within the jurisdiction of the Committee but not on its agenda today. In compliance with the Brown Act, the Committee cannot discuss or act on items not on the agenda. Each speaker has up to three minutes. Speaker slips (available at the entry) should be submitted to the District Clerk.

2. REGULAR BUSINESS

- A. Consideration to Approve the Minutes from the Regular Meeting held on February 27, 2017
- B. Report on Subcommittee Review of Lot Retirement Methods:
 - 1. Review of Potential Local Taxes and Fees for Acquisition of Undeveloped Properties
 - 2. Review of Funding Sources Outside of Local Taxes and Fees for Acquisition of Undeveloped Properties
 - 3. Review Potential Organizational Structures to Acquire and Manage Undeveloped Properties
- C. Discussion to Define Process for Valuing Undeveloped Parcels
- D. Discuss and Update the Buildout Reduction Report Outline
- E. Discussion to Estimate the Cost of Maintenance of Acquired Properties

3. FUTURE AGENDA ITEMS

4. ADJOURN



**Buildout Reduction Program Citizens' Committee
(BRPCC)**

REGULAR MEETING
Monday, February 27, 2017 - 10:00 AM
2850 Burton Drive Cambria CA 93428

MINUTES

A. CALL TO ORDER

Chairman Siegler called the meeting to order at 10:03 a.m.

B. ESTABLISH QUORUM

Committee Members Present:

Ted Siegler, Crosby Swartz, Laura Swartz, Cindy Steidel, Mark Rochefort, Mel McColloch
Greg Hunter, Jerry McKinnon, Allison Groves

Committee Members Absent:

Bob Sfarzo

CCSD Staff Present:

Haley Dodson, Confidential Administrative Assistant

C. CHAIRMAN'S REPORT

No chairman's report.

1. PUBLIC COMMENT

None.

2. REGULAR BUSINESS

**A. Consideration to Approve the Minutes from the Regular Meeting held
on February 7, 2017**

Committee Member Laura Swartz stated the comment "Committee Member Laura Swartz stated it's not difficult to create an Open Spaces District" should read

“Committee Member Laura Swartz stated it’s possible to create an Open Spaces District.”

Committee Member Crosby Swartz motioned to approve the minutes as amended.

Committee Member Groves seconded the motion.

Motion was approved unanimously.

B. Report on Subcommittee Review of Lot Retirement Methods:

1. Review of Potential Local Taxes and Fees for Acquisition of Undeveloped Properties

Chairman Siegler had a phone meeting with District Counsel and their associate said mitigation fees may only be levied by bodies with land use authority. If we were to recommend mitigation fees it would have to be done through the county. It can’t be done by CCSD or a local body. District Counsel stated there is a code which states districts such as CCSD can levy special taxes.

Chairman Siegler proposed two options for a Mello-Roos assessment and it requires a two-thirds vote:

Option 1: fee prorated over 25 year period at 1/25 per year.

Option 2: a lump sum payment one year after receiving a notice that the CCSD would be in a position to provide them an intent to serve letter.

The Mello-Roos fee stays with the wait list number and the assessment is only for the holders of a wait list position.

The committee had an extensive discussion regarding Mello Roos.

Chairman Siegler suggested the next step for the committee is to go to the county to see if they would support the Mello-Roos assessment.

2. Review of Funding Sources Outside of Local Taxes and Fees for Acquisition of Undeveloped Properties

Committee Member Rochefort reported that he finished the report on public and private grants and will be circulating it among committee members. Once he receives the committee’s input, he will ask Haley Dodson to distribute the report and put it on the agenda for future discussion. He stated there is a Business Improvement District fee (BID) which is charged to tourists who stay at hotels, motels, and other lodging in Cambria. He has a meeting scheduled with Bruce Gibson and his Executive Assistant on March 15, 2017 at 4:00 p.m. to discuss aspects of the BID fee and how it might be used.

3. Review Potential Organizational Structures to Acquire and Manage Undeveloped Properties

Committee Member Groves stated the obstacle for an Open Spaces District is the two-thirds vote.

Committee Member Crosby Swartz gave a handout (attached) to the committee members. He discussed an Open Space Maintenance District, which doesn't have authority to acquire property. He suggested to the committee that they should read "Lessons Learned Concerning Establishment of Special Districts for Land Preservation in California." It's prepared by Grant Lyon, a UC Santa Environmental Studies Intern. Committee Member Crosby Swartz will work with Chairman Siegler on having District Counsel review the Open Space Maintenance District.

C. Discussion to Define Process for Valuing Undeveloped Parcels

Committee Member Rochefort had a productive meeting with another realtor. The realtor has volunteered to do some work for the committee and will come up with 8-10 discreet areas where values differ, from area to area within the town. The realtor will provide us with the multiple listings going back three years to give us a sense of what vacant lots have sold for.

Committee Member Hunter stated the assessment values for small lots are running less than \$10k a lot. By the next meeting, he will have something to present.

D. Discuss and Update the Buildout Reduction Report Outline

No report at this time.

E. Discussion to Estimate the Cost of Maintenance of Acquired Properties

Chairman Siegler asked the committee if anyone would form a committee to research the cost of maintenance of acquired properties. Committee Member Rochefort volunteered to be a part of this committee.

Committee Member Laura Swartz suggested contacting the following groups to get data on the estimated cost of maintenance:

Greenspace

Land Conservancy of San Luis Obispo

Cambria Community Services District

3. FUTURE AGENDA ITEMS

Committee Member Groves suggested having a consent agenda and taking action only minutes.

Chairman Siegler stated he doesn't want to have more minutes than is necessary, but providing some transparency to the public who may want to see what the committee was doing, how they were deliberating and where they were coming from is helpful. He stated we are a working committee and the minutes reflect the work of the committee, but he understands what Committee Member Groves is saying.

Committee Member Groves stated as an attorney she advises having action only minutes.

Chairman Siegler stated he's been asked to provide the CCSD Board of Directors with a BRPCC report at the March 23, 2017 Board Meeting. He asked the committee to provide information at the next meeting that should be included in the summary to the CCSD Board of Directors.

4. ADJOURN

Committee Member Groves motioned to adjourn the meeting.

Committee Member Rochefort seconded the motion.

The committee unanimously agreed to adjourn the meeting at 11:41 a.m.

The next BRPCC meeting will be on Monday, March 20, 2017 at 10:00 a.m.

Potential Mello-Roos Mechanics

Solicit agreement from property owners who have (a) undeveloped property and (b) a water right such as a wait list position or grandfathered meters to form a Mello-Roos district. The Mello-Roos lien will relate to the number of square feet in the undeveloped parcel.

District administrator will issue a bond to be repaid over 25 years by income generated by payment of the Mello-Roos liens.

Property owners will have two payment options:

1. Property owners may choose to pay an annual fee equal to the amount of the lien divided by 25 years beginning in the first year of district formation.
2. Property owners may choose to pay the full amount or balance of the lien at any time, but no later than one year after being notified by the CCSD that they may apply for an intent-to-serve letter and in no case later than final maturity of the bond. This option might require dividing the Community Facilities District into sub areas that are triggered when intent to serve letters are offered to groups of property owners based on their position on the Water Wait List.

The balance of the lien, if any, must be paid in full prior to the property owner transferring his/her right to water service from the property.

LEAD AGENCY: CCSD (with added power and purpose)

Funding for acquisition: Assessment District of Wait List Parcels

Acquisition Management: The Land Conservancy per agreement with CCSD

Funding for Maintenance: Open Space Maintenance District of all parcels per Govt Code 50575 et seq

Maintenance Management: Appointed 5 member advisory board per Govt Code 50610

Discussion: CCSD is the lead agency on all water supply projects, and is required to implement the Buildout Reduction Program as a mitigation measure. This obligation could facilitate the funding approval process.

The maintenance advisory function could be delegated to the PROS Commission or the Friends of the Fiscalini Ranch Board.

This organizational option could be the easiest to set up and least expensive to operate.

LEAD AGENCY: Open Space District

Funding for acquisition: Assessment District of Wait List Parcels

Acquisition Management: Open Space District Board

Funding for Maintenance: Assessment District of all parcels

Maintenance Management: Open Space District Board

Discussion: This organizational option is considered most effective because it has a single purpose and board expertise. It is more difficult to set up and could require 2/3 majority voter approval for the assessment districts.

LEAD AGENCY: The Land Conservancy of SLO and County

Funding for acquisition: Proceeds from sale of Transfer Development Credits and grants

Acquisition Management: LCSLO

Funding for Maintenance: Transfer ownership to CCSD or Open Space District

Discussion: The current TDC Program applies to Special Project Areas 1 and 2. The County is looking at expanding the TDC Program to other areas of Cambria. It is unknown if any additional start-up funding will be available. In any event, the pace of

parcel retirement would be dependent on the sale of TDC's.

LEAD AGENCY: County Service Area

Management and funding as determined by the SLO County Board of Supervisors

Discussion: This option could be used if the other arrangements are unsuccessful.

GRANTS

INTRODUCTION

There are currently several grant programs designed to preserve and protect forestlands, open space and wildlife habitats that potentially may be available to supplement funding of acquisition and/or maintenance costs of the Buildout Reduction Program (BRP). These grant programs are administered by the federal and state governments as well as private corporations, foundations and other NGOs. Most of the programs, especially those that are government funded, provide grants on a nonrecurring annual basis. In addition, the availability of grants is dynamic in the sense that each year existing grant programs terminate or expire while new programs are created. All governmental grant programs require some manner of baseline report to accompany the grant application and, after the grant is issued, continuing compliance monitoring and reporting. Therefore, to take full advantage of grant funding on an ongoing basis, the CCSD or other entity responsible for the BRP will be required to establish a permanent function, with grant funding expertise, to pursue grants as a supplemental BRP revenue source.

Below is a representative sample of grant programs that may be currently available to the BRP. It is safe to assume that some of these programs would no longer exist by the time the BRP is implemented but it is also reasonable to assume that other similar programs would come into existence and be available at that time.

GOVERNMENT GRANTS

A. Federal and California Forest Legacy Programs

There are two primary grant programs operating in the State of California that target the preservation of privately owned forests: the Federal Forest Legacy Program and the California Forest Legacy Program. The California Department of Forestry and Fire Protection (Cal Fire) administers both programs.

The Federal Forest Legacy Program (FFLP) was inaugurated in 1990, in partnership with the states, to preserve privately held forestland by preventing

conversion of forests to non-forest uses, such as residential and commercial development. The California Forest Legacy Program (CFLP) was created in 2000 when the Governor signed the California Forest Legacy Act; it also is intended to protect environmentally sensitive forestland threatened by conversion to non-forest uses.

Both programs are entirely voluntary and both utilize permanent conservation easements to preserve forestland. One major difference between the two programs is in their funding. The FFLP receives its funding from the Land and Conservation Fund which, in turn, is funded by federal off-shore oil and gas lease revenues while the CFLP receives no funding from the state legislature or other state revenues. Rather, the CFLP is funded from gifts, donations, federal grants and loans and “other appropriate funding sources.”

Both programs issue grants to share in certain costs of creating a conservation easement, including but not limited to, the cost to purchase such an easement. The amount of funding by each program varies from project-to-project but cannot exceed 75% of actual costs. Conservation easements under the programs are typically held by local governments, land conservancies/trusts and other qualified non-profits.

Grants are issued annually on a competitive basis. Cal Fire uses a common application form for both FFLP and CFLP grants. While both programs have, on rare occasions, issued successive and separate grants to cover different phases of a single large forest preservation project in successive years, there is no instance where either program issued grants on a multi-year basis. In addition to the application, the landowner/applicant must prepare a multi-resource management or stewardship plan for the forested property. The easement holder is required to monitor the property to assure that its use conforms to the terms of the easement.

B. Other Grant Programs Administered by Cal Fire

1. Greenhouse Gas Reduction Funds

Unlike the FFLP, the CFLP provides that one of its stated purposes is to preserve privately owned forestland to act as a carbon storage “sink.” Accordingly, the Cal Fire application process also includes a Concept Proposal Form for Cal Fire Greenhouse Gas Reduction Funds. This connection indicates that additional funds under the Greenhouse Gas Reduction Fund (GGRF) may be available in conjunction with and in addition to grants under the CFLP.

2. Other Cal Fire Grants under the GGRF

Urban and Community Forestry Grants. These grants are intended to fund a variety of projects for expansion and *better management* of urban forests. By integrating or, at least, cross referencing the BRP with the Forest Plan, the CCSD or individual property owners may be in a better position to take advantage of GGRF grants.

Other GGRF Programs. Other GGRF grant programs focus on such activities as reforestation, fuel clearance, watershed preservation, etc. which do not seem to apply directly to preserving existing forestland through land acquisition and buildout reduction. However, these programs do offer grants for such activities as forest health, fuels reduction, reforestation and forest pest control that may be available for the maintenance aspects of the BRP.

3. State Responsibility Area Fire Prevention Fund (SRAFPP)

Cal Fire also administers grants to the State Responsibility Areas (SRA) for fire prevention. Specifically, the SRAFPP is intended to fund local efforts in SRAs to remove dead and dying trees and *reduce the wildfire threat to habitable structures*. All or substantial portions of Cambria fall into the State Responsibility Area. The program certainly provides grants to local entities or individuals to reduce the threat of wildfire to existing structures. Although a stretch, the program could also be read broadly to provide funds to acquire land to reduce the potential number of habitable structures and thus reduce the threat of wildfire to such structures. Beyond the availability of SRAFPP grants for land acquisition, such grants certainly may be available to help fund the maintenance aspects of the BRP.

C. Grant Programs Administered by other California Agencies

1. California Wildlife Conservation Board

The California Wildlife Conservation Board (WCB) is an independent board created in 1947 to administer a capital outlay program for wildlife conservation and related public recreation. Currently, the Board consists of the President of the Fish and Game Commission, the Director of the California Department of Fish and Wildlife and the Director of the Department of Finance.

On a quarterly basis, the WCB issues grants for several purposes, including: to preserve wildlife habitat and to preserve forestlands. The grants are issued to purchase fee title in lands or lesser interests such as conservation easements and development rights. The properties or interests in properties may be acquired by the WCB or, in many instances, the WCP grants funds to other governmental entities or nonprofits for them to purchase fee title or easements.

2. California Department of Water Resources

The Financial Assistance Branch of the California Department of Water Resources Integrated Regional Water Management (IRWM) administers an extensive grant program the purpose of which is to provide funding for “planning, disadvantaged community involvement, implementation, and companion grant programs that support sustainable groundwater planning and water-energy programs and projects.” IRWM programs include water supply/management, environmental restoration and water use efficiency. The Sustainable Water Facility certainly qualifies for IRWM grant funding and a reasonable argument can be made that the BRP, as a mitigating measure under the SWF Supplemental Environmental Impact Report, should also qualify.

3. California Coastal Conservancy

California Public Resources Code § 31220(b)(7) specifically authorizes the California Coastal Commission to issue grants to local agencies to “reduce the

impact of population and economic pressures on coastal and marine resources.” This statute appears directly to support grant funding for the acquisition and maintenance aspects of the BRP.

4. California Department of Parks and Recreation

The Office of Grants and Local Services of the California Department of Parks and Recreation also administers a program to issue grants in the sum of \$2 million annually to protect various plant and animal species. This program, which requires 50% matching funds, may also be available to acquire and maintain properties that are habitat sensitive.

NONGOVERNMENT GRANTS

The Grantsmanship Center¹ website (tgci.com) lists the top giving foundations in California. Those set forth below include on their websites that they entertain grant requests for environmental and similar purposes consistent with the BRP:

The William and Flora Hewlett Foundation
The David and Lucille Packard Foundation
The James Irvine Foundation (evolving focus)
Marisila Foundation

CONCLUSION

Public and private grants may provide a good source of funds to supplement the regular revenue streams available to the BRP. However, to take advantage of this means of supplemental revenue, we recommend that the CCSD or other agency responsible for the BRP establish a dedicated and disciplined

¹ The Grantsmanship Center is one of several services that, for an annual membership fee, provides an extensive pre-screened data base of information about available grants from the federal government, foundations and corporations tailored to specific projects. If the CCSD or other agency responsible for implementing the BRP decides to pursue private grant funding to supplement BRP revenue we suggest that it subscribe to one of these services. The annual fees range from \$500 to \$2,000.

program to obtain such grants and to provide assistance to individual property owners who may also benefit from such grants consistent with and in furtherance of the BRP.