

DATE: November 18, 2019

TO: RMC Governing Board

FROM: Mark Stanley, Executive Officer

SUBJECT: Item 11: Consideration of a resolution approving a grant extension to the City of Fullerton for the West Coyote Hills Open Space Acquisition Project (RMC 17007)

PROGRAM AREA: Urban Lands

PROJECT TYPE: Acquisition

JURISDICTION: City of Fullerton

PROJECT MANAGER: Sally Gee

RECOMMENDATION: That the RMC authorize a grant amendment with the City of Fullerton to extend the project timeline to August 31, 2020 (RMC17007).

PROJECT DESCRIPTION:

Exhibit A – City of Fullerton Extension Request
 Exhibit B – Updated Timeline and Budget
 Exhibit C – Vesting Tentative Tract Map No. 17609
 Exhibit D – Matching Funds

The City of Fullerton (City) is submitting an amendment request to extend the grant agreement for the West Coyote Hills Open Space Acquisition Project to August 31, 2020 (Exhibit A and B). The City was approved for funding to acquire “Neighborhood 1” of West Coyote Hills (Exhibit C) through RMC’s Round 1 Prop 1 funding (RMC Resolution 2017-04). Funding for acquisition of this property would assist in purchasing 10.4 acres of open space adjacent to the Robert E. Ward Nature Preserve (72.3 acres). When acquired, it will enable 359 species to thrive and two million residents living within 10 miles to enjoy about 340 acres of the last remaining contiguous natural open space in north Orange County.

The RMC is working in partnership with several other State and Federal natural resource agencies to fund the acquisition of this property (Exhibit D). The original grant was set to expire on December 30, 2018, however at that time, the City was still actively pursuing matching funds to purchase both Neighborhoods 1 and 3. Due to the critical open space habitat opportunities provided through this acquisition, RMC granted an 11-month administrative extension to the City of Fullerton to November 30, 2019. With the final receipt of funds earlier this year, the City is requesting an extension to finalize the award of \$15 Million from a Budget Trailer Bill and matching funds from the State Coastal Conservancy, Wildlife Conservation Board, and US Fish and Wildlife Services for acquisition and operation of West Coyote Hills (Exhibit D). The City is planning to purchase Neighborhoods 1 (10.4 acres) and 3 (13.7 acres) with this new funding and has completed the appraisal of the properties. They are currently working to complete the purchase and sale agreement and the Remedial Action Plan. Escrow is expected to close in Summer 2020.

BACKGROUND: The West Coyote Hills provides an opportunity to preserve important urban open space and contribute to additional natural lands, maintain a wildlife corridor, and restore and sustain important habitat and biological species. To date, 301.4 continuous adjacent acres of the 339.7 acres of West Coyote Hills have been secured through Vesting Tentative Tract Map No. 17609 approved by the Fullerton City Council on November 17, 2015 (Exhibit C). Pacific Coast Homes (developer, a Chevron Subsidiary) is a willing seller for Neighborhoods 1 and 3. Additional open space acreage is entitled with the acquisition of these neighborhoods (Neighborhood 4, 14.20 acres). Neighborhood 2, 18.5 acres, was secured through the vesting tentative tract map. Funding to acquire the remaining 38.3 acres has not yet been secured and has the chance of being developed into residential properties.

Pacific Coast Homes has committed to funding the construction of new trails, vista parks, and a nature center at West Coyote Hills, and will fund a \$3,840,000 Million endowment to maintain the open space into perpetuity. This area will serve as open space for several communities including La Habra, Whittier, Norwalk, Buena Park, La Palma, Cypress, Fullerton, Anaheim, Brea, and Placentia, many of which are considered park poor.

Recreation and interpretive opportunities are an important part of the overall goals of protecting the 340 acres available for open space. The City in partnership with community members created an interpretive master plan to enhance the proposed open space district for residents and visitors. In addition to recreation and interpretive amenities, the acquisition of the open space district would offer unique biological benefits to the native habitat and species in the area, such as supporting critical habitat for the threatened California Gnatcatcher. West Coyote Hills serves as an important point of regional connectivity to the Puente Hills via the Brea and Coyote Creeks.

FISCAL INFORMATION: The total project cost for the West Coyote Hills Acquisition (RMC 17007) Project is \$2,000,000, for acquisition of real property within the City of Fullerton (RMC Resolution 2017-04). The amendment will not increase the overall grant amount. Funding sources in addition to RMC include matching contributions from local, state, and federal sources that total \$26,249,000.

Funding for this project allocated from the following:

Proposition 1, Chapter 188, Statutes of 2014

Water Quality, Supply, and Infrastructure Improvement Act of 2014 allocations, Chapter 6 under statute:

79731 (f): San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, the sum of thirty million dollars (\$30,000,000).

LEGISLATIVE AUTHORITY AND RMC ADOPTED POLICIES/AUTHORITIES:

Public Resources Code Division 22.8 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 protection. 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 2015-19 approved guidelines consistent with the Proposition 1 bond language;
RMC Resolution 2016-05 approved review of forty-four grant applications submitted for the Rivers and Mountains Conservancy Proposition 1 Grant Program;
RMC Resolution 2016-13 approved the RMC Proposition 1 (2015) Tier 1 and Tier 2 Grant Recommendations;
RMC Resolution 2016-23 approved the RMC Proposition 1 Grant Program (2015) Tier 1 and Tier 2 Grant Recommendations and authorized grant distributions of \$20,261,564.
RMC Resolution 2017-04 authorized a grant of Proposition 1 funds in the amount of \$2,000,000 to the City of Fullerton for the West Coyote Hills Open Space Acquisition (RMC 17007).



CITY OF FULLERTON

Parks and Recreation Department

September 18, 2019

Mark Stanley
Executive Officer
Rivers and Mountains Conservancy
100 N. Old San Gabriel Canyon Road
Azusa, CA 91702

Grant Agreement No.: RMC 17007

Dear Mr. Stanley,

The City of Fullerton is requesting an extension to our grant agreement RMC 17007 for acquisition of West Coyote Hills. We are requesting this extension to finalize the recent award of \$15 million from the Budget Trailer Bill and \$4.8 million from the Wildlife Conservation Board and US Fish and Wildlife Services for acquisition and operations of West Coyote Hills.

With this new funding and the \$2 million awarded from the RMC grant, we will be able to acquire Neighborhoods 1 and 3. We are working with the California Coastal Conservancy and the Wildlife Conservation Board to secure the new State funding. We have completed and submitted the Yellow Book appraisal. We are finalizing the purchase and sale agreement as well as the Remediation Action Plan.

Unfortunately, this will take us past the original deadline of December 31, 2018. We anticipate closing escrow around the end of May 2020. For this reason, we respectfully request an extension to August 31, 2020.

Sincerely,

A handwritten signature in blue ink, appearing to read "Alice Loya".

Alice Loya
Parks and Recreation Manager

THE EDUCATION COMMUNITY

303 West Commonwealth Avenue, Fullerton, California 92832-1775
(714) 738-6575 • Fax (714) 738-6599 • Web Site: www.ci.fullerton.ca.us



Timeline**West Coyote Hills Neighborhood 1 (10.4 acres)****Status as of August 19, 2019**

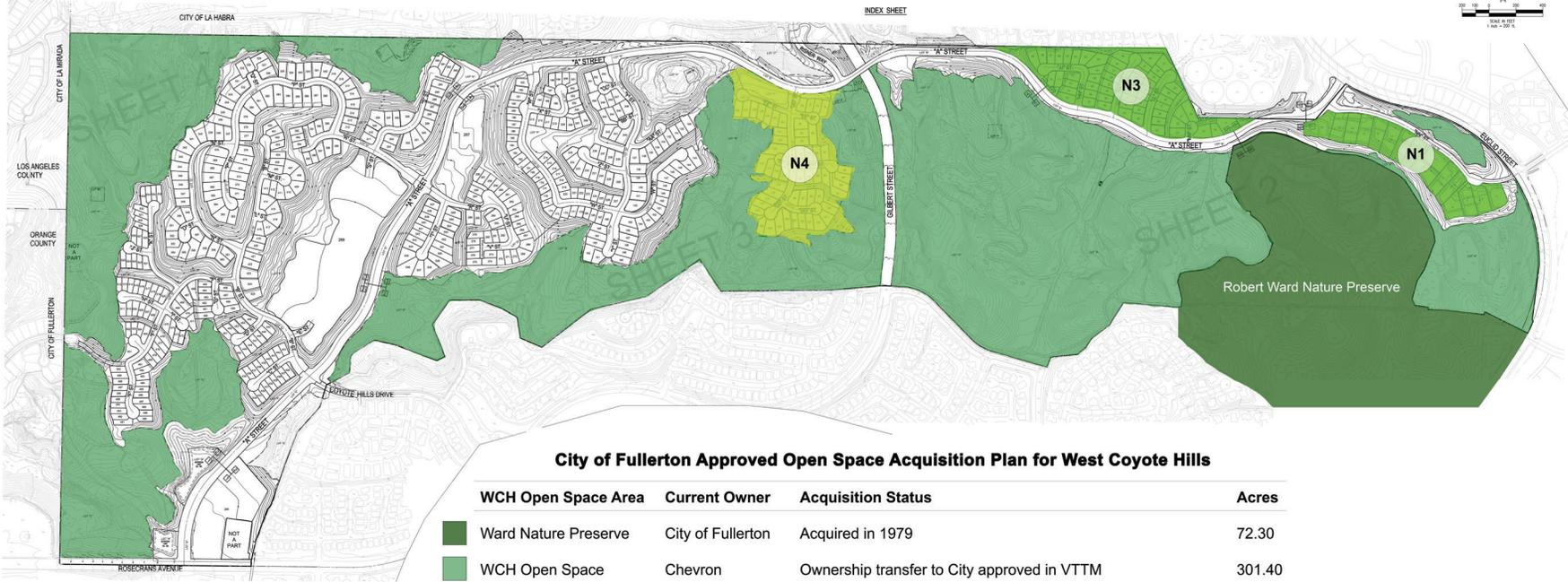
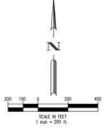
Task	Total Amount	RMC Grant Amount	Projected Timeline
Preliminary Title Report	\$2,250	\$2,250	Completed July 2017
DGS Appraisal Neighborhoods 1 and 3 (RMC only N1)	\$12,000	\$6,000	Completed May 2019
Yellow Book Appraisal for Neighborhoods 1 and 3	\$15,750	\$0	Completed August 2019
Federal and State review of Yellow Book Appraisal	\$10,000	\$0	Under review, estimated completion date November 2019
Complete Purchase and Sale agreement	TBD	\$0	Final draft under review. City Council approval October 2019
Open escrow with Warne Foundation Funding	\$140,000	\$0	November 2019
Remedial Action Plan (RAP) submitted to OC Health Care Agency by Chevron	N/A	\$0	January 2020
RAP submitted to Coastal Conservancy & WCB for review & approval	N/A	\$0	January to March 2020
Acquisition of Neighborhood 1 – 10.4 acres	\$7,800,000	\$1,991,750	Submit funding requests to all State agencies for purchase - April 2020
Estimated closing costs	\$312,000	\$0	Close escrow May 2020
Total Cost	\$8,292,000	\$2,000,000	

VESTING TENTATIVE TRACT NO. 17609

IN THE CITY OF FULLERTON, COUNTY OF ORANGE, STATE OF CALIFORNIA

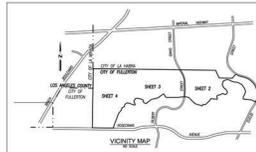
DATE: SEPTEMBER 2015
 ACREAGE: 508 ACRES GROSS
 ADJACENT PARCEL NUMBERS:
 287-081-24 THROUGH 28 INCLUSIVE, 48, 81 TO 84 INCLUSIVE,
 287-082-14, 27 & 28 AND 286-091-12 THROUGH 14 INCLUSIVE

INDEX SHEET



City of Fullerton Approved Open Space Acquisition Plan for West Coyote Hills

WCH Open Space Area	Current Owner	Acquisition Status	Acres
Ward Nature Preserve	City of Fullerton	Acquired in 1979	72.30
WCH Open Space	Chevron	Ownership transfer to City approved in VTTM	301.40
N1 Neighborhood 1	Chevron	City currently raising funds to purchase	10.40
N3 Neighborhood 3	Chevron	City currently raising funds to purchase	13.70
N4 Neighborhood 4	Chevron	Fundraising pending acquisition of Neighborhoods 1 & 3	14.20
Total			412.00



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VESTING TENTATIVE TRACT NO. 17609
 WEST COYOTE HILLS
 CITY OF FULLERTON, CALIFORNIA

SHEET 1 OF 4

**City of Fullerton
West Coyote Hills Open Space Acquisition**

Property Details	Neighborhoods		Operations, Additional Acquisition	Notes		
	1*	3*				
Property Size	10.4 acres	13.7 acres	N/A	*Yellow book appraised value from 2019 draft preliminary appraisal.		
Reduction of Units	16 units	60 units	N/A	**Acquisition of church property adjacent to WCH - appraisal pending.		
Appraised Value / Proposed Cost	\$7,800,000	\$10,275,000	\$10,024,000			
Grant & Agency	Total Award	Amount per Property/Program		Awarded	Notes	
RMC - Prop 1	\$2,000,000	\$2,000,000		1/23/17	Funds sent after appraisal, RAP and PSA submitted	
Henry & Ellen Warne Found. (OC Community Foundation)	\$140,000	\$140,000		2016, 2017, 2018	All funds received	
Prop 1 CA Natural Resources Agency Urban Rivers Grant	\$1,000,000	\$1,000,000		7/15/17	Funds sent after appraisal, RAP and PSA submitted	
US FWS, 2017 CESCFC Grants, NHCP Land Acquisition	\$2,000,000	\$2,000,000		5/21/18	Funds sent after appraisal, RAP and PSA <u>approved</u>	
WCB - Match for FWS NHCP Land Acquisition Section 6	\$2,809,000	\$2,809,000		5/21/18	Funds sent after appraisal, RAP and PSA <u>approved</u>	
CA Parks & Rec, Land & Water Conservation Fund (Federal)	\$500,000	\$1,000	\$499,000	6/1/18	Funds sent after appraisal, RAP and PSA submitted	
Coastal Conservancy - Prop 68. 2018	\$4,800,000			\$4,800,000	7/1/19	Funds sent after appraisal, RAP and PSA <u>approved</u>
Coastal Conservancy - CA State Budget 2018 trailer bill	\$15,000,000		\$9,776,000	\$5,224,000	7/1/19	Funds sent after appraisal, RAP and PSA <u>approved</u>
Total Funds	\$28,249,000	\$7,950,000	\$10,275,000	\$10,024,000		

Updated 11/13/19

November 18, 2019 – Item 11

RESOLUTION 2019-33

RESOLUTION OF THE SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY (RMC) APPROVING A GRANT EXTENSION TO THE CITY OF FULLERTON FOR THE WEST COYOTE HILLS OPEN SPACE ACQUISITION PROJECT (RMC 17007)

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) of the Water Code; 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.

Resolution No. 2019-33

- 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.
- 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 November 18, 2019.
- 8 APPROVES an extension of the timeline of the West Coyote Hills Open Space Acquisition Project (RMC17007) to August 31, 2020.

~ End of Resolution ~

Passed and Adopted by the Board of the
SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS
CONSERVANCY on November 18, 2019.

Motion _____ Second: _____

Ayes: _____ Nays: _____ Abstentions: _____

Frank Colonna, Chair

ATTEST: _____
David Edsall
Deputy Attorney General