

Funding Base Assessment

Santa Clara Valley HCP/NCCP

Stakeholder Group Meeting

April 24, 2007

Topics for Discussion

- ▶ Other Habitat Conservation Plans (HCPs) and Natural Communities Conservation Plans (NCCPs) in California
 - ▶ Costs
 - ▶ Funding Sources
- ▶ Development Impact Fees
- ▶ Ongoing Assessments
- ▶ Local and Regional Public Funding Sources
- ▶ State and Federal Funding Contributions
- ▶ Voter-approved Revenue Sources

Program Costs for Other HCPs and NCCPs

- ▶ Total program costs – including both one-time acquisition costs and ongoing maintenance and administration – are typically in the hundreds of millions over the life of a conservation plan.
- ▶ Costs commonly will include funding for an endowment.

Total Costs for Other Conservation Plans				
Conservation Plan	Study Area (Acres)	Years	Total Costs	Total Funding for Endowments
Coachella HCP/NCCP ¹	745,900	75	\$ 2,039,000,000	\$ 149,446,000
East Contra Costa County HCP/NCCP ²	174,018	30	324,000,000	-
San Joaquin County HCP ³	912,640	50	212,000,000	105,300,000
Western Riverside County HCP/NCCP ⁴	1,260,000	75	1,539,000,000	70,000,000
Natomas Basin HCP	54,000	50	N/A	40,390,000
San Diego County HCP/NCCP ⁵	582,243	50	329,520,000	-

¹ Coachella Valley MSHCP, *Recirculated Draft*, Feb. 2007 and *Financing Plan*

² Avg cost for initial (\$297.1M) and maximum (\$350M) urban areas. East Contra Costa HCP/NCCP *Executive Summary*, Oct. 2006

³ San Joaquin County HCP and Open Space Plan, *Informational Fact Sheet*; SJCOG staff

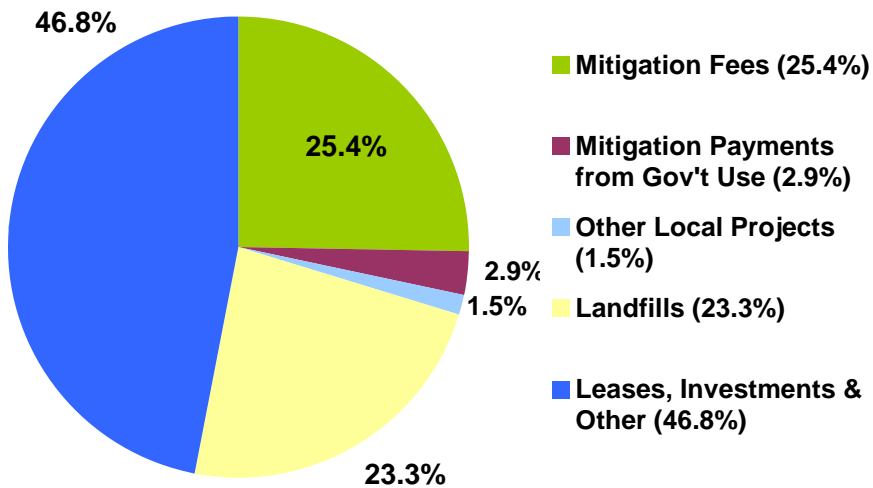
⁴ Western Riverside County MSHCP *Vol 1 - Sec 8.1 & 8.2.1*; Endowment funding applicable for first 25 years, *Implementation Agreement Sec. 12.2.5 Adaptive Management*

⁵ San Diego County *Final MSCP Plan*, Total program costs is based on a \$6,590,400/yr estimate (in 1996 dollars) *Table 7-4 Summary of Estimated Program Costs*; Plan allows for program managements costs to be funded by an endowment provided that a regional funding sources, such as a Mello-Ros Community Facilities District, is established. None has been established to date.

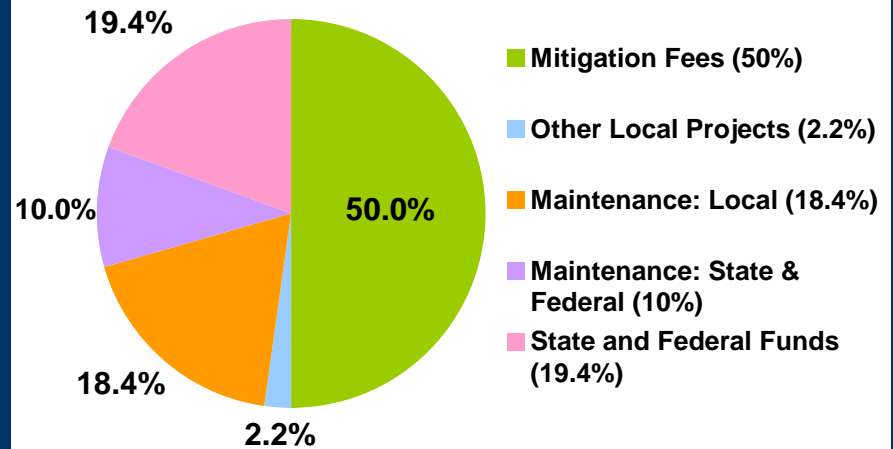
Sources: Coachella Valley Association of Governments; County of Riverside; Contra Costa County; San Joaquin County Council of Governments; Natomas Basin Conservancy

Funding for Other HCPs/NCCPs

Coachella HCP/NCCP

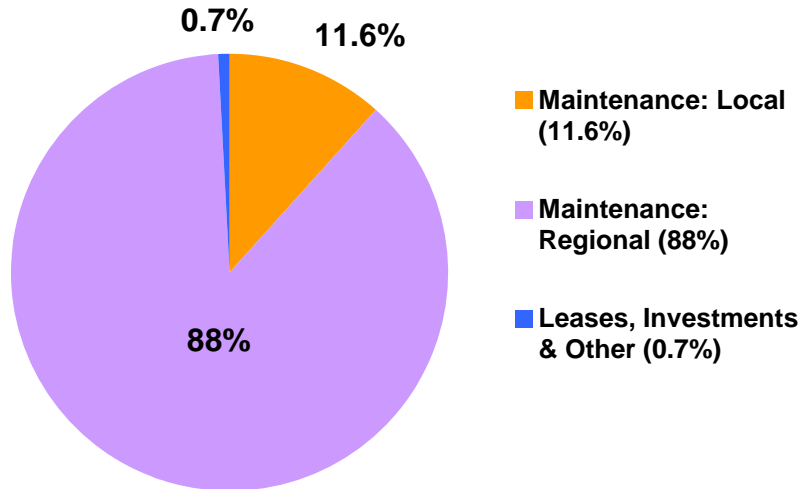


East Contra Costa County HCP/NCCP

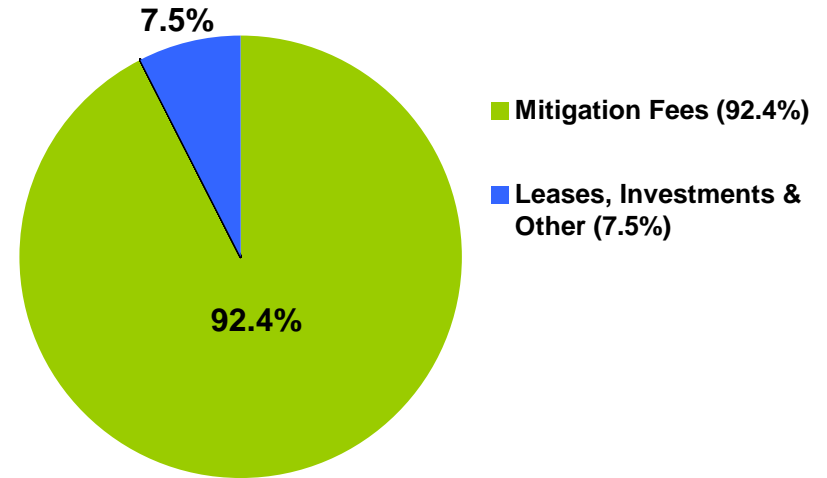


Other Habitat Conservation Plans

San Diego County HCP/NCCP

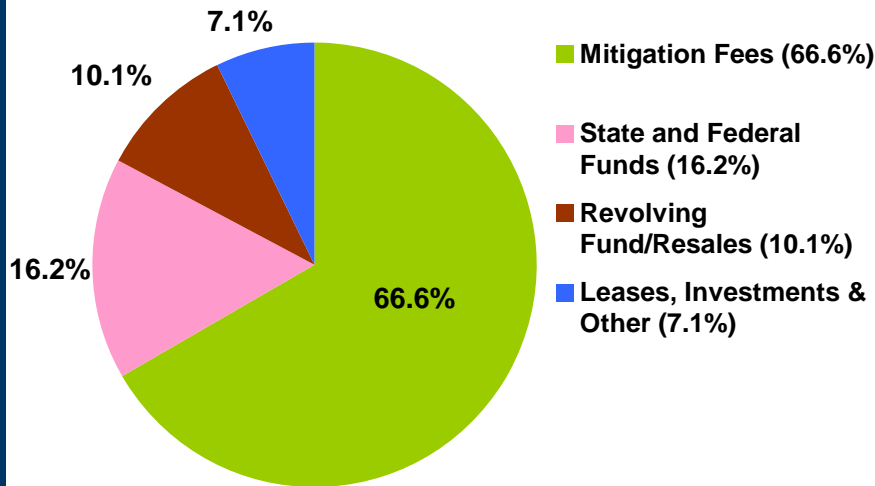


Natomas Basin HCP

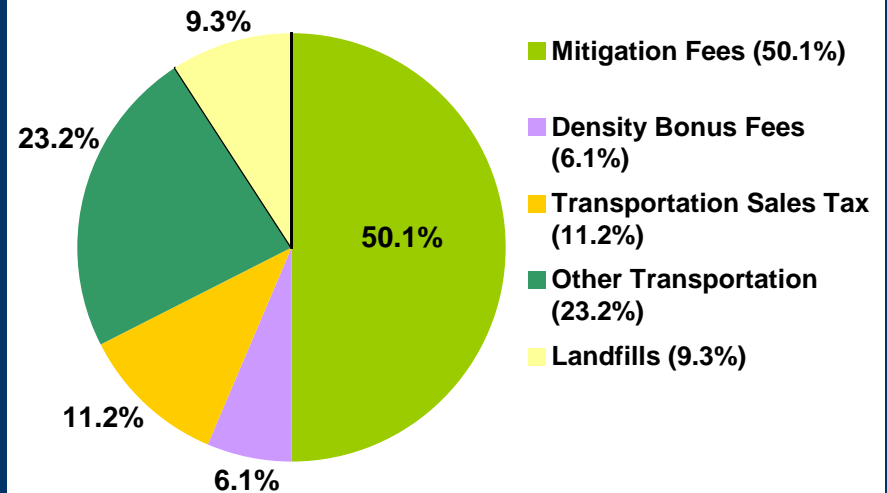


Other Habitat Conservation Plans

San Joaquin County HCP



Western Riverside HCP



Funding for Other HCPs and NCCPs

- ▶ Types and amounts of funding sources vary considerably.
- ▶ Development impact fees average about 50% of plan costs.
- ▶ NCCPs typically have greater local and state contributions and a smaller proportion of development fees than HCP-only plans.
- ▶ State and Federal typically provide up to 25%.

Development Impact Fees

- ▶ One-time charge to new development
- ▶ Typically the largest single funding source for HCPs in California
 - Can exceed 50% of total plan revenues

Mitigation Fees Charged by Other HCPs

Conservation Plan	Fee per acre
Coachella HCP/NCCP	\$ 5,703
East Contra Costa County HCP/NCCP ¹	13,906
San Joaquin County HCP	13,022
Western Riverside County HCP/NCCP ²	4,800
Natomas Basin HCP	38,445

Note: Fees will vary by development type within plan areas. Values shown represent average amounts.

¹ Fee represents an avg of per acre fees including Zone 1: Cultivated & Disturbed Lands (\$11,919); Zone 2: Natural Areas (\$23,838); and Zone 3: Small Vacant Lots (\$5,960)

² Fee charged on Commercial & Industrial development. The residential development fee is \$1,500 per dwelling unit.

Sources: Western Riverside County Multiple Species Habitat Conservation Plan Volume 1 - SECTION 8.5.1; East Contra Costa County HCP/NCCP Chapter 9, Table 9-4; San Joaquin County Council of Governments; Natomas Basin Conservancy Financial Statements 2005, p.5; Coachella HCP Proposed Plan Funding Sources

Local and Regional Public Funding Sources

- ▶ Capital improvement revenue sources for mitigation of new infrastructure projects and other covered activities
- ▶ Indirect contributions from existing public programs, e.g.:
 - On-going land acquisition for regional parks and open space
 - Watershed management and flood protection activities
- ▶ Landfill tipping fees

State and Federal Funding Contributions

- ▶ Revenue from state and federal sources can vary substantially.
- ▶ Contributions are typically restricted to land acquisition for species and habitat conservation not needed to mitigate covered activities.
- ▶ Ambitious habitat recovery goals could be a negotiating point in receiving a higher contribution from state and federal sources.

Ongoing Revenues

- ▶ Revenue sources requiring property owner-approval
 - Benefit Assessment Districts
 - Habitat Maintenance Assessment Districts
 - Community Facilities Districts (Mello-Roos special tax)
- ▶ High revenue potential
- ▶ Politically challenging
- ▶ Assessments can be technically challenging
 - How to establish “special benefit”?
 - May be best suited to local districts for local mitigation projects

Ongoing Revenues

- ▶ Revenue sources requiring voter-approval
 - ▶ Parcel taxes
 - Large and stable potential funding base
 - Flexible use of revenues
 - Require two-thirds voter approval
 - No special benefit requirement
 - ▶ Sales tax increases
 - Significant funding potential
 - May be more successful as a component of a larger program (e.g. transportation)
 - May require Countywide implementation