

**DATE:** April 29, 2019

**TO:** RMC Governing Board

**FROM:** Mark Stanley, Executive Officer

**SUBJECT:** Item 16: Consideration of a resolution authorizing the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy to authorize a Proposition 1 grant to the Watershed Conservation Authority for acquisition of a property along the Lower LA River for the Green Incubator project (RMC 18008)

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**PROGRAM AREA:** All

**PROJECT TYPE:** Acquisition

**JURISDICTION:** Los Angeles River

**PROJECT MANAGER:** Salian Garcia

**RECOMMENDATION:** That the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy (RMC) governing board authorize a Proposition 1 grant in the amount of \$6,510,000 to the Watershed Conservation Authority (WCA) for acquisition of a property along the Lower LA River for the Green Incubator Project.

**PROJECT DESCRIPTION:** A key strategy of the Lower Los Angeles River (LLAR) Revitalization Plan (AB 530) is to strategically coordinate planning efforts that can leverage funding sources, specifically Proposition 1, to maximize implementation approaches that will fully realize the benefits of the Plan. As described in the Lower LA River Grant Sub-Program approved by the RMC Governing Board at the January 22, 2018 meeting (Resolution 2018-02), funding is set aside for the “Green Incubator Fund,” which will primarily be expensed for acquisition of a site and related build-out expenses. The Watershed Conservation Authority (WCA) was listed as one of the entities that will be involved in the due diligence activities, such as pre-acquisition activities, Phase I Environmental Site Analyses, and the purchase of the site itself.

The Rivers Green Incubator project will serve as a base and catalyst for the implementation of the Lower Los Angeles River (LLAR) Revitalization Plan by building capacity, providing coordination, and facilitating collaboration by and for all community stakeholders. The Green Incubator will have the potential to provide funding for a river-adjacent, RMC managed site to support effort identified in the production of the Lower Los Angeles River Revitalization Plan as result of legislation directed by AB 530. Elements of the facility will include and among other functions,

- A “green innovator-in-residence” entrepreneurship,
- A STEM/Citizen Scientists Academy for local youth,
- Local green and environmental justice non-profits.

Both WCA and RMC staff will collaboratively work with educational partners from school districts to universities, river advocates and coalitions, and social enterprise organizations to articulate a program curriculum and schedule. RMC will be finalizing a business and operational plan for the incubator with the support of consultants in conjunction with negotiations to acquire the property.

Elements of negotiations and pre-acquisition of property for the Green Incubator is not expected to exceed more than five (5) percent of the cost and will take the better part of the spring and summer of 2019 to complete. Grant close out, acquiring property insurance, and other post-acquisition activities is expected to be completed by June 30, 2020. The target area along the LA River is between the City of Vernon and South Gate to benefit these severely disadvantaged river adjacent communities which have some of the worst socio-economic indicators and pollution burdens in the State. Early research of price comps of warehouses and other properties in the targeted area hover around \$6 million, therefore, the RMC anticipates the acquisition purchase price of \$6,200,000 plus no more than 5% (or \$310,000) of this amount for pre-acquisition activities, providing a total grant amount of \$6,510,000.

Final negotiations and pricing will be presented to the RMC Governing Board for approval.

**BACKGROUND:** On September 28, 2015 the RMC approved grant program guidelines which provided for project applications to be submitted for funding consideration using Proposition 1 as the main funding source. Proposition 1 section 79735 (a) has a specific allocation of one hundred million dollars (\$100,000,000) shall be available, upon appropriation by the Legislature, for projects to protect and enhance an urban creek, as defined in subdivision (e) of Section 7048, and its tributaries pursuant to Division 22.8 (commencing with Section 79508. This amount was evenly split between the Santa Monica Mountains Conservancy and the Rivers and Mountains Conservancy for river related projects.

This action allows the RMC to create a competitive grant program specific to the Lower LA River, using the \$50 million funding available for river related projects. The RMC anticipates that projects identified in the Lower LA River Revitalization Master Plan will be submitted as part of this program, with some consideration given to projects that are not identified in the plan but are located within the Lower LA River corridor including tributaries to the Lower LA River.

The RMC Proposition 1 LLAR grant program guidelines (call-for-projects were approved October 2018) includes a description of six (6) funding categories, including the creation of a Green Incubator Fund.

In support of the Incubator, RMC released a Request for Qualifications (RFQ) on December 5<sup>th</sup>, 2018 which included request for professional services as required to support the Green Incubator project, including preliminary business planning, mentoring and networking support, planning, and construction. A list of qualified consultants for retained services is included in the Item 12 report.

**FISCAL INFORMATION:** This grant will award the Watershed Conservation Authority for the total amount of \$6,510,000 in Proposition 1 funds from funds remaining in the round one solicitation of Proposition 1 project request.

Proposition 1 funding for this project will be allocated from the following sections of Proposition 1, under statute:

79731 (f): San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the sum of thirty million dollars (\$30,000,000) and section 79735 (a) of the funds authorized by Section

79730, one hundred million dollars (\$100,000,000) shall be available, upon appropriation by the Legislature, for projects to protect and enhance an urban creek, as defined in subdivision (e) of Section 7048, and its tributaries pursuant to Division 22.8 (commencing with Section 79508....

Additional funding sources will be used as they become available.

**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.

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RESOLUTION 2019-16

RESOLUTION OF THE SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY (RMC) AUTHORIZE A PROPOSITION 1 GRANT TO THE WATERSHED CONSERVATION AUTHORITY (WCA) FOR ACQUISITION OF A PROPERTY ALONG THE LOWER LA RIVER FOR THE GREEN INCUBATOR PROJECT (RMC 18008)

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 Water Quality, Supply, and Infrastructure Improvement Act of 2014 (“Proposition 1”) and

WHEREAS, the State of California has authorized an expenditure of funds from Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 to the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy for capital outlay and local assistance multi-benefit grants for ecosystem and watershed protection and restoration projects; 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 proposed project meets an objective of the California Water Action Plan for more reliable water supplies, restoration of important species and habitat, more resilient and sustainably managed water infrastructure; and

WHEREAS, The proposed project meets the goals of reducing greenhouse gas emissions consistent with AB 32; and

WHEREAS, The proposed project is consistent with the San Gabriel and Los Angeles River Watershed and Open Space Plan; and

WHEREAS, The proposed project protects land and water resources; and

WHEREAS, The grantee has requested a grant from Proposition 1, Section 79731 (f) or Section 79735 (a) of the Water Code; and

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 Proposition 1 RMC Grant Program is consistent with the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (“Proposition 1”), which provides funds for the RMC grant program.

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- 3 FINDS the proposed project meets at least one of the purposes of Proposition 1.
- 4 FINDS the proposed project meets at least one of the three objectives of the California Water Action Plan.
- 5 FINDS that the proposed action is consistent with the San Gabriel and Lower San Gabriel and Los Angeles River Watershed and Open Space Plan as adopted by the Rivers and Mountains Conservancy;
- 6 FINDS that the actions contemplated by this resolution are exempt from the environmental impact report requirements of the California Environmental Quality Act.
- 7 ADOPTS the staff report dated April 29, 2019.
- 8 AUTHORIZE a grant of Proposition 1 funds in the amount of \$6,510,000 to the Watershed Conservation Authority (WCA) for acquisition of a property along the Lower LA River for the Green Incubator Project.

~ End of Resolution ~

Passed and Adopted by the Board of the  
SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS  
CONSERVANCY on April 29, 2019.

Motion \_\_\_\_\_ Second: \_\_\_\_\_

Ayes: \_\_\_\_\_ Nays: \_\_\_\_\_ Abstentions: \_\_\_\_\_

\_\_\_\_\_  
Frank Colonna, Chair

ATTEST: \_\_\_\_\_  
David Edsall, Jr.  
Deputy Attorney General